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UNITED STATES SENATE

1974–2006

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An Act

To establish a new congressional budget process; to establish Committees on the Budget in each House; to establish a Congressional Budget Office; to establish a procedure providing congressional control over the impoundment of funds by the executive branch; and for other purposes.

—*the Congressional Budget and Impoundment Control Act of 1974*

United States Senate
Committee on the Budget

ONE HUNDRED NINTH CONGRESS

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109TH CONGRESS
2D SESSION

S. RES. 554

Authorizing the printing with illustrations of a document entitled "Committee on the Budget, United States Senate, 32nd Anniversary, 1974–2006".

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2006

Mr. GREGG (for himself and Mr. CONRAD) submitted the following resolution; which was considered and agreed to

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RESOLUTION

Authorizing the printing with illustrations of a document entitled "Committee on the Budget, United States Senate, 32nd Anniversary, 1974–2006".

Resolved, That there be printed with illustrations as a Senate document a compilation of materials entitled "Committee on the Budget, United States Senate, 32nd Anniversary, 1974–2006", and that, in addition to the usual number, there be printed not to exceed 500 copies of such document at a cost of not to exceed $1,200 for the use of the Committee on the Budget.

○

Acknowledgments

The publication of this history benefited from the contributions of a number of congressional offices and agencies, including the Congressional Research Service (CRS) of the Library of Congress, the United States Senate Historical Office, and the Senate Library. The United States Senate Committee on the Budget especially wishes to acknowledge the outstanding contributions of Robert Keith, budget process specialist, and Mary Frances Bley and Jerry V. Mansfield, librarians, of CRS; Tara J. Olivero, archivist and historian serving with the Committee; and Lynne Seymour, chief clerk of the Committee. This history would not have been possible without their significant expertise and effort.

Integral to the success of this project was Suzanne Kayne of the Government Printing Office and Senate Budget Committee senior staff Jim Hearn, Lisa Konwinski, John Righter, and Cheri Reidy, who provided keen editorial support.

Finally, the Committee wishes to express appreciation to the former professional staff who contributed to the production of this history through personal interviews and recollections. These public servants served the members of the Senate Budget Committee and the Nation with esprit and distinction. Their efforts and accomplishments furthered the field of financial management, and made tangible, lasting improvements to the budget of the United States Government and the congressional budget process.

Introduction

The following history of the Senate Budget Committee and the congressional budget process was created in a bipartisan effort. Significant contributions were made by Committee staff, the Congressional Research Service of the Library of Congress, and the Office of the Senate Historian. Several individuals are highlighted in the acknowledgments.

The Budget Committee is one of the Senate's youngest committees, having been created by the Congressional Budget Act of 1974. The Committee, the budget resolution and reconciliation process, and enforcement authorities were created to enable Congress to create, enforce, and manage the annual Federal budget, including all types of Federal spending and revenues. From the outset under the first chairman and ranking member, Senators Edmund S. Muskie and Peter H. Dominick, the Committee has benefited from effective leadership and membership, and it has been supported by an outstanding professional staff.

One responsibility of the Committee is to facilitate an understanding by the Congress and public of the policies, programs, financial resources, and estimates included in the budget, and how the congressional budget process works to enforce the budget blueprint. In that spirit, this history, including excerpts from interviews with former senior staff, is provided. We hope that the public, students, and employees of the three branches of government will find this volume informative and useful.

PREPARED UNDER THE AUTHORITY OF
JUDD GREGG, CHAIRMAN, AND
KENT CONRAD, RANKING MEMBER
COMMITTEE ON THE BUDGET
UNITED STATES SENATE
109TH CONGRESS

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Principal Duties and Functions of the Senate Committee on the Budget

The principal duties and functions of the Senate Committee on the Budget are set forth in the Congressional Budget and Impoundment Control Act of 1974 (the 1974 Act), the Standing Rules of the Senate, and other authorities (these authorities are identified and discussed in more detail in a later section). Over the years, the Committee's duties and functions have been modified or supplemented through the enactment of amendments to the 1974 Act, the enactment of new laws, the inclusion of procedural features in annual budget resolutions, changes in Senate rules, and through other means.

In brief, the Senate Committee on the Budget's principal duties and functions include: (1) the development and enforcement each year of a concurrent resolution on the budget, which serves as a framework for subsequent congressional action on spending, revenue, and debt-limit legislation; (2) when the Committee so determines, the initiation and enforcement of the budget reconciliation process, which involves changing existing law through reconciliation legislation to bring spending, revenue, or debt-limit levels into conformity with budget resolution assumptions; (3) the development and implementation of budget process reform legislation; (4) the review of the broad economic and budgetary implications of executive impoundment proposals and compliance with impoundment control procedures; (5) the oversight of the Congressional Budget Office (CBO); and (6) the consideration of the nomination of the Director and Deputy Director of the Office of Management and Budget (OMB). These duties and functions are discussed in more detail below.

Concurrent Resolutions on the Budget

Section 301 (2 U.S.C. 632) of the 1974 Act requires Congress, by April 15 of each year, to complete action on a concurrent resolution on the budget for the fiscal year beginning on October 1 of that year. The central purpose of a budget resolution is to set a blueprint for the overall fiscal and budgetary policy and to establish a framework for the subsequent consideration of spending, revenue, and debt-limit legislation during the session (and into the

following session). The 1974 Act did not dictate that Congress annually approve a particular fiscal and budgetary policy (such as a balanced budget or restrictive/stimulative fiscal policy), but relies on the House and Senate to determine the appropriate mix of budget policies each year. Budget resolutions and other budgetary legislation are considered under a timetable set forth in Section 300 (2 U.S.C. 631) of the 1974 Act. The timetable is meant to help coordinate the various congressional actions needed to implement annual fiscal and budgetary policy.

In times of weak economic growth or recession, the fiscal policy reflected in the budget resolution may be expansionary, recommending revenue reductions, spending increases, or a combination of the two to spur the economy. When economic conditions change, the fiscal policy underlying the budget resolution may be adjusted or reversed, calling instead for revenue increases, spending reductions, or both. As a consequence of adopting different fiscal policies and economic goals for different circumstances, the budget resolution may project deficits in some years and surpluses in others.

Furthermore, the budget resolution reflects changing national priorities. Spending for national defense, for example, may surge relative to nondefense spending during times of war, but constrict when conflict is ended. Spending for health care and income security, as another example, may accelerate more quickly compared to other domestic spending as the population ages.

Concurrent resolutions, unlike bills or joint resolutions, are not sent to the President for his approval and do not become law. Instead, they represent the mutual agreement of the Senate and House of Representatives. In order to implement the fiscal and budgetary policy goals embodied in a budget resolution, Congress and the President must enact spending, revenue, and debt-limit legislation into law.

In the case of budget resolutions, each Chamber originates its own concurrent resolution (as an S. Con. Res. or an H. Con. Res.). Through the late 1980s, the Senate and House alternated in the use of Senate and House concurrent resolutions as the final legislative vehicle for budget resolutions, but since then they have used House concurrent resolutions as the final vehicle in every instance of a conference report that was agreed to by both bodies.

The 1974 Act originally required that the Senate and House adopt two budget resolutions each year—an advisory budget resolution in the spring (by May 15) and a binding budget resolution in the fall (by September 15). Congress adopted the second required budget resolution from FY1976 through FY1982. For the following several years, through FY1986, Congress did not adopt

a second budget resolution; instead it relied on a feature in the first budget resolution that automatically deemed it to be the second budget resolution on October 1 if a second budget resolution had not been adopted by that date. In 1985, Congress amended the 1974 Act to require only a single budget resolution each year, in the spring, and advanced its due date by 1 month, to April 15; this change first took effect for FY1987.

Section 304 (2 U.S.C. 635) of the Act allows Congress to adopt a revised budget resolution at any time. Only once did Congress adopt a third budget resolution (FY1977). After Congress stopped using second budget resolutions (FY1982), whenever it wanted to make revisions in the budget resolution levels for the current year, it did so in the budget resolution for the following fiscal year.

The budget resolution has several required elements, as set forth in Section 301 of the Act, encompassing "budget aggregates," functional allocations of spending, and, for Senate enforcement purposes only, revenue and outlay levels of the off-budget Social Security trust funds.

First, the resolution must set forth the following "budget aggregates" for each fiscal year covered:

- total on-budget spending, in the form of both new budget authority (which provides legal authority for agencies to incur financial obligations) and outlays (which represents payments from the Treasury Department, usually in the form of electronic fund transfers or checks issued, to liquidate obligations);
- total on-budget revenues (which involves income to the Federal Government from such sources as individual and corporate income taxes, social insurance taxes, excise taxes and tariffs), and the amount by which revenues should be increased or decreased through legislative action;
- the on-budget surplus (an excess of revenues over outlays) or the deficit (an excess of outlays over revenues); and
- the public debt (which corresponds to the statutory level of debt, owed both to the public and to certain Federal trust funds, that would be necessary to accommodate the levels of spending and revenues assumed in the budget resolution).

Second, the budget resolution is required to set forth the amounts of new budget authority and outlays for each major functional category. Although the 1974 Act does not define the term "major functional category," the current practice followed by Congress is to include 20 functional categories of the budget, covering such categories as National Defense (050), International Affairs (150), Energy (270), Agriculture (350), Transportation (400), Health (550) and Income Security (600).

Finally, the transactions of off-budget entities, which presently include the two Social Security trust funds (the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund) and the operations of the Postal Service, are not reflected in the aggregates and the functional allocations of spending in the budget resolution. For purposes of a Senate-only point of order intended to prevent legislative action that would erode the long-range balances in the Social Security trust funds, the budget resolution must also include revenue and outlay levels for those two funds.

Section 301 also specifies several optional elements that may be included in a budget resolution and affords additional flexibility in budget resolution content by means of an ''elastic clause'' in Section 301(b)(4). The clause stipulates that a budget resolution may ''set forth such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act.''

Development of the annual budget resolution is the responsibility of the Senate and House Budget Committees. Each year, the process followed by the Senate Budget Committee (which is similar to the process followed by the House Budget Committee) begins when it receives an annual report from CBO, usually in late January, on the budget and economic outlook, which, since 1996, covers the next 10 years (including baseline budget projections that estimate future spending and revenue levels without any policy changes) and the President submits his budget to Congress, which is due no later than the first Monday in February. The Committee then holds hearings to solicit testimony from witnesses such as the Treasury Secretary, the Director of OMB, the Director of CBO, the Chairman of the Federal Reserve, and Cabinet secretaries, among others.

In addition to the initial CBO report on the budget and economic outlook, which is updated later in the session, the Committee receives CBO reports on other budget topics, including options for savings; annual reports on unauthorized appropriations and expiring authorizations, which are distributed to all committees; and CBO's analysis of the President's budget, which is prepared at the request of the Senate Appropriations Committee. The Budget Committee also receives statements, as provided for under Section 301, from the other Senate committees presenting their views and estimates on budget matters within their jurisdiction.

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Former Federal Reserve Board Chairman Alan Greenspan at his 17th appearance before the Senate Budget Committee in 2001.

The Senate Budget Committee marks up the budget resolution in open session generally in the same manner that other Senate committees mark up legislation. The markup usually proceeds with a Chairman's Mark, which is open to the offering of amendments. Following the consideration of all amendments and motions, the Budget Committee votes on ordering the budget resolution reported. A reported budget resolution may or may not be accompanied by a written report; when a written report is not issued, the Budget Committee usually issues a committee print in lieu of a report to explain its recommendations.

The chairman of the Budget Committee manages consideration of the budget resolution on the Senate floor, and heads the delegation of Senators appointed to a conference committee with Members from the House. The chairman also manages consideration of the conference report on the Senate floor and any other motions necessary to bring the Senate and House into final agreement on the measure.

Most legislation considered in the Senate is not subject to debate limitations or restrictions on the subject matter of amendments; Senators may debate such legislation at length, even engaging in extended debate or a filibuster, and offer non-germane

amendments dealing with topics other than those encompassed by the underlying measure. Even the issue of whether to take up legislation for consideration, as reflected in the motion to proceed to the consideration of a measure, generally may be debated at length.

The consideration of a budget resolution, on the other hand, is governed by expedited procedures set forth in Section 305 (2 U.S.C. 636) of the 1974 Act and under Senate precedents. First, the motion to proceed to the consideration of a budget resolution is not debatable. Second, the time for debate on a budget resolution is limited to 50 hours and is divided equally between the majority and minority. (While the 50-hour limitation includes time spent debating amendments, motions, and appeals, and time spent in quorum calls, it does not include time spent on roll call votes or on quorum calls immediately preceding a vote.) Additional time limits apply to the debate on amendments, motions, and appeals. A 10-hour limitation on debate applies to the consideration of conference reports on budget resolutions, and a 15-hour limitation applies to revised budget resolutions. Third, amendments offered from the floor must be germane. Other expediting procedures apply as well.

Under the timetable of the congressional budget process (see table 1), the House and Senate are scheduled to reach final agreement on the budget resolution by April 15 (as previously mentioned, the deadline originally was set as May 15, but was moved forward beginning with FY1987). In practice, the budget resolution often is not agreed to until after the deadline. Because the deadline was established under the rulemaking authority of the House and Senate, no legal consequences ensue if congressional action is not completed by that time.

The Budget Committee also plays a crucial role with respect to enforcing the parameters of the current budget resolution and the requirements under the 1974 Act and other authorities, when legislation is considered by the Senate. Enforcement relies upon the reconciliation process (discussed below), points of order, and the dissemination of "scorekeeping" data and other information.

Various points of order are available under the 1974 Act, as well as procedural features included in budget resolutions under authority of the elastic clause and other authorities, which may make it more difficult to consider and enact measures, amendments, conference reports, or motions that violate budgetary parameters or requirements. Under Section 312 (2 U.S.C. 643) of the 1974 Act, the chairman of the Budget Committee advises the Presiding Officer of the Senate as to the budgetary impacts associated with legislation subject to a point of order.

TABLE 1.—TIMETABLE OF THE CONGRESSIONAL BUDGET PROCESS (SECTION 300 OF THE CONGRESSIONAL BUDGET ACT OF 1974)

On or before	Action to be completed
First Monday in February	President submits his budget.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after President submits budget.	Committees submit views and estimates to Budget Committees.
April 1	Senate Budget Committee reports concurrent resolution on the budget.
April 15	Congress completes action on concurrent resolution on the budget.
May 15	Annual appropriation bills may be considered in the House.
June 10	House Appropriations Committee reports last annual appropriation bill.
June 15	Congress completes action on reconciliation legislation.
June 30	House completes action on annual appropriation bills.
October 1	Fiscal year begins.

As part of a broad scorekeeping process under Section 308 (2 U.S.C. 639) of the 1974 Act, the Budget Committee integrates information on the costs of legislation, as estimated by CBO (for spending measures) and the Joint Committee on Taxation (JCT) (for revenue measures), into a complete tally so that the status of spending and revenue levels under the current budget resolution may be evaluated at any time. (The requirement that revenue estimates of the JCT be used for these purposes is set forth in Section 201(f) (2 U.S.C. 601(f)) of the 1974 Act.) The chairman of the Budget Committee inserts scorekeeping reports into the *Congressional Record* periodically to apprise Members of the current levels of spending and revenues, and the amounts still available for legislative action under budget resolution assumptions.

Finally, the chairman of the Budget Committee notifies the Senate from time to time regarding adjustments made to budget resolution levels, as prescribed by Section 314 (2 U.S.C. 645) of the 1974 Act, or pursuant to authority under reserve funds or other procedural elements contained in budget resolutions.

Reconciliation Legislation

A budget resolution typically reflects many different assumptions regarding legislative action expected to occur during a session that would cause revenue and spending levels to be changed from baseline amounts. (The Budget Enforcement Act of 1990

classified Federal spending into two types—discretionary spending, which is controlled in annual appropriation acts; and direct spending, which is controlled in authorizing legislation and often is used to fund entitlement programs, such as Medicare, unemployment compensation, and Federal retirement.) Most revenue collections and direct spending, however, occurs automatically each year under permanent law; therefore, if the committees with jurisdiction over the revenue and direct spending programs do not report legislation to carry out the budget resolution policies by amending existing law, revenue and direct spending for these programs likely will continue without change from baseline projections.

The budget reconciliation process is an optional procedure, authorized under Section 310 (2 U.S.C. 641) of the 1974 Act, that operates as an adjunct to the budget resolution process. The reconciliation process enhances Congress's ability to change current law in order to bring revenue, spending, and debt-limit levels into conformity with the assumptions of the budget resolution. Discretionary spending levels can be addressed each year as Congress considers the annual appropriations acts; consequently, the reconciliation process focuses principally on direct spending and revenue levels.

Reconciliation is a two-stage process. First, reconciliation instructions are included in the budget resolution, directing the appropriate committees to develop legislation achieving the desired budgetary outcomes. Reconciliation instructions take the form of numerical targets and are not program-specific. If the budget resolution instructs more than one committee in a Chamber, then the instructed committees submit their legislative recommendations to their respective Budget Committees by the deadline prescribed in the budget resolution. The Budget Committees incorporate the submissions into an omnibus budget reconciliation bill (see table 2) without making any substantive revisions. In cases where only one committee has been instructed, the process allows that committee to report its reconciliation legislation directly to its parent Chamber, thus bypassing the Budget Committee.

The second step involves consideration of the resultant reconciliation legislation by the House and Senate under expedited procedures. As indicated previously, when the Senate considers most legislation, any Senator may speak at length (including engaging in a filibuster), and Senators may offer amendments that are not germane. Under reconciliation procedures, however, debate in the Senate on any reconciliation measure is limited to 20 hours (and 10 hours on a conference report), and amendments must be germane and not include extraneous matter. In the House, the Rules Committee typically recommends a special rule for the consider-

ation of a reconciliation measure that places restrictions on debate time and the offering of amendments.

In some years, budget resolutions include reconciliation instructions that afford the House and Senate the option of considering two or more types of reconciliation measures. Under current Senate practices, there can be only one revenue reconciliation measure, one spending reconciliation measure, and one debt-limit reconciliation measure, or some combination thereof.

TABLE 2.—SELECTED RECONCILIATION ACTS

Omnibus Reconciliation Act of 1980
P.L. 96–499 (December 5, 1980)

This Act was the first reconciliation measure to be passed by the House and Senate. As signed into law by President Carter, the Act reduced the FY1981 deficit by about $9 billion, split roughly between spending reductions (including reductions in discretionary appropriations) and revenue increases.

Omnibus Budget Reconciliation Act of 1981
P.L. 97–35 (August 13, 1981)

President Reagan used this Act, as well as a tax-cut bill considered outside of the reconciliation process, to advance much of his legislative agenda in his first year in office. The Act represented a significant expansion of the reconciliation process—the 3-year savings associated with the Act amounted to $130 billion, and many extraneous provisions were included. The Economic Recovery Tax Act of 1981 (P.L. 97–34) reduced revenues by $282 billion over 3 years.

Omnibus Budget Reconciliation Act of 1990
P.L. 101–508 (November 5, 1990)

After a lengthy budget summit at Andrews Air Force Base, Congress sent President George H.W. Bush a bill reducing the deficit by $482 billion over 5 years, including $158 billion in revenue increases and $324 billion in spending cuts and debt service savings. The Act also included the Budget Enforcement Act, which established caps on appropriations and a pay-as-you-go (paygo) requirement.

Omnibus Budget Reconciliation Act of 1993
P.L. 103–66 (August 10, 1993)

This reconciliation measure, signed into law by President Clinton during his first year in office, reduced the deficit by $496 billion over 5 years, including $241 billion in revenue increases and $255 billion in spending cuts and debt service savings. Additionally, it extended the statutory caps on appropriations and the paygo requirement through FY1998.

Balanced Budget Act of 1995
H.R. 2491

This reconciliation measure included policies to reduce the deficit by $363 billion over 7 years (1996–2002), including $577 billion in spending cuts and $214 billion in tax relief. The bill was vetoed by President Clinton on December 6, 1995.

TABLE 2.—SELECTED RECONCILIATION ACTS—Continued

Balanced Budget Act of 1997 and Taxpayer Relief Act of 1997 P.L. 105–33 (August 5, 1997) and P.L. 105–34 (August 5, 1997) Taken together, these two reconciliation acts reduced the deficit by $118 billion over 5 years, including spending cuts and debt service savings of $198 billion and $80 billion in revenue reductions. They represent one of three instances in which two separate reconciliation acts were enacted pursuant to a single budget resolution—the other two instances occurred in 1982 and 2005 (carrying over into 2006). The Balanced Budget Act of 1997 extended the statutory caps on appropriations and the paygo requirement though FY2002.
Economic Growth and Tax Relief Reconciliation Act of 2001 P.L. 107–16 (June 7, 2001) Public Law 107–16 was signed by President George W. Bush and reduced revenues significantly; revenue reductions, together with outlay increases for refundable tax credits, reduced the projected surplus by $1.349 trillion over FY2001–FY2011. The tax cuts in the Act were scheduled to sunset in no more than 10 years in order to comply with the Senate's ''Byrd rule'' against extraneous matter in reconciliation legislation (Section 313 of the Congressional Budget Act of 1974).

Once the reconciliation legislation called for in the budget resolution has been approved or vetoed by the President, the process is concluded. Congress cannot develop another reconciliation bill in the wake of a veto without first adopting another budget resolution containing reconciliation instructions. On occasion, such as under the budget resolution for FY2006, final action on reconciliation legislation was not completed until the following session.

As an optional procedure, reconciliation has not been used in every year that the congressional budget process has been in effect. Beginning with the first use of reconciliation by both the House and Senate in 1980, however, reconciliation has been used in most years. Congress has sent the President 21 reconciliation measures over the years; 18 were signed into law and 3 were vetoed (and the vetoes were not overridden).

A special reconciliation process, applicable only in the Senate, was established as Section 258C (2 U.S.C. 907d) of the Balanced Budget and Emergency Deficit Control Act of 1985. The purpose of the process was to enable the Senate to quickly pass an alternate deficit-reduction measure whenever a sequestration report from the OMB Director indicated that a sequester under the pay-as-you-go requirement or the deficit targets otherwise would be necessary. The Senate never used the special reconciliation process under Section 258C.

Budget Process Reform Proposals

Each Congress, legislation is introduced on a wide variety of budget process reform proposals and referred to the Budget Committee. The Budget Committee's jurisdiction over budget process matters is established by the 1974 Act, Senate Rule XXV, and especially S. Res. 445, which the Senate agreed to on October 9, 2004.[1]

Courtesy of the U.S. Senate Photography Studio.

Chairman Judd Gregg, Ranking Member Kent Conrad, Committee members, and staff during the markup for the Stop Over Spending Act of 2006. The Act proposed measures to reform the budget process.

Some budget process reform legislation is comprehensive in scope, while other such legislation is targeted toward particular issues. During the 109th Congress, for example, legislation was introduced and referred to the Budget Committee dealing with such specific matters as biennial budgeting, line-item veto, a Social Security lockbox, emergency reserve funds, pay-as-you-go procedures, and a Federal commission to examine proposals dealing with long-term budgetary challenges, as well as comprehensive legislation dealing with several of these matters, and more, in a single bill.

[1] For many years, the Senate Budget Committee shared jurisdiction over the Federal budget process with the Senate Governmental Affairs Committee (the predecessor to the Homeland Security and Governmental Affairs Committee) under the terms of a standing order reached by unanimous consent in 1977. In 2004, the Senate adopted S. Res. 445, which consolidated jurisdiction over the Federal budget process in the Budget Committee. These authorities pertaining to the jurisdiction of the Budget Committee are discussed in more detail in a later section of this document.

The Budget Committee often works closely with other Senate committees on legislation including budget process reforms because of the significant range of issues that may be involved. In addition to the Budget Committee, which exercises jurisdiction over the Federal budget process, the Rules and Administration Committee has jurisdiction over the Standing Rules of the Senate, the Homeland Security and Governmental Affairs Committee has jurisdiction over Federal accounting and management laws, and the Appropriations Committee has significant jurisdiction over impoundments proposed by the President. Further, the Senate may decide to include budget process reforms in legislation dealing with other, unrelated subjects. Legislation increasing the public debt limit (which is under the jurisdiction of the Finance Committee), for example, has been the vehicle in the past for important changes in the budget process. Other significant changes in the budget process have been included in omnibus reconciliation legislation.

Examples of past budget process reforms that have been enacted into law, and in which the Budget Committee was involved extensively, include, among others: (1) the Balanced Budget and Emergency Deficit Control Act of 1985 (also known as the Gramm-Rudman-Hollings Act); (2) the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987; (3) the Budget Enforcement Act of 1990; (4) budget process provisions in the Omnibus Budget Reconciliation Act of 1993; (5) the Unfunded Mandates Reform Act of 1995; (6) the Line Item Veto Act (1996); and (7) the Budget Enforcement Act of 1997. A more detailed listing of budget process reform legislation is provided in a later section of this document.

The Budget Committee's jurisdiction over budget process reform proposals is protected by Section 306 (2 U.S.C. 637) of the 1974 Act. Under Section 306, no measure or motion dealing with matters under the Budget Committee's jurisdiction may be considered unless it has been reported by, or discharged from, the Committee (unless it is an amendment to such a measure). The prohibition is enforceable by a point of order that may be waived by the affirmative vote of three-fifths of the membership (60 Senators, if no seats are vacant). The section reads as follows:

Sec. 306.—Legislation Dealing With Congressional Budget Must Be Handled by Budget Committees.

No bill, resolution, amendment, motion, or conference report, dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

Executive Impoundment Proposals and Impoundment Legislation

The Impoundment Control Act of 1974 (Title X of the 1974 Act) established procedures for the proposal by the President of impoundments and their consideration by Congress. The Act classifies impoundments into two types—rescissions, which cancel budget authority previously provided in law, and deferrals, which delay the obligation or expenditure of budget authority.

In order to rescind or defer budget authority, the President is required to submit to Congress a message detailing his recommendations. In the case of rescissions, the President may withhold funds from obligation for 45 days of "continuous session" while Congress considers the request. If Congress does not enact legislation approving the rescission during this period, then the funds must be released for obligation. The Impoundment Control Act establishes rescission bills as the vehicles for approving rescissions, and they are considered under expedited procedures in each Chamber. Deferrals take effect and remain in effect (only for a temporary period, so that the funds do not lapse) unless overturned by Congress. The legislative means for overturning deferrals provided for in the Impoundment Control Act, the one-House legislative veto, was invalidated by the Supreme Court in the *INS* v. *Chadha* case in 1986. The Comptroller General monitors the impoundment process for Congress, issuing a report evaluating Presidential impoundment messages and submitting messages to Congress when unreported impoundments are discovered.

The Appropriations Committee historically has exercised jurisdiction in the Senate over the impoundment of appropriated funds. The Senate Budget Committee's involvement in impoundment matters is rooted in various authorities. Under the terms of a unanimous consent agreement reached in 1975, the Senate Budget Committee was given jurisdiction over impoundment messages and legislation for the purpose of considering the "macroeconomic implications, impact on priorities and aggregate spending levels, and the legality of the President's use of the deferral and rescission mechanism under title X." The agreement was modified on April 11, 1986, in the wake of the *Chadha* decision. A standing order established in 1977, and effectively superseded by the Senate's adoption of S. Res. 445 in 2004, assigns the Budget Committee responsibilities over definitions of impoundment and the process by which impoundments are reported to and considered by Congress.

Although Presidents have from time to time proposed a significant level of impoundments, the curtailment of spending through impoundment generally has not been significant.

Oversight of the Congressional Budget Office

The Congressional Budget Office was created by Title II of the 1974 Act. Section 201 (2 U.S.C. 601) established CBO, Section 202 (2 U.S.C. 602) identified its duties and functions, and Section 203 (2 U.S.C. 603) set forth rules and guidelines for public access to budget data.

"We don't use the Congressional Budget Office. We have our own figures."

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The 1974 Act envisioned a close relationship between CBO and the Budget Committees, which is reflected mainly in the stated duties and functions of each entity.

Section 202 establishes a hierarchy among the congressional clients that CBO serves. Section 202(a) identifies the primary duty and function of CBO as being:

> . . . to provide to the Committees on the Budget of both Houses information which will assist such committees in the discharge of all matters within their jurisdictions, including (1) information with respect to the budget, appropriations bills, and other bills authorizing or providing new budget authority or tax expenditures, (2) information with respect to revenues, receipts, estimated future revenues and receipts, and changing revenue conditions, and (3) such related information as such Committees may request.

Following the Budget Committees, Section 202 directs CBO to provide assistance to the House and Senate Appropriations Committees, the House Ways and Means Committee, and the Senate Finance Committee, then to other House and Senate committees and joint committees, and Members of Congress.

Title I of the 1974 Act created the two Budget Committees. In Section 102(a), Senate Rule XXV was modified in part to impose on the Senate Budget Committee the duty ''to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties.'' Section 101(c) of the 1974 Act amended House Rule XI in part with identical language regarding the duty to continuously review CBO's conduct.

The standing order established in 1977, and effectively superseded by S. Res. 445 in 2004, assigns jurisdiction over legislation affecting the functions, duties, and powers of CBO to the Senate Budget Committee.

The Budget Committee reviews CBO's conduct in several ways, including through meetings and correspondence with the CBO Director and staff, and more formally, through periodic oversight hearings. Opportunities to review CBO's conduct indirectly occur as well, especially during hearings on Federal budgetary issues, including the CBO Director's annual testimony on the budget and economic outlook and the update later in the session, and hearings on budget process and budget concept issues.

Finally, the Budget Committee plays a role in the process of selecting a CBO Director for each 4-year term. While the Speaker of the House and the President pro tempore of the Senate officially appoint the CBO Director, they are required under Section 201 of the 1974 Act to do so ''after considering recommendations received from the Committees on the Budget of the House and Senate.'' Under informal procedures that have been used in the past, the two Budget Committees have alternated in making recommendations to the leadership regarding who should be ap-

pointed to the position, and the leadership has concurred in their recommendations.

Six persons have served as CBO Director and four Deputy Directors have served as Acting Director during periods when the Director's appointment was delayed or the Director left the position before the term ended (see table 3).

TABLE 3.—DIRECTORS OF THE CONGRESSIONAL BUDGET OFFICE

Alice M. Rivlin	1975-1979 and 1979-1983 terms.
Rudolph G. Penner	1983-1987 term.
Robert D. Reischauer	1987-1991 and 1991-1995 terms.
June Ellenoff O'Neill	1995-1999 term.
Dan L. Crippen	1999-2003 term.
Douglas Holtz-Eakin	2003-2007 term.

In addition, Deputy Directors Edward Gramlich, James Blum, Barry Anderson, and Donald Marron served as Acting Director when the Director's appointment was delayed or the Director left the position before the term ended.

Funding for CBO is provided in annual appropriation acts. Accordingly, fiscal oversight of CBO is conducted by the House and Senate Appropriations Committees.

Consideration of the Nomination of the Director and Deputy Director of the Office of Management and Budget

For many years, nominations to the position of the Director of the Office of Management and Budget (OMB), and the Deputy Directors, had been referred exclusively to the Senate Governmental Affairs Committee. Late in the 108th Congress, the Senate considered S. Res. 445, a measure pertaining mainly to reform of congressional oversight of intelligence and jurisdictional changes relating to homeland security matters. Among other things, the Governmental Affairs Committee was renamed the Homeland Security and Governmental Affairs Committee and its jurisdiction over homeland security matters was consolidated. The jurisdiction of the renamed committee also was modified to provide joint jurisdiction with the Budget Committee regarding nominations to the positions of OMB Director and Deputy Director (the Budget Committee does not have any jurisdiction regarding nominations to the position of OMB Deputy Director for Management).

Section 101(e) of S. Res. 445, as adopted by the Senate in 2004, reads as follows:

(e) OMB NOMINEES.—The Committee on the Budget and the Committee on Homeland Security and Governmental Affairs shall have joint jurisdiction over

the nominations of persons nominated by the President to fill the positions of Director and Deputy Director for Budget within the Office of Management and Budget, and if one committee votes to order reported such a nomination, the other must report within 30 calendar days session, or be automatically discharged.

The new procedure became effective at the beginning of the 109th Congress. On April 27, 2006, during the second session of the 109th Congress, President George W. Bush nominated Robert J. Portman to succeed Joshua Bolten as the OMB Director. The nomination was referred jointly that day to the Budget Committee and the Homeland Security and Governmental Affairs Committee. The Budget Committee held a hearing on the nomination on May 11 and approved the nomination on May 23, by a vote of 22 to 0. The Homeland Security and Governmental Affairs Committee approved the nomination by voice vote on May 22, and the full Senate approved the nomination by voice vote on May 26.

On June 9, 2006, President Bush nominated Stephen S. McMillin to the position of OMB Deputy Director. The Budget Committee approved the nomination on July 13, by unanimous consent. On July 28, the full Senate approved the nomination, by unanimous consent.

History of the Congressional Budget Process and the Senate Committee on the Budget

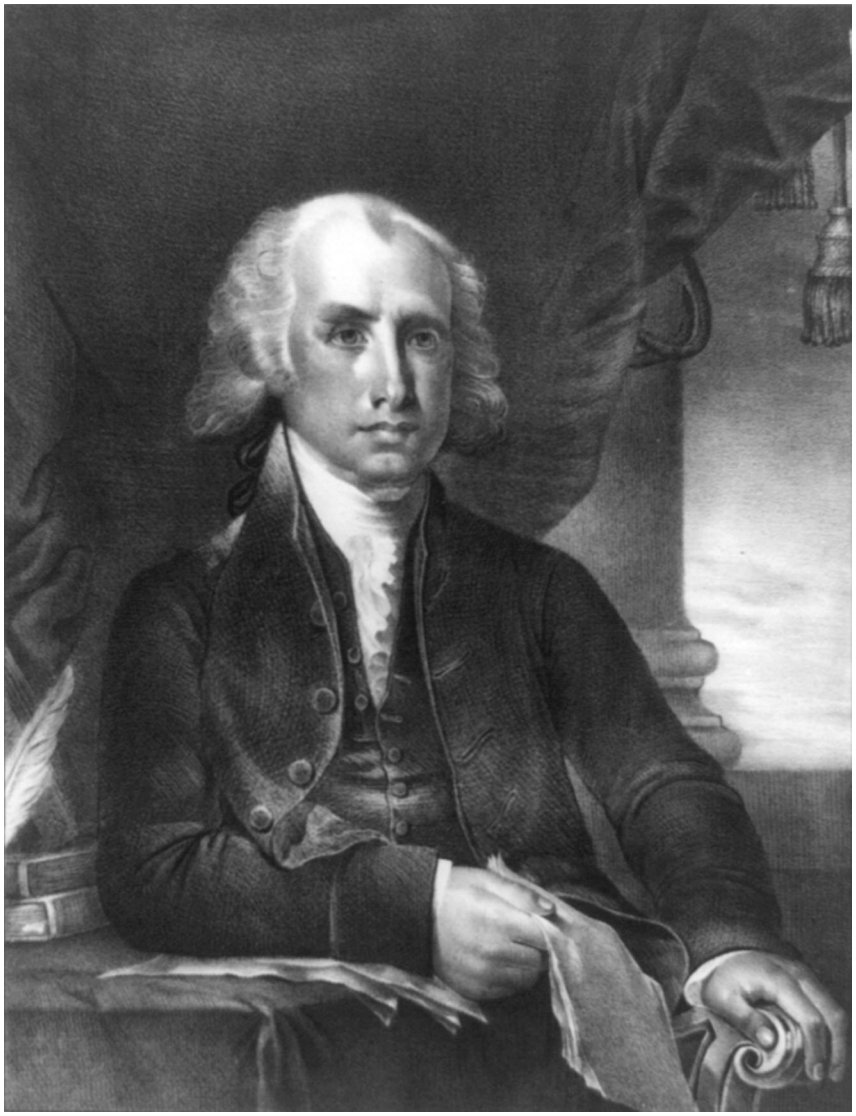
The Senate Budget Committee was created more than 30 years ago under landmark reform legislation, the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93–344; 88 Stat. 297–339; 2 U.S.C. 621 et seq.). The Act also created the parallel Budget Committee in the House of Representatives and established the Congressional Budget Office (CBO). The two Budget Committees and CBO were created for the primary purpose of assisting the Senate and House in developing and enforcing budgetary plans in the form of annual concurrent resolutions on the budget and any required reconciliation legislation. Following a background on the roots of the Federal budgeting system, this section recounts the circumstances that gave rise to budget reform in the early 1970s, examines the legislative history of the 1974 Act, and reviews the origin and development of the Senate Budget Committee, from 1974 to the present.

