



BUDGET BULLETIN



COMMITTEE ON THE BUDGET
Republican Staff

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INFORMED BUDGETEER

FISCAL YEAR 2007 BUDGET RESOLUTION Comparison of House-Reported & Senate-Passed

| TOTAL OUTLAYS (trillions of dollars) | | |
|---|--------|--------|
| | House | Senate |
| 2007 | 2.771 | 2.795 |
| 2007-2011 | 14.689 | 14.755 |

| TOTAL REVENUES (trillions of dollars) | | |
|--|--------|--------|
| | House | Senate |
| 2007 | 2.422 | 2.433 |
| 2007-2011 | 13.598 | 13.607 |

| DEFICITS (billions of dollars) | | |
|-----------------------------------|-------|--------|
| | House | Senate |
| 2007 | 348 | 363 |
| 2009 | 191 | 197 |

DISCRETIONARY BUDGET AUTHORITY (billions of dollars)

| FY2007 | House | Senate |
|-----------------------|--------------|--------------|
| Regular Discretionary | 872.8 | 881.5 |
| Emergency | 56.6 | 86.3 |
| TOTAL | 929.5 | 967.8 |
| Advance Approps. Cap | 23.6 | 30.2 |

RECONCILIATION SUMMARY (billions of dollars)

| Spending Reduction | House | Senate |
|--------------------|-------|--------|
| 2007-2011 | -6.8 | -3.0 |

While patient budgeteers wait to see whether Congress will adopt a budget resolution for 2007, curious budgeteers have wondered what happens if a 2007 resolution is not in the offing? Fortunately, or unfortunately, there are by now several historical experiences to draw on for imagining possible fallback scenarios.

Default Scenario. Absent a 2007 budget resolution and absent any other legislative action by Congress, the 2006 budget resolution (H. Con. Res. 95, adopted April 28, 2005 and covering 2006-2010) would remain in force. Any legislation considered for the remainder of the 109th Congress would continue to be enforced relative to that resolution.

This is similar to the situation that applied from 2002 through April 2003. The Congress failed to adopt a 2003 budget resolution, and as a result, the 2002 budget resolution remained in effect through April 2003. While legislation from authorizing committees was still measured against their 302(a) spending allocations, there was no 302(a) allocation for the Appropriations Committee for 2003 available from the 2002 budget resolution. In January 2003, the Senate debated the 11 appropriation bills for 2003 that were carried over from the 107th Congress. The Senate did not have a 302(f) point of order available to raise against amendments to add spending to that consolidated package because there were no 302(b) allocations for each bill. The Senate dealt with amendments by either tabling them or voting on them.

For 2007 appropriation bills, there is a procedural hurdle to considering any of those bills. Section 303(c) makes it not in order to consider any appropriation bill in the Senate until the budget resolution has been agreed to that provides a 302(a) allocation to the Appropriations Committee. Under section 403(b)(2) of the 2006 budget resolution, it would take 60 votes to waive a point of order raised under section 303(c).

If the Senate went to appropriation bills anyway without a budget resolution and in spite of the 303(c) point of order, there would be no 302(b) allocations to limit (with a 302(f) point of order) what could be spent on individual bills, short of what the Senate is willing to spend based on simple majority voting. But the 60-vote 303(c) point of order would apply as well against amendments to appropriation bills, so it could perhaps be used as a substitute for a 302(f) point of order, though the Senate has never had an opportunity to measure its willingness to use it that way. The only point of order available in the Senate relating to an amount of spending would be under section 404 of the 2006 budget resolution, which prohibits spending more than the total cap of \$866 billion set for 2007 (this point of order does not apply in the House). But this enforcement tool is effective for only the last bill through the process, and only if a member is willing to raise it.

By contrast, in the House, section 302(a)(5)(A) of the Congressional Budget Act provides a mechanism to generate a 302(a) allocation to the House Appropriations Committee, which would then be obligated to report 302(b) suballocations:

If a concurrent resolution on the budget is not adopted by April 15, the chairman of the Committee on the Budget of the House of Representatives shall submit to the House, as soon as practicable, an allocation . . . to the Committee on Appropriations consistent with the discretionary spending levels in the most recently agreed to concurrent resolution on the budget for the appropriate fiscal year covered by that resolution.

Since the House has never employed this authority, it is unclear exactly what number the chairman of the House Budget Committee is supposed to draw out of the 2006 budget resolution to create this 302(a) allocation. It could be the \$866 billion level assumed for 2007 in the 2006 resolution. That level would be \$7 billion less than the amount in the President's budget request for 2007. Regardless, the chairman of the House Budget Committee has not implemented this option so far this year, pending the fate of the 2007 budget resolution.

For authorizing committees in the Senate, the BA and outlay totals for direct spending legislation would continue to be enforced for the 2006-2010 period relative to the remaining allocations under the 2006 resolution. Few Senate committees have room remaining to create new spending. For revenues, the revenue aggregate would be enforced for the 2006-2010 period. For the paygo point of order, there is only \$93 billion of room left on the paygo scorecard for 2006-2010. Legislation currently in conference (the tax reconciliation bill and the pension bill) would use up most of the remaining paygo room.

"Deeming" Scenarios. Budgeteers sometimes like to talk about a "deemer," which refers to legislation intended to establish some budget enforcement parameters, as a substitute for the budget resolution. There are no rules regarding the form or content of deemers, nor do they qualify for privileged consideration under the House or Senate rules. They may be shaped to meet the particular needs for the upcoming fiscal year by setting all or part of the levels usually included in a budget resolution and may take the form of a simple resolution in each body or be incorporated into a bill that is enacted into law.