Background

The Constitution of the United States vests the Congress with key budgetary powers. These powers, often referred to as "the power of the purse," derive from several provisions in Article I of the Constitution. With respect to raising income through taxation and borrowing, Section 8 declares that "[t]he Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States . . ." and "[t]o borrow Money on the credit of the United States." In the case of spending, Section 9 states that "[n]o Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . . ." The Constitution thus ensures a role of pivotal importance for Congress in Federal budgeting by requiring that funds can only be raised, borrowed, and spent through the enactment of legislation.

James Madison, the primary architect of the Constitution and the fourth President of the United States, asserted that vesting budgetary powers in the Congress was a critical element in maintaining freedom and promoting fair government:

This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure.[1]



Courtesy of the Library of Congress, Prints & Photographs Division [LC–USZ62–87924].

James Madison, fourth President of the United States, wrote about the "power over the purse" in the 58th essay of the *Federalist Papers.*

[1] Federalist No. 58 (*Objection That The Number of Members Will Not Be Augmented as the Progress of Population Demands Considered*), by James Madison. See the collection of the Federalist Papers at the Library of Congress Website at http://thomas.loc.gov/home/histdox/fed__58.html.

While the Constitution assigns the principal role in Federal budgeting to Congress, it does not, for the most part, prescribe the procedures it should follow in exercising this role. Section 7 provides that "All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills." Section 8 places a 2-year limit on the duration of certain military funding. Otherwise, the Constitution does not address how the House and Senate should organize themselves, or the procedures they should follow, for the consideration of budgetary legislation. Furthermore, the Constitution allows each Chamber to develop its own rules and procedures; Section 5 states in part that "Each House may determine the Rules of its Proceedings . . . ."

In the early years of the Nation, the House and Senate approached their budgetary responsibilities in a largely ad hoc fashion, establishing short-lived committees to handle single issues. This was followed by a period in which budgetary responsibilities were concentrated mainly in two standing committees—the Senate Finance Committee, established in 1816, and the House Ways and Means Committee, established in 1802.[2]

Following the surge in spending and debt levels associated with the Civil War, the House, in 1865, and the Senate, in 1867, each established a standing Appropriations Committee, thus dividing jurisdiction over spending and revenues between two committees in each Chamber (with the Senate Finance and House Ways and Means Committees retaining jurisdiction over revenues).[3] During the 1880s, the jurisdiction of the House and Senate Appropriations Committees over Federal spending began to erode, until a sizeable portion was under the control of various legislative committees in each Chamber. This fragmentation of spending jurisdiction continued for several decades until reforms in the early 1920s reconsolidated the Appropriations Committees' jurisdiction.

The Constitution confers many duties and powers on the President, but it does not explicitly give the President a role in Federal budgeting. Budgetary legislation, of course, like legislation on any other matter, must be presented to the President before it can become law (under Article I, Section 7), and he has the authority to approve or veto it. Among the different duties and powers of

[2] The historical development of the two committees is discussed in: (1) *History of the Committee on Finance, United States Senate*, S. Doc. 97–5, May 12, 1981, available on the Website of the Senate Finance Committee at http://finance.senate.gov/history.pdf; and (2) The Committee on Ways and Means; a Bicentennial History, 1780–1989, H. Doc. 100–244, [no date] available on the Website of the Government Printing Office at http://www.gpoaccess.gov/serialset/cdocuments/100–244/browse.html.

[3] The historical development of the two committees is discussed in: (1) *Committee on Appropriations, United States Senate, 138th Anniversary, 1867–2005*, S. Doc. 109–5, 2005; and (2) Congressional Research Service, *The House Appropriations Process, 1789–1993*, by Louis Fisher, CRS Report 93–729 S, Aug. 6, 1993.

the President set forth in Title II, Section 3 provides that "[h]e shall from time to time give the Congress Information of the State of the Union, and recommend to their Consideration such measures as he shall judge necessary and expedient . . ."

The decentralized and fragmented approach to budgeting employed by Congress over the years was mirrored in the executive branch. Agency requests for funds were compiled by the Secretary of the Treasury into a "book of estimates" submitted annually to Congress, but there was little uniformity in the manner in which each agency prepared its requests. The President did not play a formal role in reviewing and coordinating the funding requests, and the funding requests were not considered in relation to requests for revenue.[4]

In 1910, President William H. Taft appointed a Commission on Economy and Efficiency which focused attention on the need for a national budgeting system. Although the Commission's recommendations were not acted on, they helped to foster reform in the following decade, when concern about the Nation's fiscal condition spiked in response to the steep rise in spending and debt levels due to World War I and other matters.

Select committees in the House and Senate examined the issue of a national budgeting system in 1919 and 1920, recommending legislation that would require the President to submit an annual budget for the entire Federal Government. President Woodrow Wilson vetoed the legislation in 1920, due to concerns regarding the constitutionality of his removal power over the proposed position of Comptroller General. Modified legislation was signed into law the following year by President Warren G. Harding, as the Budget and Accounting Act of 1921 (42 Stat. 20 et seq.).

In addition to requiring the President to submit a budget for the Federal Government annually to Congress, the 1921 Act created the Bureau of the Budget (as part of the Treasury Department) to assist with the President's budgetary role. The Budget Bureau was made part of the Executive Office of the President in 1939, and renamed the Office of Management and Budget in 1970. The 1921 Act also created the General Accounting Office (later renamed the Government Accountability Office in 2004), headed by the Comptroller General.

[4] The early budget practices of the executive branch are summarized in Kimmel, Lewis H., *Federal Budget and Fiscal Policy, 1789–1958* (The Brookings Institution: Washington, DC), 1959.

The Washington Post.

WASHINGTON: TUESDAY, MAY 10, 1921.

TWO

Taft Says Budget Should Be in President's Hands

Favors House Bill Creating Separate Bureau Directly Under Executive—System Would Provide Data by Which Head of Nation Could Meet Objections of Cabinet Officers to Estimates.

By WILLIAM HOWARD TAFT.

NEW BUDGET BILL PROVIDES BUREAU

Congress to Get Escentially Same Measure Vetoed By Wilson.

The budget bill, which Chairman Good, of the House appropriations committee, expects to introduce tomorrow when Congress convenes, will be the same in essentials as the measure passed by the last Congress and vetoed by former President Wilson. It will provide, however, for a budget bureau with both its director and assistant appointed by the President, Mr. Good said yesterday after a conference with President Harding. The vetoed bill contained a provision, inserted by the Senate, that the director should be the Secretary of Treasury, with an assistant appointed by the

Director Dawes Recites Achievements in Economy

Exhaustive Report Lists in Detail Savings Made Under Budget Control—Scores Present Accounting System of Government as Archaic—Thousands of Deals Cited.

(By the Associated Press.)

BUDGET MEASURE GOES TO PRESIDENT

House Accepts Conference Report—Bill Regulates Federal Expenditures.

Passage of the bill establishing a Federal budget system was completed yesterday, the House adopting the conference report on the measure, which now goes to the President.

The bill seeks to regulate appropriations and expenditures by creating a budget bureau in the Treasury Department. It abolishes the office of comptroller of the treasury and in its place creates the position of comptroller general, a presidential appointee to hold office for fifteen years, after which he would be ineligible for reappointment. The comptroller general would be removable from office by a joint congressional resolution, which would require presidential signature.

© 1921, 1922, *The Washington Post*. Reprinted with Permission.

Washington Post headlines from 1921 and 1922 concerning passage of the Budget and Accounting Act of 1921 and the creation of the Bureau of the Budget, which became the Office of Management and Budget in 1970.

The Federal budgeting system created by the Budget and Accounting Act of 1921 continued in place for several decades without fundamental change. The 1921 Act was revised on occasion, perhaps most notably by the Budget and Accounting Procedures Act of 1950 (64 Stat. 2317 et seq.). The changes to the 1921 Act were given impetus, in part, by the reports of the first and second Hoover Commissions in 1949 and 1955, respectively. Although the changes expanded and refined Presidential authority and responsibilities in the area of budgeting, they did not alter the basic purpose and scope of the 1921 Act.[5]

Prelude to the 1974 Reform

The period from the end of World War II until the early 1970s was one in which Congress examined and reexamined its organization and procedures for budgeting. Although several different approaches to reform were tried (see table 1), they generally did not prove to be workable or durable.

TABLE 1.—PRE-1974 REFORM EFFORTS

- Legislative budgets of 1947, 1948, and 1949 under the Legislative Reorganization Act of 1946
- The Employment Act of 1946, which established the Joint Economic Committee
- The Omnibus Appropriations Act of 1950
- The President's Commission on Budget Concepts (1967)
- Statutory spending limits and reductions (1967–1972)
- Joint Study Committee on Budget Control (1972–1973)

The first major congressional reform of the post-World War II era was the Legislative Reorganization Act of 1946. The Act fundamentally restructured and modernized the committee system, among other things, scaling back the number of committees in both the House and Senate and boosting committee staff resources. One provision in the Act was aimed at establishing, for the first time, a requirement that the House and Senate agree to an overall budget plan early in the session to guide the subsequent consideration of budgetary legislation. Section 138 of the Act (60 Stat. 812) created a Joint Committee on the Legislative Budget, consisting of Members appointed from the House and Senate Appropriations Committee, the House Ways and Means Committee, and the Senate Finance Committee. The charter of the joint committee was to examine the President's budget at the beginning of each

[5] The Federal budget process, as it existed in the middle of the 20th century, is described in: Smithies, Arthur. *The Budgetary Process in the United States*. McGraw-Hill (New York: 1955).

session and to report by February 15 of each year a legislative budget, including estimates of total spending and revenues.

The first attempt to implement a legislative budget, in 1947, failed when the House and Senate could not reach agreement on the legislation. In 1948, the two Chambers agreed on a budget but then exceeded it. Finally, in 1949, the House and Senate again failed to agree on a legislative budget, despite extending the reporting deadline from February 15 to May 1. The legislative budget required by Section 138 was not pursued thereafter, and the section was repealed two decades later by Section 242 of the Legislative Reorganization Act of 1970.

Many factors have been cited for the failure of the legislative budget in the late 1940s. In addition to its attempted implementation in a difficult political climate with sharp disagreement over budget policies, the legislative budget failed because the joint committee was hampered by an unrealistically tight timetable in which to complete its actions, a lack of useful budgetary information, insufficient staff resources, and its unwieldy size (at about 100 members).

Another budgetary reform in 1946 was the enactment of the Employment Act of 1946. The Act recognized the important role the Federal Government plays in promoting economic growth and stabilization. The Act created the Joint Economic Committee to assist Congress in this role.

In 1950, the House and Senate undertook a one-time experiment in improving legislative efficiency by considering all of the regular appropriation acts for FY1951 in a single bill.[6] Advocates of this approach had attempted for several years to mandate it through legislative action. On September 27, 1949, the Senate adopted a resolution providing for an omnibus appropriations procedure, S. Con. Res. 18, but the House did not take comparable action. Instead, the House and Senate Appropriations Committees decided that during the next session they would combine the regular appropriations acts for FY1951 into a single measure. The two committees were able to accomplish this result without any changes in rules, but simply by exercising their own authority to determine the number of appropriation measures.

After lengthy consideration, the House and Senate completed action on the measure, which was signed into law on September 6, 1950 (more than 2 months after the fiscal year had begun) as the Omnibus Appropriations Act of 1950 (81st Congress, P.L. 759). Although some aspects of the experience were viewed favorably, the House and Senate did not pass the legislation with any

[6] See "The Omnibus Appropriations Act of 1950," by Dalmus H. Nelson, *Journal of Politics*, vol. 15, no. 2, May 1953.

less time or effort than it took to pass appropriation acts individually in other years. Further, by virtue of being packaged into an omnibus measure, the enactment of some of the appropriation measures was delayed considerably compared to the usual practice.

The following year, the House and Senate returned to the practice of considering the regular appropriation acts individually. Congressional action on omnibus appropriation acts would not recur for several decades.

One enduring achievement in the area of budget reform during this period was the President's Commission on Budget Concepts, appointed by President Lyndon B. Johnson in 1967. The membership of the commission was diverse, including Members of Congress (the chairmen and ranking members of the House and Senate Appropriations Committees), the Secretary of the Treasury (Henry H. Fowler), the OMB Director (Charles L. Schultze), the Comptroller General (Elmer B. Staats), and representatives of the private sector and academia. The commission was chaired by David M. Kennedy, chairman of the board, Continental Illinois National Bank and Trust Company of Chicago.

In its report later that year, the Commission set forth an overarching framework of budget concepts that largely underpins the budget process in use today.[7] One of the most important recommendations of the commission centered on ending the use of multiple budget presentations, including the administrative budget, the consolidated cash budget, and the Federal sector of the national income accounts. Each of the three approaches to budget presentation had been criticized for deficiencies or drawbacks that impaired sound policymaking, and the Commission recommended replacing them with the "unified budget." Under the unified budget, all Federal funds and trust funds of the government are melded together into a single document, thereby improving the understanding of the scope of the Federal budget and analysis of the budget's impact on, and interaction with, the economy.

During the late 1960s and early 1970s, a deteriorating budget picture led to clashes between Congress and the President. Toward the end of the Johnson administration, budgetary strains were created by the rising costs of the war in Vietnam, increased spending for the Great Society programs, and a Presidential request for a surtax, among other factors. The budgetary strains continued into the administration of President Richard M. Nixon, who clashed repeatedly with Congress over budget priorities.

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[7] President's Commission on Budget Concepts. *Report of the President's Commission on Budget Concepts*. U.S. Govt. Printing Office. (Washington: October 1967). Reprinted in 1987.

REPORT of the PRESIDENT'S COMMISSION on BUDGET CONCEPTS

LETTER OF TRANS.

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: Your Commission on Bud
with our recommendations on what we believe
progressive budget presentation for the Federal G

The present Federal budget is in most essenti
Commission has gained new and deep respect fo
ness and for the ability and devotion to duty of
in its preparation.

But we find that some improvements definitely
budget presentation more responsive to the many
particularly, we believe there is a need for certain
in classification that will enhance public and cong
of the budget and will increase its usefulness for purp
public policy determination, and financial planning.

In making these recommendations, the Commiss
broad authority granted to the President by the Bu
Act of 1921 to determine the precise form in which
to the Congress. We urge that work begin immediately
sary information and data so that those recommendatio
your approval can be introduced into the budget at th
moment. We hope that many of these changes can be
budget document which you will
January—although
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Letter of Transmittal

the budget document an even more useful tool for decision-making in our
democracy and a more readily understood instrument of government.

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DAVID M. KENNEDY,
Chairman

ROBERT B. ANDERSON
FRANK T. BOW
HENRY H. FOWLER
CARL HAYDEN
WINTHROP C. LENZ
GEORGE H. MAHON
PAUL W. MCCRACKEN
CHARLES L. SCHULTZE
CARL S. SHOUP
LEONARD S. SILK
ELMER B. STAATS
ROBERT M. TRUEBLOOD
ROBERT C. TURNER
THEODORE O. YNTEMA
MILTON R. YOUNG

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OCTOBER 10, 1967.

Convened by President Lyndon Johnson, this commission, tasked with studying ways to modernize the Federal budget process, recommended creating a unified budget system to enhance congressional and public understanding of the Federal budget and provide a more useful instrument of public and financial policy.

From 1967 through 1972, Congress acted five times on proposals to limit or reduce Federal spending.[8] These proposals involved spending reductions included in a continuing appropriations act (1967), spending limits combined with tax legislation (1968), spending limits included in supplemental appropriations acts (1969 and 1970), and spending limits included in a measure increasing the limit on the public debt (1972).

The ad hoc nature of congressional actions to deal with spending control and other budgetary issues highlighted the inadequacy of House and Senate procedures for making budget policy. In order to resolve the many problems in budget process that beset the House and Senate during this period, the two Chambers included a provision in one of the last measures approved by the 92nd Congress intended to lead to reform in the following Congress. A bill temporarily increasing the public debt by $65 billion and providing for a 1-day limit of $250 billion on spending, H.R. 16810 was signed into law by President Nixon on October 27, 1972, as P.L. 92–599 (86 Stat. 1324–1326). Section 301 of the Act established a joint committee which came to be known as the Joint Study Committee on Budget Control.

The Joint Study Committee on Budget Control consisted of 32 members, 16 from each Chamber, appointed by the Speaker of the House and the President pro tempore of the Senate. Seven House Members and seven Senate Members were appointed from the Appropriations Committees, the same number were appointed from the House Ways and Means and Senate Finance Committees, and two additional Members from each Chamber were appointed. The main task of the Joint Study Committee, as set forth in Section 301(b) of P.L. 92–599, was to report by February 15, 1973 on a:

> . . . full study and review of . . . the procedures which should be adopted by the Congress for the purpose of improving congressional control of budgetary outlay and receipt totals, including procedures for establishing and maintaining an overall view of each year's budgetary outlays which is fully coordinated with an overall view of the anticipated revenues for that year. . . ."

The Congressional Budget and Impoundment Control Act of 1974

In 1973 and 1974, during the 93rd Congress, the House and Senate finally brought the issue of comprehensive budget process reform to a successful conclusion. During this period, the House

[8] Congressional actions in this regard are discussed in detail in: Schick, Allen. *Congress and Money*. The Urban Institute (Washington: 1980). See Chapter II (The Seven-Year Budget War: 1966–73), pp. 17–49. The five laws involved were: (1) P.L. 90–218; (2) P.L. 90–364; (3) P.L. 91–47; (4) P.L. 91–305; and (5) P.L. 92–599.

and Senate pursued several broad-scale reforms that encompassed fundamental issues in executive-legislative relations and the separation of powers. Among other things, congressional actions dealt with war powers as the war in Vietnam drew to a close; focused on intelligence oversight in the wake of disclosures of domestic spying and other abuses; and pursued charges of corruption in the Nixon administration and impeachment following revelations stemming from Watergate.

With regard to budget process reform, Congress faced many different issues. Congressional actions in the preceding years had clearly demonstrated that it lacked an effective means of determining budget priorities and coordinating revenue and spending policies, both in terms of a legislative vehicle and committee structure. The deficiencies in procedure and structure contributed, in the view of many, to undesirable budget outcomes, such as persistent and growing deficits, excessive spending and a growing portion of outlays considered to be "relatively uncontrollable," and an undue reliance upon the executive for budgetary information and analysis. Undesirable procedural outcomes were attributed to these deficiencies as well, including delays in the annual appropriations process, leading to funding gaps and excessive reliance on continuing appropriations acts.

During his 1972 reelection campaign, in his FY1973 budget submission to Congress, and in other venues, President Nixon criticized the House and Senate for shortcomings in budget procedure. Their "hoary and traditional" procedures, he argued, impaired the enactment of sound budgetary policies.

Another major concern centered around the large-scale impoundment of funds by the Nixon administration. In addition to the number and size of the Nixon impoundments, which in 1973 reached about $18 billion (far more than any previous President had impounded) and represented a sizeable share of the approximately $170 billion in appropriations enacted annually at that time, Congress was concerned that the purpose of most of the impoundments was to overturn congressional priorities established in appropriations acts, thereby undermining its power of the purse.

The Joint Study Committee, created at the end of the 1972 session, was cochaired by Representative Jamie L. Whitten (chairman of the House Appropriations Committee) and Representative Al Ullman (chairman of the House Ways and Means Committee). The Joint Study Committee held eight hearings between January 18

The Washington Post

Times Herald

WEDNESDAY, OCTOBER 18, 1972

95th Year .... No. 318

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Senate Rebuffs President

Rejects Budget Lid, Overrides Water Bill Veto

By Spencer Rich and Peter Braestrup
Washington Post Staff Writers

In an atmosphere of rising antagonism between Congress and the White House, the Senate killed a proposed compromise on the President's $250 billion spending ceiling last night and voted early today to override his midnight veto of the clean water bill.

In the key vote on spending, the Senate rejected, 39 to 27, a House-Senate conference formula giving the President the wide latitude he demanded to choose the cut to meet the $250 billion limit. Then it stripped out the billion ceiling altogether.

The vote to override the veto of the $24.6 billion clean water measure was 52 to 12, well above the two-thirds required. If the House follows suit today, the bill becomes law.

The administration agreed to the dropping of the spending ceiling once it became clear that the compromise worked out by House-Senate conferees would be rejected and Mr. Nixon would be denied the flexibility he demanded to cut where he chose.

This will enable the President to belabor the Democrats and Congress for seeking to handcuff him too rigidly on where cuts should be made and thus making the spending limit unworkable and inviting inflation and a future tax increase.

Mr. Nixon spelled out this charge directly in his veto message on the water pollution bill, which he said he was rejecting because of its high costs (Details on Page A39).

"As with this bill," he said in releasing the veto message shortly after the 39-to-27 vote signalled that the Senate as solidly refused to give him a free hand.

"A vote to sustain the veto is a vote against a tax increase. A vote to override the veto is a vote to increase the likelihood of higher taxes," the President said.

After the 39-to-27 vote on the spending ceiling compromise, Senate Finance Committee Chairman Russell B. Long (D-La.) told the Senate he had been informed by the administration that if it couldn't have the freedom to cut granted by the defeated compromise, it preferred to drop the spending limitation.

Saying that this seemed a good solution, Long offer motion to strip out the $250 billion spending and send the bill back to conference, and it carried by voice vote.

See SESSION, A6, Col. 3

Senators Gird to Battle Nixon on

By David S. Broder
Washington Post Staff Writer

With cries of encouragement to each other to "save the Constitution" and "restore the dignity of the Congress," members of the Senate yesterday donned their armor for a clash with the President on control of federal spending.

Sen. Sam J. Ervin, Jr. (D-N.C.), the general in this latest battle between Capitol Hill and the White House, started collecting favorable testimony on a bill he has written that would severely restrict the President's authority to withhold appropriated funds, as Mr. Nixon has done to the extent of about $12 billion in the current fiscal year.

The measure—already co-sponsored by 51 of the 100 senators—would allow a President to impound funds only 60 days. Unless Congress affirmatively endorsed that period, he would have to release the rest of the money he wish and

Ervin and a half-dozen other senators who testified yesterday at hearings he chaired with Sen. Lawton M. Chiles Jr. (D-Fla.) agreed that Mr. Nixon has precipitated a "constitutional crisis" by his frequent use of the impounding powers, which have been employed occasionally by most Presidents since the time of Jefferson.

But they disagreed on whether Ervin's bill would bring Mr. Nixon to heel, and they conceded that Congress will have to improve its own handling of the budget before it can regain control of spending from the executive.

While Ervin's judiciary Subcommittee and Chiles' Government Operations Subcommittee began a joint hearing, committees of both parties in both the House and Senate were discussing what action—the question of a spending ceiling for next year, Mr. Nixon in his message Monday urged Congress to ratify his $26 billion ceiling for fiscal 1974 before acting on any individual spending bill.

Senate Republicans met with Roy Ash, new head of the Office of Management and Budget, but postponed any decision on a statement drafted by Sen. John G. Tower (R-Tex.) endorsing the President's request. Tower said many members were in disagreement with specific cuts Mr. Nixon is proposing.

Meanwhile, the Democratic Policy Committee endorsed a resolution sponsored by Sen. John V. Tunney (D-Calif.) calling on the joint Congressional Budget Committee to recommend by Feb. 15 a procedure for establishing a congressional budget ceiling. Tunney's resolution, due to be before the full Senate Dem-

Impoundment Issue Comes to Head in Hill Meeting Today

"Impoundment amounts to government by decree, and if the practice is permitted the collective voice of 535 members of Congress could be overridden by one man. That would be government without law."
—Sen. Sam Ervin (D-N.C.)

"The constitutional right for the President of the United States to impound funds and thus to not spend money written the spending of money would mean either increasing prices or increasing taxes for all the people that right is absolutely clear."
—President Richard Nixon

By Cathe Wolhowe
Washington Post Staff Writer

The words were spoken months ago, and now the issue is coming to a head.

At 4 p.m. today, seven senators and seven representatives will file into an ornate Victorian room in the Capitol, range themselves

formula of releasing the funds unless Congress affirmatively approves impoundment.

The Senate, however, has passed its version three times, twice as an amendment and once as a bill, and over half the Senate is sponsoring the present bill.

"The Senate would be making a monkey of itself if it adopted a resolution that requires the Senate to vote its three times to make effective its power of the purse," Sen. Sam Ervin (D-N.C.) said. The House bill could require two extra votes—to tell the President he cannot impound and then to override his inevitable veto of this decision. Ervin is the chief sponsor of the Senate bill and will head the Senate conferees.

The leader of the House conferees, Rep. Richard Bolling (D-Mo.), said he expects some disagreements,

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During the early 1970s, Congress and the President clashed repeatedly over budget priorities as reflected in these *Washington Post* headlines from 1972 and 1973.

and March 15, 1973. On February 7, 1973, the Joint Study Committee issued an interim report, and, on April 18, 1973, it issued a final report.[9]

In its final report, the Joint Study Committee drew special attention to Congress's difficulty in controlling the deficit. The Joint Study Committee concluded that "the failure to arrive at congressional budget decisions on an overall basis has been a contributory factor in this picture." Further, the Joint Study Committee noted:

> The fact that no committee has the responsibility to decide whether or not total outlays are appropriate in view of the current situation appears to be responsible for much of the problem. Perhaps still more critical for the process is the distribution of jurisdiction over components of the budget among several different congressional committees. As a result, each spending bill tends to be considered by Congress as a separate entity, and any assessment of relative priorities among spending programs for the most part is made solely within the context of the bill before Congress.[10]

The Joint Study Committee recommended the establishment of a 21-member Budget Committee in the House and a 15-member Budget Committee in the Senate. One-third of each Committee's members would be appointed from the Appropriations Committee in that Chamber, one-third from the revenue committees (House Ways and Means and Senate Finance), and one-third from the House and Senate at large, with the chairmanships of each Budget Committee alternating between the appropriations and revenue committees.

As proposed by the Joint Study Committee, the House and Senate Budget Committees would be responsible for developing and reporting an annual concurrent resolution on the budget, to be adopted by May 1 of each year, setting forth limitations on spending, revenues, the surplus or deficit, and debt. In conducting their activities, the House and Senate Budget Committees would be served by a joint staff, dedicated almost exclusively to supporting the two Committees. Floor consideration of the budget resolution would take place under procedures that in effect would significantly restrict a Member's ability to offer amendments.

The recommendations of the Joint Study Committee were embodied in identical legislation introduced in each Chamber, H.R. 7130 and S. 1641 (see table 2). While H.R. 7130 became the

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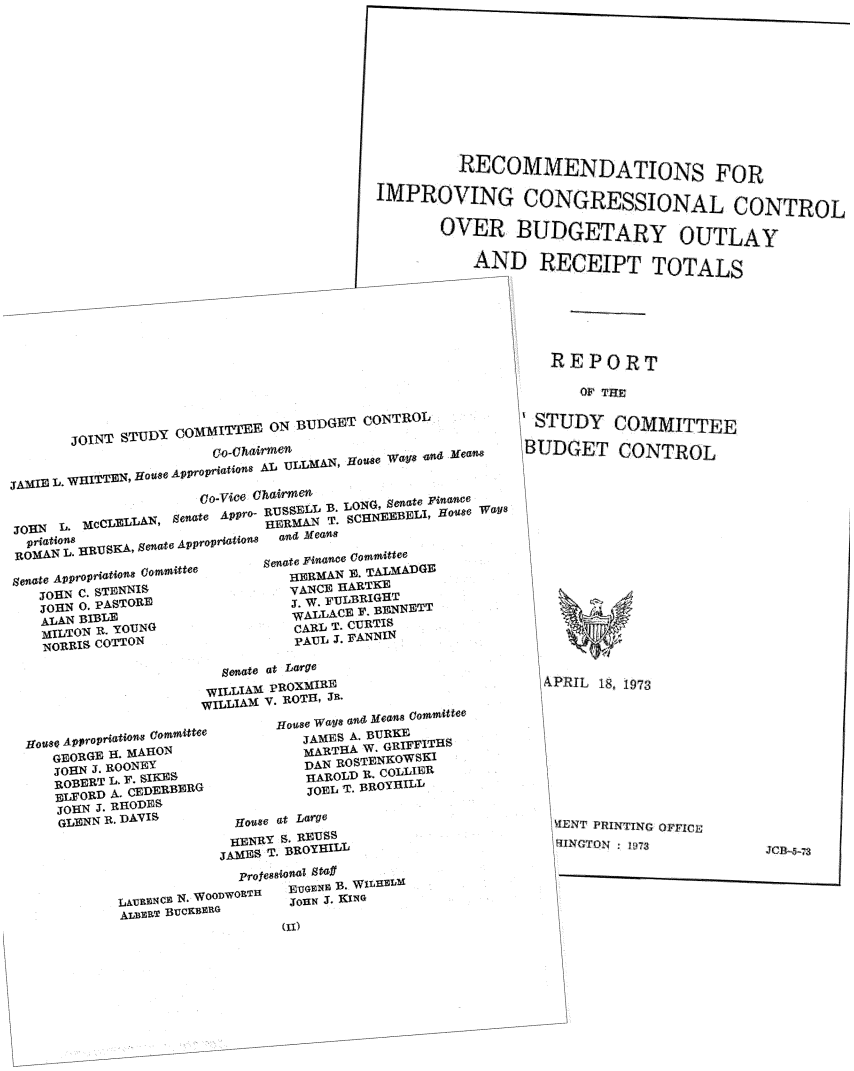
[9] See the reports of the Joint Study Committee on Budget Control: (1) *Improving Congressional Control Over Budgetary Outlay and Receipt Totals; Interim Report*, H. Rept. 93–13, Feb. 7, 1973; and (2) *Recommendations for Improving Congressional Control Over Budgetary Outlay and Receipt Totals*, H. Rept. 93–147, Apr. 18, 1973.

[10] Joint Study Committee, H. Rept. 93–147, ibid., p. 1.



RECOMMENDATIONS FOR
IMPROVING CONGRESSIONAL CONTROL
OVER BUDGETARY OUTLAY
AND RECEIPT TOTALS

REPORT
OF THE
' STUDY COMMITTEE
BUDGET CONTROL

APRIL 18, 1973

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JOINT STUDY COMMITTEE ON BUDGET CONTROL

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JOHN L. McCLELLAN, *Senate Appropriations* RUSSELL B. LONG, *Senate Finance*
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Senate Finance Committee
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House Appropriations Committee
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ELFORD A. CEDERBERG
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House Ways and Means Committee
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HENRY S. REUSS
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Professional Staff
LAURENCE N. WOODWORTH
ALBERT BUCKBERG
EUGENE B. WILHELM
JOHN J. KING

(II)

The final report of this bicameral committee, formed in 1972, recommended the formation of committees on the budget in both the House and Senate for budget review and provided a framework for what would become the Congressional Budget and Impoundment Control Act of 1974.

principal vehicle for budget process reform in the House, the main vehicle in the Senate was S. 1541, a budget process reform measure introduced on April 11, 1973 (a week before the Joint Study Committee issued its final report) by Senator Sam Ervin, the chairman of the Senate Government Operations Committee. In addi-

tion, the House and Senate passed separate impoundment control legislation in 1973 (H.R. 8480 and S. 373, respectively), before the issue was merged into budget process reform legislation in 1974.

TABLE 2.—LEGISLATIVE HISTORY OF THE 1974 ACT

- House Rules Committee reported H.R. 7130 by a vote of 15 to 0 (H. Rept. 93–658, November 20, 1973)
- House considered H.R. 7130 on December 4 and 5, 1973, passing it by a vote of 386 to 23
- Senate Government Operations Committee reported S. 1541 by a vote of 10 to 0 (S. Rept. 93–579, November 28, 1973)
- Senate Rules and Administration Committee reported S. 1541 by a vote of 9 to 0 (S. Rept. 93–688, March 6, 1974)
- Senate considered S. 1541 on March 19–22, 1974, passing it by a vote of 80 to 0
- Conference agreement on H.R. 7130 reported (H. Rept. 93–1101, June 11, 1974, and S. Rept. 93–924, June 12, 1974)
- House agreed to conference report on June 18, 1974, by a vote of 401 to 6, and Senate agreed to it on June 21, by a vote of 75 to 0
- President Richard Nixon signed H.R. 7130 into law on July 12, 1974, as P.L. 93–344

In the House, H.R. 7130 was referred to the House Rules Committee, which was chaired by Representative Ray J. Madden. Between July 19 and September 20, 1973, the Rules Committee held 7 hearings on H.R. 7130 and other budget process reform legislation, receiving testimony from more than 20 witnesses. During markup of H.R. 7130 in November, many modifications were made to the bill. On November 13, the Rules Committee voted unanimously (15 to 0) to report the bill with an amendment in the nature of a substitute. The Committee's report (H. Rept. 93–658) was printed on November 20, 1973.

For the most part, the House Rules Committee's recommendations corresponded with those made by the Joint Study Committee, but with several significant changes. Rather than a single budget resolution each year, the House and Senate would adopt a spring budget resolution (by May 1) setting targets and a fall budget resolution that would be binding. The House Budget Committee would consist of 23 members, with 10 members selected from the House Appropriations and Ways and Means Committees, 2 from the party leadership, and 11 members at large. Thus, the Rules Committee recommended both a slightly larger Budget Committee and one more representative of the House as a whole. A Legislative Budget Office would serve as a joint staff to the two Budget Committees, but would serve other congressional offices as well. The start of the fiscal year would be switched

from July 1 to October 1 of each year, to allow more time for Congress to complete action on budgetary legislation. Finally, the Rules Committee added the issue of impoundment control, incorporating into H.R. 7130 the provisions of H.R. 8480, with modifications, which the House had passed earlier in the year, on July 25.

In the Senate, S. 1541 was referred to the Senate Government Operations Committee on April 11, 1973. The Committee referred budget process reform legislation to a newly created subcommittee chaired by Senator Lee Metcalf, the Subcommittee on Budgeting, Management, and Expenditures. On April 2, 1973, the Subcommittee held its first hearing, receiving testimony on nine Senate bills pertaining to budget process reform that had been referred to the Subcommittee at that point. Additional measures, including S. 1541, were referred to the Subcommittee as the session progressed. The Subcommittee held 7 additional hearings through August, receiving testimony from more than 30 witnesses, before reporting the measure to the Full Committee by a 5 to 4 vote.

The Senate Government Operations Committee considered S. 1541 in October and November of 1973, and ordered the bill, as amended with an amendment in the nature of a substitute, reported on November 8 by a unanimous vote of 10 to 0 (four other Committee members voted yea by proxy and the remaining two Committee members did not vote). The Committee's report on S. 1541 (S. Rept. 93–579) was filed on November 20 and printed on November 28.

In view of the significant changes that S. 1541 proposed to make to the standing rules of the Senate, the bill was referred to the Senate Rules and Administration Committee on November 30, with instructions to report it by February 25, 1974. The bill was referred to the Subcommittee on the Standing Rules of the Senate, chaired by Senator Robert C. Byrd. The Subcommittee held a hearing on the bill on January 15, 1974.

After the hearing, Senators Sam Ervin and Charles Percy, chairman and ranking member, respectively, of the Government Operations Committee, suggested that the Rules and Administration Committee provide a forum for all interested parties to review the bill. A staff working group was convened by the Rules and Administration Committee, representing 10 Senate standing committees, 4 joint committees, the House Appropriations Committee, the Congressional Research Service, and the Office of Senate Legislative Counsel. Over the course of 16 days, the working group met for about 90 hours in 25 sessions. Their efforts resulted in significant changes in the bill. On February 20, 1974, the Rules and Administration Committee adopted the changes, with some further

modifications, in the form of an amendment in the nature of a substitute. The Committee's report on S. 1541 (S. Rept. 93–688) was filed on February 21, 1974, and printed on March 6.

The true father of the budget process is neither Senator Muskie nor Senator Ervin, both of whom wrote the original bill, but Senator Robert Byrd, who was chairman of the Rules Committee at that time and looked at the bill that the Governmental Affairs Committee reported and said, ''This won't work.'' He took it and rewrote it in the form it became law. He was instrumental both as whip and later as majority leader because he could have leaned against us and probably eviscerated the Committee, but he didn't. He stood with us, and as a result, the process became as established as it did.[11]

—John McEvoy, Senate Budget Committee Staff Director, 1977–1980

The consensus measure recommended by the Senate Rules and Administration Committee generally maintained a correspondence with the House on many key issues, but with some significant differences. The Committee's recommendations envisioned two budget resolutions each year; the first (to be adopted by June 1) would establish targets for spending, revenues, the surplus or deficit, and debt, and the second (to be adopted in the fall) would be binding. A Congressional Office on the Budget would serve the Budget Committees and other congressional offices as well, but unlike the House, the Senate did not envision it serving as a joint staff for the Budget Committees. Instead, the Senate expected that each Budget Committee would have its own staff, as in the case of other House and Senate committees. A 15-member Senate Budget Committee would be established, as originally proposed. The Committee's recommendations did not encompass impoundment controls generally, but an amendment to the Antideficiency Act was included that more clearly restricted the President's authority to withhold funds.

The House began initial consideration of H.R. 7130 on December 4, 1973, after adopting a special rule (H. Res. 715) providing for the bill's consideration. The next day, December 5, the House passed H.R. 7130 by a vote of 386 to 23. The House-passed bill reflected the Rules Committee's amendment in the nature of a substitute, as amended by two relatively minor amendments. Nine other amendments to the Committee's substitute were rejected.

The Senate considered S. 1541 from March 19 through March 22, 1974. On the first day of consideration, the Senate agreed to the amendment in the nature of a substitute proposed by the Rules and Administration Committee, which was subject to fur-

[11] Transcript, John McEvoy interview, August 21, 2006, U.S. Senate Historical Office.

ther amendment, and a series of technical and conforming amendments offered by Senator Ervin. During the ensuing 3 days, 19 other amendments were adopted and 8 were rejected. On March 22, the Senate passed the House bill, H.R. 7130, after striking out the House-passed text and inserting in lieu thereof the provisions of S. 1541 as amended. The vote on final passsage was 80 to 0.

Conferees met on H.R. 7130 as passed by the House and the Senate amendment thereto, reached a compromise, and, on June 5, 1974, agreed to file a conference report. The conference report was printed on June 11 (as H. Rept. 93–1101) and on June 12 (as S. Rept. 93–924). On June 18, the House agreed to the conference report, by a vote of 401 to 6, clearing the measure for the Senate. The Senate agreed to the conference report, by a vote of 75 to 0, on June 21, clearing the measure for the President. President Nixon signed the bill into law, as the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93–344), on July 12, 1974.[12]

During Senate consideration of the conference report, several Senators with long service in the Chamber commented on the special importance of the legislation. Senator Sam Ervin, for example, noted:

> To my mind, this is the most important piece of legislation that I have worked on during the 20 years that I have served in the Senate. It is the finest example of the legislative process at work that I have ever witnessed.[13]

Senator Charles Percy commented on the extraordinary efforts involved in the enactment of the 1974 Act:

> . . . when we set our minds to do something, we really can accomplish something that is in the national interest, and that certainly will serve the interests of every taxpayer and citizen in the country. . . . For such a bill to be passed within a single Congress is a tribute to the dedication to which Senators and Representatives have approached this very difficult task.[14]

Senator Lee Metcalf placed the challenge presented by the 1974 Act within the context of previous reform efforts:

> That challenge—stated plainly—was to find a mechanism by which 535 Members of Congress could determine an appropriate budget for the Nation and conduct their legislative business within it. Since 1921, attempts have been made by Congress to meet this challenge. All have failed for a variety of reasons, not the least of which were political. The result has been increasing control over fiscal policy by the executive branch, not provided in, nor even contemplated by, the Constitution.

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[12] See the statement of President Nixon on the Act in the *Weekly Compilation of Presidential Documents*, vol. 10, no. 28, July 12, 1974.

[13] The remarks of Senator Sam Ervin in the *Congressional Record* of June 21, 1974, as reprinted in: U.S. Congress. Senate. Committee on Government Operations. *Congressional Budget and Impoundment Control Act of 1974; Legislative History*. Committee print (93rd Cong., 2nd sess.). December 1974, pp. 1989–1990.

[14] Committee on Government Operations, ibid., pp. 2018–2019.

The mechanism created by this legislation is more comprehensive, more dynamic, than anything previously considered. It is framed within the traditions and procedures of Congress, but at the same time it provides a new set of rules which, if followed, will work.[15]

The 1974 Act is a lengthy and complex measure, consisting of 10 titles. The first nine titles of the Act are referred to as the Congressional Budget Act of 1974; the last title, Title X, is referred to as the Impoundment Control Act of 1974. Section 2 provides a declaration of purposes for the entire Act:

Sec. 2. The Congress declares that it is essential—

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures;

(3) to provide a system of impoundment control;

(4) to establish national budget priorities; and

(5) to provide for the furnishing of information by the executive branch in a manner that will assist the Congress in discharging its duties.

As enacted in 1974, Title I of the Act provided for a 23-member House Budget Committee and a 15-member Senate Budget Committee, with responsibility principally to develop and enforce annual budget resolutions.

Title II of the Act created the Congressional Budget Office (CBO), headed by a director appointed to a 4-year term, to provide Congress with budgetary information and analysis prepared on an independent, nonpartisan basis. The Act established a hierarchy regarding CBO's duties and functions in which its primary responsibility is to assist the House and Senate Budget Committees, followed by the appropriations and revenue committees, followed by other committees and Members.

Title III set forth the timetable and procedures of the congressional budget process, including the requirement that an advisory budget resolution be adopted by May 15, and a binding budget resolution be adopted by September 15, and set forth reconciliation procedures to be used, if needed, in conjunction with the second budget resolution. Further, Title III specified the required contents of budget resolutions, including the total levels of spending, revenues, the surplus or deficit, and debt, a breakdown of spending by major functional categories, and provided for optional procedures and matters to be included, as appropriate. A provision also allowed for additional budget resolutions, if necessary.

Title IV imposed new controls on entitlement legislation, as well as legislation involving contract authority and borrowing authority. Additionally, the title established May 15 as a reporting deadline for authorizing legislation.

[15] Committee on Government Operations, ibid., pp. 2002–2004.

Title V changed the start of the fiscal year from July 1 to October 1 and provided for a 3-month transition quarter (July 1–September 30, 1976) to implement the change.

Titles VI through IX made various changes in the budget process, including changes affecting the President's budget, the conduct of program evaluation by the Comptroller General, the availability of budgetary information to Congress, and technical and conforming matters.

Title X established new procedures for impoundment control, defining impoundments as either rescissions or deferrals, requiring the submission of Presidential impoundment messages, setting forth House and Senate procedures for the expedited consideration of legislation dealing with rescission and deferral proposals, and imposing on the Comptroller General responsibilities for monitoring executive impoundments and reporting to Congress.

The Senate Budget Committee was established shortly after the enactment of the 1974 Act. On July 25, 1974, the Senate adopted S. Res. 367, without objection, appointing nine Democratic members, and on August 7, the Senate adopted S. Res. 378, without objection, appointing six Republican members. Senator Edmund S. Muskie was chosen to be the chairman and Senator Peter H. Dominick was chosen to be the ranking member. (Senator Dominick lost his bid for reelection in 1974 and was replaced in that position in 1975 by Senator Henry Bellmon.)

By any standard, the first Members of the Senate Budget Committee (see table 3) were an exceptional group, and several of them later served in other important elective or appointive positions. The chairman, Senator Edmund S. Muskie, served as Secretary of State under President Jimmy Carter, while Senator Walter F. Mondale served as Vice President to President Carter. Senators Er-

TABLE 3.—FIRST MEMBERS OF THE SENATE BUDGET COMMITTEE (93RD CONGRESS, 2ND SESSION, 1974)

(Democrats in *italic;* Republicans in roman)

Edmund S. Muskie, Chairman	Peter H. Dominick, Ranking Member
Warren G. Magnuson	Milton R. Young
Frank E. Moss	Roman L. Hruska
Walter F. Mondale	Jacob K. Javits
Ernest F. Hollings	Paul J. Fannin
Alan Cranston	Robert J. Dole
Lawton Chiles	
James G. Abourezk	
Joseph R. Biden, Jr.	

nest F. Hollings and Lawton Chiles each later served as chairman (and ranking member) of the Budget Committee. Senator Peter H. Dominick was appointed Ambassador to Switzerland by President Gerald Ford and Senator Robert J. Dole twice held the position of Senate majority leader.

The first organizational meeting of the new Committee was held on August 13, 1974. Although the Committee did not begin its legislative functions until the following year, it held a series of hearings beginning on August 14 on the impact of the Federal budget on inflation. (See the Appendix for opening statements from the Committee's first hearing.) A funding resolution to cover the initial expenses of the Budget Committee through February 28, 1975, S. Res. 406, was agreed to by the Senate on October 10.

The House Budget Committee also was established soon after the enactment of the 1974 Act. In August 1974, Representative Al Ullman was chosen to be the chairman, but he stepped down from the position a few months later to accept the chairmanship of the House Ways and Means Committee and was succeeded as chairman by Representative Brock Adams.

As provided for in Section 905(b) (88 Stat. 331) of the 1974 Act, the Congressional Budget Office officially came into existence on the day that the first CBO Director was appointed. This occurred on February 24, 1975, with the appointment of Alice Rivlin.

The First Decade: From "Dry Run" to Reconciliation

The first decade of the congressional budget process, covering the 94th Congress through the 98th Congress (1975–1984), was marked by many significant developments, including the maturation of the process from tentative and uncertain beginnings into an established routine of the House and Senate, the increased reliance on the new process to deal with mounting challenges in Federal budget policy, and procedural innovation that sometimes was dramatic.

At the beginning of the 94th Congress, in 1975, the Senate Budget Committee began to carry out its legislative functions. Senator Edmund S. Muskie, the first chairman, served in that capacity for more than 5 years, stepping aside in May 1980 to serve as Secretary of State under President Jimmy Carter. He was succeeded as chairman by Senator Ernest F. Hollings. Senator Henry Bellmon became the ranking member of the Committee at the beginning of the 94th Congress, and continued to serve in that position through 1980 (see table 4).

TABLE 4.—COMMITTEE LEADERSHIP: 94TH–98TH CONGRESSES

94th Congress (1975–1976)	Chairman, Edmund S. Muskie (D)
	Ranking Member, Henry Bellmon (R)
95th Congress (1977–1978)	Chairman, Edmund S. Muskie (D)
	Ranking Member, Henry Bellmon (R)
96th Congress (1979–1980)	Chairman, Edmund S. Muskie (D) (through May 7, 1980)
	Chairman, Ernest F. Hollings (D) (from May 13, 1980)
	Ranking Member, Henry Bellmon (R)
97th Congress (1981–1982)	Chairman, Pete V. Domenici (R)
	Ranking Member, Ernest F. Hollings (D)
98th Congress (1983–1984)	Chairman, Pete V. Domenici (R)
	Ranking Member, Lawton Chiles (D)

Courtesy of the Edmund S. Muskie Archives and Special Collections Library.

The first chairman, Edmund S. Muskie, and second ranking member, Henry Bellmon, at a Committee markup during the 94th Congress.

The 1974 Act did not anticipate that the congressional budget process would be ready for full operation in 1975 for the FY1976 budget cycle. Section 906 of the Act (88 Stat. 332), however, allowed the two Budget Committees to decide to implement a scaled-back version of the process, a so-called dry run, if they both agreed that to do so was feasible and submitted reports of such agreement to their respective Chambers. The two Budget Commit-

tees agreed that action on budget resolutions for FY1976 was feasible and issued the required reports on their agreement.[16]

The first budget resolution to be considered under the 1974 Act was reported by the House Budget Committee on April 14, 1975 (H. Con. Res. 218), and by the Senate Budget Committee on April 15 (S. Con. Res. 32).[17] The Senate considered S. Con. Res. 32 on April 29 and April 30, and passed it on May 1, by a vote of 69 to 22. The House passed H. Con. Res. 218 on May 1, but only with a four-vote margin, 200 to 196. A conference report on H. Con. Res. 218 was filed on May 9 (H. Rept. 94–198 and S. Rept. 94–113), and the two Chambers agreed to it on May 14, 1 day before the deadline prescribed by the 1974 Act (see table 5). The Senate agreed to the conference report by a voice vote and the House agreed to it by a vote of 230 to 193.

TABLE 5.—ANNUAL BUDGET RESOLUTIONS: FY1976–FY1985 [1]

Fiscal year	Budget resolution	Date adopted
1976	H. Con. Res. 218	05–14–1975
1977	S. Con. Res. 109	05–13–1976
1978	S. Con. Res. 19	05–17–1977
1979	S. Con. Res. 80	05–17–1978
1980	H. Con. Res. 107	05–24–1979
1981	H. Con. Res. 307	06–12–1980
1982	H. Con. Res. 115	05–21–1981
1983	S. Con. Res. 92	06–23–1982
1984	H. Con. Res. 91	06–23–1983
1985	H. Con. Res. 280	10–01–1984

[1] Excludes second budget resolutions for FY1976–FY1982 and a third budget resolution for FY1977.

The text of the first budget resolution for FY1976, which under the dry run included only the budget aggregates and not the functional allocations of spending or other elements, read as follows:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $367,000,000,000;

[16] The report of the Senate Budget Committee on the agreement was *Implementation of New Congressional Budget Procedures for Fiscal Year 1976*, S. Rept. 94–27, Mar. 5, 1975; the report of the House Budget Committee, under the same title, was H. Rept. 94–25, Mar. 3, 1975. The Senate Budget Committee also issued a report with respect to a second budget resolution for that year, *Implementation of New Congressional Budget Procedures for Fiscal Year 1976*; *Timetable for the Second Budget Resolution and Reconciliation Process*, S. Rept. 94–422, Oct. 8, 1975.

[17] See the report of the Senate Budget Committee, *First Concurrent Resolution on the Budget—Fiscal Year 1976*, S. Rept. 94–77, Apr. 15, 1975. The Committee issued Part 2 to the report on Apr. 23 to provide the "Additional Views" of two Senators that inadvertently had been omitted.

(2) the appropriate level of total new budget authority is $395,800,000,000;

(3) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $68,820,000,000;

(4) the recommended level of Federal revenues is $298,180,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,400,000,000; and

(5) the appropriate level of the public debt is $617,600,000,000 and the amount by which the temporary statutory limit on such debt should accordingly be increased is $86,600,000,000.

The second budget resolution for FY1976, H. Con. Res. 466, was approved by the House and Senate in the fall without difficulty. The measure also recommended budget aggregates for the 3-month transition quarter (TQ) following FY1976, encompassing July 1–September 30, 1976. The transition quarter was necessary to accommodate the change in the fiscal year cycle, for FY1977 and thereafter, mandated by the 1974 Act (FY1977 started on October 1, 1976).

The first full run of the congressional budget process occurred in 1976 for the FY1977 budget cycle. Once again, the House and Senate adopted the first budget resolution for that year (S. Con. Res. 109), as well as the second budget resolution (S. Con. Res. 139), in a timely manner and without significant difficulty. The margins of approval in the Senate for the first and second budget resolutions (65 to 29 and 66 to 20, respectively) reflected the pattern of strong bipartisanship on budget resolutions that marked the early years of the congressional budget process in that Chamber. For the first time in many years, all of the regular appropriations acts for the fiscal year were enacted on time. (Despite the timely enactment of the regular appropriations acts for FY1977, two continuing appropriations acts were required to fund certain unauthorized activities that had been dropped from one of the bills.)

The congressional budget process continued to operate relatively smoothly for the next several years, with the two annual budget resolutions being adopted largely in a timely manner and, in the Senate, by comfortable margins. This period in congressional budgeting has been described as ''the accommodating budgetary process,'' in which the two Budget Committees often acquiesced in the preferences of the leadership and other committees, ''accommodating to the predominant pressures for increased spending.'' [18]

Despite this generally accommodative behavior, there were differences in the operation of the two Budget Committees:

[18] This characterization was made in: Penner, Rudolph G. and Alan J. Abramson. *Broken Purse Strings; Congressional Budgeting, 1974–88*. The Urban Institute Press. (Washington: 1988), p. 23.

The Senate Budget Committee drew strength and some autonomy from its bipartisan approach and cohesiveness and from the less contentious atmosphere in the Senate. Chairman Edmund Muskie was fairly aggressive in testing and stretching the limits of the Committee's original mandate by challenging other committees. Although Muskie and the Senate Budget Committee were not always successful in these fights, they often won larger margins in budget votes than the House Committee and were consequently seen as stronger than the House Committee.[19]

One of the early successes of the Budget Committee in seeking greater control over spending was the assumption of the repeal in 1976 of the ''1-percent kicker,'' which since 1969 had annually boosted the inflation adjustment in Federal employee retirement benefits by an additional 1 percent whenever the underlying adjustment was at least 3 percent for 3 consecutive months. By some estimates, the kicker had raised Federal annuities by 72 percent between 1969 and 1975, compared to a 56-percent increase in inflation during the same period; in future years, the ''multiplier effect'' of the kicker was expected to add billions of dollars per year to Federal retirement costs beyond what was needed to keep pace with inflation. Repeal of the kicker, which had been assumed in the first budget resolution for FY1977, already had been included that year in acts for military and foreign service retirees, but was contingent upon repeal of the kicker for civilian retirees as well. In a bipartisan effort, Budget Committee members Ernest F. Hollings and Henry Bellmon successfully offered an amendment to repeal the kicker for Federal civilian employees to the Legislative Branch Appropriations Act for FY1977 (P.L. 94–440), thereby implementing repeal of the kicker in all Federal employee retirement programs. The Hollings-Bellmon amendment, as further amended by a perfecting amendment offered by Budget Committee members Lawton Chiles and Pete V. Domenici, was included in P.L. 94–440 as Section 1306.[20]

Greater signs of budgetary strain began to emerge in 1980, the last year of the Carter administration, following a period of ''stagflation'' (the combination of stagnation and inflation) that had persisted in the economy during the late 1970s. With renewed concerns about rising deficit projections, Congress and the President worked together in the first use of the budget reconciliation process. Instead of a quick ''last-minute'' procedure to adjust budgetary legislation in conjunction with the adoption of the second budget resolution in the fall, reconciliation was reoriented as an adjunct to the first budget resolution.

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[19] Penner and Abramson, ibid., p. 28.

[20] P.L. 94–440 was signed into law by President Gerald Ford on October 1, 1976 (90 Stat. 1439–1464). For Senate consideration of the Hollings-Bellmon amendment (number 428), and the Chiles-Domenici perfecting amendment, see the *Congressional Record* of September 8, 1976 at pp. 29359–29366. Both amendments were adopted by voice vote.

The first budget resolution for FY1981, H. Con. Res. 307, which was not adopted by the House and Senate until June 12, 1980 (nearly a month past the then May 15 deadline), included reconciliation instructions to eight House and nine Senate authorizing committees to reduce outlays for FY1981 by more than $6 billion. In addition, the House Ways and Means and Senate Finance Committees were instructed to raise revenues for FY1981 by more than $4 billion. The Omnibus Reconciliation Act of 1980, signed into law on December 5, 1980, as P.L. 96–499, achieved most of the deficit reduction required by the budget resolution.

The budget resolution also included budgetary levels for 2 ''outyears'' beyond the upcoming fiscal year, covering 3 fiscal years (FY1981–FY1983) all together (not counting revisions made for the fiscal year underway at that time, FY1980). The multiyear timeframe was intended to improve the budget resolution as a planning tool and to curb budget control evasions in the short term. The multiyear aspect of budget resolutions persisted in the following years as a matter of practice, and in 1985 was incorporated into the 1974 Act as a requirement. The Act presently requires a budget resolution to cover at least the upcoming fiscal year and the 4 following years, but some budget resolutions have covered up to 10 years (excluding revisions to the current fiscal year).

The remaining 4 years of the first decade of the congressional budget process, covering 1981 through 1984, coincided with the first term of President Ronald Reagan and saw the Republicans gain control of the Committee. Senator Pete V. Domenici served as chairman of the Budget Committee during these 4 years. Senator Hollings served as ranking member in 1981 and 1982 (during the 97th Congress), and was succeeded by Senator Lawton Chiles in 1983 and 1984 (during the 98th Congress).

Several important developments occurred during these 4 years. In 1981, President Reagan, aided by OMB Director David Stockman, urged the use of the budget reconciliation process to advance a sizeable portion of his legislative agenda. The Omnibus Budget Reconciliation Act of 1981, signed into law by President Reagan on August 13, 1981, as P.L. 97–35, represented a massive expansion of the reconciliation process. Most of the committees of the House and Senate were involved in the reconciliation process that year. Apart from cutting Federal spending by roughly 130 billion over a 3-year period (FY1982–FY1984), the reconciliation act also encompassed a host of extraneous policy issues, involving such diverse matters as lawnmower standards and a maximum speed

II

Calendar No. 188

97TH CONGRESS
1ST SESSION

H. R. 3982

IN THE SENATE OF THE UNITED STATES

JULY 7, 1981

Received under authority of the order of the Senate of June 25 (legislative day, June 1), 1981

JULY 8, 1981

Placed on the calendar

AN ACT

To provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for the fiscal year 1982.

1 *Be it enacted by the Senate and House of Representatives of the United States*
2 *of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Omnibus Budget Reconciliation
5 Act of 1981".

6 PURPOSE

7 SEC. 2. It is the purpose of this Act to implement the recommendations which
8 were made by specified committees of the House of Representatives pursuant to
9 directions contained in section 301 of the first concurrent resolution on the
10 budget for the fiscal year 1982 (H. Con. Res. 115, 97th Congress), and pursuant
11 to the reconciliation requirements which were imposed by such concurrent resolu-
12 tion as provided in section 310 of the Congressional Budget Act of 1974.

Signed into law by the President on August 13, 1981, H.R. 3982, the Omnibus Reconciliation Act of 1981, was the second reconciliation act to pass the House and Senate and represented a significant expansion of the reconciliation process toward advancing certain policy goals.

limit. Coupled with action on the reconciliation measure, Congress and the President also enacted a significant tax-cut bill outside of the reconciliation process (which reduced revenues by $282 billion over FY1982–FY1984).

The first major challenge to this Committee began shortly after I arrived, when the Budget Committee took on a stronger policy role with Mr. David Stockman, Director of the OMB, and President Reagan, and particularly Mr. Stockman, who as a House Member understood this new process. While President Carter used reconciliation in the way it was probably meant to be used in the initial legislation, at the end of the calendar year, Mr. Stockman and the new Republican-controlled Senate pushed, for the first time in 7 years, with Senators Baker, Dole, and Domenici, using the reconciliation process as an opportunity to not only achieve the blueprint of a fiscal policy, but actually to carry through with the authorization process and have some real impact on policy.[21]

—G. William Hoagland, Senate Budget Committee Staff Director, 1986–2002

The actions in 1981 marked the beginning of a period in which budgetary considerations dominated the legislative agenda. As deficit projections rose and remained stubbornly high, the focus of most budgetary deliberations was deficit reduction. The seeming intractability of budgetary problems often led to legislative gridlock and political impasse. As a consequence, the timeframe for reaching agreement on budget resolutions lengthened considerably. In both 1982 and 1983, the budget resolution was not adopted until June 23. In 1984, action on the budget resolution was not completed until October 1, the first day of the new fiscal year. Other changes in the legislative process occurred as well, including greater reliance on continuing appropriations acts and the reemergence of omnibus appropriations measures to wrap up action at the end of a session.

When action under the regular procedures of the congressional budget process was stymied, the contending sides searched for innovative means to resolve conflict. One important development in this regard was the budget summit, where administration and congressional negotiators could work directly together to broker deals to resolve protracted disputes over budgetary policy. Some budget summits or other types of negotiations were successful, while others were not. One of the first agreements negotiated in summit-like circumstances, in 1984, led to what was known as the Rose Garden agreement. While the administration and Republican leaders in the Senate reached an agreement between themselves, it took many more months for Republicans and Democrats in Congress to

[21] Transcript, G. William Hoagland interview, August 30, 2006, U.S. Senate Historical Office.

reach accord and pass the FY1985 budget resolution, which occurred on October 1, 1984.[22]

Coping with Deficits: the Gramm-Rudman-Hollings Act and Related Laws

During the 99th Congress (1985 and 1986), Senator Domenici continued to serve as the Committee chairman and Senator Chiles continued to serve as the ranking member, while President Reagan began his second term. In the 100th Congress (1987–1988), during the final 2 years of the Reagan Presidency, the Democrats gained control of the Senate. Senator Chiles took over as Committee chairman and Senator Domenici assumed the position of ranking member.

In 1985, continuing turmoil over Federal budget policy brought another watershed development in the Federal budget process—enactment of the Gramm-Rudman-Hollings Act. After a decade of experience with the 1974 Act, Congress and the President faced persistent high deficits and increasing budgetary deadlock. Legislation aimed at bringing the Federal budget into balance by the early 1990s was enacted. That legislation, the Balanced Budget and Emergency Deficit Control Act of 1985, was included as Title II in a measure raising the public debt limit.[23] President Reagan signed the measure into law on December 12 as P.L. 99–177 (2 U.S.C. 901 et seq.; 99 Stat. 1037–1101). It is commonly referred to as the 1985 Balanced Budget Act or as the Gramm-Rudman-Hollings (GRH) Act, after its three primary sponsors in the Senate—Senators Phil Gramm, Warren Rudman, and Ernest F. Hollings. (Senator Hollings was a member of the Budget Committee in the 99th Congress, when the GRH Act was enacted, and Senators Gramm and Rudman served on the Committee in later Congresses.)

The 1985 Act was the first of several major laws intended to ensure that the deficit was reduced and spending was controlled, even if Congress and the President failed to achieve these goals through the regular legislative process. Specifically, the 1985 Act required the Federal budget to be in balance by FY1991.

The Act established new procedures involving deficit targets and sequestration to further these purposes. Under sequestration,

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[22] A history of budget summits and other types of negotiations during the 1980s is presented in: Schick, Allen. *The Capacity to Budget*. The Urban Institute Press. (Washington: 1990), pp. 184–189.

[23] This discussion is drawn from CRS Report RL30795, *General Management Laws: A Compendium*, Clinton T. Brass (coordinator), pp. 109–114. A more detailed explanation of the 1985 Balanced Budget Act is found in CRS Report 85–1130 GOV, *Explanation of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99–177 (The Gramm-Rudman-Hollings Act)*, by Allen Schick; and CRS Report 86–713 GOV, *Changes in the Congressional Budget Process Made by the 1985 Balanced Budget Act* (P.L. 99–177), by Robert Keith.

across-the-board spending cuts would be made automatically early in the fiscal year if needed to keep the estimated deficit within allowed limits. Discretionary spending would bear most of the brunt of any required sequestration, since most direct spending was exempt from reductions. Because implementation of a required sequester was automatic under these procedures, and perceived to be a drastic action, many regarded it as providing a strong incentive for Congress and the President to reach agreement through the regular process of legislation to meet the established budgetary goals.

"Our deficit-reduction plan is simple, but it will require a great deal of money."

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In addition, the 1985 Act also made extensive changes in the 1974 Act, largely to incorporate in law changes in informal practices developed over prior years. First, the timetable for congressional budget actions was accelerated. Most notably, the deadline for adoption of the annual budget resolution was advanced 1 month to April 15. Second, certain practices used by Congress for several years were formally incorporated into the 1974 Act, including the expansion of budget resolutions to cover 3 fiscal years and the authority to initiate reconciliation procedures in the April budget resolution. Third, enforcement procedures were tightened, including new restrictions on legislation linked to committee

spending allocations under the budget resolution, a requirement in the Senate that three-fifths of Members "duly chosen and sworn" vote to waive certain budget act points of order, and a requirement that the recommended deficit in the budget resolution not exceed the applicable deficit target. Fourth, the reconciliation process was modified in several ways, including a ban against using reconciliation to make changes in the Social Security Program and requirements in the House and Senate that amendments to reconciliation measures be deficit-neutral.

With regard to other changes in the Federal budget process, the 1985 Act also required the President to submit an annual budget consistent with the deficit targets, placed existing off-budget entities on the budget, and placed the Social Security Program off-budget (except for calculating the deficit for purposes of sequestration).

Several lawsuits contesting the constitutionality of the 1985 Act were filed immediately. On February 7, 1986, a special three-judge panel of the U.S. District Court declared that the procedure for triggering sequestration under the Act was unconstitutional on the grounds that it vested executive power in an officer removable by Congress. (Sequestration would have been triggered pursuant to a report prepared by the Comptroller General, head of the General Accounting Office.) Further, the Court declared that a sequestration order for FY1986, issued on February 1, 1986, was "without legal force and effect," but stayed its judgment (as required by Section 274(e) of the Act) pending appeal to the Supreme Court.

The Supreme Court heard arguments in the case, *Bowsher* v. *Synar* (478 U.S. 714), on April 23, 1986, and issued its ruling later that year on July 7. Affirming the ruling of the District Court by a vote of 7 to 2, the Supreme Court noted:

> To permit an officer controlled by Congress to execute the laws would be, in essence, to permit a congressional veto. Congress could simply remove, or threaten to remove, an officer for executing the laws in any fashion found to be unsatisfactory to Congress. This kind of congressional control over the execution of the laws, *Chadha* makes clear, is constitutionally impermissible . . . . It is clear that Congress has consistently viewed the Comptroller General as an officer of the Legislative Branch.

Anticipating the possibility of invalidation by the courts, Congress included "fallback procedures" in the Act, under which a Presidential sequestration order could be triggered upon the enactment of a joint resolution, reported by a Temporary Joint Committee on Deficit Reduction, setting forth the contents of a joint report of the Directors of OMB and CBO. The Supreme Court stayed its judgment for 60 days in order to allow Congress time to implement sequestration for FY1986 under the fallback procedures, which Congress did.

Invalidation by the courts of the automatic triggering mechanism for sequestration and the size of the estimated deficit excess for FY1988 (more than $50 billion above the deficit target of $108 billion, according to CBO) prompted calls in 1987 for revision of the 1985 Act. Major revisions to the Act were enacted in 1987, again as a title in a measure raising the public debt limit. President Reagan signed the measure into law on September 29, 1987, as P.L. 100–119 (101 Stat. 754–788). Title I of this law is referred to as the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987. The main purposes of the 1987 Act were to extend the timeframe for achieving a balanced budget by 2 years, to FY1993, by means of revised deficit targets, and to restore the automatic triggering feature of sequestration in a constitutionally acceptable manner (which it did by vesting that authority in the OMB Director).

During the interim between the enactment of the 1985 Act and its significant revision in 1987, Congress enacted several measures that modified the sequestration process, for the most part exempting programs from the reductions. Most notably, the Omnibus Budget Reconciliation Act of 1986 (P.L. 99–509) exempted from sequestration the cost-of-living adjustments (COLAs) of all Federal civilian and military retirement and disability programs so that they would be treated in the same manner as Social Security, which was already exempt from sequestration.

Following enactment of the 1987 Act (and before significant changes made in 1990), Congress enacted several measures that further modified the sequestration process. In particular, the Omnibus Budget Reconciliation Act of 1987 (P.L. 100–203) made several technical changes in the 1985 Act, and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (P.L. 101–73) exempted certain Federal financial entities from sequestration.

The law which contained the 1987 Act, P.L. 100–119, also included related provisions (in Title II) that affected the congressional budget process, the impoundment control process, and other matters. With respect to the congressional budget process, the 1974 Act was amended to clarify the application of time limits for the consideration of conference reports on budget resolutions and reconciliation measures, to require the House and Senate to use common economic and technical assumptions, to extend CBO duties under the State and Local Government Cost Estimate Act of 1981 indefinitely, and for other purposes.

The impoundment portion of the 1974 Act was amended to codify the Appeals Court decision in *City of New Haven* v. *United States* regarding restrictions on the President's deferral authority

and to prohibit the resubmittal of rescission proposals that had been previously rejected by Congress.

Ultimately, the 1985 Act, as amended, was critically viewed by some for its failure to achieve its principal objective, deficit reduction. During the period covering FY1986–FY1990, the actual deficit exceeded the deficit target every year. The overage ranged from about $5 billion to $205 billion and was greatest in the later years, despite the revision of the targets in 1987. Further, the manner in which the sequestration process operated and the stringency of the goals generally were perceived as fostering budgetary gimmickry and disruption in the legislative process.

As a result of these concerns, the sequestration process and the rationale for it were fundamentally restructured by the Budget Enforcement Act of 1990 (discussed in the next section).

Another change in Senate budget procedures was made at this time, apart from the changes made in the 1985 Act. During the first several years' experience with reconciliation, the legislation contained many provisions that were extraneous to the purpose of implementing policies assumed in the budget resolution. The reconciliation submissions of committees included such things as provisions that had no budgetary effect, that increased spending or reduced revenues when the reconciliation instructions called for reduced spending or increased revenues, or that dealt with matters in another committee's jurisdiction.

Some Senators argued that such extraneous provisions, which could be quite contentious, had no place in reconciliation legislation, particularly in view of the restrictions on debate time and amendments that exist under reconciliation. In 1985 and 1986, the Senate adopted the Byrd rule, named after its principal sponsor, Senator Robert C. Byrd, on a temporary basis as a means of curbing these practices.[24] The Byrd rule was extended and modified several times over the years, and, in 1990, it was incorporated into the 1974 Act as Section 313 (2 U.S.C. 644) and made permanent.

The House and Senate were able to reach final agreement on the annual budget resolutions for FY1986–FY1989, although in each case it took additional weeks or months beyond the prescribed deadline to complete action on the measures (see table 6).

[24] The Byrd rule is discussed in detail in CRS Report RL30862, *The Budget Reconciliation Process: The Senate's "Byrd Rule,"* by Robert Keith.

TABLE 6.—ANNUAL BUDGET RESOLUTIONS: FY1986–FY1989

Fiscal year	Budget resolution	Date adopted
1986	S. Con. Res. 32	08–01–1985
1987	S. Con. Res. 120	06–27–1986
1988	H. Con. Res. 93	06–24–1987
1989	H. Con. Res. 268	06–06–1988

Moving Toward Balance: Budget Enforcement Laws in the 1990s and the Emergence of Surpluses

For the next three Congresses, from 1989 through 1994, the Senate Budget Committee operated under Democratic leadership. During the 101st Congress (1989–1990), Senator Jim Sasser assumed the chairmanship of the Budget Committee and Senator Domenici continued to serve as the ranking member. President George H.W. Bush began his term. Senators Sasser and Domenici continued to serve as chairman and ranking member, respectively, in the 102nd Congress (1991–1992), during the final 2 years of the George H.W. Bush Presidency, and in the 103rd Congress (1993–1994), during the first half of President William J. Clinton's first term.

Perhaps the single most important development in terms of the budget process during the early part of this period was the enactment of the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990), signed into law by President Bush on November 5, 1990, as P.L. 101–508 (104 Stat. 1388, 1–630). In addition to dramatically reshaping Federal budget policy with approximately $482 billion in deficit reduction over 5 years (including $158 billion in revenue increases and $324 billion in spending cuts and debt service savings), the 1990 Act included extensive revisions in budget procedure in a title (Title XIII) referred to as the Budget Enforcement Act.[25] The FY1991 budget resolution, H. Con. Res. 310, which included the reconciliation instructions that led to the enactment of P.L. 101–508, was the first budget resolution in years to envision attaining a balanced budget a few years out. In fact, the budget resolution envisioned a surplus of more than $150 billion by the fifth year (FY1995).

[25] Information on the budgetary impact of P.L. 101–508 was provided by the Congressional Budget Office in *The Economic and Budget Outlook: Fiscal Years 1992–1996*, January 1991, Table III–3, p. 66.

Courtesy of the family of Jim Sasser.

Chairman Jim Sasser, House Budget Committee Chairman Leon Panetta, and Ranking Member Bill Frenzel at a budget resolution conference during the 101st Congress.

As is often the case with important legislation, the enactment of OBRA 1990 occurred in response to significant budgetary and economic challenges and followed a difficult legislative path. Several months after submitting his budget for FY1991, President Bush faced revised projections that showed a steep increase in the deficit if no legislative action was taken, which threatened to trigger a sequester under the GRH Act of about $100 billion toward the end of the year. In early May 1990, his representatives entered into budget summit negotiations with congressional leaders over a budget plan, which did not conclude until September 30. The summit was informally known as the Andrews summit because the negotiations were held at Andrews Air Force Base in Maryland, a short distance from Washington, DC.

In order to obtain a budget agreement that sufficiently met the budgetary challenges, President Bush abandoned an earlier pledge of "no new taxes." On June 26, 1990, President Bush issued a statement that he and congressional negotiators concurred that any bipartisan budget agreement would involve tax increases and should include budget process reform "to assure that any Bipartisan agreement is enforceable and that the deficit problem is brought under responsible control."