In 1998, the first time the Congress failed to adopt a conference report on a budget resolution (for 1999), the House and the Senate passed separate simple "deeming" resolutions. The Senate revised the 1998 budget to include updated economic and technical

assumptions to provide a basis to enforce sections 302 (committee allocations) and 311 (limit on spending and revenue aggregates). The House's deemer was limited to an update for the House 302(a) allocation to the Appropriations Committee.

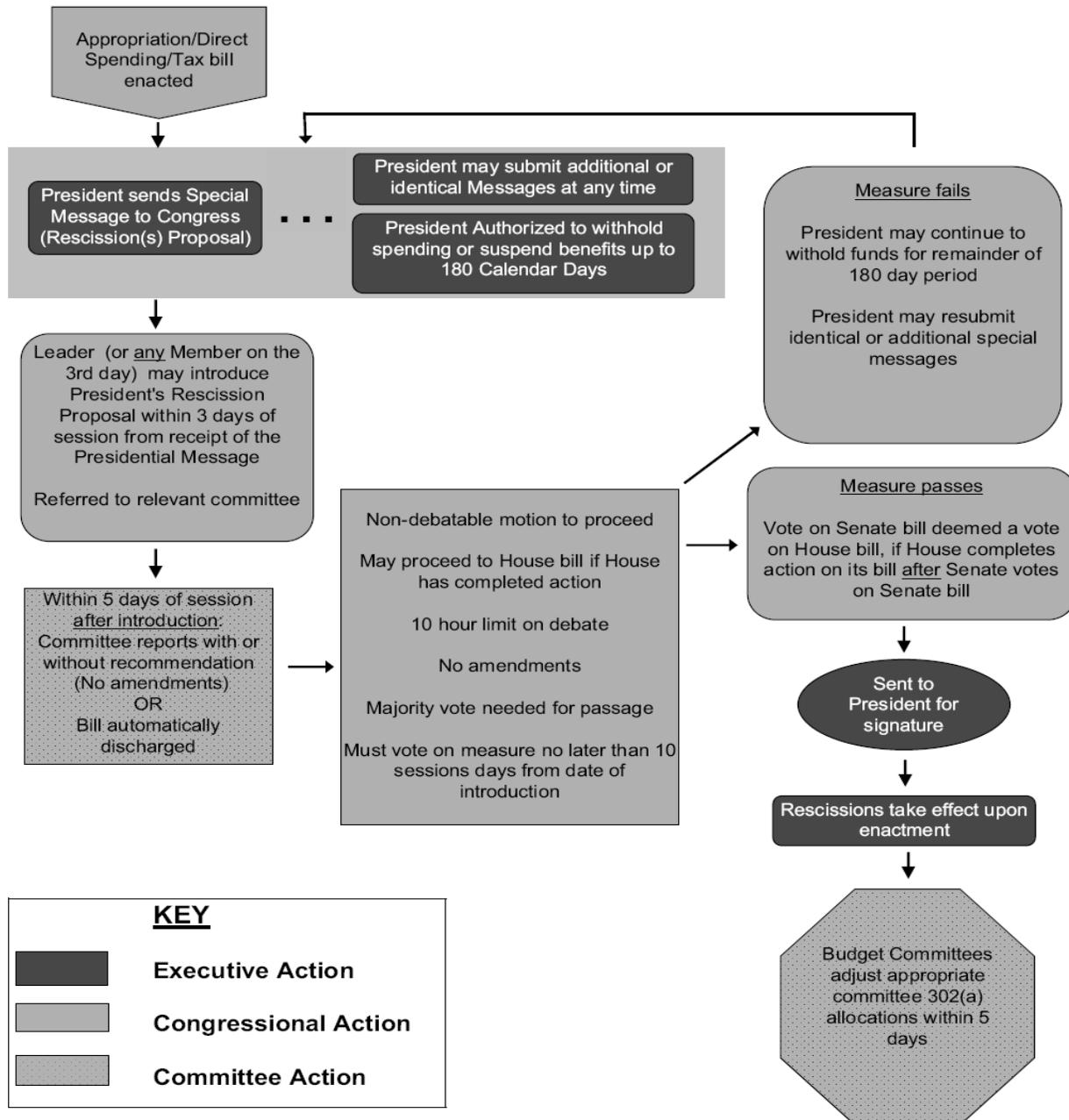
When there was no conference agreement on the budget resolution for 2003, the House deemed its version (there was no competing Senate version) for its enforcement purposes.

No one knows what a deemer would look like for 2007. Limited historical experience indicates it is easier for the House (which often does it by rule) than for the Senate to adopt a House resolution to deem a substitute for a budget resolution (but under section 302(a)(5) as described above, they do not even need a deemer for appropriations unless they want to set for the record a different allocation than what might result from relying on the 302(a)(5)

process). But the Senate needs 60 votes to pass its own Senate resolution.

This brings us to the example of 2004, when the House deemed that the conference report for the 2005 budget resolution (which the House passed but the Senate could not pass) would serve as the basis for enforcement in the House, but the Senate did not pass its own deemer setting allocations for all committees. What happened instead was that a 302(a) allocation (for 2005) for the Appropriations Committee only was enacted into law in the 2005 Defense Appropriations bill (and the 2005 appropriations cap set in the 2004 resolution was repealed). This served as the basis for 302(b) allocations to be issued for the remaining 2005 appropriation bills, which then were considered under the familiar enforcement mechanisms. But all other legislation continued to be enforced in the Senate under the 2004 budget resolution.

S. 2381-- LEGISLATIVE LINE ITEM VETO ACT OF 2006 (Consideration in the Senate)



SOURCE: Senate Budget Committee Republican Staff