In early October, the House initially rejected the FY1991 budget resolution, which was based on the budget agreement, and President Bush vetoed a continuing appropriations act (causing a partial government shutdown for several days) in order to increase pressure to support the agreement. These obstacles were overcome and, within another month, OBRA 1990, which implemented the major elements of the budget agreement, was enacted into law.

The Budget Enforcement Act of 1990 (BEA 1990) made numerous and significant changes in the Federal budget process by amending several laws, primarily the Balanced Budget and Emergency Deficit Control Act of 1985. The main purpose of these changes, which revised the sequestration process established by the 1985 Act and altered other facets of the budget process, was to ensure that the substantial deficit savings of several measures enacted in 1990, particularly OBRA 1990, were maintained over the 5-year timeframe of the legislation (covering FY1991–FY1995).

BEA 1990, and later laws, changed the sequestration process substantially. The Act effectively replaced the fixed Gramm-Rudman-Hollings deficit targets with two new budget enforcement procedures. First, adjustable limits were established for separate categories of discretionary spending. Second, ''pay-as-you-go'' (paygo) procedures were created to require that increases in direct spending or decreases in revenues due to legislative action be offset so that there would be no net increase in the deficit. Violations of the discretionary limits or the pay-as-you-go requirement would be enforced through sequestration. Further, BEA 1990 retained the exemption of Social Security from cuts under sequestration, and removed the trust fund surpluses from the deficit estimates and other sequestration calculations under the Act as well.

The revised deficit targets, as initially set by BEA 1990, were substantially larger than earlier targets because they excluded the surpluses of the Social Security trust funds and reflected revised economic and technical assumptions. For example, the deficit target for FY1991 was set at $327 billion, and the deficit target for FY1995 was set at $83 billion. The President was required to adjust the deficit targets for FY1991–FY1995, to reflect updated economic and technical assumptions and changes in budgetary concepts and definitions, as applicable, in his annual budget for FY1992 and FY1993. Further, he was authorized to adjust the deficit targets for FY1994 and FY1995 to reflect updated economic and technical assumptions, when he submitted his budget for these fiscal years. (President Clinton chose to use this authority, and made such adjustments in the deficit targets, thereby avoiding any sequesters due to violations of the deficit targets.)

BEA 1990 retained sequestration as the means of enforcing the discretionary spending limits and the paygo requirement. Like the earlier deficit sequestration procedures, the new sequestration procedures were automatic and were triggered by a report from the OMB Director.

The discretionary spending limits established by BEA 1990 varied in type over the period covered. For FY1991–FY1993, separate limits were set for new budget authority and outlays for three different categories—defense, international, and domestic. For FY1994–FY1995, the limits on new budget authority and outlays were established for a single category—total discretionary spending.

Under the paygo process created by BEA 1990, the multiyear budget effects of enacted legislation changing direct spending, or legislation changing revenues, were recorded on a cumulative paygo "scorecard." After the end of each congressional session, any balance (or net deficit increase) on the paygo scorecard for the new fiscal year was required to be eliminated through a special sequestration procedure. If a sequester under this process was required, it was required to occur within 15 calendar days after Congress adjourned at the end of a session and on the same day as any sequestration tied to enforcement of the discretionary spending limits (or, in earlier years, the deficit targets).

Emergency provisions were not required to be offset and were effectively exempt from sequestration under both the discretionary spending limits and the paygo requirement, so long as an emergency designation was made by the President, and the Congress concurred by so designating in the applicable act. Except for emergency spending associated with the Persian Gulf war (Operations Desert Shield/Desert Storm) in 1990–1991, the use of such spending was relatively modest in the early and mid-1990s. The escalation of emergency spending in later years, however, made the use of such spending oftentimes controversial.

The enforcement procedures for the paygo requirement, on the one hand, and the discretionary spending limits, on the other, were separated by a "firewall." Savings made on one side of the firewall could not be used to the advantage of programs on the other side.

The sequestration procedures established under the 1985 Act, as modified by BEA 1990, were further modified and extended by several other laws, and were meant to preserve budget savings made under agreements reached by Congress and President Clinton in 1993 and 1997 and to establish new program categories for enforcement.

In 1993, Congress and President Clinton reached a comprehensive budget agreement that included the enactment of reconcili-

ation legislation achieving $496 billion in deficit reduction over 5 years (including $241 billion in revenue increases and $255 billion in spending cuts and debt service savings).[26] That measure, the Omnibus Budget Reconciliation Act (OBRA) of 1993, was signed into law on August 10, 1993, as P.L. 103–66 (107 Stat. 312–685). Action on OBRA 1993 was motivated by concern about the deficit, which for FY1992 reached $290 billion and had become a prominent issue during the 1992 Presidential campaign.

The conference report on OBRA 1993 was adopted by a narrow margin (by a vote of 218 to 216 in the House and 51 to 50 in the Senate, with Vice President Albert Gore breaking the tie), with no Republican Member supporting it in either Chamber.[27]

The Act reflected compromises between the President and Congress:

As Clinton had proposed, most of the tax revenue came from the wealthiest taxpayers, and the spending cuts resulted largely from cutbacks in defense, overall limits on appropriated spending and reductions in the growth of Medicare payments to doctors and hospitals. But the battle over the bill forced Clinton to give up other major features—most notably, his proposal for a $71.5 billion tax on almost all forms of energy. The bill also contained less spending than Clinton sought for social programs, such as food stamps and the earned-income tax credit, and for 'investment' programs that he hoped would stimulate economic growth.[28]

As part of the agreement, the procedures under BEA 1990 were extended for 3 more fiscal years, through FY1998. The extension was included as Title XIV (Budget Process Provisions) of OBRA of 1993.

In 1994, separate sequestration procedures for discretionary programs associated with the Violent Crime Reduction Trust Fund were added and funded by annual appropriations by Title XXXI of the Violent Crime Control and Law Enforcement Act of 1994 (P.L. 103–322).

During the 6-year period ending in 1994, five of the budget resolutions were adopted by the House and Senate in a fairly timely manner. The exception was the budget resolution for FY1991, which was not adopted until October 9, 1990, following the conclusion of the Andrews summit (see table 7).

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[26] Information on alternative measures of the budgetary impact of P.L. 103–66 was provided by the Congressional Budget Office in *The Economic and Budget Outlook: An Update*, September 1993, Table 2–2, p. 29 and Box 2–3, pp. 34–35. Electronically accessible at: http://www.cbo.gov/publications.

[27] Aug. 5, conference report agreed to in House (218 to 216) by roll call vote 406 (139 CR 19438); Aug. 6, conference report agreed to in Senate (51 to 50) by record vote 247 (139 CR 19871).

[28] Congressional Quarterly *Almanac*, 1993, ibid., p. 107.

TABLE 7.—ANNUAL BUDGET RESOLUTIONS: FY1990–FY1995

Fiscal year	Budget resolution	Date adopted
1990	H. Con. Res. 106	05–18–1989
1991	H. Con. Res. 310	10–09–1990
1992	H. Con. Res. 121	05–22–1991
1993	H. Con. Res. 287	05–21–1992
1994	H. Con. Res. 64	04–01–1993
1995	H. Con. Res. 218	05–12–1994

At the beginning of the 104th Congress, in 1995, the Republicans regained control of the Senate (as well as the House), and Senator Domenici again was selected to chair the Budget Committee. The ranking member during the 104th Congress was Senator J. James Exon. Senator Domenici continued to serve as chairman of the Budget Committee in the 105th and 106th Congresses (1997–2000), through the end of the Clinton Presidency. Senator Frank R. Lautenberg succeeded Senator Exon as ranking member in the 105th Congress, and continued to serve in that capacity during the 106th Congress.

In 1995, the new Republican majorities in the House and Senate forged agreement on a budget resolution for FY1996 calling for a balanced budget in 7 years, by FY2002. The budget resolution assumed the enactment of sizeable tax cuts, which would be more than offset by reductions in discretionary spending and in Medicare, Medicaid, and other mandatory spending programs. President Clinton also endorsed balancing the budget, but differed from the Republican-controlled Congress on how to achieve that goal.

In November 1995, the first of a series of government shutdowns occurred when Congress and President Clinton could not agree on a continuing appropriation act for FY1996. On December 6, President Clinton vetoed a reconciliation measure, referred to as the Balanced Budget Act of 1995 (H.R. 2491), which was the main legislative vehicle for implementing congressional budget policies. In his veto message, the President indicated that the measure would have made cuts that he found unacceptable to Medicare, Medicaid, student loans, and other programs.

Following a longer government shutdown (from mid-December 1995 until January 6, 1996), the standoff between the President and Congress eventually came to an end when they agreed to a new continuing resolution. On January 9, 1996, President Clinton submitted a proposal to Congress for a projected balanced budget by FY2002, which recommended various tax cuts, tax increases,

and reductions in mandatory spending to achieve this goal.[29] The five remaining regular appropriation acts for FY1996 were incorporated into a single appropriation act, the Omnibus Consolidated Rescissions and Appropriations Act of 1996, which President Clinton signed into law as P.L. 104–134 on April 26, 1996 (see table 8).

TABLE 8.—ANNUAL BUDGET RESOLUTIONS: FY1996–FY2001

Fiscal year	Budget resolution	Date adopted
1996	H. Con. Res. 67	06–29–1995
1997	H. Con. Res. 178	06–13–1996
1998	H. Con. Res. 84	06–05–1997
1999	no conference agreement [1]	
2000	H. Con. Res. 68	04–15–1999
2001	H. Con. Res. 290	04–13–2000

[1] The Senate version of the FY1999 budget resolution, S. Con. Res. 86 (105th), passed the Senate on April 2, 1998.

Pursuant to the budget resolution for FY1998, Congress successfully completed action on a pair of reconciliation measures, the Balanced Budget Act of 1997 (P.L. 105–33) and the Taxpayer Relief Act of 1997 (P.L. 105–34). The FY1998 budget resolution, H. Con. Res. 84, was the third consecutive budget resolution that projected a modest surplus by FY2002. Taken together, the 1997 reconciliation acts reduced the deficit by $118 billion over 5 years. Unlike the reconciliation measures enacted in 1990 and 1993, which included significant revenue increases as part of the overall deficit-reduction policies, the 1997 measures included tax cuts of $80 billion (which were more than offset by spending reductions and debt-service savings of $198 billion).

During the 6-year period covering the 104th–106th Congresses (1995–2000), the House and Senate compiled a mixed record in the timely adoption of budget resolutions, with the first three adopted behind schedule and the last two adopted on time. In addition, in 1998, the House and Senate for the first time did not reach final agreement on a budget resolution. The Senate passed the FY1999 budget resolution, S. Con. Res. 86, on April 2, 1998. On June 5, the House passed its version of the budget resolution, H. Con. Res. 284. The two Chambers, however, were not able to reconcile their differences over budget policy.

[29] *Deficit Reduction and Balanced Budget by Fiscal Year 2002; Message From the President of the United States*, H. Doc. 104–160, Pt. 1 and 2, Jan. 9, 1996.

The long-sought balance in the Federal budget materialized more quickly than expected, well before the FY2002 target set forth in the budget resolutions for FY1996–FY1998. For the first time since FY1969, when the Federal Government ran a surplus of $3 billion, the Federal budget ran a surplus for FY1998, amounting to $69 billion. Even larger surpluses occurred for FY1999 ($126 billion) and FY2000 ($236 billion), before declining in FY2001 to $128 billion.

Courtesy of the U.S. Committee on the Budget.

Pete Domenici, the Committee's longest serving chairman, and then-ranking member, J. James Exon, during the May 9, 1996 markup for the FY1997 budget resolution.

Significant modifications to the sequestration process were made by the Budget Enforcement Act (BEA) of 1997, which was included as Title X of the Balanced Budget Act of 1997. The procedural changes were intended largely to preserve the deficit reduction achieved by the two reconciliation acts so as to achieve budgetary balance several years in the future.

BEA 1997 extended the discretionary spending limits and pay-as-you-go requirement through FY2002, modified their application, and made various "housekeeping" and technical changes. New categories were established for defense and nondefense discretionary spending for FY1998 and FY1999; for FY2000–FY2002,

all discretionary spending was merged into a single, general purpose category (except for the separate violent crime reduction category in effect through FY2000). In 1998, the discretionary spending limits and associated sequestration procedures were changed again, in this instance by the Transportation Equity Act for the 21st Century (TEA–21; P.L. 105–178), in order to establish separate discretionary spending limits for highway and mass transit programs. In 2000, Section 801(a) of the Interior Appropriations Act for FY2001 established separate discretionary spending limits for FY2002–FY2006 under a new category for conservation spending and six related subcategories.

From their inception in 1990, the discretionary spending limits were adjusted at several points during the year for various factors set in law, including changes in budgetary concepts and definitions, emergency requirements, and special allowances. Factors upon which adjustments were based changed from time to time. BEA 1990, for example, provided for an adjustment due to changes in inflation, but this adjustment was removed by BEA 1997.

Congressional Budgeting in the 21st Century

The 6 most recent years of the congressional budget process, covering the 107th Congress through the 109th Congress (2001–2006), coincided with the first term and half of the second term of President George W. Bush. As the 107th Congress got underway, party control of the Senate, and therefore the chairmanship of the Budget Committee, changed several times.

From the convening of the 107th Congress on January 3, 2001, until the inauguration of President Bush and Vice President Richard B. Cheney 17 days later on January 20, the Senate was evenly divided between the two parties (with 50 Democratic and 50 Republican Senators). Democrats held the majority, however, due to the deciding vote of outgoing Democratic Vice President Albert Gore. During this period, Senator Kent Conrad served as chairman and Senator Pete V. Domenici served as ranking member of the Budget Committee (see table 9). Beginning on January 20, the evenly-divided Senate came under the control of the Republicans due to the deciding vote of Vice President Cheney.

Accordingly, the Committee leadership positions of Senators Conrad and Domenici were reversed, effective with Committee assignments announced on January 25. Finally, on May 24, 2001, Senator James M. Jeffords of Vermont switched his party affiliation from Republican to Independent and began to caucus with the Democrats, effective June 6, 2001. At that point, the 50 Democratic Senators, plus Senator Jeffords, held a 51 to 49 advantage

over the Republicans, and the positions of Senators Conrad and Domenici were reversed again, effective with Committee assignments announced on July 10. Senator Conrad served as chairman and Senator Domenici served as ranking member for the remainder of the 107th Congress.

TABLE 9.—COMMITTEE LEADERSHIP: 107TH–109TH CONGRESSES

107th Congress (2001–2002)	Chairman, Kent Conrad (D), (January 3–January 25, 2001 and July 10, 2001 through 2002) Chairman, Pete V. Domenici (R), (January 25–July 10, 2001) Ranking Member, Kent Conrad (D), (January 25–July 10, 2001) Ranking Member, Pete V. Domenici (R) (January 3–January 25, 2001 and July 10, 2001 through 2002)
108th Congress (2003–2004)	Chairman, Don Nickles (R) Ranking Member, Kent Conrad (D)
109th Congress (2005–2006)	Chairman, Judd Gregg (R) Ranking Member, Kent Conrad (D)

In 2003, the 108th Congress commenced with the Republicans in control of the Senate. Senator Pete V. Domenici decided to assume chairmanship of the Senate Energy and Natural Resources Committee, and Senator Don Nickles became chairman of the Budget Committee. Senator Conrad assumed the position of ranking member. The Republicans retained Senate control in the 109th Congress, during 2005 and 2006. In 2004, Senator Don Nickles retired from the Senate, and Senator Judd Gregg assumed the chairmanship. Senator Conrad remained as ranking member during the 109th Congress.

From the outset, President Bush made tax reductions the centerpiece of his budget policy. Congress responded to the President's revenue proposals, with significant modifications, largely through the enactment of reconciliation measures in 2001 (the Economic Growth and Tax Relief Reconciliation Act of 2001, P.L. 107–16) and 2003 (the Jobs and Growth Tax Relief Reconciliation Act of 2003, P.L. 108–27).

After 4 years of surpluses, the Federal Government recorded a deficit of $158 billion for FY2002, which climbed to $413 billion for FY2004 before falling to $318 billion for FY2005 and to $248 billion for FY2006.

BEA 1990, and the related laws that followed it, generally were regarded as having been more successful than the 1985 Act (as

amended) in controlling aggregate budget levels. During the period that the discretionary spending limits and the paygo requirement were in effect, the status of the Federal budget changed from relatively large deficits to 4 years of surpluses (1998–2001).

Beginning in 1999 and 2000, however, criticisms of the BEA procedures began to mount. While the threat of sequestration was viewed initially as giving the President and Congress a strong incentive to reach agreement on their budgetary goals, thereby avoiding the legislative deadlock that characterized the early 1980s, some Members began to regard the BEA procedures as an impediment to implementing desired budget policy in an era of large surpluses. These Members argued that the BEA procedures should be eliminated, or at least substantially modified, so that Congress and the President could ''use'' part of the surplus for tax cuts and new spending that otherwise would have been prohibited.

Further, some Members asserted that discretionary spending limits for FY2000–FY2002 were unrealistically low, thereby promoting the use of budget ''gimmicks,'' such as the excessive designation of emergency spending, to evade their constraints. In 2000, the Foreign Operations Appropriations Act for FY2001, P.L. 106–429, raised the FY2001 discretionary spending limit for that year by $96 billion in new budget authority. In 2001, the Defense Appropriations Act for FY2002, P.L. 107–117, raised the FY2002 discretionary spending limit for that year by $135 billion in new budget authority. In 1999, 2000, and 2001, legislation enacted into law required the OMB Director to change the balance on the paygo scorecard for certain years to zero. These actions by Congress and the President successfully prevented discretionary spending or paygo sequesters from occurring in those years. Some have argued that the paygo discipline may have been a deterrent to proposals that would have increased the deficit without an offset.

The discretionary spending limits under the BEA expired on September 30, 2002. In late 2002, the paygo scorecard was set at zero for FY2003 and each year thereafter through FY2006 by P.L. 107–312, thereby removing more than $100 billion in balances each year from the scorecard and preventing any future paygo sequesters. Consequently, the statutory enforcement mechanisms did not extend past the end of the 107th Congress.

During the 108th and 109th Congresses, the Senate and the House wrestled with the issue of whether the expired BEA procedures should be restored or new budget constraints should be enacted. Considerable attention was focused on enforcement issues between June and October 2002 as the Senate addressed the need

to extend certain other budget enforcement procedures slated to expire.

On June 5, 2002, during consideration of an emergency supplemental appropriations act (H.R. 4775), the Senate rejected a Gregg-Feingold amendment, which would have extended certain budget enforcement procedures through FY2007. The next day, on June 6, a Daschle amendment, an extension of certain budget enforcement procedures through FY2007, also failed.[30] On June 20, during consideration of the National Defense Authorization Act (S. 2514), the Senate rejected a Feingold amendment, as perfected by a modified Reid-Conrad amendment.[31] It fell on a point of order when a motion to waive the point of order was rejected on a 59 to 40 vote, 1 short of the required 60 affirmative votes (roll call vote 159). The Feingold amendment, as perfected, would have extended the discretionary spending limits through FY2004 and certain other budget enforcement procedures through FY2007.

On September 18, 2002, Senate Budget Committee Chairman Kent Conrad and Ranking Member Pete V. Domenici sent a letter to Majority Leader Daschle urging action on a resolution extending the Senate's pay-as-you-go point of order and the three-fifths vote requirement for certain waivers of the 1974 Act. Majority Leader Daschle confirmed that the Senate would consider such legislation before adjournment. On October 16, the Senate considered S. Res. 304, a measure introduced earlier in the session encouraging the Senate Appropriations Committee to report the regular appropriations bills for FY2003 by July 31, 2002. The Senate agreed to the resolution by unanimous consent, after adopting by unanimous consent a Conrad amendment, a substitute amendment extending the Senate's pay-as-you-go point of order and the three-fifths vote requirement for certain waivers of the 1974 Act through April 15, 2003.[32] The Senate resolution, because it is not a law, could not extend the statutory discretionary spending limits and the statutory pay-as-you-go enforcement procedure.

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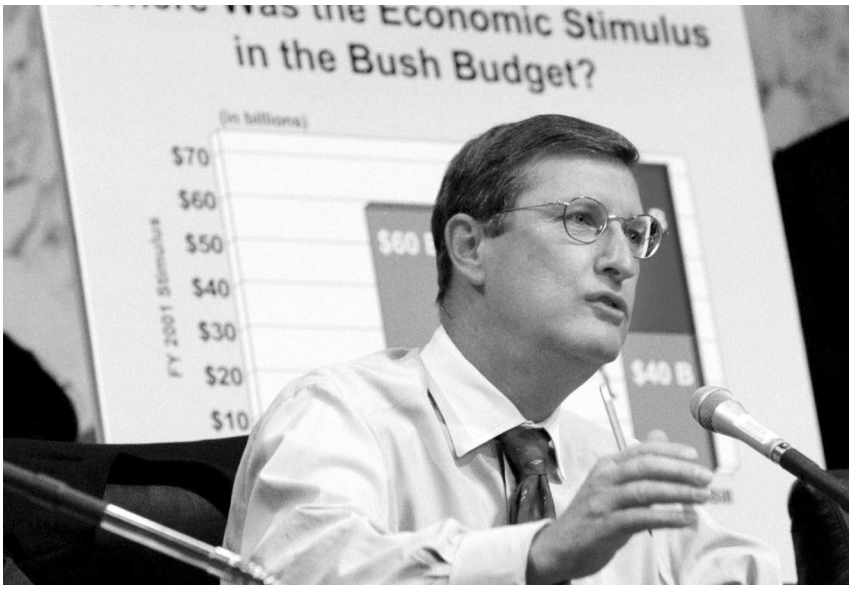
[30] For the text and discussion of the Gregg-Feingold amendment (number 3687), see pp. S5005–S5015 in the *Congressional Record* (daily ed.) of June 5, 2002. The Gregg-Feingold amendment fell on a point of order after a motion to waive the point of order was rejected on a 49 to 49 vote (roll call vote 133). For the text and discussion of the Daschle amendment (number 3764), see pp. S5015–S5022 and S5114–S5120 in the *Congressional Record* (daily ed.) of June 5 and 6, 2002, respectively. The amendment fell, after cloture had been invoked, on a point of order that it was nongermane.

[31] For the text of the Feingold amendment (number 3915), as perfected by a modified Reid-Conrad amendment #3916, and its discussion, see pp. S5808–S5821 in the *Congressional Record* (daily ed.) of June 20, 2002.

[32] See the consideration of S. Res. 304 in the *Congressional Record* (daily ed.) of Oct. 16, 2002, at pp. S10527–S10531 and p. S10553. Also, see "In Late Deal, Senate Approves by Voice Vote Renewing Expiring Budget Enforcement Rules," by Bud Newman in BNA's *Daily Report for Executives*, Oct. 17, 2002.



© 2001, *The Washington Post*. Photo by Ray Lustig. Reprinted with Permission.
Chairman Kent Conrad refers to charts during the January 23, 2002 hearing on the FY2003 budget and economic outlook.

In the absence of the expired statutory enforcement mechanisms, the two Chambers have relied on the existing budget procedures under the 1974 Act, as well as procedural mechanisms in annual budget resolutions, to enforce budget policy. In the case of mechanisms in annual budget resolutions used for enforcement by the Senate, the provisions have dealt with several key enforcement issues, including:

- **The Senate's "pay-as-you-go" (paygo) point of order.**—Under the current paygo point of order, in effect since 2003, when Congress adopts a budget resolution, it simultaneously establishes (in the Senate only) a scorecard that sets out the total amount of deficit change assumed in the budget resolution. This is sometimes referred to as post-policy paygo. The scorecard, as maintained by the chairman of the Senate Budget Committee, is used to compare the budgetary effects of direct spending and revenue legislation against those balances. As with previous incarnations of the paygo point of order in the Senate, the current rule covers the first year, and the first 5 years (required to be included in the budget resolution), as well as the 5-year period after the first 5 years. First established in the FY1994 budget resolution, the point of order has been modified several times over the years, and there is

considerable controversy over whether it should be retained as is or returned to its initial form, which required that new mandatory spending or new tax cuts be offset or get 60 votes.

- **Discretionary spending limits**.—Limits on discretionary new budget authority and outlays, enforceable only in the Senate, have been carried in recent budget resolutions, initially to supplement the statutory limits on discretionary spending, and later to replace them (to some extent) after they had expired. The statutory limits for FY2001, for example, were enforced on the basis of several categories for outlays, but all discretionary new budget authority fell under a single category. Section 207 of H. Con. Res. 290, the FY2001 budget resolution, further divided total discretionary new budget authority for that year into defense and nondefense categories. The FY2006 budget resolution, H. Con. Res. 95, set forth (in Section 404) discretionary spending limits for 3 years—FY2006, FY2007, and FY2008. The following year, a deeming resolution for FY2007 (contained in the Iraq-Afghanistan-Hurricane Supplemental Appropriations Act, P.L. 109–234), effectively eliminated the limits for FY2006, FY2007, and FY2008, and provided an allocation to the Senate Appropriations Committee of $873 billion in new discretionary budget authority for FY2007, a level consistent with the President's discretionary spending request for that year.
- **Procedures for emergency spending**.—The House and Senate have provided in recent budget resolutions procedures for the designation of items in appropriations acts, direct spending measures, and revenue legislation as emergencies, thereby exempting them from various budget enforcement mechanisms. In providing such a procedure in Section 402 of the FY2007 Senate-passed budget resolution (which was made effective by Section 7035 of P.L. 109–234), for example, the Senate has chosen to create a point of order against nondefense emergency designations in legislation and to establish criteria for determining what constitutes an emergency, among other things.
- **Restrictions on advance appropriation**.—Advance appropriations, which are provided in an annual appropriation act for a fiscal year beyond the fiscal year to which the act applies, have been used for many years. The amount of such appropriations escalated sharply in recent years to more than $20 billion annually. In view of concerns that to some degree this escalation might reflect an evasion of budget control, recent budget resolutions have included restrictions on the use

of advance appropriations. Section 401 of the FY2006 budget resolution, for example, barred the consideration of measures providing advance appropriations for FY2007 and FY2008, except for accounts specifically identified in the joint managers' statement accompanying the budget resolution, and subject to an overall cap of $23.258 billion in each year.

- **Limitation on long-term spending proposals in the Senate.**—One of the newest innovations in budget enforcement was the inclusion of a limitation on long-term spending proposals in the FY2006 budget resolution (in Section 407). The provision, aimed mainly at curtailing the expansion of new entitlements through legislative action (total entitlement spending already increases each year under existing law), established a point of order against a measure providing a net increase in direct spending of more than $5 billion in any of four 10-year periods covering FY2016–FY2055.

All of the mechanisms discussed above are enforced by points of order. Like most of the points of order established in the 1974 Act, the points of order carried in budget resolutions generally may be waived by the affirmative vote of three-fifths of the membership (60 Senators, if no seats are vacant). At the present time, the Senate's paygo point of order remains in effect through September 30, 2008, and three-fifths waiver requirements generally were extended through September 30, 2010, by Section 403(a) of the FY2006 budget resolution (H. Con. Res. 95).

In 2005, in action on the FY2006 budget resolution, the House and Senate agreed to use the budget reconciliation process to reduce the growth of mandatory spending by about $38 billion over 5 years. This was the first time that reconciliation had been used to reduce spending since 1997. Although congressional efforts carried over into 2006, Congress and the President ultimately enacted the Deficit Reduction Act of 2005, which became P.L. 109–171. In addition, the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109–222), a $70 billion revenue reduction measure to renew expiring tax cuts and to make other changes in tax law, also was enacted under reconciliation procedures stemming from the FY2006 budget resolution. Opponents argue that, taken together, the two acts increased the deficit by about $32 billion over 5 years.

During the 6 most recent years of the congressional budget process, the House and Senate were unable to reach final agreement on the budget resolutions for FY2003, FY2005, and FY2007, but the other three budget resolutions were adopted in a fairly timely manner.

The FY2003 budget resolution, S. Con. Res. 100, was reported by the Budget Committee on March 22, 2002, but was not considered on the Senate floor. In 2002, the House and Senate were controlled by different parties. In 2004, a conference agreement was reported on the FY2005 budget resolution, S. Con. Res. 95. The House agreed to the conference report on May 19, 2004, but the Senate did not consider it. In 2006, the House and Senate each passed their own versions of the FY2007 budget resolution (S. Con. Res. 83 and H. Con. Res. 376), but no conference was held to resolve the differences between the two Chambers.

The inability of the House and Senate to reach final agreement on budget resolutions for these 3 years, and previously for FY1999, compelled the Budget Committees to develop innovative means of maintaining budget discipline for those budget cycles. In these instances, a device referred to as a ''deeming resolution'' was used by one or both Houses to establish enforceable budget levels (for discretionary spending because the budget resolution only provides a 1-year allocation for appropriations). Multiyear levels for revenues and direct spending set in the prior year's budget resolution remain in effect and afford some measure of budget discipline. The term ''deeming resolution'' is not officially defined, nor is there any specific statute or rule authorizing such legislation. Instead, the use of a deeming resolution simply represents the House and Senate employing legislative procedures to deal with the issue on an ad hoc basis.

The form and content of a deeming resolution is not prescribed, so it may be shaped to meet the particular needs at hand. For example, the House and Senate have used simple resolutions as the legislative vehicle in the past, but a deeming resolution may be incorporated into a bill, such as an annual appropriations act, as a single provision. At a minimum, deeming resolutions have provided new spending allocations to the Appropriations Committees, but they also may provide new aggregate budget levels, revise spending allocations to other House and Senate committees, or provide for other budget enforcement mechanisms.

For FY1999, the first year the two Chambers did not reach final agreement on a budget resolution, the Senate adopted two deeming resolutions (S. Res. 209 on April 2, 1998 and S. Res. 312 on October 21, 1998), and the House included deeming provisions in two resolutions adopted (H. Res. 477 on June 19, 1998 and H. Res. 5 on January 6, 1999). For FY2003, the House adopted on May 22, 2002 a deeming resolution provision in H. Res. 428, a special rule for H.R. 4775, a supplemental appropriations act. The Senate adopted S. Res. 304 on October 16, 2002, dealing with budget process matters; it extended certain expiring budget en-

forcement provisions and the Senate paygo rule, but did not set new budget levels.

For FY2005, the House adopted on May 19, 2004, both the conference report on the FY2005 budget resolution and a special rule (H.R. 649) including a deeming resolution provision that put budget policies in the conference report into effect for the House. On August 5, 2004, H.R. 4613, the Defense Appropriations Act for FY2005, was signed into law and included Section 14007 that deemed portions of the 2005 budget resolution conference report to be in effect for the Senate.

Courtesy of the U.S. Senate Photography Studio.

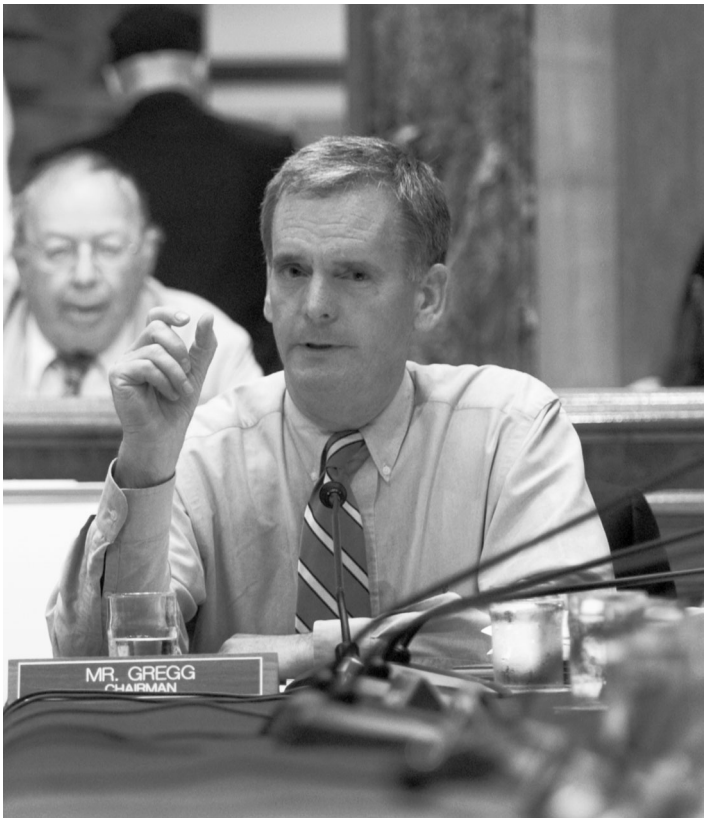
Chairman Don Nickles and House Budget Committee Chairman Jim Nussle share a laugh during the FY2005 budget resolution conference on March 31, 2004.

For FY2007, the House adopted a deeming provision in H. Res. 818, a special rule providing for the consideration of the Interior Appropriations Act for FY2007. The Senate followed suit in June, adding a deeming resolution provision as Section 7035 in the conference report on H.R. 4939, an emergency supplemental appropriations act that was signed into law on June 15, 2006, as P.L. 109–234.

During the second session of the 109th Congress, in 2006, Chairman Judd Gregg, along with 26 cosponsors, introduced S. 3521, the Stop Over Spending (SOS) Act of 2006. Title I of the SOS Act was the Legislative Line Item Veto Act of 2006. Title I would have granted the President new authority to identify line

items in discretionary and direct spending legislation, and targeted tax benefits in revenue legislation, and propose to Congress that they be rescinded or cancelled. Congress would have been compelled to consider the President's proposals under expedited procedures without amendments.

In an effort to balance the budget by FY2012, the bill would have established a mechanism under which the deficit would be limited to a declining percentage of the gross domestic product (beginning with 2.75 percent of GDP for FY2007 and dropping steadily to 0.5 percent of GDP for FY2012 and thereafter). The deficit targets would have been enforced by an automatic reconciliation process; if reconciliation legislation was not enacted or did not reduce the deficit by a sufficient amount, a sequestration involving automatic, largely across-the-board spending cuts would occur.



Courtesy of the U.S. Senate Photography Studio.

Chairman Judd Gregg during a Budget Committee markup in June 2006.

Other elements of the SOS Act of 2006 included: (1) statutory caps on discretionary budget authority for FY2007–FY2009, also enforced by sequestration, and limits on the amount of spending that may be designated as an emergency each year; (2) a new point of order against direct spending triggered when the Medicare Program was projected to become insolvent in 7 years or less; (3) biennial budgeting; (4) a bipartisan Commission on Congressional Budgetary Accountability and Review of Federal Agencies, to review government programs in a manner similar to the Base Realignment and Closure (BRAC) Commission, and a bipartisan National Commission on Entitlement Solvency, to examine and make recommendations regarding the growth of entitlement spending; and (5) various changes pertaining to the consideration of budget resolutions and reconciliation measures.

The SOS Act of 2006 was marked up by the Budget Committee on June 20, 2006. Eight amendments, including a substitute offered by Ranking Member Kent Conrad, were rejected. The Conrad substitute, among other things, would have restored statutory pay-as-you-go procedures applicable to revenue legislation as well as direct spending legislation and allowed the reconciliation process to be used only for deficit reduction. The Conrad alternative also would have required the President to budget for the cost of military operations, added new protections for Social Security, required conference reports to lay over for 48 hours and be scored prior to Senate consideration, and called on the President and Congress to undertake a bipartisan effort to solve the current and long-term fiscal challenges facing the Nation. An amendment making various modifications to the bill, offered by Chairman Gregg, was adopted. The Committee ordered the bill reported, as amended, by a vote of 12 to 10 (S. Rept. 109–283; July 14, 2006).

Staff Recollections

The following recollections were excerpted from interviews conducted with former Senate Budget Committee staff during August and September 2006. The complete interview transcripts are available at the Senate Historical Office and the Library of Congress.[1] Senior Committee staff members Jim Hearn, Cheri Reidy, and John Righter conducted the interviews. The Committee would like to thank the participants for their time and dedication to the project and for sharing their unique knowledge and insight to create an invaluable resource on the Senate Budget Committee and the Federal budget process. A list of interviewees along with their Committee affiliation follows.

[1] Complete interview transcripts are available at the Senate Historical Office, 201 Hart Senate Office Building, Washington, DC 20510, (202) 224-6900, and at the Library of Congress Manuscript Division, 101 Independence Avenue, SE, Washington, DC 20540, (202) 707-5387.

STEPHEN E. BELL
Task Force Investigator (TFI), Senator Pete V. Domenici, 1979–1980
Majority Staff Director, 1981–1986

JACK CONWAY
Senior Analyst for Budget Review, 1979–1983

WILLIAM G. DAUSTER
Majority Chief Counsel, 1987–1994
Minority Staff Director and Minority Chief Counsel, 1995–1997

JOHN L. HILLEY
Assistant Staff Director for Economics, Trade, and Finance, 1985–1989
Majority Staff Director, 1989–1990

G. WILLIAM HOAGLAND
Senior Analyst, 1982–1983
Majority Deputy Staff Director, 1984–1985
Majority Staff Director, 1986, 1995–2000
Minority Staff Director, 1987–1994, 2001–2002 [2]

HAZEN MARSHALL
TFI, Legislative Assistant, Senator Don Nickles, 1988–1996
TFI, Economist, Assistant Majority Leader Don Nickles, 1997–1999
TFI, Deputy Chief of Staff,
Assistant Majority Leader Don Nickles, 2000–2002 [2]
Majority Staff Director, 2003–2004

JOHN T. MCEVOY
Majority Chief Counsel, 1974–1976
Majority Staff Director, 1977–1980

CAROLE MCGUIRE
Staff Assistant, Analyst, 1976–1985
Director of Appropriations, 1986–1994
Majority Deputy Staff Director and Director of Appropriations, 1995–2000
Minority Deputy Staff Director and Director of Appropriations, 2001–2002 [2]

LARRY STEIN
Communications Director, 1988–1990
Majority Staff Director, 1991–1994

[2] In the 107th Congress, party control of the Senate changed several times (as discussed more fully in footnote 2 on page 109).

Beginnings

People and Structure

Mr. McEvoy: I've got to credit Doug Bennett [the Committee's first staff director] with the genius in creating staff. He knew what he was looking for. . . . These were people who "got" the process. That was the common denominator, with one or two exceptions who didn't last.

They somehow intuitively could fit into the Senate apparatus with a little coaching and didn't fight the system. We insisted, this was Doug's cardinal principle, mine as well, that we were going to be value-neutral on the budget. Our commitment was to the system. We were certainly Democrats, and the chairman was a Democrat, and that meant that you couldn't do much without the Democrats. The staff wasn't going to have an agenda. We thought policy was for the Senators to decide. We culled more than one staff person out of the Committee because we felt they had an agenda that they were pushing.

Mr. Conway: In those early days, there were three or four analysts who worked for a group leader. Each of these groups were called pods, and the leader of the group was the pod leader. I think the name "pod" came from the "Invasion of the Body Snatchers" movie. There was a national security pod, which was defense and international affairs, and a human resources pod, which was health, education, income, security, and veterans' affairs. There was also a natural resources pod, and a commerce and housing credit, and general government pod. Some of the group leaders did a function as well, and also oversaw the work of the other staffers. The major organizational elements would have been these pods covering the functional areas of the budget, and then a legal group and an administrative group.

Ms. McGuire: From the early days of the Committee there has been continuity. . . . When it was set up by the Democrats in the mid-1970s, they had no blueprint on how to do this. They had to make some very basic decisions. Do we have subcommittees or do we not? How do we get people to serve on the Committee? The Committee structure today is very much like it was when it was set up. You have your functional analysts, policy groups, your staff director, deputy staff director, chief counsel, and budget review people.

Task force investigators (TFIs), who are still around, came about in lieu of subcommittees. . . . They wanted to get them [members] involved in the budget and the budget process. So they set

up policy task forces to work on budget issues. The members' staff were the TFIs. At one time, we tried to call them Senator's representatives, but they have always been TFIs.

Carroll Arms

Mr. McEvoy: The Carroll Arms was the occasion for an awful lot of staff lore. It started because all the Senate space was used up. There was no Hart Building. Every Committee had every inch, and every Senator had every inch. Somebody did propose giving us a room in the basement, and Chairman Muskie said no. We were without a home, so I was operating out of a dungeon I called the "Muskie bunker," this really dark place that was his private lair over in the Senate before Senator Sam Ervin retired, and Senator Muskie got his office.

Doug [Bennett, the Committee's first staff director] and I would walk around the Hill in the afternoon looking at buildings. Well, the Carroll Arms Hotel had also been [acquired by the Senate] across the street, a big hotel, it was going to be torn down for a parking lot, but when was the question, because the parking lot itself had gotten caught in the 1973 recession. Anyway, the Carroll Arms had been spared, but nobody knew for how long. So Doug and I made the case to Senator Muskie that we should try to get space in the Carroll Arms. I said to him, "But even that won't work for the long term because one day it's going to be torn down." And he said, in his usual fashion, "Don't worry. It'll be there longer than you are." He was right.

We got two floors of the Carroll Arms, the second and third floor—well, most of the first, too, but there wasn't much down there. Doug's office, and later mine, was in the space that the Quorum Club used to be in. It was wonderful. We all had bathrooms.

Ms. McGuire: The Budget Committee was assigned a hearing room in the Russell Building. We were physically located in the old Carroll Arms Hotel across the street which is now a parking lot. Because of staff limitations, and the fact that the Hart Building was not yet constructed, we were placed, much as CBO was, in an old building, which was a blessing and a curse: out of sight, out of mind. Any trip to see the Chairman, or to see one of the Members, or to go to a hearing, you had to walk across the street and into the Dirksen or Russell Buildings. Your chairman did not just drop by. One night about midnight when I was on the second floor of the Carroll Arms Annex, Chairman Muskie walked through, which just about freaked me out. I think that it was about the only time that the Chairman was ever in the building.

We had these old hotel rooms that everyone loved because they had a shower, so anyone that jogged could jog and come back and take a shower. It was kind of a quirky place to have your office, but we all loved the Carroll Arms Annex dearly until it was torn down. We had a big farewell party over there, and we moved across the street to the Dirksen Building.

Sid Brown (the Committee's First Chief of Budget Review)

Mr. Hoagland: The first day I walked into the Budget Committee . . . I'll never forget walking into Sid's office, and he had one of those calculators that had a roll of paper on it. That's the way the budget was put together. Sid was from the old Budget Office, the Bureau of the Budget, an old-time budgeteer, a great guy. Sid was that person who had integrity, nobody could challenge, and he could stand up to anyone in the early years and say, "Now, this is the way it is," and nobody was going to challenge Sid on it. There was this stature that Sid had. It's hard to find, in this very political town today, a career staff person on Capitol Hill that can maintain that kind of respect.

Mr. McEvoy: We had THE computer in the Senate. That was part of our mystique, see. We had a computer. These numbers that we used in our scorekeeping system came out of a computer! In fact, it was Sid massaging them. Sid had this assistant who reminded me of the far out scientist in the "Back to the Future" movie. He'd sit there at this little tabletop computer, one of the first desktops, and he'd say, "Let's fire up Ol' Nelly." But you could never be sure that the damn thing was even going to go on, and you know, sparks would fly. . . .

Everybody respected Sid. They knew he didn't bend with the wind. And Chairman Muskie would never ask him to make a compromise. The numbers were the numbers. And Sid, because of his acumen, and his thorough understanding of the budget, commanded great respect at OMB [the Office of Management and Budget] among the professionals and at CBO [the Congressional Budget Office].

Technology

Mr. Conway: Everything was done in millions with an asterisk for $500,000 or less, rather than, as we do today, billions and tenths of billions, with an asterisk for $50 million or less. In the beginning, there were no personal computers; everything was done on adding machines or calculators, and all the markup materials were done on paper that was put into a typewriter, and then you typed out all the numbers. The first time you put the piece of

paper in, it looked pretty good, but then you made a mistake on the number or CBO changed the number between Tuesday and Wednesday and the original would have to be "fixed." So you'd take the piece of paper, and then maybe use some Wite-Out, or if you were really good, you could fit the page back in and maybe use a correct-a-type typewriter or had the tape that could cover over the mistake. That would work maybe the first two times, and then there was Wite-Out slathered on it, and by the end, when we finally were in the position of putting together a markup book, there were many layers of tape. So you'd have the tape, plus the Wite-Out, plus everything else. Some of the pages were so thick, you didn't dare feed them through a copying machine. We did have copying machines. . . .

One thing that is no longer done is that every Saturday there was published and on the desk of every Senator on Monday morning, a Senate Budget Committee scorekeeping report. There would be a page for every committee and a page for every subcommittee of appropriations, and it would show the budget resolution, prior year spending, supplementals, current session spending, and the regular bills. So for an appropriation bill, it would start with the prior year outlays, then you would have, if there was a supplemental, any effect from the supplemental, and then if there was any action on the bill. If there was no action, it would just stop at that level. If it continued, you'd have comparisons to the budget resolution. Thank God I didn't have to come in to work on that, but Sid [Brown] did. This stuff was set in monotype. It was not done electronically. Every piece was set in hot lead. Sid would come in and send it to GPO on Friday, and he'd come in every Saturday to look at the galleys.

Markups, Resolutions, and the Senate Floor

Mr. McEvoy: Chairman Muskie was prodigious in his absorption of data. We used to prepare thick undigested briefing books and send them home with him, so that he came into the markup knowing more than most of the members of the Committee knew about how things added up. He was a brilliant man. He could make combinations in his mind that others could not. He wanted to achieve consensus on a budget resolution, which meant he couldn't have everything he wanted, but he also knew what was the minimum he, in conscience and politically, could settle for.

The staff never presented a mark, and we never had a Committee mark. The House did that all the time. The leadership had a mark. I remember the House in those days had leadership rep-

resentation on the Committee, and they followed it very closely. We never did that. Muskie was zero based in budget resolutions. The only number we offered in the Committee in its documents was the current services budget. People would propose a number, plus or minus that starting point. Current services was what it would cost to run the government taking into account all the legislation on the books, adjusted for the current economic forecast. You could put it into the functional baskets and see it. And so that's kind of how it got started. I considered the President's budget dead on arrival.

One time we had a second resolution markup, or maybe it was a first resolution, going on for 3 or 4 weeks, and members stopped coming. We would meet all day. It would be between floor votes. We got down to about eight people in the Committee, and Chairman Muskie wouldn't stop because one of his negotiating techniques was that he just kept you going until you were ready to sign up. He would not let a final vote come on a resolution that he didn't think he was going to pick up Republicans on. So he had enormous patience.

If you got a consensus on every number, everybody in the Committee was smart enough and they had their own staffs to know what we were building up to, so if you had a consensus through to the end on all of the functions, chances are you were going to get to the end in a way that had consensus on the outcome.

Ms. McGuire: We prepared similar markup books to the type that you do now, although they were more extensive. The theory was that the members needed to have an education about what was in the Federal budget. So they were rather extensive markups to describe what a function was and what programs were in it, and what the funding patterns had been as well as the current services baseline, CBO's current policy baseline, and the President's budget request. Markups took 2, sometimes 3, weeks because we would walk through every function, and every functional analyst would give a presentation on what was in the function, and then entertain questions. In those days, we did not always have a Chairman's Mark. It was more putting together a budget resolution the old-fashioned way by offering amendments to the budget functions. We walked through every budget function, and members could offer amendments to the function, and the Committee would act on them.

Over time as things got more partisan, and there was less camaraderie on the Committee, we changed to the current system of markups where everybody has their own ideas of what they want

in the resolution, and the better part of valor is to cut to the chase and do the Chairman's Mark. When people kind of recognized the writing on the wall and by the time that you were having one or two vote margins, you realized that you had to get all of your guys in line. The chairmen started to figure out that they had to put together a mark and get as much support as they could and then open it up for the amendment process. This did two things, it expedited the process and somewhat guaranteed you could get a budget resolution out of the Committee. I think the chairmen felt it was their responsibility to get a budget resolution to the floor. Somehow they had to get that done. That was the one thing that they were asked to do every year.

Out of those rather lengthy markups and back and forth negotiating sessions, I think, is where our "no proxy" rule came from. . . . Since the Budget Committee met for a very short period of time each year, certain chairmen thought that the members ought to be present and accounted for for the duration of the markup and that members using proxies slowed down the work of the Committee. Chairman Chiles was the one that really pushed extensively for the "no proxy" rule based on his experience over time with Chairman Muskie and as the ranking member trying to get the budget resolutions adopted in the Committee. I think that those lengthy markups and the fact that you had to herd members into the Committee to offer their amendments, eventually led to the adoption of the "no proxy" rule.

Mr. Conway: In those days, the analysts would sit at the table during markup and answer questions, and heaven help the analyst who stumbled in front of the members. You've all seen it, if members get a sense that you don't know what you're talking about. . . . I was always terrified of what questions they were going to ask because I was the functional analyst for function 900, interest, 920, allowances, and 950, undistributed offsetting receipts, which included Outer Continental Shelf rents and royalties. The Members who had written the laws on Outer Continental Shelf rents and royalties were sitting at the table. . . .

At that time, we did at least two budget resolutions a year. The first budget resolution was advisory, and the second budget resolution was binding. The binding part of the resolution was what we called "the last piggy at the trough," the last appropriation bill or the first appropriation bill that would cause the 302(a) allocation to be breached and would be subject to a majority point of

order. There were no points of order on each of the individual appropriation bills. It was only on the last one or the one that would cause a breach of the budget.

You would finish the first budget resolution. There would be a short period and then you would begin the second budget resolution. The second budget resolution basically was to incorporate CBO re-estimates from the time the first budget resolution was adopted. There were a number of different updates. There was the President's budget, then there was an April update where OMB would submit updated information similar to the midsession review, then they would do the midsession review in July.

As a staffer, the most difficult thing was, "what set of numbers are we working on now?" Depending on what stage of the process you were in, if you were scoring a bill, you would be doing it under the assumptions of the first budget resolution. If you were preparing things for the second budget resolution markup, you would be scoring the same bills, but under the assumptions of the second budget resolution, and they may be the assumptions that were from the OMB April update, or they may be further modified by the July midsession review.

Ms. McGuire: The second budget resolution was really more for fine tuning, but the farther we went in the process, and the longer it continued to take to get our appropriations work and tax work completed, it seemed to be almost irrelevant at the time we were supposed to do the second budget resolution. There were not a lot of things to fine tune. We were still in the middle of doing appropriation bills and tax bills and things of that nature. At some point, it became a housekeeping function and essentially irrelevant as we revised the budget resolution in the next cycle. We continued to update the past budget resolution when we did a new resolution and that practice essentially took the place of the second budget resolution.

Mr. Hearn [interviewer, to Mr. Dauster]: The purpose of this whole exercise of the Committee history is to put together a document that people can use, to research, to go back and draw on what might otherwise be lost to history. One product that already exists is what the small circle of potential scholars is going to call "the blue book,"[3] which is what we call it, which you know a

[3] Budget Process Law Annotated 1993 Edition: Including the Congressional Budget Act, Gramm-Rudman-Hollings, the Budget Enforcement Act of 1990, Executive Order 12857, and Related Budget-Process Legislation. Committee on the Budget, United States Senate. Annotations by William G. Dauster, Chief Counsel. Senate Print 103–49, 103rd Congress, First Session. October 1993. Government Printing Office.

lot about since you wrote it. It really was, for the period that it covered in terms of the law at the time, it was "the bible."

Mr. Dauster [in response to Mr. Hearn]: There have been three editions of the volume we're talking about. What started off as the "Congressional Budget Act Annotated" or "Budget Process Annotated" . . . started for two reasons. First, to have collected in one place all the things I'd need on the floor, and I'd want to argue with the Parliamentarian about what was the law on something. So, it was useful to have it and not have it in a large suitcase. It's better to have something small that you can carry with you at all times. Second, it helped me to understand the law better, and so it was a good, useful learning process for me.

Tests of Budget Enforcement

Mr. McEvoy: In July 1975, Chairman Muskie was confronted with his first challenge to that budget resolution because Senator McGovern, who was chairman of the Special Subcommittee on Hunger, had fought and lost to Senator Dole in Committee on an amendment to raise school lunch subsidies, I think by a nickel or something. The House had passed a bill that vastly exceeded what the Senate had allowed for it in our budget resolution. Senator Dole was standing by the budget resolution in opposing the McGovern amendment. Senator McGovern came to the floor and offered an amendment to put it back.

Now, Chairman Muskie's politics would have driven him in the past to vote for that [the McGovern amendment], and he took a lot of heat at home for failing to, but he and Ranking Member Bellmon thought their deal stood up and announced that they were opposing that amendment. We beat it something like 73 to 27, picking up a great number of Democrats whom Senator McGovern expected to vote with him. Then he [Senator McGovern] went to conference and accepted the much higher House number, so the conference report that came back to the Senate was at least as expensive as the one we had averted when we beat the McGovern amendment. So we're going to have to fight him again, and we knew we were going to win that.

As it happened—and this was blind luck and stupidity, I've apologized to the two guys who were staff director and counsel to the Armed Services Committee over and over again since then—the defense authorization bill had come out of conference over the levels presumed in the budget resolution and though it passed the Senate, it was pretty much what we putatively had attributed to it. We didn't enforce the budget resolution against authorization bills dependent upon subsequent appropriation, except that I was

so, shall we say, naive or new to the process that it just seemed to me that the chance of nailing Senator McGovern and the Armed Services Committee together was overwhelming. So I suggested that we take on both conference reports as a package and make the liberals that were going to vote against the defense bill, choose between being against defense and for liberal priorities or for the budget on both. We were going to make the defense conservatives do the same thing.

Well, the only justification for my position arguing that this authorization bill spent money was that Senator John Stennis . . . was not only chairman of the Armed Services Committee, but also chairman of the Appropriations Subcommittee on Defense, so he could make sure the appropriation equaled the authorization level.

Chairman Muskie sent a letter out the week before the two conference bills were coming to the floor saying they both broke the budget, and we're going to vote against them and urged everybody to do it. We beat both of them. The first one up was the defense bill. We won 48 to 41, but it was so hotly contested that Senator Tower, ranking Republican on the Armed Services Committee, called for a vote on Majority Leader Mansfield's motion to lay the motion to reconsider on the table. There was only one switch. That vote is what made the budget process in the Senate, because if you could beat Senator John Stennis, and if you could make the liberals face up to the fact that if they wanted to hold defense down, they had to hold their own stuff down, and that Chairman Muskie and Ranking Member Bellmon were a formidable force, and they'd kick you across the room on the Senate floor if you came to the floor with what we called a budget buster.

It was a package, that was the genius of it. You couldn't be for one and not the other and claim any fiscal responsibility. Senator Stennis went back dutifully and cut his bill in conference again, and Senator McGovern hated it, but he finally came into line, and we passed both conference reports later consistent with the budget. I told somebody when Senator McGovern first brought the bill to the floor, the first time we had to beat it before it went to conference, this was the great challenge for Chairman Muskie, and it was the most painful challenge coming from his own side and on one of his priorities.

Ms. McGuire: One of the biggest victories in the early days for Chairman Muskie was that he took on the aviation bill for excessive spending. Everyone thought that he was nuts to go down to the floor and make the budget arguments. He decided that he needed to go down and say, "This is outside the budget resolution, and we need to re-think this bill." He actually won on one

of the points of order, which was a huge boost of morale to the Budget Committee because it was hard to get these other committees to change their ways.

Committee Dynamics

Mr. McEvoy: What people didn't recognize was that Ranking Member Bellmon had been the first Republican Governor in Oklahoma since statehood, and he had to deal with a Democratic legislature and had to learn how to do it. Chairman Muskie had been the first Democratic Governor in Maine in 100 years, and he had to deal with an entirely Republican legislature. So these two guys came together with a background that said if anything was going to be achieved, it had to be achieved with some compromise and on a bipartisan basis. . . .

Chairman Muskie made a deal with Ranking Member Bellmon that the process wasn't going to work if it fell into partisanship, and that the only way to make it work was for Senator Bellmon and he to agree that the process would be paramount in their work in the Committee and that they would each sacrifice, to the extent it was possible and necessary, their own priorities and views, in order to build the consensus for a resolution that could not just pass the Committee, but survive in the Senate. That was the deal that basically made the budget process in the Senate for 6 years.

Chairman Muskie had incredible patience, I mean such patience that it drove me nuts in formulating budget resolutions. They would take weeks. He would drive the rest of the Committee nuts because he almost always had all the Democratic votes he needed. But he was waiting to pick up the Republican side. He was waiting until everybody had run out of breath and energy and was willing to say, look, we've got to get a budget resolution done. Because when he went to the floor, he wanted to get 65, 75, 85 votes for it. I don't think we ever got, while I was here, fewer than that on a budget resolution. Most times over 70. So he had a commitment going into the Senate based on the commitment coming out of his Committee.

Mr. Conway: From the very beginning, Senators Muskie and Bellmon worked together in a bipartisan way to produce a bipartisan budget resolution. In those early years, the budget resolution was a bipartisan document. It was always a bipartisan amendment that would roll them on defense. Inevitably it was the Fritz Hollings-Pete Domenici defense amendment. Bob Sneed as the defense

analyst would prepare Chairman Muskie's mark, and he would also prepare the Hollings-Domenici amendment. Sneed would get in the position where he would have to write talking points for the Chairman's Mark, and he'd then write the talking points for the Hollings-Domenici mark. Senator Muskie would present the mark. Then Senators Domenici and Hollings would do their counter-proposal. So here was Sneed, who had prepared talking points for each of the amendments and against the other person's amendment. John McEvoy, the staff director, would say something like, "Bob, I told you to give him help, but not that much help." Inevitably, the Hollings-Domenici defense mark would beat the Muskie-Bellmon defense mark.

Mr. Hoagland: Senator Domenici and Senator Chiles were personal friends. They hunted together; they fished together; they did other things together; and their wives socialized together. That kind of relationship outside of this institution, outside of these four walls, I think makes it easier. It's not that Senator Chiles and Senator Domenici didn't have differences of opinion, but they worked together.

It's my recollection that, first of all, it was a Committee in which in the early years, it wasn't clear that people wanted to be on it. . . . So it got down to the end, I won't say the leftover Committee, but you ended up with a lot of freshmen Senators.

As budgeting and fiscal policy became more of an issue and more attention was brought to it particularly during the Reagan and Stockman [Director of the OMB] years, there was a sense that this might be an exciting Committee to get on. I'll never forget Bill Dauster introducing me to Senator Clinton when she first came to the Senate and became a member of this Committee. She said to me, "Bill, my husband, has told me that this is the Committee to get on, because if you want to learn the Federal budget quickly, this is the Committee."

So there was a movement, a little bit more attention being paid to it, particularly during the latter part of the 1980s and 1990s, that it was an exciting Committee, it was a Committee that had attention brought to it.

Interaction with the Senate Leadership and the Executive Branch

Mr. McEvoy: President Carter asked Chairman Muskie, the congressional leadership, and the Budget Committee leadership to come down to the White House for a big breakfast. All of the

heavy hitters from all of the committees were there. I suspect what they wanted to do was a combination of make peace and assert their supremacy as the President, as the executive branch. President Carter laid out the olive branch, and he talked about how important it was to do things together and so on. He asked if anybody had anything to say, and Senator Muskie got up and gave the President a civics lesson. He said he respected what the President said, but he had to understand that there were two distinct branches here. There was the administration, and there was the Congress, and Congress had the power of the purse and took it seriously. He gave him a "little Dutch uncle" in a polite way. That ended the discussion. We never had another one of those, and to my knowledge, Senator Muskie never dealt directly with President Carter again on the budget.

When I said the President's budget was dead on arrival up here, we never took it seriously—first, because we didn't think they could enforce it; and second, we knew our deal with the Republicans in this Committee was not going to be enhanced by starting with anything that looked like a Presidential budget.

Ms. McGuire: Another notable moment that I will never forget was while we were marking up a budget resolution in the early 1980s, and Senator Domenici was not enamored with President Reagan's tax cut. As we were in the middle of the markup, he got the tap on the shoulder to come out to the phone booth, and the President was on the other end of the line saying "Pete, I really need your vote on this, I really need my tax cut." They must have talked for 10 or 15 minutes. The Senator came back, and he was very serious looking, and he said that the clerk will call the roll, and he voted against the President. That was one of the more high drama moments that we had.

Mr. Dauster: Yes, it [the relationship between the Committee and leadership] has changed over time. When I started [in 1987], I was working for Senator Lawton Chiles. It's not often remembered, but he challenged Senator Byrd for majority leader, and therefore, the relations were not entirely warm at the beginning, and we strove to have a distinct and separate role from the leader.

As I mentioned, Chairman Sasser and Leader Mitchell were close, and therefore, it was a different relationship. And that was useful for both parties to be able to work together, because the budget relied so much on getting the caucus to get passed and because the leader could get so much of the agenda done through the budget.

Mr. Hoagland: Markups were not only by function but also by subfunctions, and they would go on for weeks and way into the night, and members really got into the details. But when it got down to it, what they found out, which is what we all knew at the time, was at the end of the day it's just a number, and you can say whatever policy assumption you like, but it's still a number. So the accounting nature of the process in those early years shifted when Stockman [Director of the OMB] started pushing the reconciliation process as a way not only to achieve the numbers, but to achieve the policy.

So those early years, and I realize they're contentious about how that has evolved over time in terms of reconciliation, but the early years, 1981, 1982, 1983, the stories that are told about President Reagan calling in here as a vote was about to take place on his . . . [budget plan], and Domenici saying, no, we're voting the way we're voting and standing up to the President, you don't see that anymore. You don't see the chairmen, and I say that generically, you don't see the leadership saying this is an independent or this is a separate branch of government. In those early days, there was conflict. Even though Republicans controlled the Senate and the White House, there was an effort here to convey we actually did have something to say about fiscal policy.

Mr. Marshall: I spent a few years working for the leadership. When you're in leadership, you spend most of your time cursing the committees because they're not doing what you want, and I quickly found out, switching places, that the committees sit around and curse the leadership for trying to tell them what to do. There's always tension between leadership and the committees. I think it was less so when Senator Nickles was chairman just because he had such a great relationship with Leader Frist and because of his service in the leadership, he very much understood what they wanted and needed and vice versa.

The Committee over the last several years, at least in the tenure of this Bush administration, has been closer to the administration and their priorities than I've seen in the past. I think that was a reflection of Congress generally. The Republican Caucus in the House and the Senate over the last several years has been more deferential and more accepting of the administration's priorities than before. I'm a legislative branch snob, so that has always just bugged me a little bit. It wasn't just the Committee. It was a reflection of Congress as a whole. That didn't used to be the case; I can remember Senator Domenici (as chairman and ranking mem-

ber) bucking Presidents in the past, and I think it happened on the other side as well.

Reconciliation

Mr. McEvoy: I walked into his [Chairman Muskie's] office, which was always kind of dark, and he's sitting at his big desk. He had never seen a second resolution report from CBO that made him happy, because it always had economic re-estimates, and he took a beating in Maine for it. Even if it was only a couple billion dollars, people would say he was betraying the process. The big high and mighty guy said they have to have integrity and then blows the budget by $2 billion.

He didn't say a word. I said, "Senator, it's bad news." He looked at me like, "What else?" I handed him the piece of paper, and I said that CBO says. . . . He looked at that paper, and he said, "What am I supposed to do about this?" I said, "Well, we could do a reconciliation bill." He said, "You know that won't work." I said, "Well, no, probably it won't, but at least you can bring a reconciliation bill to the floor. All these committees are going to have to come down and explain why you shouldn't do it and justify what they've done." Well, he loved that.

Chairman Muskie came up to the Committee during a markup, the second resolution, and he quietly suggested we do a reconciliation bill. Congress was about to leave town. Nobody had the slightest idea of what a reconciliation bill might be. I mean, it was a line in the budget process. It had not been discussed in 4 years. The Republicans loved it because, you know, why not? The Democrats were skeptical, but they were all worn out. It was one of those marathon markups, and they were going to be embarrassed by these numbers, too. We didn't have all the Democrats on board, but we had enough. Congress adjourns, and nobody knows we've done it. The press wasn't covering it. The Senate wasn't paying any attention.

Chris Matthews was at that time the press relations guy for the Committee. A very frustrated fellow because Chairman Muskie didn't like publicity. To get press, you had to make waves; making waves was not his style up here. So I was always having to sit on Chris to keep him from doing a press release or coming up with an angle that would make a story. He and I sat down, as most of the congressional staff was already on vacation, and we decided that we should make something of this.

Chris went to work on the press, which had nothing else to report during August [1979] about Congress. Bob Schieffer even did a piece on it from the Capitol lawn in late August, and papers all over the country started picking up on it in the editorial pages.

Members were getting sandbagged. They didn't even know it happened, and here the papers are calling for them to do it.

So there was a real wildfire going in the Senate among Democratic Senators and chairmen about what this was all about, and Majority Leader Byrd held a meeting to decide what to do . . . He didn't want this fight on his hands. He wanted the flames put out before this resolution. It was Senator Abe Ribicoff, chairman of Governmental Operations, who wasn't a special friend of Muskie or vice versa, who said, according to this person who was there, "You know, there's something we have to recognize here. We don't like what Ed has done, and maybe we could have had some more notice." Of course, if they'd had notice, they'd have killed it. He said, "But there is a thing in politics called 'secondary identity,' in which people look at a politician, and they don't see the politician, they see his secondary identification. And in Ed Muskie's case, that is fiscal integrity. And I think we take on Ed on this one at our risk."

That ended it. It quelled the rebellion. We [the Senate] passed the resolution with some grousing, mandating $4.2 billion [$3.6 billion in reconciliation savings]. . . . The House didn't want to take it. They fought us bitterly and said they wouldn't do it. In truth, the House wasn't prepared for what we had done and couldn't pass the Resolution [the conference report on the budget when] it contained reconciliation in that year. So we had to drop it in conference, but we warned we'd be back. The next year, we came back with something relatively the same size and passed it in both Houses.

Mr. Conway: Probably one of the early successes, from the Senate point of view, was basically forcing the House to accept reconciliation in the calendar year 1980 second budget resolution. Senator Hollings was the chairman. That was the first time that a full-blown reconciliation instruction on spending to both House and Senate Committees was included in the conference report on a budget resolution. There had been an earlier instance [FY1976 budget] of a reconciliation instruction that was before my time, but it was the one where there was a reconciliation instruction, and it was only to the Senate Finance Committee.

There was a great deal of resistance from the authorizing committees to that first reconciliation instruction [on the spending side] in 1980, but it was nothing compared to the resentment on the part of some committees to the reconciliation instruction in 1981 [in the FY1982 budget resolution].

Mr. Bell: In 1980, the first Tuesday after the first Monday in November, Minority Leader Howard Baker called me at 3 o'clock in the morning asking did I know where Senator Domenici was, and I said, "Yes, sir," and he said that I better call him up because he was chairman of the Budget Committee. I tracked him down and told him, and like any sane person he was asleep and said, "What?" I said that Howard Baker just called me up and said that you were chairman of the Budget Committee. "Now what are you going to do?" He said, "Hmm . . . gosh, I don't know. I have to think about that."

[After the 1980 election], the two major questions were one, could Republicans govern, especially with . . . Ronald Reagan, now to the utter dismay of the Washington establishment in the White House, and two, this budget process, which . . . they really held down by putting it under the leadership of Senator Warren Magnuson, who was chairman of Appropriations, because the natural conflict which had to occur between the appropriations process and the budget process had been delayed in starting, so what was Domenici going to do with the budget process?

The year before we had taken a very important baby step on reconciliation, and I think that the first interview we gave was that the budget process has crawled, and it has walked, now it is time to run. Our main challenge, therefore, was not only could we govern, but could we carry out the mandate that people felt Republicans had after the 1980 elections. So, internally, there were some serious challenges.

People forget there was a reconciliation instruction in 1980, in the lame duck session, it passed. It was in the $8 billion range. That sounds tiny, but remember we were dealing with much smaller budgets back then. The fact that it was done, the fact that there was no serious parliamentary challenges to it . . . gave us the freedom. That was important, I can't stress how important a step that was because it was not challenged. . . .

You had the precedent. Reconciliation was in order; it was legal, signed into law by the President. It [expanding the reach of reconciliation] evolved from the underlying statute [the Congressional Budget Act]; it [the requirement to do reconciliation] did not emerge from the committees of jurisdiction. It emerged as an instruction from the Budget Committee. The fact that you [the Budget Committee] could do that meant that the only thing left to the Senate and House to decide was the extent of reconciliation. We had the foot in the door, and the next thing you know, the whole damn elephant was in there. So you should not underestimate the combination of that vote and our interpretation of what I call the elastic clause where it says, "any other such actions

to carry out the purpose of that Act", never put that in a bill, let me give you some advice.

David Stockman, Director of the OMB, wanted to do the Reagan program as an amendment fully debatable on the debt ceiling extension. He had been a House Member, and so he did not really understand Senate procedure that well, especially when it came to such things as reconciliation and what I called the "elastic clause" in the 1974 Budget Act. It was the day before Christmas, in his office, I explained reconciliation to him and what I thought we could do. I pointed out that if we did what we wanted to do, it would be the most dramatic change in the way the Senate did business in about 150 years.

It was essentially truncating Rule XXII and expanding the restrictions on filibuster and debate and that he could expect that while nobody in the White House would care one damn way or the other, it would be a highly controversial time on the Hill. This is the subject of all sorts of books that have been written.

Senator Baker established that precedent on the floor with more than 50 votes in the first half of 1981 which he won every one by 53 to 47 which was the majority that Republicans held in the Senate. When people write his biography and such [they] may overlook that, it was one of the great leadership feats in the 35 years I have been here—unprecedented and people just could not believe it.

In February, we had a reconciliation bill introduced by Senators Hollings and Domenici. By midyear, we were able to pass a budget resolution with reconciliation, second resolution later in the year, and by the end of the year, we had been able to establish in the Senate, not only a brand new way of doing business in the Senate, as far as deficits and spending, but it turned out because of the expanded use of reconciliation over the years, we were able to do most of the important changes and most of the important things that are happening in the Senate.

So we were in a situation in the 1980s where we were kind of the stepchild, where a bunch of guys had to impose in 1974 the Budget Act and the budget process on the Senate and the House, and where the Act was a peculiar amalgam of changes in the Senate rules and changes in statute law. . . . It was clear that unless we had the confrontation between the Budget Committee and the other committees, the budget process was not going to work the way that some of the original authors had intended.

Mr. Conway: The first time that reconciliation was used full bore was in 1981, right after the Senate flipped. Senator Domenici

became the new chairman of the Budget Committee. . . . The Senate Republicans wanted to demonstrate that they were there to make the changes that were part of the Reagan victory.

The Republicans were then in a position of saying, well, we've been calling President Carter weak on defense all this time, we have got to put an even bigger defense number in there. So they had 5 percent real growth in defense. To me, this was kind of a problem. It was like their politics got in the way, so they came up with a ridiculously large number for defense relative to what it had been. So they got a big change. They changed the slope on defense unbelievably, and part of that was driven purely by politics. They said, after the election, "We can't say that we're no stronger on defense than the 3 percent real growth of Jimmy Carter." So that was the first step in going off the precipice of having far more spending than you could support with everything else.

The goal was, OK, well, what's a way that we can get a quick vote on spending priorities? So in 1981 they decided to do what became S. Con. Res. 9, and it was a revision. It was revising the second budget resolution for fiscal year 1980 . . . , and it was all reconciliation [instructions]. . . .

So the Senate passed S. Con. Res. 9 and went back and did a complete full-blown budget resolution, incorporated the decisions that had been in the reconciliation instructions of the first one and then proceeded ahead. The goal there was to get a marker out there and get the Members on the record of supporting reductions in nondefense spending.

Gramm-Rudman-Hollings (GRH)

Mr. Stein: The fundamental contradiction in the Reagan agenda, and all Presidents have contradiction, this is not intended to be an attack on the Reagan administration, but the fundamental contradiction was that you could cut taxes and fund a military that was going to defeat the evil empire. I believe history will look back at it that way. Also, he did not live up to the domestic policy cuts that he hoped to achieve for a variety of reasons. When we took over, the budgetary consequences of that contradiction were self-evident. You had the big tax cuts. You had Senator Dole's efforts to kind of ameliorate them in I guess it would be 1983 that were somewhat effectual, but not effectual enough. Then you had the reaction to that, which really took the form of Gramm-Rudman-Hollings.

Mr. Bell: In 1985, we kind of set in concrete the budget process and its ascendancy. We had something called Gramm-Rud-

man-Hollings. With no disrespect to those three Senators, it was a strange idea. It essentially said the House and Senate can't do their business, or don't do it the way we like, and therefore we're going to penalize the House and Senate by some mechanistic measures if they don't behave the way we want them to behave. I was dead set against this, and I would see Senator Gramm and say, "God Almighty!"

Fortunately, Gramm-Rudman-Hollings was so contrary to the culture and the Constitution and whole flow of legislative history, the first thing we did was to ignore it. . . . I think any mechanistic approach in which you say if you don't do A, B, C by a time certain, then deus ex machina . . . some god will come down from the heavens, resolve the problem, and do for you what you cannot or will not do for yourself. I think that is absolutely, utterly going to fail. I think it is just such, at least in our tradition for the last 200-plus years, it is such a radical departure from the notion of participatory democracy and judgments that Senators and Congressmen are supposed to make and the free marketplace of ideas. . . .

All I wanted to do was put in the 60-vote point of order, make the 302(b)s mandatory, say no appropriation bill can come to the floor of the Senate without 302(b)s being filed. I wanted to institutionalize and put into concrete the supremacy of the budget process. Because nobody else cared, they all thought that it wasn't very sexy. . . .

When it was done the chief clerk of the Appropriations Committee came to me and said, "Is it true that these are all new, these are 60 vote points of order?" And I said, "They are." He asked, "Well, did you check with the Appropriations Committee staff?" I said, "Well, I don't think I did." He's a personal friend of mine. We had a strained friendship for a while because of this. "Well, what's going to happen?" I said, "Well, it's going to be signed into law, a new law, it's going to be 60-vote points of order since this is a hybrid bill that changes both the rules of the Senate and statutory law at the same time" (except nobody but me, Sid Brown, and Senator Domenici probably realized that). "That's the way we're going to do business from now on, and it's going to be 60 votes for most everything." That was the one positive outcome in my view of the Gramm-Rudman-Hollings event, that we were able to change the rules of the Senate.

Mr. Hoagland: Once we established our credentials that we really had a role in formulating fiscal policy, then I think the next major challenge from a policy perspective really, as I think back

on it, was when we passed that $2 trillion public debt figure, and now the process shifted from setting the blueprint, setting the goals, setting the direction, to one of actually forcing an outcome, and forcing an outcome through the mechanisms of Gramm-Rudman-Hollings. The process changed, that was a pivotal point in the history of this Committee where you move from setting a goal to actually enforcing that goal. The result—process became an issue.

Post-GRH Budget Agreements

Mr. Dauster: The Gramm-Rudman era was one in which we had a deficit target that we all had to try and meet, but nobody in particular was responsible for the deficit. It was the function of exogenous economic variables as much as legislative action. So we felt that it was sometimes an irrational process. So to move away from Gramm-Rudman toward a system where particular actors would be responsible for their own actions was an important goal of that era. Some people criticized that as no-fault budgeting, but it's responsibility-for-what-you-can-control budgeting. And that was an important and hard-fought change.

1987 Agreements: Omnibus Reconciliation (OBRA) and Balanced Budget and Emergency Deficit Control Reaffirmation Act

Mr. Dauster: Chairman Lawton Chiles wanted to enforce fiscal responsibility. He was a fiscally conservative Democrat and believed that it was important to the credibility of the newly majority Democratic Party that we would be fiscally responsible as well and, therefore, thought it was important to make the Gramm-Rudman law work now that it had been ruled unconstitutional in the *Synar* v. *Bowsher* decision. So he set about trying to build that consensus, and Senator Domenici was a good participant in that, and Senator Gramm himself, too.

We did little changes to try and put our fingers in the dike and stop leaks of deficit-increasing actions. Along those lines, Rick Brandon [staff director] and Chairman Chiles had me write something to prevent sales of assets being counted as budget authority, because we didn't want to sell the garage in order to pay the mortgage. We tried to prevent shifting money from one time period to another. These are sort of little patches on the fabric of the budget process. Every time somebody would find a little gimmick, we would try to make it out of order and fix that, which added to the complexity of the business, but occasionally stopped a leak for a while.

1989 Agreement: OBRA

Mr. Hilley: President George H.W. Bush's first year in office was 1989, and his budget director was Dick Darman. They came in and were interested in trying to reach a bipartisan solution to the budget, trying to reduce the deficit and trying to hit the Gramm-Rudman targets that were in effect during that time. So our year started on a bipartisan note of a negotiation to reduce the deficit, by a very piddly amount, to tell the truth. As you recall, President George H.W. Bush won the Presidency in 1988 largely on the "no new taxes" pledge, and so when they came in, the budget agreement they were seeking on a bipartisan basis did not include taxes as a major component. That sort of doomed the effort to really take a large bite out of it in that particular year. In any case, there was a very bipartisan and quick agreement about reducing the deficit. Nineteen-eighty-nine was a year of bipartisanship, of positive, but meager accomplishment in terms of dealing with the deficit reduction problem, but the year came to be dominated in the end by the fight over capital gains tax reduction.

The year 1989 was the high point for the virtue of reconciliation, because that virtue came out of a political standoff. . . . In that particular year, there was a plug or number for $5.3 billion of revenue increases. Now that fit extremely well with President George H.W. Bush's desire for capital gains tax cuts because, they had a transparent and convoluted way to use the capital gains rate reduction to make the Treasury flush with revenue in the short term. Majority Leader Mitchell and the Democratic caucus were dead set against that though. . . . The Democratic leadership in both Houses strongly opposed the capital gains rate reduction because they saw it as a budget buster in the long run, and of course, given our theology, felt that it distributed benefits to the well-to-do. So that was the setting. Now, where reconciliation comes in is that Senator Dole, having lost in the Finance Committee, decided it would be a good idea to try and attach the capital gains tax cuts on the floor . . . to the reconciliation bill.

He had a majority of votes to do that because there were five or six Democratic Senators, who for various reasons decided capital gains tax cuts were appropriate. So that's where the issue of reconciliation came to the floor. The Democratic majority didn't have the votes to defeat on a straight up or down vote. The tack that we took, which I am proud to say I am the person that suggested this to Majority Leader Mitchell, was to strip the reconciliation bill of all extraneous provisions. So Mitchell went to the Senate floor and said listen, this reconciliation process has gotten out of

hand in the sense that all the committees are now loading it up with not just stark budget savings but with all these extraneous provisions, let's return reconciliation process to its intended view or purpose and strip every extraneous provision. . . . We stripped literally hundreds of extraneous provisions out of the reconciliation bill. . . .

So we had the Byrd Rule which without it we were toast in terms of stripping the reconciliation bill and beating capital gains. . . . We had the votes, but our strategy, which I think was the right one, is rather than let the issue be capital gains . . . it was to subsume that issue under the broader one of reconciliation.

1990 Agreements: Budget Enforcement Act, Andrews Air Force Base Summit

Mr. Stein: The debate out at Andrews was largely partisan. You had Ranking Member Domenici really wanting to control entitlements. You had Chairman Sasser thinking that we were spending too much on defense. You had Senator Byrd adamantly feeling as though the nondefense discretionary portion of the budget was taking the biggest hit for no particular reason. Then you had a variety of people who really wanted to improve the process.

There were members and key staff. You have CBO Director Robert D. Reischauer down in the bowels of the thing, with his computer contingent that would crunch numbers. There were long days and nights. The meetings that everyone was going to were not the meetings where everything was happening. You would have Dick Darman, Director of the OMB, getting together with Senator Byrd, Darman getting together with Representative Dan Rostenkowski, chairman of the House Ways and Means Committee, Darman getting together with Senator Leon Panetta, chairman of the House Budget Committee, and that is where the real work was done.

The capital gains tax cut was what Senator Gingrich and the crowd wanted to do. Capital gains was where the Republican Party wanted to go. The belief was that if you cut capital gains the revenue influx and the stimulative effect would be such that it would essentially wash out all of the budgetary problems. So, those were kind of the four corners of the debate out there. Process was anything but subtle. We would find that we would debate entitlements. We would debate defense. We would debate tax cuts. And then, when everyone was too tired to do anything else, we would talk about the budget process. Curiously enough, I think it was the budget process improvements that had the most lasting effect.

What we did relative to GRH was to do some things that were real refinements and that actually ended up working. So, instead of having the appropriators take the hit for what the Finance Committee did, we had pay-as-you-go, which was, I think, the most critical element of the whole endeavor. You had the separate caps.

That [pay-as-you-go] to my mind, was the most significant accomplishment. It took what had been a crude macro approach to the mechanisms of control, refined those mechanisms and focused them specifically so that the committees that did something would get punished for doing it or rewarded for doing it. And that, I think, worked.

Mr. Dauster: The 1990 agreement was different because the budget process was consciously adapted to the agreement that we had reached on the substance. It was the Budget Enforcement Act. It was a process set up to enforce the agreement that we reached on the substance, and it was intended to be linked together. So there was a philosophy involved in linking the two and making them relate to each other.

It was a bipartisan deal. The essential parties, meaning no disrespect to congressional Republicans, were the President and the Democratic leadership. And it could not have been done without either of the two. And Darman, therefore, took on a great deal of authority in negotiating and would do some deals without full congressional Republican backing. I think that is, I guess, one reason why Senator Newt Gingrich felt the way that he did. And at the very end of the negotiations, Darman did some of the negotiating directly with Senator Byrd on how the appropriation process would work, and it was just the two of them working it out.

Mr. Hilley: Without the political leadership of President H.W. Bush [in 1990], it would not have happened. He stood his ground and passed a $500 billion 5-year deficit reduction agreement. He stood his ground even as his House Republican caucus split wide open, and Senator Newt Gingrich [minority whip] led a rebellion from the right and swept away the votes in the House to support it. The first time, they had to come back and then they passed it with largely Democratic votes. Senator Gingrich did not bring his guys back. A tremendous amount of credit belongs to George H.W. Bush. . . .

The dynamic was this—Darman was a smart man. Senators Domenici and Dole were smart guys, and everyone knew the score. We passed the budget resolution out of the Committee and Senator Leon Panetta, who was chairman of the House Budget Com-

mittee, was able to pass it out of his committee and across the floor, which was easier considering the votes—how the House works. We were demonstrating that we could move a budget resolution, and it was a very clear signal to the administration that we are on our own. It was 3 or 4 days after that Leaders Tom Foley, George Mitchell, and Dick Gephardt went to the White House for a meeting with the President and Dick Darman, and they agreed to this, quite transparent, at least according to the headlines, they agreed to this paragraph that said that everything was on the table—the need for entitlement reform and all of the legitimate things, but also enhanced revenues. That was code word that you would go along as part of an agreement and increase taxes.

1993 Agreement: OBRA

Mr. Hilley: Just as I want to credit George H.W. Bush with doing the right thing and taking a political slam, President Clinton and the Democrats did the right thing [in 1993, in terms of deficit reduction], but the timing was worse for the Congress . . . the health care meltdown and other issues were largely at play too. If you had to point to the number one event for the loss of the House and the Senate in 1994, it was the tax increase. I don't think that it could have been done in a bipartisan way. They did the right substantive thing, but paid an enormous political price for it.

Mr. Stein: The Clinton budget was probably much more, in a lot of ways, interesting than Andrews because it was the most partisan thing that had happened up in the Congress in my lifetime here. It was pretty amazing. You had Vice President Gore breaking a tie twice to get it passed. Every Democrat who looked at President Clinton's budget understood the political damage that it was going to do to them when they voted for it. . . .

That was the toughest thing I have ever worked on in my life, holding that together. It was extremely difficult. I was not in the room when it happened, but Senator Bob Kerrey could have sunk it and knew it. There were a variety of reasons that he did not. I think Senator Tom Daschle and Senator Harry Reid talked him out of it, for one thing, but it was Senator Byrd who really talked him out of it.

I am the only one who has this recollection, but it was about 3 o'clock in the morning after we passed the reconciliation bill, because the other one, when we passed it (not the conference report but the Senate version) was about 4 o'clock in the morning,

but we got President Clinton on the phone. Vice President Gore was in there and had just made the tie breaking vote. Senator Mitchell, Chairman Sasser, and Senator Moynihan, who was not very helpful, and they got President Clinton on the line. I think the first thing out of his mouth was, "I really appreciate this. I can govern now." Now, I am the only one who remembers it that way, but I am almost certain that he said that. I think he was right.

Chairman Sasser thought he was doing the right thing [voting for the 1993 Clinton budget]. The electorate performed as expected. You stand up for principle, and they stand up and knock you down. I think the mythology became, or maybe it is not mythology, that the reason President Bush lost was that he violated his no new tax pledge. The whole class that came in subsequent to 1990 was steeped in that version of history, right or wrong. You had the belief that Democrats had more or less suborned Bush into violating his pledge. There was almost a continuous rising trend of bitterness between the two parties that really predated that.

We considered trying to find a way to use reconciliation to do the Clinton health plan. Chairman Sasser went over with Dauster [majority counsel] to talk to Senator Byrd about it. Byrd was initially interested and then said, flatly, "No. It is a violation of the process. We will regret it. It will be misused later on." We folded up our tents and left. In reflection, I thought that was an act of courage on his part.

1997 Agreement: Balanced Budget Act

Mr. Stein: The way it was done was very artful, but what really happened is that you had divided government, and each side had its own interests that could be satisfied by a deal. President Clinton needed to be able to put his stamp on balancing the budget and so did Speaker Newt Gingrich and Leader Trent Lott, who were actually really good during that period. I mean, they were fun to work with. That may have been one bright, shining moment. . . .

There were three significant events, in terms of getting to a point of balance. . . . There was Andrews, which was more important for some of the process changes that it made than anything else. A lot of policy determinations were pretty crude. What

we spend our time deliberatively considering was tossed out and revamped in the House after that agreement failed. Then there was the Clinton 1994 budget, which, in my judgment, probably carried the greatest weight, other than the macro economy, which was, obviously, the most important thing. Then the 1997 agreement, that people actually say, we might have gotten a balance without it. That is the way it looks in hindsight. All three of those things were extremely important.

Mr. Hoagland: The real success was the 1997 Balanced Budget Agreement with Chairman Domenici, Chairman Kasich, Senator Lautenberg, and Representative Spratt. The Balanced Budget Agreement was the major success of this Committee. When we were working with the Clinton administration and John Hilley, White House Legislative Director; Bob Rubin, Treasury Secretary; Franklin Raines, OMB Director; Jack Lew, OMB Deputy Director; Senator Lautenberg, the ranking member at the time; Bruce King, minority staff director; and myself, there was a free flow of information. We kept each other informed.

The Congressional Budget Office (CBO)

Ms. McGuire: The relationship with CBO has always been excellent. Sometimes the Members do not like what CBO has to say, but they always respect them and almost without exception, feel that they are nonpartisan. Alice Rivlin was the first Director and worked hard to build good relationships with the Budget Committee and the leadership. She paved the way for CBO, and it is much the same as when she set it up long ago. People that were at the formative stage really thought it through and wanted to establish something that would be effective and last.

Mr. Bell: The Budget Act has worked in ways that most of its authors had not anticipated or envisioned. You know now you can't hide. If you bring a bill to the floor you have to get a CBO score. Then it goes to the Budget Committee chairman [to compare it to the budget resolution, and if it exceeds the budget resolution, any Member may raise a point of order against the bill]. Then the Parliamentarian tells the Presiding Officer this is a violation of the Budget Act. The guy in the chair says, "Point of order, well founded." During the first reconciliation conference [1981], the chairman of the House Ways and Means Committee was Representative Dan Rostenkowski. He decided he was going to break up this Budget Committee bill. So during the conference related to items of Finance and Ways and Means, Representative Rosten-

kowski turned to Senator Domenici and said "You know, we don't agree with the CBO numbers."

Sid Brown [chief of budget review] and I looked at each other, quizzically. Senator Domenici said "Well, what do you mean?" Representative Rostenkowski replied, "Well this one should be $1 billion instead of $2 billion." So he decided to use his own numbers. Senator Domenici replied "No, we use the numbers that CBO came out with because that's what the law says." Representative Rostenkowski replied, "This isn't a matter of law this is a matter of convention. My numbers are just as good as CBO's, and I want to use mine, and I have the votes." Now remember this is Gramm-Latta so the Democrats had a majority in the House. They also held a huge majority in the conference because they stacked the deck. Senator Domenici said, "You have the votes?" Representative Rostenkowski replied, "Why yes, I do."

So Senator Domenici turned to me and said "Would you go poll the Senate conferees tonight? Mr. Rostenkowski says he has the votes and that sufficiently worries me because I know the reputation of the gentleman from Illinois." That night I called up all of the conferees on the House and Senate side, both Republican and Democratic, to deliver the message. So the next day Domenici started off by saying "I've asked all my conferees to be here to take a vote."

At that point Representative Rostenkowski knew he messed with the wrong Italian. Domenici said, "Last evening you made a motion as chairman of the conference, and today we are having a vote." He went down the line from the most junior to senior and all were on Senator Domenici's side. [Senator Domenici says] "Now if you wish to make another offer that you can get your conferees to agree on, we could entertain it. Otherwise this subject is closed."

Contemporary Budgeting

Mr. Hoagland: The globalization of the economy has changed our ability to impact fiscal policy . . . ; it seems to me you could almost track the history of the Congressional Budget and Impoundment Control Act with economic theory and globalization, and I think you would find that we're less certain about what decisions we make here, how that will impact inflation, employment, and growth, at least in the short term, than we used to be.

Early on we thought we were certain that if we reduced the deficit everything would be fine. That's not certain today, and as time has gone on, and it's lessened the impact of the decisions that we make here in this Committee, because people say, "What do you care? We're in deficits. You got low interest rates. The econo-

my's growing. Why do you care, Hoagland?" And my fear with that, of course, is that's in the current time period, not looking into the future.

Mr. Marshall: I was sitting at my desk watching the Senate floor one morning, and the Homeland Security/Governmental Affairs Committee was considering a resolution to change their name to Homeland Security and grab all this authority from other committees. It just hit me like a lightning bolt, listening to Senator Collins [chairman of the Governmental Affairs Committee] speak, "This is our opportunity!" I immediately dialed Mary Naylor [minority staff director] and said (I don't even remember if I told any of my own staff), "Let's go down and take back our jurisdiction." It was just bing, bam, boom, everybody decided, yeah, let's go do it.

Frankly, to his credit, Ranking Member Conrad is the one who pulled that off for us in the end. Senators Voinovich and Collins were very much opposed to us. It was the one hook Senator Voinovich had to play in budget policy because he wasn't on the Budget Committee, and he didn't want to lose that venue.

They held our amendment over to have a vote the next morning, and Chairman Nickles had some other commitment, and he was not going to be able to arrive at the vote until after it had started. I knew that it was going to be critical that he and Ranking Member Conrad be in the well to grab Senators when they came down to explain it, because it wasn't the easiest thing for people to grasp. Most people had no idea that the Government Affairs Committee had this jurisdiction to start with.

Chairman Nickles got there late, and I sat and watched Members come in, and as the Republicans came in, Senators Voinovich or Collins would grab them and talk them into voting against our amendment. I was sitting there thinking we're going to lose this because we don't have anybody to work the well on our side. Meanwhile, on the other side, Senator Conrad was working his guys and because of the efforts he made, we passed the amendment.

That [the Iraq War] was one of the biggest things that dominated the budget process and the Committee's work in general. We were going through a big transition already due to the homeland security issue, and we had just created the new department. People were still trying to figure out how do you fund this new agency, how is it accounted for, and the horror of trying to figure out how are we going to compare spending to prior years? We all know a big thing for Chairman Nickles was, "I want to be

able to compare this year to last year.'' He didn't like the answer, ''We can't do that.'' Some people wanted to create a homeland security budget function. So we were already wrestling with that and its impact on the budget process, and we had big expenditures for that.

Many Members were frustrated over the years with the process of considering budget resolutions, the vote-a-ramas, with every amendment a set-up for a political ad. I absolutely have to give Eric Ueland, who's now chief of staff for the majority leader, who at that time was in the whip office with me, the credit for the idea of getting rid of precatory amendments on budget resolutions. We tried to do it by fiat, by just telling the Parliamentarian, ''Rule these out of order,'' and discovered that wouldn't work. There was eventually an amendment to the budget resolution on the floor.

It was an effort to try to influence what Senators can do on the floor. I think the reason why we've seen it [the prohibition of precatory amendments] be somewhat ineffective is because of the very basic nature of the Senate. It's very difficult to make Senators do something they don't want to do, or to change the basic nature of the Senate, which is unlimited debate, unlimited amendments. You can try and draw boxes around them, which the budget process does, but it's very hard to do. Efforts to both do away with vote-a-rama or come up with ways to curtail vote-a-rama or amendments which don't really have any meaning are worthwhile. I don't think that's a bad thing to try to do. You should never go into it thinking that you're going to be supremely successful, because people will find a way to get around it. There's too many clever staff that can use the basic rules of the Senate to get around it one way or the other.

What I think we discovered, even with all our frustration with those types of amendments and vote-a-rama, in 2004 working on the FY2005 resolution, was that a much more effective way to get at that is to do a better job of cooperating with your minority floor manager. We were able to do a resolution that year in a short period of time with no vote-a-rama and for the most part, most of the amendments being substantive, good amendments, because both Senator Nickles and Senator Conrad decided that they were going to actively manage the guys on their side of the aisle with the help of their leaders on both sides as well. They said let's get up priority amendments, let's not hang around here just staring at one another for hours. Let's start to get them up and get votes early in the process so that you don't wait until the last day and get them considered. So, you can try to create procedural ways to

control the situation, or you can actively try and manage it better, and I think we found that year that managing it works better.

Reflections on the Budget Process and Committee Successes and Challenges

Mr. Hoagland: I have to be bold as to say, we survived, the Committee survived. It was not a given that this new, and I still refer to it as the "new congressional budget appropriation process," would make it. There had been efforts before that had failed. You've survived these many years, and you've established yourself, there is a raison d'être, and we're still here and the fact that we haven't been disbanded is somewhat a success in and of itself for the Committee.

The successes of the Committee over the years have been that you have become a focal point. It's hard for any of us who weren't here before, to appreciate that legislation would come to the Senate floor, authorize, appropriate, who cared? There wasn't a good way to account for the various decisions. Today, at least, there is a recognition in the Congress that spending does matter or taxes do matter, that fiscal policy still has a basis in policy formulation.

We never were the popular Committee particularly when we started to use our tools of enforcement. That has made people recognize the importance and the consequences of the decision that they make. Whether they want to go ahead with it or not, that's their decision. They are the elected officials, and they can go ahead or not, but to me the big success is that we at least made it clear that their decisions do have consequences, governing is budgeting and budgeting is governing, and now it's an integral part of the process.

Mr. McEvoy: Nobody knew what the budget process was, and there was a considerable portion of the Senate, and even more so in the House, that profoundly distrusted it or didn't distrust it so much as they were worried about ceding their own power to it. As it was, they saw the potential for the budget process to become what it has, an instrumentality for the executive branch to implement its will through the budget process. Nobody dreamed of doing it through reconciliation then. It was more fear of kind of the House of Lords, that the Budget Committee majority would go on retreat with the President, and they'd decide between themselves what the priorities were going to be and then they'd come up and impose them on the Congress. The House dealt with that and their own institutional prerogatives by profoundly weakening the process over there by creating a two-term limit on the chair

and on the Committee. That Committee turned over faster than a roulette wheel.

Mr. Dauster: The budget process, in its defense, must be described as complex, partly because it has developed like sediment, one layer upon another, never digging up the other layers. We had a simple budget process in 1816 when the Finance Committee did it, and then with the unfortunateness of 1867, half of the Finance Committee's jurisdiction was wrested away from it. There was this other Budget Committee formed, subsequently called the Appropriations Committee. And yet they kept the Finance Committee.

In the 1974 Act, they layered on again this thing that they didn't think would really get in their way, the Budget Committee, and the budget process, and left the Appropriations Committee and the Finance Committee. Notwithstanding our efforts, all these different layers are on there, so it's probably because of the history that it is as complex as it is.

I think there have been three eras in the budget process under the Congressional Budget Act. There was the period in which the process was one of budget neutrality between enactment of the Budget Act and 1981, and it's remarkable that they made it work. And there was a period from 1981 through 1996 when there was a thumb on the scale toward deficit reduction, and I think that's necessary and useful. It was necessary in the initial instance because the Reagan tax cuts were so large, and we were not beginning to offset them as Reagan wanted us to, so we had to figure out a way to bring balance. Gramm-Rudman was a crude effort to do that, and I think that the Budget Enforcement Act was a more effective way of doing that. So it is useful to have structures that make it more difficult to cut taxes or spend money. Since 1996, we've had a system that's tilted toward tax cuts, that allows tax cuts but doesn't allow spending, and that's led to the fiscal results that we have.

So, I think that it's useful as well to structure reconciliation back the way that it was in the 1980s where it could only be used in one direction, toward deficit reduction. It's arguable whether it would be better not to have reconciliation at all because it does such violence to the basic idea of the Senate. I've played reconciliation from both sides, so I can make the argument either way. The question then is: is the fiscal policy of the Nation so important that we want to ensure that it happens to the exclusion of other values that the Senate maintains, values of deliberative process? And I'm not sure that fiscal policy is that important. One could make the argument, for example, that national security policy is

just as important; why don't we do national security policy through fast-track mechanisms as opposed to fully debating defense bills?

In the end, we have a question of how responsive a government we want. Do we want a responsive government that can react quickly and change with the times, but change dramatically with the times? In which case you want to empower the reconciliation process and leave it as it is . . . or do we want to constrain these processes so that we force consensus more and have a less responsive government and have more checks on what the government is doing? Having done both sides, I've come to view the deliberative process as the more important goal. If I were to do it all over, I'd try to find ways to constrain the ability of the Senate to use reconciliation wherever possible. And so my recommendation would be to expand the Byrd rule.

Ms. McGuire: The Budget Committee still thinks that it is the outsider. The other committees still have not accepted the budget process or the Budget Committee's role in that process, as hard as we have tried. I don't think that the budget process has been integrated into the other congressional processes as it should be. That has been resisted by the Members. As I told Scott Gudes when he became the staff director of the Budget Committee [in 2005], "Congratulations on your appointment. Now you will know what it is like to be loved and hated. When you were an appropriator you were loved when you said yes and hated when you said no. Now you will just be hated because you will always have to say no."

It is not the most fun Committee to be on because generally you have to keep people on the straight and narrow, and they resent that. It is uncomfortable for them. At times, the Committee is seen as the skunk at the garden party. Often we don't have the most positive message that people want to hear, so it is hard to integrate the Budget Committee fully into the other congressional processes. The other would be just the fact that it is hard to make the public policy stands sometimes. Even though most of the chairmen have been willing to go out and wage the good fight, oftentimes they come back bruised and bloodied. It is a function of the way that Congress works. The good news is that we have always had chairmen who are willing to wage the good fight.

Mr. Hoagland: . . . somehow I might have allowed the reconciliation process to become something much greater than what we had initially planned it to be, that it has become, particularly in a divided Senate, the tool, the preferred tool for legislating,

which I think is not what it was intended to be; and failure, yes, that I still believe that reconciliation, even though I'm sure I will be judged harshly on this, that reconciliation should be used only for deficit reduction. . . .

Why isn't reconciliation used only for deficit reduction? Well, if it's for deficit reduction, why do you have those tax cuts? Don't get me wrong, I do not believe the answer to our long-term fiscal challenges is to simply increase taxes, but I think you end up making it harder to formulate that consensus with the non-tax committees. ''Why should I cut agriculture programs if you guys are going to go over there and reduce taxes for millionaires?'' And whether the rhetoric is right or wrong, I think it's difficult to formulate broad-based consensus.

Mr. Marshall: The Committee allocations are the heart and soul of a resolution, and if the Budget Committee, working in cooperation and with the other committees, can come up with realistic committee allocations and then aggressively enforce them, that's all you need.

I've become disenchanted over the many years I've watched the process evolve with anything that tries to say, you can't do this no matter what, which is why I don't really like the old-style paygo. If the Members of Congress agree that we're going to do something like a Medicare drug benefit or we all agree in the budget resolution that we're going to cut taxes, then I hate having an arbitrary rule that says, despite the fact that you agree to that, you have to have a super majority. I would rather just see more involvement in the beginning of the budget process and, again, all the other committees being involved to write a budget and then live with it. Let the process of writing that budget involve all your fights about what you're going to do, how much you're going to do, but then once you agree on something, that's it. Hardcore enforcement above that and live with it.

Most of the other process things that we dream up are just duplicative often of the committee allocations. You don't really need three different points of order to enforce the same thing. They're either duplicative of it, or they are ways to try to keep people from gaming the system. We now have whole titles of the budget resolution dedicated to shutting down games the appropriators have dreamed up year in and year out to get around their committee allocation.

The other thing I would mention is Section 306 of the Budget Act. We are the only committee in the Senate that has a point of order protecting our jurisdiction, and that is critical. If somebody ever tries to get rid of that or that ever goes away, that

would likely be the death of the Budget Committee because, we have a unique role as the enforcer over the other committees, and if they ever get a chance to change our underlying rules themselves willy-nilly, anytime they want to on the floor, we're toast. . . . So Sections 302 and 306, that's all you need. Get rid of all the rest of it.

Even people who live the budget process for years and years can still, on an almost daily basis, have brand new issues come up about its interpretation that nobody ever thought of before and that require extensive discussions with the Parliamentarians and with the majority and minority and the other body. So it is a constantly evolving thing.

It's very difficult when everybody has their interpretation that fits what they want to do. The Parliamentarians are the ones who have to be the referees and say, "Well, you can do this" or "You can't do that." Sometimes they make you happy when they agree with you, and sometimes they make you very mad when they do not. And you most often remember the times that they made you mad, but it's a job that you couldn't pay me enough to do. I wouldn't want to have to make those calls.

Mr. Bell: The most important thing we ever did was to make sure that you could not amend the Budget Act on the floor of the U.S. Senate unless it was in response to something that had been reported out of the Budget Committee. As long as the Committee understood its fragile history and its fragile existence, then we would be in good shape.

Mr. Hilley: The saddest thing that we did not do [as part of the 1997 Balanced Budget Act] was to only extend the paygo and the caps for 5 years instead of 10. . . . If there is one thing that I would suggest . . . [it] would be to reinstate paygo and the caps [on discretionary spending]. If we ever get to a bipartisan agreement again, those should be set in stone. They can't fill the hole, but they can keep it from getting bigger. That is something that the Budget Committee on a bipartisan basis should be in favor of . . . .

The other problem is that reconciliation has lost its true sense which is to go back to the days where it was really for deficit reduction rather than the train for everything else that people want to do. . . . It is very disruptive to the institution at large.

Mr. Hoagland: One of those images that will always stick in my mind, the image I want to retain about this institution when I leave is we were on the floor late one night, one of those typical 1 o'clock, 2 o'clock in the mornings, in the early days, Senator Dole didn't have any problem going all night. Coming down those elevators, nobody else was around, I was leaving by myself. As I came down the elevators and getting to the escalators to get onto the tram, there were two elderly Senators in front of me, Senator Helms and Senator Pell, about as far apart politically as anyone could be on the political spectrum. They were both having difficulty walking, and Senator Helms was helping Senator Pell, with his arm around him, to get onto the tram. I thought to myself, you know, he didn't have to do that. He didn't have to do it for the public. He didn't know I was behind them. But it's that kind of image I want to retain, that despite the political differences, they're still human beings, and they respected one another, as human beings.

Listing of Chairmen and Ranking Members

(Democrats in *italic;* Republicans in roman)

CHAIRMAN

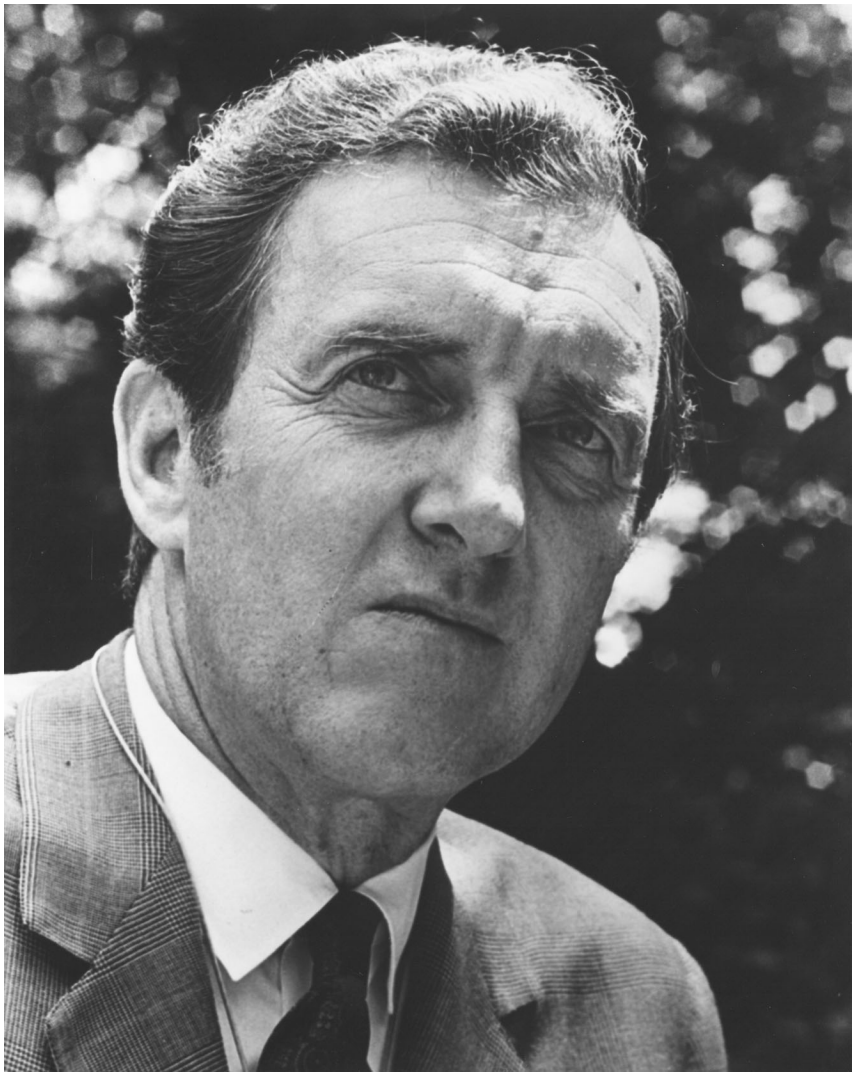
Edmund S. Muskie, Maine	July 25, 1974–May 7, 1980 [1]
Ernest F. Hollings, South Carolina	May 13, 1980–January 5, 1981 [1]
Pete V. Domenici, New Mexico	January 5, 1981–January 6, 1987
Lawton Chiles, Florida	January 6, 1987–January 3, 1989
Jim Sasser, Tennessee	February 2, 1989–January 4, 1995
Pete V. Domenici, New Mexico	January 6, 1995–January 3, 2001
Kent Conrad, North Dakota	January 3, 2001–January 20, 2001 [2]
Pete V. Domenici, New Mexico	January 20, 2001–June 6, 2001 [2]
Kent Conrad, North Dakota	June 6, 2001–January 15, 2003 [2]
Don Nickles, Oklahoma	January 15, 2003–January 4, 2005
Judd Gregg, New Hampshire	January 6, 2005–January 4, 2007

RANKING MEMBER

Peter H. Dominick, Colorado	August 7, 1974–January 14, 1975
Henry Bellmon, Oklahoma	January 23, 1975–January 5, 1981
Ernest F. Hollings, South Carolina	January 5, 1981–January 3, 1983
Lawton Chiles, Florida	January 3, 1983–January 6, 1987
Pete V. Domenici, New Mexico	January 6, 1987–January 6, 1995
J. James Exon, Nebraska	January 6, 1995–January 7, 1997
Frank R. Lautenberg, New Jersey	January 9, 1997–January 3, 2001
Pete V. Domenici, New Mexico	January 3, 2001–January 20, 2001 [2]
Kent Conrad, North Dakota	January 20, 2001–June 6, 2001 [2]
Pete V. Domenici, New Mexico	June 6, 2001–January 15, 2003 [2]
Kent Conrad, North Dakota	January 15, 2003–January 4, 2007

[1] Senator Muskie resigned on May 7, 1980, to become Secretary of State. Pursuant to S. Res. 429, adopted by the Senate on May 13, 1980, Senator Hollings became chair.

[2] From the convening of the 107th Congress on January 3, 2001, until the inauguration of President George W. Bush and Vice President Richard B. Cheney 17 days later on January 20, the Senate was evenly divided between the two parties (with 50 Democratic and 50 Republican Senators). Democrats held the majority, however, due to the deciding vote of outgoing Democratic Vice President Albert Gore. During this period, Senator Kent Conrad served as chairman and Senator Pete V. Domenici served as ranking member of the Budget Committee. Beginning on January 20, the evenly-divided Senate came under the control of the Republican Party due to the deciding vote of Vice President Cheney. Accordingly, the Committee leadership positions of Senators Conrad and Domenici were reversed, effective with Committee assignments announced on January 25. On May 24, 2001, Senator James M. Jeffords of Vermont switched his party affiliation from Republican to Independent and began to caucus with the Democrats, effective June 6, 2001. At that point, the 50 Democratic Senators, plus Senator Jeffords, held a 51 to 49 advantage over the Republicans, and the positions of Senators Conrad and Domenici were reversed again, effective with Committee assignments announced on July 10. Senator Conrad served as chairman and Senator Domenici served as ranking member for the remainder of the 107th Congress.



EDMUND S. MUSKIE
of Maine
Chairman

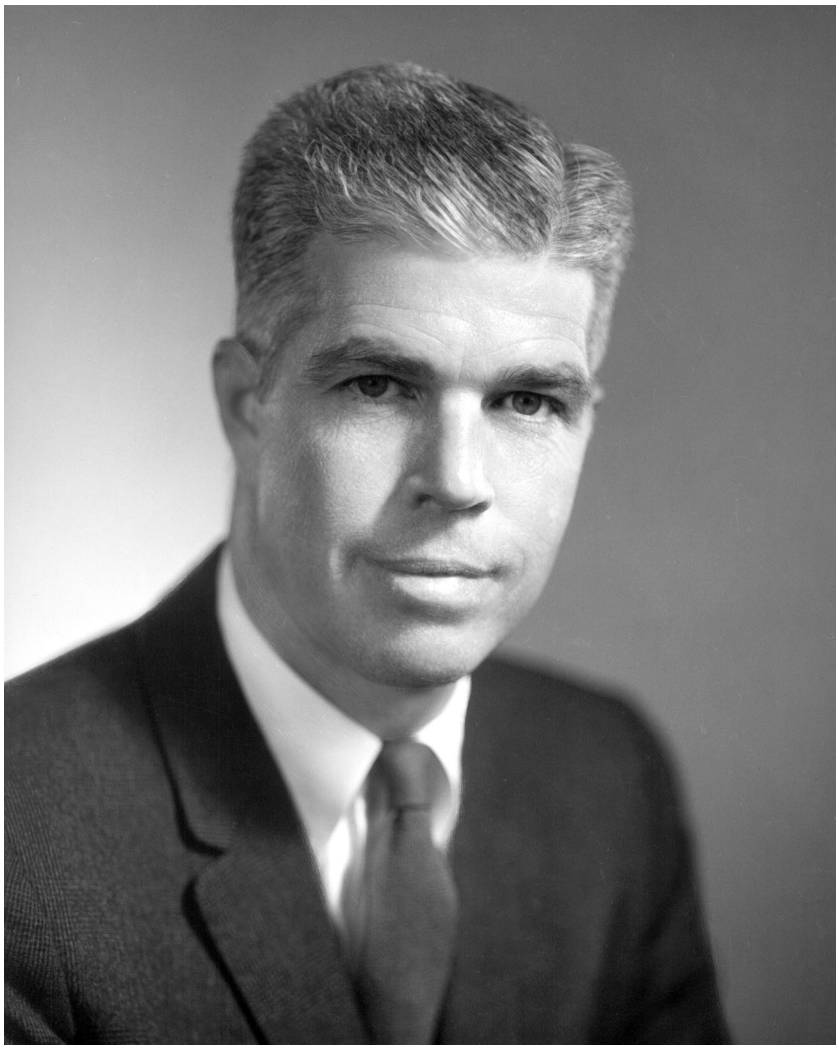
Biographies of Chairmen and Ranking Members

EDMUND S. MUSKIE

A Democrat from Maine, Edmund Sixtus Muskie was the Committee's first chairman, serving from July 25, 1974 to May 7, 1980, when he was appointed Secretary of State.

Born in Rumford, ME, on March 28, 1914, Muskie attended public school and graduated from Bates College, ME, in 1936, and Cornell University Law School, NY, in 1939. Admitted to the Massachusetts bar in 1939 and the Maine bar in 1940, Muskie commenced law practice in Waterville, ME. During the Second World War, Muskie enlisted in the U.S. Navy and served in the Atlantic and Asiatic-Pacific Theaters from 1942 to 1945. Elected to the Maine House of Representatives in 1946, 1948, and 1950, Muskie was the Democratic floor leader from 1949 through 1951. In 1954, he was elected Governor of the heavily Republican State and served until 1959.

In 1958, Muskie was the first Democrat elected to the U.S. Senate by Maine voters. He was reelected in 1964, 1970, and 1976, and served from January 3, 1959 until his resignation on May 7, 1980 to enter the Cabinet of President Jimmy Carter as Secretary of State. Muskie, an environmentalist and sponsor of the Clean Air and Clean Water Acts of the 1970s, gained national prominence in 1968 when he ran as the unsuccessful Democratic candidate for Vice President of the United States. In 1972, he was an unsuccessful candidate for the Democratic Presidential nomination. Awarded the Presidential Medal of Freedom on January 16, 1981, Muskie was a member of the President's Special Review Board (known as the Tower Commission) that investigated the Iran-Contra scandal in 1987. He practiced law while a resident of Washington, DC, until his death on March 26, 1996. He is interred at Arlington National Cemetery in Virginia.



PETER H. DOMINICK
of Colorado
Ranking Member

PETER H. DOMINICK

Peter Hoyt Dominick, a Republican from Colorado, served as the first ranking member from August 7, 1974 to January 14, 1975.

Born in Stamford, CT, on July 7, 1915, Dominick, the nephew of former Senator Howard Alexander Smith, attended public schools and graduated from St. Mark's School in 1933, Yale University in 1937, and Yale Law School in 1940. During the Second World War, Dominick entered the Army Air Corps as an aviation cadet and served until 1945 when discharged as a captain. He engaged in law practice in New York City from 1940 to 1942, and 1946, and in Denver, CO, from 1946 to 1961. Dominick served as a member of the Colorado House of Representatives from 1957 to 1961 and the National Commission for the United Nations Educational, Scientific, and Cultural Organization from 1960 to 1961.

Elected U.S. Representative in 1960, Dominick served from 1961 to 1963 and was elected to the U.S. Senate in 1962. Reelected in 1968, Dominick served from 1963 to 1975 and was an unsuccessful candidate for reelection in 1974. In 1975, Dominick served as Ambassador Extraordinary and Plenipotentiary to Switzerland. A resident of Cherry Hills, CO, until his death in Hobe Sound, FL, March 18, 1981, Dominick is interred in Fairmount Cemetery, Denver, CO.

HENRY BELLMON
of Oklahoma
Ranking Member

HENRY BELLMON

Henry Louis Bellmon, a Republican from Oklahoma, served as ranking member during his entire service on the Committee, from January 23, 1975 to January 5, 1981.

Born on a farm near Tonkawa, OK, on September 3, 1921, Bellmon attended Noble County public schools and graduated from Oklahoma State University and then Oklahoma A&M College in 1942. A farmer and rancher, Bellmon served in the U.S. Marine Corps from 1942 to 1946 and the Oklahoma House of Representatives from 1946 to 1948. The State Republican chairman in 1960, Bellmon was elected Oklahoma's first Republican Governor in 1962 and served from 1963 to 1967. While in office, Bellmon was chairman of the Interstate Oil Compact Commission and a member of the executive committee of the National Governors Conference.

Elected to the U.S. Senate in 1968 and reelected in 1974, Bellmon served from January 3, 1969 to January 5, 1981, and was not a candidate for reelection in 1980. Cofounder and cochairman of the Committee for a Responsible Federal Budget, Bellmon was appointed director of the Oklahoma Department of Human Services in 1983 and elected Governor of Oklahoma for a second time in 1986. He is a resident of Red Rock, OK.

ERNEST F. HOLLINGS
of South Carolina
Chairman and Ranking Member

ERNEST F. HOLLINGS

A Democrat from South Carolina, Ernest Frederick ''Fritz'' Hollings served as chairman from May 13, 1980 to January 5, 1981 and ranking member from January 5, 1981 to January 3, 1983. A member for 30 years, from 1974 to 2005, Hollings has the second longest term of Committee service.

Born in Charleston, SC, on January 1, 1922, Hollings attended the public schools of Charleston, and graduated from The Citadel in 1942, and the University of South Carolina Law School in 1947. Hollings was admitted to the bar in 1947 and commenced law practice in Charleston. He served in the U.S. Army from 1942 to 1945 and was elected to the South Carolina General Assembly in 1948, 1950, and 1952. In 1954, Hollings was elected Lieutenant Governor of South Carolina, and in 1958 he was elected Governor, serving from 1959 to 1963.

A Presidential appointee to several Federal commissions, Hollings was elected in a special election on November 8, 1966, to the U.S. Senate to complete the remaining term of Olin D. Johnston. Reelected in 1968, 1974, 1980, 1986, 1992, and 1998, serving from November 9, 1966 to January 3, 2005, Hollings chaired the Committee on Commerce, Science and Transportation for the 100th through 103rd and 107th (January 3–20, 2001; June 6, 2001–January 3, 2003) Congresses. Serving for 37 years, the seventh longest term of service in the Senate, Hollings was a fiscal conservative, and one of the namesakes for the Gramm-Rudman-Hollings Act, an attempt to bring the Federal budget deficit under control. An unsuccessful candidate for the Democratic nomination for President of the United States in 1984, Hollings was not a candidate for reelection to the Senate in 2004.

PETE V. DOMENICI
of New Mexico
Chairman and Ranking Member

PETE V. DOMENICI

A Republican from New Mexico, Pete Vichi Domenici has the distinction of holding the record for the longest service in all positions on the Committee. Domenici served as chairman from 1981 to 1987 and from 1995 to 2001,[1] ranking member from 1987 to 1995 and 2001 [1] to 2003, and member for 31 years, serving from 1975 to the present.

Born in Albuquerque, NM, on May 7, 1932, Domenici graduated from the University of New Mexico in 1954 and the University of Denver Law School in 1958. Admitted to the New Mexico bar in 1958, Domenici commenced practice in Albuquerque and was elected to the Albuquerque City Commission in 1966 and chairman (ex-officio mayor) in 1967.

After an unsuccessful bid for Governor in 1970, Domenici was elected to the U.S. Senate in 1972, the first New Mexico Republican to be elected to the position in 38 years. Reelected in 1978, 1984, 1990, 1996, and again in 2002 for the term ending January 3, 2009, Domenici has served longer than any other New Mexican Senator in history and is currently ranked fifth in seniority in the Senate and is second among Republican Senators. An expert on budget and energy matters, Domenici has served as chairman of the Committee on Energy and Natural Resources for the 108th and 109th Congresses and chairman of the Energy and Water Subcommittee of the Committee on Appropriations for the 104th through 109th Congresses.

[1] In 2001, Senator Domenici served as ranking member from January 3, 2001 to January 25, 2001 and from July 10, 2001 on (through the end of the 107th Congress), and served as chairman from January 25, 2001 to July 10, 2001.

LAWTON CHILES
of Florida
Chairman and Ranking Member

LAWTON CHILES

A Democrat from Florida, Lawton Mainor Chiles, Jr. served as chairman from January 6, 1987 to January 3, 1989, when he retired from the Senate. A member of the Committee for 15 years, beginning in 1974, Chiles also served as ranking member from 1983 to 1987.

Born in Lakeland, FL, on April 3, 1930, Chiles attended public schools and graduated from the University of Florida in 1952 and from the law school of the same university in 1955. Chiles served in the U.S. Army as an artillery officer during the Korean conflict from 1953 to 1954, and was later admitted to the Florida bar and commenced practice in Lakeland in 1955. A businessman, banker, and industrial developer, Chiles served as a member of the Florida House of Representatives from 1958 to 1966, the Florida State Senate from 1966 to 1970, and was chairman of the Florida Law Revision Commission from 1968 to 1970.

With strong grassroots popularity, Chiles was elected to the U.S. Senate in 1970, reelected in 1976, and again in 1982 for the term ending January 3, 1989. He was not a candidate for reelection in 1988. A health care and children's advocate, Chiles served as chairman of the Special Committee on Aging from 1979 to 1980, and was elected Governor of Florida in 1990 and reelected in 1994; he was not a candidate for reelection in 1998. A resident of Tallahassee, FL, until his death on December 12, 1998, Chiles is interred in Roselawn Cemetery, Tallahassee, FL.

JIM SASSER
of Tennessee
Chairman

JIM SASSER

James Ralph Sasser, a Democrat from Tennessee, served as chairman of the Committee from February 2, 1989 to January 4, 1995 and was a member for 18 years, from 1977 to 1995.

Born in Memphis, TN, on September 30, 1936, Sasser attended the public schools of Nashville, the University of Tennessee from 1954 to 1955, and graduated from Vanderbilt University in 1958 and Vanderbilt Law School in 1961. Admitted to the Tennessee bar in 1961 and commenced practice in Nashville, Sasser served in the U.S. Marine Corps Reserve from 1957 to 1963.

In 1976, Sasser was elected to the U.S. Senate and reelected in 1982 and 1988, serving from January 3, 1977 to January 3, 1995. He was an unsuccessful candidate for reelection in 1994.

A fellow at the Institute of Politics, John F. Kennedy School of Government, Harvard University, 1995, Sasser was appointed Ambassador to the People's Republic of China by President William Jefferson Clinton and served from 1996 to 2001.

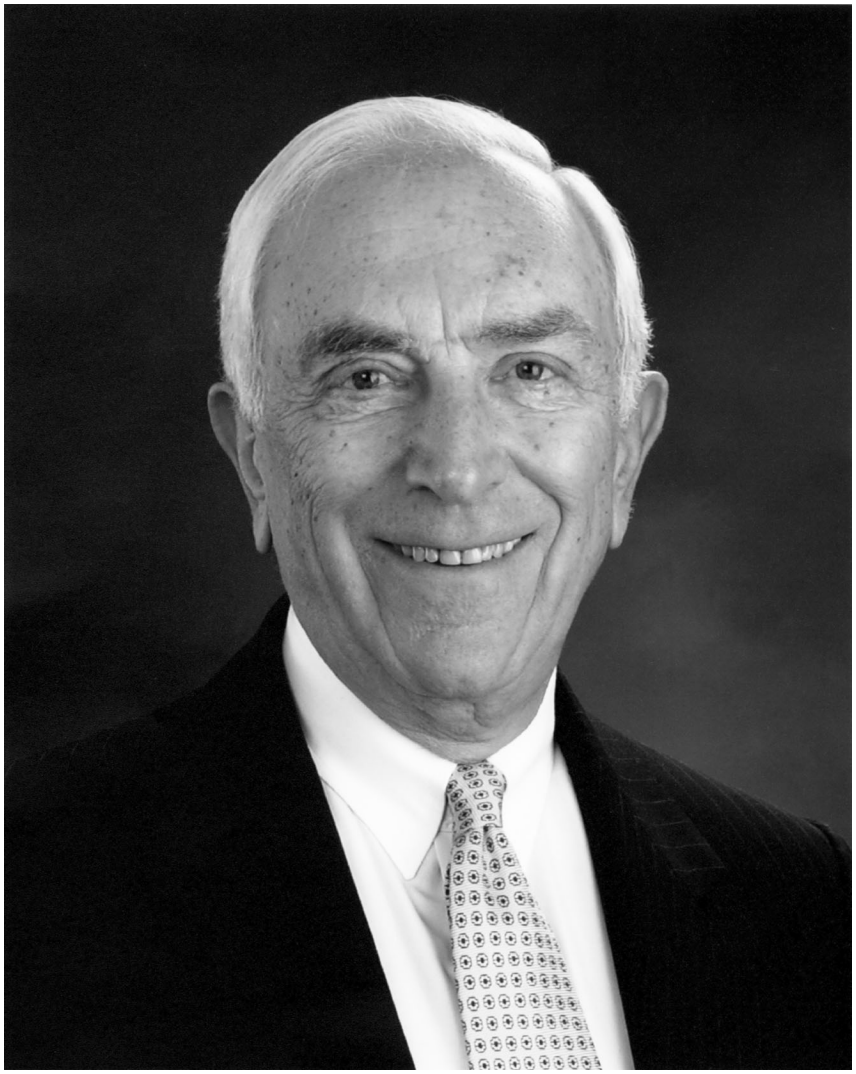
J. JAMES EXON
of Nebraska
Ranking Member

J. JAMES EXON

J. James Exon, a Democrat from Nebraska, served as ranking member from 1995 to 1997 and member for 18 years, from 1979 to 1997, when he retired from the Senate.

Born in Geddes, SD, on August 9, 1921, Exon attended the public schools and the University of Omaha, NE, from 1939 to 1941. Exon served in the U.S. Army Signal Corps from 1942 to 1945, and the U.S. Army Reserve from 1945 to 1949. A branch manager of a financial corporation, Exon founded an office equipment firm and served as president from 1953 to 1971. In 1964, Exon was delegate to the Democratic National Convention and served every year through 2004. Exon was chair of the Nebraska Democratic Party when he was elected Governor in 1971, a position he held until 1979.

In 1978, Exon was elected to the U.S. Senate and then reelected in 1984 and 1990, serving until his retirement in January 1997. After retirement, Exon served on a committee established by Congress to study the threat of weapons of mass destruction. A resident of Lincoln, NE, until his death on June 10, 2005, Exon is interred in Wyuka Cemetery, Lincoln, NE.

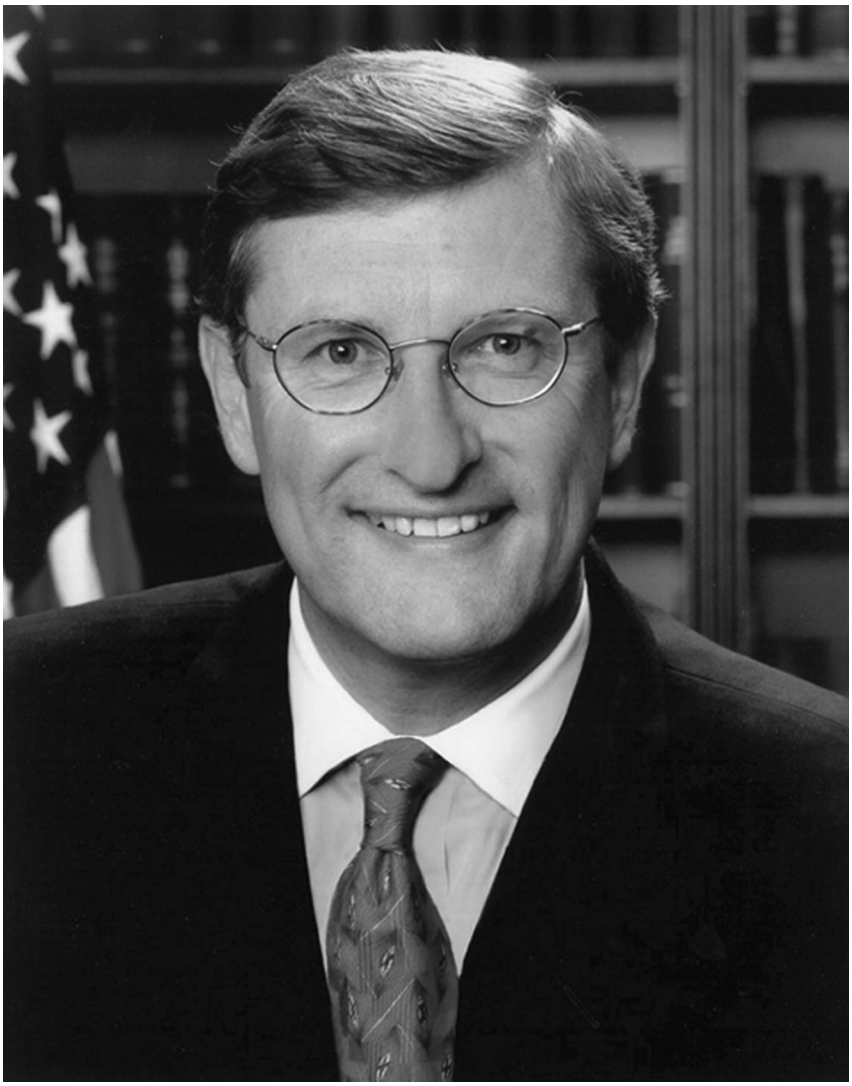


FRANK R. LAUTENBERG
of New Jersey
Ranking Member

FRANK R. LAUTENBERG

Frank Raleigh Lautenberg, a Democrat from New Jersey, served as ranking member from January 9, 1997 to January 3, 2001 and member for 16 years, from 1985 to 2001.

Born in Paterson, NJ, on January 23, 1924, Lautenberg graduated from the Columbia University School of Business, NY, in 1949 and served in the U.S. Army Signal Corps from 1942 to 1946. Cofounder of the Nation's first payroll company and commissioner of the Port Authority of New York and New Jersey from 1978 to 1982, Lautenberg was elected to the U.S. Senate in 1982. In December 1982, he was appointed by the Governor to complete the unexpired term of Nicholas F. Brady. Lautenberg was reelected in 1988 and 1994 and served from December 27, 1982 to January 3, 2001, and chose not to run for reelection in 2000. Lautenberg was again elected to the U.S. Senate in 2002 for the term ending January 3, 2009.



KENT CONRAD
of North Dakota
Chairman and Ranking Member

KENT CONRAD

A Democrat from North Dakota, Kent Conrad served as chairman for the 107th Congress [1] and ranking member for the 108th and 109th Congresses. He joined the Committee in 1987.

Born in Bismarck, ND, on March 12, 1948, Conrad attended the public schools of Bismarck, high school in Tripoli, Libya, the University of Missouri, Columbia, 1967, and graduated from Stanford University in 1971 and George Washington University's School of Business in 1975. Conrad served as an assistant to the North Dakota tax commissioner from 1974 to 1980, and then won his first statewide race for tax commissioner in 1980, serving from 1981 to 1986, when he was elected to the U.S. Senate for the term ending January 3, 1993. Conrad was not a candidate for reelection in 1992, but was elected in a special election on December 4, 1992, to the unexpired portion of the term ending January 4, 1995, left vacant by the death of Quentin N. Burdick. Conrad was reelected in 1994, 2000, and again in 2006 for the term ending January 3, 2013.

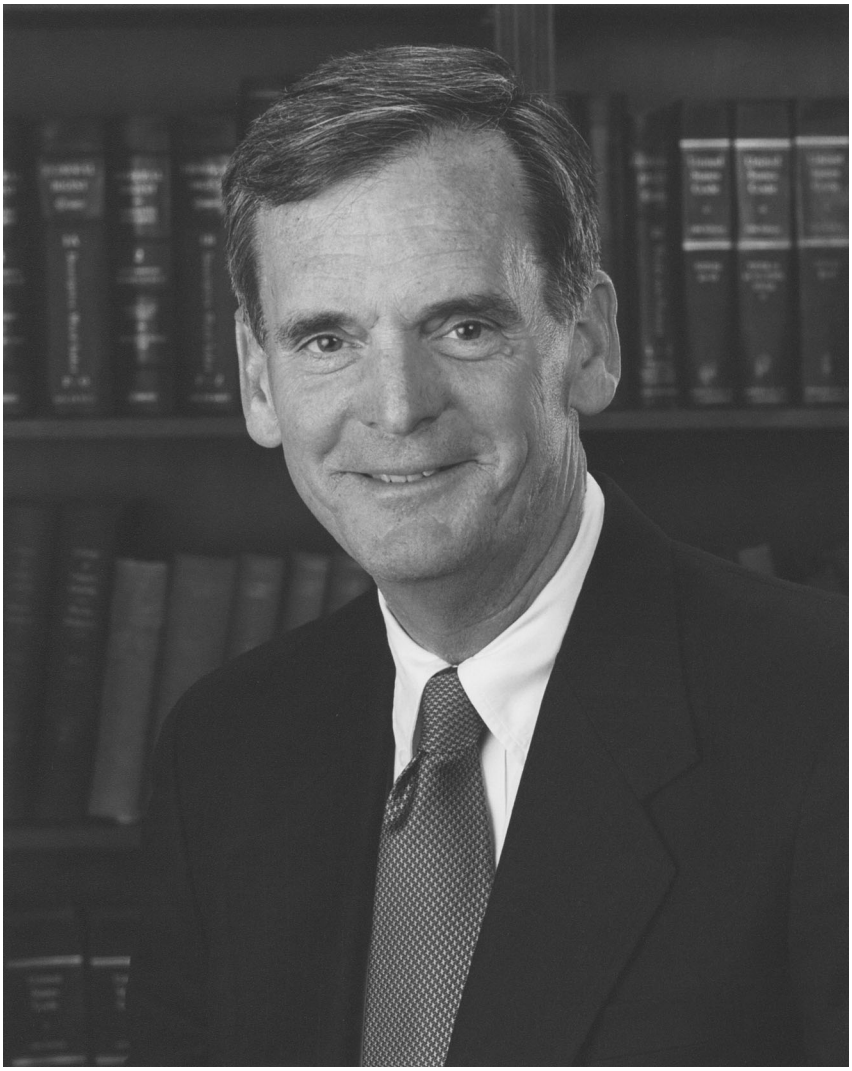
[1] In 2001, Senator Conrad served as chairman from January 3, 2001 to January 25, 2001 and from July 10, 2001 on (through the end of the 107th Congress), and served as ranking member from January 25, 2001 to July 10, 2001.

DON NICKLES
of Oklahoma
Chairman

DON NICKLES

A Republican from Oklahoma, Donald Lee Nickles served as chairman for 2003 and 2004 and member for 18 years, from 1987 to 2005.

Born in Ponca City, OK, on December 6, 1948, Nickles attended public schools, graduated from Oklahoma State University in Stillwater in 1971 and served in the National Guard from 1970 to 1976. A machine company executive and member of the Oklahoma State Senate from 1979 to 1980, when at age 31, he was the youngest Republican ever elected to the U.S. Senate. Reelected in 1986, 1992, and 1998, and serving from January 3, 1981 to January 3, 2005, Nickles was not a candidate for reelection in 2004. Nickles quickly rose in the Senate Republican leadership and served as the Republican whip from June 1996 until December 31, 2002; chair of the National Republican Senatorial Committee, 101st Congress; and the Republican Policy Committee from the 102nd to 104th Congresses. Upon retirement from the Senate, Nickles founded The Nickles Group, a consulting firm.



JUDD GREGG
of New Hampshire
Chairman

JUDD GREGG

Judd Alan Gregg, a Republican from New Hampshire, served as chairman for the 109th Congress. He joined the Committee in 1993.

Born in Nashua, NH, on February 14, 1947, Gregg attended public schools and graduated from Phillips Exeter Academy, NH, in 1965, Columbia University in 1969, and earned a J.D. degree in 1972 and an LL.M. in 1975 respectively from Boston University. Admitted to the New Hampshire bar in 1972, Gregg commenced practice in Nashua and served as a member of the Governor's executive council from 1978 to 1980.

In 1980, he was elected to the U.S. House of Representatives and served four terms from 1981 to 1989. Gregg was elected Governor of New Hampshire for two terms serving from 1989 through 1992 when he was elected to the U.S. Senate. Reelected in 1998 and in 2004 for the term ending January 3, 2011, Gregg served as chairman of the Committee on Health, Education, Labor and Pensions for the 108th Congress and chairman of the Appropriations Subcommittee on Homeland Security for the 109th Congress.

Committee Members Who Have Served in Other Elective or Appointive Positions

(Democrats in *italic;* Republicans in roman)

VICE PRESIDENTS

Walter F. Mondale, Minnesota	Vice President to Jimmy Carter.	1977–1981
Dan Quayle, Indiana	Vice President to George H.W. Bush.	1989–1993

GOVERNORS

Lamar Alexander	Governor of Tennessee	1979–1987
Wendell R. Anderson	Governor of Minnesota	1971–1976
Henry Bellmon	Governor of Oklahoma	1987–1991
Christopher S. Bond	Governor of Missouri	1973–1977 and 1980–1985
John H. Chafee	Governor of Rhode Island	1963–1969
Lawton Chiles	Governor of Florida	1990–1998
Jon Corzine	Governor of New Jersey	2006–
J. James Exon	Governor of Nebraska	1971–1979
Paul J. Fannin	Governor of Arizona	1958–1964
Judd Gregg	Governor of New Hampshire	1989–1992
Ernest F. Hollings	Governor of South Carolina	1959–1963
Edmund S. Muskie	Governor of Maine	1955–1959
Charles S. Robb	Governor of Virginia	1982–1986
Terry Sanford	Governor of North Carolina	1961–1965

CABINET SECRETARIES

Lamar Alexander, Tennessee	Secretary of Education	1991–1993
Spencer Abraham, Michigan	Secretary of Energy	2001–2004
Edmund S. Muskie, Maine	Secretary of State	1980–1981

AMBASSADORS

John C. Danforth, Missouri	Ambassador to United Nations.	2004–2005
Peter H. Dominick, Colorado	Ambassador Extraordinary and Plenipotentiary to Switzerland.	1975
Wyche Fowler, Jr., Georgia	Ambassador to Saudi Arabia	1996–2001
Walter F. Mondale, Minnesota	Ambassador Extraordinary and Plenipotentiary to Japan.	1993–1996

Daniel Patrick Moynihan, New York	Ambassador to India	1973–1975
	United States Permanent Representative to the United Nations.	1975–1976
Jim Sasser, Tennessee	Ambassador to the People's Republic of China.	1995–2001

FIRST LADIES

Hillary Rodham Clinton, New York	First Lady of the United States.	1993–2001
Hillary Rodham Clinton, New York	First Lady of Arkansas	1979–1981 and 1983–1993

SENATE MAJORITY AND MINORITY LEADERS

Robert C. Byrd, West Virginia	Majority Leader	1977–1980 and 1987–1988
	Minority Leader	1981–1986
Robert J. Dole, Kansas	Majority Leader	1985–1987 and 1995–1996
	Minority Leader	1987–1995
William H. Frist, Tennessee	Majority Leader	2003–2006
Trent Lott, Mississippi	Majority Leader	1996–January 3, 2001 and January 20, 2001–June 6, 2001
	Minority Leader	January 3, 2001–January 20, 2001 and June 6, 2001–January 6, 2003
George J. Mitchell, Maine	Majority Leader	1989–1995

Membership of the Committee by Congress

Created as a standing committee on July 12, 1974.

(Democrats in *italic;* Republicans in roman)

NINETY-THIRD CONGRESS

Second Session—January 21, 1974–December 20, 1974
Chairman, *Edmund S. Muskie*

Majority S. Res. 367 (July 25, 1974)	Minority S. Res. 378 (August 7, 1974)
Warren G. Magnuson	Peter H. Dominick (Ranking Member)
Frank E. Moss	Milton R. Young
Walter F. Mondale	Roman L. Hruska
Ernest F. Hollings	Jacob K. Javits
Alan Cranston	Paul J. Fannin
Lawton Chiles	Robert J. Dole
James G. Abourezk	
Joseph R. Biden, Jr.	

NINETY-FOURTH CONGRESS

First Session—January 14, 1975–December 19, 1975
Second Session—January 19, 1976–October 1, 1976
Chairman, *Edmund S. Muskie*

Majority S. Res. 18 (January 17, 1975)	Minority S. Res. 24 (January 23, 1975)
Warren G. Magnuson	Henry Bellmon (Ranking Member)
Frank E. Moss	Robert J. Dole
Walter F. Mondale [1]	J. Glenn Beall, Jr.
Ernest F. Hollings	JAMES L. BUCKLEY (Conservative Party)
Alan Cranston	James A. McClure
Lawton Chiles	Pete V. Domenici
James G. Abourezk	
Joseph R. Biden, Jr.	
Sam Nunn	

[1] Senator Mondale resigned on December 30, 1976, to become Vice President.

NINETY-FIFTH CONGRESS

First Session—January 4, 1977–December 15, 1977
Second Session—January 19, 1978–October 15, 1978
Chairman, *Edmund S. Muskie*

Majority S. Res. 20 (January 10, 1977)	Minority S. Res. 21 (January 10, 1977)
Warren G. Magnuson	Henry Bellmon (Ranking Member)
Ernest F. Hollings	Robert J. Dole
Alan Cranston	James A. McClure
Lawton Chiles	Pete V. Domenici
James G. Abourezk	John H. Chafee [3]
Joseph R. Biden, Jr.	Richard G. Lugar [3]
Sam Nunn [1]	Samuel I. Hayakawa [3]
Wendell R. Anderson [2]	H. John Heinz III [3]
Daniel Patrick Moynihan [1, 2]	
J. Bennett Johnston [1]	
Jim Sasser [1]	

[1] Pursuant to S. Res. 84, adopted by the Senate on February 11, 1977, Senators Johnston and Sasser joined the Committee, and Senators Nunn and Moynihan left the Committee.

[2] Pursuant to S. Res. 29, adopted by the Senate on January 11, 1977, Senators Anderson and Moynihan were added as temporary Members to the Committee.

[3] Pursuant to S. Res. 90, adopted by the Senate on February 22, 1977, Senators Hayakawa and Heinz joined the Committee, and Senators Chafee and Lugar left the Committee.

NINETY-SIXTH CONGRESS

First Session—January 15, 1979–January 3, 1980
Second Session—January 3, 1980–December 16, 1980
Chairman, *Edmund S. Muskie* [1]

Majority S. Res. 22 (January 23, 1979)	Minority S. Res. 23 (January 23, 1979)
Warren G. Magnuson	Henry Bellmon (Ranking Member)
Ernest F. Hollings [1]	Pete V. Domenici
Lawton Chiles	Bob Packwood
Joseph R. Biden, Jr.	William L. Armstrong
J. Bennett Johnston	Nancy Landon Kassebaum
Jim Sasser	Rudy Boschwitz
Gary W. Hart	Orrin G. Hatch
Howard M. Metzenbaum	Larry Pressler
Donald W. Riegle, Jr.	
Daniel Patrick Moynihan	
J. James Exon	
George J. Mitchell [2]	

[1] Senator Muskie resigned on May 7, 1980, to become Secretary of State. Pursuant to S. Res. 429, adopted by the Senate on May 13, 1980, Senator Hollings became chair.

[2] Pursuant to S. Res. 439, adopted by the Senate on May 19, 1980, George J. Mitchell joined the Committee.

NINETY-SEVENTH CONGRESS

First Session—January 5, 1981–December 16, 1981
Second Session—January 25, 1982–December 23, 1982
Chairman, Pete V. Domenici

Majority S. Res. 14 (January 5, 1981)	Minority S. Res. 15 (January 5, 1981)
William L. Armstrong	*Ernest F. Hollings* (Ranking Member)
Nancy Landon Kassebaum	*Lawton Chiles*
Rudy Boschwitz	*Joseph R. Biden, Jr.*
Orrin G. Hatch	*J. Bennett Johnston*
John G. Tower	*Jim Sasser*
Mark Andrews	*Gary W. Hart*
Steven D. Symms	*Howard M. Metzenbaum*
Charles E. Grassley	*Donald W. Riegle, Jr.*
Robert W. Kasten, Jr.	*Daniel Patrick Moynihan*
Dan Quayle	*J. James Exon*
Slade Gorton	

NINETY-EIGHTH CONGRESS

First Session—January 3, 1983–November 18, 1983
Second Session—January 23, 1984–October 12, 1984
Chairman, Pete V. Domenici

Majority S. Res. 8 (January 3, 1983)	Minority S. Res. 9 (January 3, 1983)
William L. Armstrong	*Lawton Chiles* (Ranking Member)
Nancy Landon Kassebaum	*Ernest F. Hollings*
Rudy Boschwitz	*Joseph R. Biden, Jr.*
Orrin G. Hatch	*J. Bennett Johnston*
John G. Tower	*Jim Sasser*
Mark Andrews	*Gary W. Hart*
Steven D. Symms	*Howard M. Metzenbaum*
Charles E. Grassley	*Donald W. Riegle, Jr.*
Robert W. Kasten, Jr.	*Daniel Patrick Moynihan*
Dan Quayle	*J. James Exon*
Slade Gorton	

NINETY-NINTH CONGRESS

First Session—January 3, 1985–December 20, 1985
Second Session—January 21, 1986–October 18, 1986
Chairman, Pete V. Domenici

Majority S. Res. 75 (February 21, 1985)	Minority S. Res. 87 (March 5, 1985)
William L. Armstrong	*Lawton Chiles* (Ranking Member)
Nancy Landon Kassebaum	*Ernest F. Hollings*
Rudy Boschwitz	*J. Bennett Johnston*
Orrin G. Hatch	*Jim Sasser*
Mark Andrews	*Gary W. Hart*
Steven D. Symms	*Howard M. Metzenbaum*
Charles E. Grassley	*Donald W. Riegle, Jr.*
Robert W. Kasten, Jr.	*Daniel Patrick Moynihan*
Dan Quayle	*J. James Exon*
Slade Gorton	*Frank R. Lautenberg*
John C. Danforth	

ONE HUNDREDTH CONGRESS

First Session—January 6, 1987–December 22, 1987
Second Session—January 25, 1988–October 22, 1988
Chairman, *Lawton Chiles* [1]

Majority S. Res. 19 (January 6, 1987)	Minority S. Res. 20 (January 6, 1987)
Ernest F. Hollings	Pete V. Domenici (Ranking Member)
J. Bennett Johnston	William L. Armstrong
Jim Sasser	Nancy Landon Kassebaum
Donald W. Riegle, Jr.	Rudy Boschwitz
J. James Exon	Steven D. Symms
Frank R. Lautenberg	Charles E. Grassley
Paul Simon	Robert W. Kasten, Jr.
Terry Sanford	Dan Quayle [2]
Timothy E. Wirth	John C. Danforth
Wyche Fowler, Jr.	Don Nickles
Kent Conrad	Warren Rudman
Christopher J. Dodd	

[1] Senator Chiles was not a candidate for reelection in 1988. He was elected Governor of Florida in 1990.

[2] Senator Quayle resigned on January 3, 1989, to become Vice President.

ONE HUNDRED FIRST CONGRESS

First Session—January 3, 1989–November 22, 1989
Second Session—January 23, 1990–October 28, 1990
Chairman, *Jim Sasser*

Majority S. Res. 46 (February 2, 1989)	Minority S. Res. 47 (February 2, 1989)
Ernest F. Hollings	Pete V. Domenici (Ranking Member)
J. Bennett Johnston	William L. Armstrong
Donald W. Riegle, Jr.	Rudy Boschwitz
J. James Exon	Steven D. Symms
Frank R. Lautenberg	Charles E. Grassley
Paul Simon	Robert W. Kasten, Jr.
Terry Sanford	Don Nickles
Timothy E. Wirth	Warren Rudman
Wyche Fowler, Jr.	Phil Gramm
Kent Conrad	Christopher S. Bond
Christopher J. Dodd	
Charles S. Robb	

ONE HUNDRED SECOND CONGRESS

First Session—January 3, 1991–January 3, 1992
Second Session—January 3, 1992–October 9, 1992
Chairman, *Jim Sasser*

Majority S. Res. 86 (March 19, 1991)	Minority S. Res. 88 (March 19, 1991)
Ernest F. Hollings	Pete V. Domenici (Ranking Member)
J. Bennett Johnston	Steven D. Symms
Donald W. Riegle, Jr.	Charles E. Grassley
J. James Exon	Robert W. Kasten, Jr.
Frank R. Lautenberg	Don Nickles
Paul Simon	Phil Gramm
Terry Sanford	Christopher S. Bond
Timothy E. Wirth	Trent Lott
Wyche Fowler, Jr.	Hank Brown
Kent Conrad	
Christopher J. Dodd	

ONE HUNDRED THIRD CONGRESS

First Session—January 5, 1993–November 26, 1993
Second Session—January 25, 1994–December 1, 1994
Chairman, *Jim Sasser*

Majority S. Res. 19 (January 21, 1993)	Minority S. Res. 22 (January 21, 1993)
Ernest F. Hollings	Pete V. Domenici (Ranking Member)
J. Bennett Johnston	Charles E. Grassley
Donald W. Riegle, Jr.	Don Nickles
J. James Exon	Phil Gramm
Frank R. Lautenberg	Christopher S. Bond
Paul Simon	Trent Lott
Kent Conrad	Hank Brown
Christopher J. Dodd	Slade Gorton
Paul S. Sarbanes	Judd Gregg
Barbara Boxer	
Patty Murray	

ONE HUNDRED FOURTH CONGRESS

First Session—January 4, 1995–January 3, 1996
Second Session—January 3, 1996–October 4, 1996
Chairman, Pete V. Domenici

Majority S. Res. 33 (January 6, 1995)	Minority S. Res. 32 (January 6, 1995)
Charles E. Grassley	*J. James Exon* (Ranking Member)
Don Nickles	*Ernest F. Hollings*
Phil Gramm	*J. Bennett Johnston*
Christopher S. Bond	*Frank R. Lautenberg*
Trent Lott [1]	*Paul Simon*
Hank Brown	*Kent Conrad*
Slade Gorton	*Christopher J. Dodd*
Judd Gregg	*Paul S. Sarbanes*
Olympia J. Snowe	*Barbara Boxer*
Spencer Abraham	*Patty Murray*
William H. Frist	*Ron Wyden* [2]
Rod Grams [2]	
Connie Mack III [1]	

[1] Pursuant to S. Res. 267, adopted by the Senate on June 20, 1996, Senator Mack joined the Committee, and Senator Lott left the Committee to become majority leader.

[2] Pursuant to S. Res. 236, adopted by the Senate on March 29, 1996, Senators Grams and Wyden joined the Committee.

ONE HUNDRED FIFTH CONGRESS

First Session—January 7, 1997–November 13, 1997
Second Session—January 27, 1998–December 19, 1998
Chairman, Pete V. Domenici

Majority S. Res. 14 (January 9, 1997)	Minority S. Res. 12 (January 9, 1997)
Charles E. Grassley	*Frank R. Lautenberg* (Ranking Member)
Don Nickles	*Ernest F. Hollings*
Phil Gramm	*Kent Conrad*
Christopher S. Bond	*Paul S. Sarbanes*
Slade Gorton	*Barbara Boxer*
Judd Gregg	*Patty Murray*
Olympia J. Snowe	*Ron Wyden*
Spencer Abraham	*Russell D. Feingold*
William H. Frist	*Tim Johnson*
Rod Grams	*Richard J. Durbin*
Gordon H. Smith	

ONE HUNDRED SIXTH CONGRESS

First Session—January 6, 1999–November 22, 1999
Second Session—January 24, 2000–December 15, 2000
Chairman, Pete V. Domenici

Majority S. Res. 18 (January 14, 1999)	Minority S. Res. 15 (January 7, 1999)
Charles E. Grassley	*Frank R. Lautenberg* (Ranking Member)
Don Nickles	*Ernest F. Hollings*
Phil Gramm	*Kent Conrad*
Christopher S. Bond	*Paul S. Sarbanes*
Slade Gorton	*Barbara Boxer*
Judd Gregg	*Patty Murray*
Olympia J. Snowe	*Ron Wyden*
Spencer Abraham	*Russell D. Feingold*
William H. Frist	*Tim Johnson*
Rod Grams	*Richard J. Durbin*
Gordon H. Smith	

ONE HUNDRED SEVENTH CONGRESS

First Session—January 3, 2001–December 20, 2001
Second Session—January 23, 2002–November 22, 2002

From the convening of the 107th Congress on January 3, 2001, until the inauguration of President George W. Bush and Vice President Richard B. Cheney 17 days later on January 20, the Senate was evenly divided between the two parties (with 50 Democratic and 50 Republican Senators).[1] Democrats held the majority, however, due to the deciding vote of outgoing Democratic Vice President Albert Gore. During this period, Senator Kent Conrad served as chairman[2] and Senator Pete V. Domenici served as ranking member of the Budget Committee. Beginning on January 20, the evenly-divided Senate came under the control of the Republican Party due to the deciding vote of Vice President Cheney. Accordingly, the Committee leadership positions of Senators Conrad and Domenici were reversed, effective with Committee assignments announced on January 25. On May 24, 2001, Senator James M. Jeffords of Vermont switched his party affiliation from Republican to Independent and began to caucus with the Democrats, effective June 6, 2001. At that point, the 50 Democratic Senators, plus Senator Jeffords, held a 51 to 49 advantage over the Republicans, and the positions of Senators Conrad and Domenici were reversed again, effective with Committee assignments announced on July 10. Senator Conrad served as chairman and Senator Domenici served as ranking member for the remainder of the 107th Congress.

January 25, 2001–July 10, 2001
Chairman, Pete V. Domenici

Majority	Minority
Congressional Record, January 25, 2001, p. S558–559	*Congressional Record*, January 25, 2001, p. S559
Charles E. Grassley	*Kent Conrad* (Ranking Member)
Don Nickles	*Ernest F. Hollings*
Phil Gramm	*Paul S. Sarbanes*
Christopher S. Bond	*Patty Murray*
Judd Gregg	*Ron Wyden*
Olympia J. Snowe	*Russell D. Feingold*
William H. Frist	*Tim Johnson*
Gordon H. Smith	*Robert C. Byrd*
Wayne Allard	*Bill Nelson*
Chuck Hagel	*Debbie Stabenow*
	Hillary Rodham Clinton

July 10, 2001–November 22, 2002
Chairman, *Kent Conrad*

Majority	Minority
Congressional Record, July 10, 2001, p. S7417–7418	*Congressional Record*, July 10, 2001, p. S7418
Ernest F. Hollings	Pete V. Domenici (Ranking Member)
Paul S. Sarbanes	Charles E. Grassley
Patty Murray	Don Nickles
Ron Wyden	Phil Gramm
Russell D. Feingold	Christopher S. Bond
Tim Johnson	Judd Gregg
Robert C. Byrd	Olympia J. Snowe
Bill Nelson	William H. Frist[3]
Debbie Stabenow	Gordon H. Smith
Hillary Rodham Clinton	Wayne Allard
Jon Corzine	Chuck Hagel

[1] S. Res. 8, on Senate procedures, as adopted by the Senate on January 5, 2001.
[2] S. Res. 7, designating chairmen of committees, as adopted by the Senate on January 3, 2001.
[3] Senator Frist was elected majority leader on December 23, 2002, and began service as leader on January 7, 2003.

ONE HUNDRED EIGHTH CONGRESS

First Session—January 7, 2003–December 9, 2003
Second Session—January 20, 2004–December 8, 2004
Chairman, Don Nickles

Majority S. Res. 18 (January 15, 2003)	Minority S. Res. 20 (January 15, 2003)
Pete V. Domenici	*Kent Conrad* (Ranking Member)
Charles E. Grassley	*Ernest F. Hollings*
Judd Gregg	*Paul S. Sarbanes*
Wayne Allard	*Patty Murray*
Conrad Burns	*Ron Wyden*
Michael B. Enzi	*Russell D. Feingold*
Jeff Sessions	*Tim Johnson*
Jim Bunning	*Robert C. Byrd*
Michael D. Crapo	*Bill Nelson*
John Ensign	*Debbie Stabenow*
John Cornyn	*Jon Corzine*

ONE HUNDRED NINTH CONGRESS

First Session—January 4, 2005–December 8, 2005
Second Session—January 4, 2006–December 9, 2006
Chairman, Judd Gregg

Majority S. Res. 5 (January 6, 2005)	Minority S. Res. 6 (January 6, 2005)
Pete V. Domenici	*Kent Conrad* (Ranking Member)
Charles E. Grassley	*Paul S. Sarbanes*
Wayne Allard	*Patty Murray*
Michael B. Enzi	*Ron Wyden*
Jeff Sessions	*Russell D. Feingold*
Jim Bunning	*Tim Johnson*
Michael D. Crapo	*Robert C. Byrd*
John Ensign	*Bill Nelson*
John Cornyn	*Debbie Stabenow*
Lamar Alexander	*Jon Corzine* [1]
Lindsey O. Graham	*Robert Menendez* [2]

[1] Senator Corzine resigned from the Senate on January 17, 2006, to become Governor of New Jersey.
[2] Pursuant to S. Res. 348, adopted by the Senate on January 18, 2006, Robert Menendez replaced Jon Corzine.

Membership of the Committee by State

(Democrats in *italic;* Republicans in roman)

Name	*Service on Committee*
ALABAMA	
Jeff Sessions	January 15, 2003–
ALASKA	
(None)	
ARIZONA	
Paul J. Fannin	August 7, 1974–January 23, 1975
ARKANSAS	
(None)	
CALIFORNIA	
Barbara Boxer	January 21, 1993–January 25, 2001
Alan Cranston	July 25, 1974–January 23, 1979
Samuel I. Hayakawa	February 22, 1977–January 23, 1979
COLORADO	
Wayne Allard	January 25, 2001–
William L. Armstrong	January 23, 1979–January 3, 1991
Hank Brown	March 19, 1991–January 7, 1997
Peter H. Dominick	August 7, 1974–January 14, 1975
Gary W. Hart	January 23, 1979–January 6, 1987
Timothy E. Wirth	January 6, 1987–January 5, 1993

Name	*Service on Committee*

CONNECTICUT

Christopher J. Dodd	January 6, 1987–January 9, 1997

DELAWARE

Joseph R. Biden, Jr	July 25, 1974–March 5, 1985

FLORIDA

Lawton Chiles	July 25, 1974–January 3, 1989
Connie Mack III	June 20, 1996–January 9, 1997
Bill Nelson	January 25, 2001–

GEORGIA

Wyche Fowler, Jr	January 6, 1987–January 5, 1993
Sam Nunn	January 17, 1975–February 11, 1977

HAWAII

(None)

IDAHO

Michael D. Crapo	January 15, 2003–
James A. McClure	January 23, 1975–January 23, 1979
Steven D. Symms	January 5, 1981–January 5, 1993

ILLINOIS

Richard J. Durbin	January 9, 1997–January 25, 2001
Paul Simon	January 6, 1987–January 7, 1997

INDIANA

Richard G. Lugar	January 10, 1977–February 22, 1977
Dan Quayle	January 5, 1981–January 3, 1989

Name	*Service on Committee*

IOWA

Charles E. Grassley	January 5, 1981–

KANSAS

Robert J. Dole	August 7, 1974–January 23, 1979
Nancy Landon Kassebaum	January 23, 1979–February 2, 1989

KENTUCKY

Jim Bunning	January 15, 2003–

LOUISIANA

J. Bennett Johnston	February 11, 1977–January 7, 1997

MAINE

George J. Mitchell	May 19, 1980–January 5, 1981
Edmund S. Muskie	July 25, 1974–May 7, 1980
Olympia J. Snowe	January 6, 1995–January 15, 2003

MARYLAND

J. Glenn Beall, Jr	January 23, 1975–January 4, 1977
Paul S. Sarbanes	January 21, 1993–January 4, 2007

MASSACHUSETTS

(None)

MICHIGAN

Spencer Abraham	January 6, 1995–January 3, 2001
Donald W. Riegle, Jr	January 23, 1979–January 4, 1995
Debbie Stabenow	January 25, 2001–

MINNESOTA

Wendell R. Anderson	January 11, 1977–December 29, 1978
Rudy Boschwitz	January 23, 1979–January 3, 1991

Name	*Service on Committee*
Rod Grams	March 29, 1996–January 3, 2001
Walter F. Mondale	July 25, 1974–December 30, 1976

MISSISSIPPI

Trent Lott	March 19, 1991–June 20, 1996

MISSOURI

Christopher S. Bond	February 2, 1989–January 15, 2003
John C. Danforth	February 21, 1985–February 2, 1989

MONTANA

Conrad Burns	January 15, 2003–January 6, 2005

NEBRASKA

J. James Exon	January 23, 1979–January 7, 1997
Chuck Hagel	January 25, 2001–January 15, 2003
Roman L. Hruska	August 7, 1974–January 23, 1975

NEVADA

John Ensign	January 15, 2003–

NEW HAMPSHIRE

Judd Gregg	January 21, 1993–
Warren Rudman	January 6, 1987–March 19, 1991

NEW JERSEY

Jon Corzine	July 10, 2001–January 17, 2006
Frank R. Lautenberg	March 5, 1985–January 3, 2001
Robert Menendez	January 18, 2006–

NEW MEXICO

Pete V. Domenici	January 23, 1975–

Name	*Service on Committee*

NEW YORK

JAMES L. BUCKLEY (Conservative Party)	January 23, 1975–January 4, 1977
Hillary Rodham Clinton	January 25, 2001–January 15, 2003
Jacob K. Javits	August 7, 1974–January 23, 1975
Daniel Patrick Moynihan	January 11, 1977–February 11, 1977 and January 23, 1979–January 6, 1987

NORTH CAROLINA

Terry Sanford	January 6, 1987–January 5, 1993

NORTH DAKOTA

Mark Andrews	January 5, 1981–January 6, 1987
Kent Conrad	January 6, 1987–
Milton R. Young	August 7, 1974–January 23, 1975

OHIO

Howard M. Metzenbaum	January 23, 1979–January 6, 1987

OKLAHOMA

Henry Bellmon	January 23, 1975–January 5, 1981
Don Nickles	January 6, 1987–January 4, 2005

OREGON

Bob Packwood	January 23, 1979–January 5, 1981
Gordon H. Smith	January 9, 1997–January 15, 2003
Ron Wyden	March 29, 1996–

PENNSYLVANIA

H. John Heinz III	February 22, 1977–January 23, 1979

RHODE ISLAND

John H. Chafee	January 10, 1977–February 22, 1977

Name	*Service on Committee*

SOUTH CAROLINA

Lindsey O. Graham	January 6, 2005–
Ernest F. Hollings	July 25, 1974–January 4, 2005

SOUTH DAKOTA

James G. Abourezk	July 25, 1974–January 15, 1979
Tim Johnson	January 9, 1997–
Larry Pressler	January 23, 1979–January 5, 1981

TENNESSEE

Lamar Alexander	January 6, 2005–January 4, 2007
William H. Frist	January 6, 1995–January 7, 2003
Jim Sasser	February 11, 1977–January 4, 1995

TEXAS

John Cornyn	January 15, 2003–
Phil Gramm	February 2, 1989–January 7, 2003
John G. Tower	January 5, 1981–January 3, 1985

UTAH

Orrin G. Hatch	January 23, 1979–January 6, 1987
Frank E. Moss	July 25, 1974–January 4, 1977

VERMONT

(None)

VIRGINIA

Charles S. Robb	February 2, 1989–March 19, 1991

WASHINGTON

Slade Gorton	January 5, 1981–January 6, 1987 and January 21, 1993–January 3, 2001
Warren G. Magnuson	July 25, 1974–January 5, 1981
Patty Murray	January 21, 1993–

Name	*Service on Committee*

WEST VIRGINIA

Robert C. Byrd	January 25, 2001–

WISCONSIN

Robert W. Kasten, Jr	January 5, 1981–January 5, 1993
Russell D. Feingold	January 9, 1997–

WYOMING

Michael B. Enzi	January 15, 2003–

Alphabetical Listing of Members of the Committee

(Democrats in *italic;* Republicans in roman)

Name	*State*	*Service on Committee*
A		
Abourezk, James G	South Dakota	July 25, 1974–January 15, 1979
Abraham, Spencer	Michigan	January 6, 1995–January 3, 2001
Alexander, Lamar	Tennessee	January 6, 2005–January 4, 2007
Allard, Wayne	Colorado	January 25, 2001–
Anderson, Wendell R	Minnesota	January 11, 1977–December 29, 1978
Andrews, Mark	North Dakota	January 5, 1981–January 6, 1987
Armstrong, William L	Colorado	January 23, 1979–January 3, 1991
B		
Beall, J. Glenn, Jr	Maryland	January 23, 1975–January 4, 1977
Bellmon, Henry	Oklahoma	January 23, 1975–January 5, 1981
Biden, Joseph R., Jr	Delaware	July 25, 1974–March 5, 1985
Bond, Christopher S	Missouri	February 2, 1989–January 15, 2003
Boschwitz, Rudy	Minnesota	January 23, 1979–January 3, 1991
Boxer, Barbara	California	January 21, 1993–January 25, 2001
Brown, Hank	Colorado	March 19, 1991–January 7, 1997
BUCKLEY, JAMES L. (Conservative Party).	New York	January 23, 1975–January 4, 1977
Bunning, Jim	Kentucky	January 15, 2003–
Burns, Conrad	Montana	January 15, 2003–January 6, 2005
Byrd, Robert C	West Virginia	January 25, 2001–
C		
Chafee, John H	Rhode Island	January 10, 1977–February 22, 1977
Chiles, Lawton	Florida	July 25, 1974–January 3, 1989
Clinton, Hillary Rodham	New York	January 25, 2001–January 15, 2003
Conrad, Kent	North Dakota	January 6, 1987–
Cornyn, John	Texas	January 15, 2003–
Corzine, Jon	New Jersey	July 10, 2001–January 17, 2006
Cranston, Alan	California	July 25, 1974–January 23, 1979
Crapo, Michael D	Idaho	January 15, 2003–
D		
Danforth, John C	Missouri	February 21, 1985–February 2, 1989
Dodd, Christopher J	Connecticut	January 6, 1987–January 9, 1997

Name	*State*	*Service on Committee*
Dole, Robert J	Kansas	August 7, 1974–January 23, 1979
Domenici, Pete V	New Mexico	January 23, 1975–
Dominick, Peter H	Colorado	August 7, 1974–January 14, 1975
Durbin, Richard J	Illinois	January 9, 1997–January 25, 2001

E

Ensign, John	Nevada	January 15, 2003–
Enzi, Michael B	Wyoming	January 15, 2003–
Exon, J. James	Nebraska	January 23, 1979–January 7, 1997

F

Fannin, Paul J	Arizona	August 7, 1974–January 23, 1975
Feingold, Russell D	Wisconsin	January 9, 1997–
Fowler, Wyche, Jr	Georgia	January 6, 1987–January 5, 1993
Frist, William H.	Tennessee	January 6, 1995–January 7, 2003

G

Gorton, Slade	Washington	January 5, 1981–January 6, 1987 and January 21, 1993–January 3, 2001
Graham, Lindsey O	South Carolina	January 6, 2005–
Gramm, Phil	Texas	February 2, 1989–January 7, 2003
Grams, Rod	Minnesota	March 29, 1996–January 3, 2001
Grassley, Charles E	Iowa	January 5, 1981–
Gregg, Judd	New Hampshire	January 21, 1993–

H

Hagel, Chuck	Nebraska	January 25, 2001–January 15, 2003
Hart, Gary W	Colorado	January 23, 1979–January 6, 1987
Hatch, Orrin G	Utah	January 23, 1979–January 6, 1987
Hayakawa, Samuel I	California	February 22, 1977–January 23, 1979
Heinz, H. John, III	Pennsylvania	February 22, 1977–January 23, 1979
Hollings, Ernest F	South Carolina	July 25, 1974–January 4, 2005
Hruska, Roman L	Nebraska	August 7, 1974–January 23, 1975

J

Javits, Jacob K	New York	August 7, 1974–January 23, 1975
Johnson, Tim	South Dakota	January 9, 1997–
Johnston, J. Bennett	Louisiana	February 11, 1977–January 7, 1997

K

Kassebaum, Nancy Landon	Kansas	January 23, 1979–February 2, 1989
Kasten, Robert W., Jr	Wisconsin	January 5, 1981–January 5, 1993

Name	*State*	*Service on Committee*
	L	
Lautenberg, Frank R	New Jersey	March 5, 1985–January 3, 2001
Lott, Trent	Mississippi	March 19, 1991–June 20, 1996
Lugar, Richard G	Indiana	January 10, 1977–February 22, 1977
	M	
Mack, Connie, III	Florida	June 20, 1996–January 9, 1997
Magnuson, Warren G	Washington	July 25, 1974–January 5, 1981
McClure, James A	Idaho	January 23, 1975–January 23, 1979
Menendez, Robert	New Jersey	January 18, 2006–
Metzenbaum, Howard M	Ohio	January 23, 1979–January 6, 1987
Mitchell, George J	Maine	May 19, 1980–January 5, 1981
Mondale, Walter F	Minnesota	July 25, 1974–December 30, 1976
Moss, Frank E	Utah	July 25, 1974–January 4, 1977
Moynihan, Daniel Patrick	New York	January 11, 1977–February 11, 1977 and January 23, 1979–January 6, 1987
Murray, Patty	Washington	January 21, 1993–
Muskie, Edmund S	Maine	July 25, 1974–May 7, 1980
	N	
Nelson, Bill	Florida	January 25, 2001–
Nickles, Don	Oklahoma	January 6, 1987–January 4, 2005
Nunn, Sam	Georgia	January 17, 1975–February 11, 1977
	P	
Packwood, Bob	Oregon	January 23, 1979–January 5, 1981
Pressler, Larry	South Dakota	January 23, 1979–January 5, 1981
	Q	
Quayle, Dan	Indiana	January 5, 1981–January 3, 1989
	R	
Riegle, Donald W., Jr	Michigan	January 23, 1979–January 4, 1995
Robb, Charles S	Virginia	February 2, 1989–March 19, 1991
Rudman, Warren	New Hampshire	January 6, 1987–March 19, 1991
	S	
Sanford, Terry	North Carolina	January 6, 1987–January 5, 1993
Sarbanes, Paul S	Maryland	January 21, 1993–January 4, 2007
Sasser, Jim	Tennessee	February 11, 1977–January 4, 1995
Sessions, Jeff	Alabama	January 15, 2003–
Simon, Paul	Illinois	January 6, 1987–January 7, 1997
Smith, Gordon H	Oregon	January 9, 1997–January 15, 2003
Snowe, Olympia J	Maine	January 6, 1995–January 15, 2003

Name	*State*	*Service on Committee*
Stabenow, Debbie	Michigan	January 25, 2001–
Symms, Steven D	Idaho	January 5, 1981–January 5, 1993
	T	
Tower, John G	Texas	January 5, 1981–January 3, 1985
	W	
Wirth, Timothy E	Colorado	January 6, 1987–January 5, 1993
Wyden, Ron	Oregon	March 29, 1996–
	Y	
Young, Milton R	North Dakota	August 7, 1974–January 23, 1975

Majority Staff Directors to the Committee

Douglas J. Bennet Jr	1974–1976 [1]
John T. McEvoy	1977–1980
Stephen E. Bell	1981–1986
G. William Hoagland	1986
Richard N. Brandon	1987–1988
John L. Hilley	1989–1990
Larry Stein	1991–1994
G. William Hoagland	1995–2000
Mary Ann Naylor	2001–2002 [2]
Hazen Marshall	2003–2004
Scott B. Gudes	2005–2006

[1] The Committee was established on July 12, 1974.

[2] In the 107th Congress, party control of the Senate changed several times, resulting in changes in leadership of the Committee (as discussed more fully in footnote 2 on page 109); following about 6 months with Senator Pete Domenici serving as Committee chairman, Senator Kent Conrad served as chairman for the remainder of the Congress.

Minority Staff Directors to the Committee

Robert S. Boyd	1975–1980
Lizabeth Tankersley	1981–1982
Richard N. Brandon	1983–1986
G. William Hoagland	1987–1994
William G. Dauster	1995–1997
Bruce King	1997–2000
G. William Hoagland	2001–2002 [1]
Mary Ann Naylor	2003–2006

[1] In the 107th Congress, party control of the Senate changed several times, resulting in changes in leadership of the Committee (as discussed more fully in footnote 2 on page 109); following about 6 months with Senator Pete Domenici serving as Committee chairman, Senator Kent Conrad served as chairman for the remainder of the Congress.

Majority Counsels to the Committee

John T. McEvoy	1974–1976 [1]
Karen H. Williams	1977–1979
Lizabeth Tankersley	1980
Robert Fulton	1981–1982
Gail Millar	1983
Nell Payne	1984–1986
William G. Dauster	1987–1994
Jennifer Smith	1995
Beth Smerko Felder	1996–2000
Lisa Konwinski	2001–2002 [2]
Beth Smerko Felder	2003–2004
Gail Millar	2005–2006

[1] The Committee was established on July 12, 1974.

[2] In the 107th Congress, party control of the Senate changed several times, resulting in changes in leadership of the Committee (as discussed more fully in footnote 2 on page 109); following about 6 months with Senator Pete Domenici serving as Committee chairman, Senator Kent Conrad served as chairman for the remainder of the Congress.

Minority Counsels to the Committee

Robert Z. Bohan	1974 [1]
Francis A. Hennigan	1975–1976
Robert Fulton	1980
Lizabeth Tankersley	1981–1982
William G. Dauster	1983–1986
Nell Payne	1987
William G. Dauster	1995–1997
Lisa Konwinski	1999–2000
Beth Smerko Felder	2001–2002 [2]
Lisa Konwinski	2003–2006

[1] The Committee was established on July 12, 1974.

[2] In the 107th Congress, party control of the Senate changed several times, resulting in changes in leadership of the Committee (as discussed more fully in footnote 2 on page 109); following about 6 months with Senator Pete Domenici serving as Committee chairman, Senator Kent Conrad served as chairman for the remainder of the Congress.

Chief Clerks to the Committee

Maria P. Durelli	1974–1975 [1]
Harry T. Martin	1976
Harry T. Martin/Joan A. Leach	1977
Joan A. Leach	1978–1980
Lynne Seymour	1981
Laurie E. Greene	1982–1983
Deborah S. Paul	1984–1986
Anne Willis Hill	1987–1994
Lynne Seymour	1995–

[1] The Committee was established on July 12, 1974.

Authorities Pertaining to the Jurisdiction and Duties of the Senate Committee on the Budget

Statutory Provisions

The key statute pertaining to the jurisdiction and duties of the Senate Budget Committee is the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93–344; July 12, 1974; 88 Stat. 297–339), as amended. The 1974 Act has been amended many times over the years, and these changes have modified the Committee's jurisdiction and duties in many ways. The provisions of the 1974 Act relating to congressional organization and procedure are codified in Title 2 (The Congress) of the *United States Code*.

Title II of the Act established the Congressional Budget Office (CBO). Section 201(f) (2 U.S.C. 601(f)), which requires CBO to use revenue estimates prepared by the Joint Committee on Taxation, also provides that "[t]he Budget Committees of the Senate and House shall determine all estimates with respect to scoring points of order and with respect to the execution of the purposes of this Act."

Title III of the Act sets forth the procedures and requirements relating to the congressional budget process generally, including budget resolutions and reconciliation. Various sections within the title require the Budget Committee to report annual budget resolutions and omnibus budget reconciliation legislation, make allocations of spending to committees, provide periodic scorekeeping reports on legislative action, provide estimates of the budget impact of legislation for purposes of determining points of order, submit for the record lists of possibly extraneous provisions in reconciliation legislation, and make periodic adjustments in various budget levels for specified purposes.

Title IV of the Act sets forth additional provisions dealing with the congressional budget process, including procedures to curb the use of unfunded Federal mandates. Section 425(e) (2 U.S.C. 658d) provides that "[f]or purposes of this section, in the Senate, the levels of Federal mandates for a fiscal year shall be determined based on estimates made by the Committee on the Budget."

Title VII of the Act pertains to program review and evaluation. Section 703 (2 U.S.C. 623), in subsections (a) and (b), directs the

House and Senate Budget Committees to "study on a continuing basis proposals designed to improve and facilitate methods of congressional budgetmaking" and to make recommendations from time to time. Section 703 (a) and (b) reads as follows:

(a) The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis proposals designed to improve and facilitate methods of congressional budgetmaking. The proposals to be studied shall include, but are not limited to, proposals for—

(1) improving the information base required for determining the effectiveness of new programs by such means as pilot testing survey research, and other experimental and analytical techniques;

(2) improving analytical and systematic evaluation of the effectiveness of existing programs;

(3) establishing maximum and minimum time limitations for program authorization; and

(4) developing techniques of human resource accounting and other means of providing noneconomic as well as economic evaluation measures.

(b) The Committee on the Budget of each House shall, from time to time, report to its House the results of the study carried on by it under subsection (a) of this section, together with its recommendations.

The second major statute that has affected the jurisdiction and duties of the Senate Budget Committee is the Balanced Budget and Emergency Deficit Control Act of 1985 (Title II of P.L. 99–177; December 12, 1985; 99 Stat. 1038–1101), as amended. Provisions of the Act are codified beginning with 2 U.S.C. 900. The Act required that the Office of Management and Budget consult with the Budget Committees regarding various calculations used in the sequestration process (Sections 251 and 252), authorized the Budget Committees to request a compliance report on sequestration activities from the Comptroller General (Section 254(h)), and directed that Budget Committee scoring with respect to certain new direct spending programs be used in preparation of the sequestration baseline (Section 257(b)(2)).

In addition, the Budget Committee is required to report resolutions suspending certain budget enforcement procedures triggered by a "low economic growth" report issued by CBO (Section 258(a)), determine the cost of amendments to a resolution dealing with a proposal from the President to modify the application of a sequester of defense spending (Section 258B), and report a resolution initiating a special reconciliation process providing an alternative to an anticipated sequestration order (Section 258C).

Although these provisions in the 1985 Act have not been repealed, generally they are treated as inactive due to the expiration of the deficit targets, the discretionary spending limits, and the paygo requirement.

Senate Rule XXV, Paragraph (e)

Rule XXV of the Standing Rules of the Senate establishes the jurisdiction and duties of the committees of the Senate. The rule, in paragraph 1, enumerates the standing committees, which "shall be appointed at the commencement of each Congress, and shall continue and have the power to Act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions."

Section 102 (88 Stat. 300–302) of the Congressional Budget and Impoundment Control Act of 1974 amended paragraph 1 of Rule XXV, as well as other paragraphs of the rule, to establish the Senate Budget Committee, fix its membership, specify exceptions from a general requirement that committee meetings be open to the public, and for other purposes. Rule XXV has been revised over the years, including the redesignation of paragraphs and subparagraphs.

Paragraph 1(e), which pertains to the Budget Committee, presently reads as follows:

> 1(e)(1) Committee on the Budget, to which committee shall be referred all concurrent resolutions on the budget (as defined in section 3(a)(4) of the Congressional Budget Act of 1974) and all other matters required to be referred to that committee under titles III and IV of that Act, and messages, petitions, memorials, and other matters relating thereto.
>
> (2) Such committee shall have the duty—
>
> (A) to report the matters required to be reported by it under titles III and IV of the Congressional Budget Act of 1974;
>
> (B) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the Senate on a recurring basis;
>
> (C) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the Senate on a recurring basis; and
>
> (D) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties.

Paragraph 3(a) of the rule fixes the number of Members authorized to serve on the Budget Committee. Originally, the membership of the Committee was set at 15 members; it currently is set at 22 members.

Another rule, Senate Rule XXVI, sets forth procedures that the standing committees, including the Budget Committee, are required to follow. Explicit exemptions from these procedures are provided for the Budget Committee in several instances.

S. Res. 445 (108th Congress)

On October 7 through October 9, 2004, during the second session of the 108th Congress, the Senate considered an internal reform measure, S. Res. 445, that in part responded to recommendations on congressional reorganization made by the President's National Commission on Terrorist Attacks Upon the United States (also known as the "9/11 Commission"). On October 9, the Senate agreed to the measure, as amended, by a vote of 79 to 6.

The primary purpose of the resolution, as stated in Section 100, was:

> to improve the effectiveness of the Senate Select Committee on Intelligence, especially with regard to its oversight of the Intelligence Community of the United States Government, and to improve the Senate's oversight of homeland security.

In addition to provisions dealing with intelligence oversight reform, the measure renamed the Governmental Affairs Committee as the Homeland Security and Governmental Affairs Committee and consolidated jurisdiction over matters relating to homeland security under the committee.

While shared jurisdiction is an unusual feature in the Senate committee system, the Senate Budget Committee had shared jurisdiction for many years with the Senate Governmental Affairs Committee over legislation pertaining to the congressional budget process under the terms of a standing order adopted by the Senate in 1977 (see discussion below).

During consideration of S. Res. 445, Senate Budget Committee Chairman Don Nickles and Ranking Member Kent Conrad offered a first-degree amendment (number 4027), which assigned exclusive jurisdiction over congressional budget process legislation to the Senate Budget Committee. The elements of the congressional budget process identified in the amendment were patterned closely on the standing order of 1977. In addition, the two Senators offered a second-degree amendment thereto (number 4041), which provided for shared jurisdiction with the Homeland Security and Governmental Affairs Committee over nominations to the positions of Director and Deputy Director for Budget within the Office of Management and Budget. The Homeland Security and Governmental Affairs Committee's longstanding jurisdiction over management and accounting matters was not affected. The Senate adopted the second-degree amendment on October 9, by a vote of 50 to 31, and adopted the first-degree amendment the same day by a voice vote.

Section 101(d) and 101(e) of the resolution, which pertain to the Budget Committee, read as follows:

(d) JURISDICTION OF BUDGET COMMITTEE.—Notwithstanding paragraph (b)(3) of this section, and except as otherwise provided in the Congressional Budget Act of 1974, the Committee on the Budget shall have exclusive jurisdiction over measures affecting the congressional budget process, which are—

(1) the functions, duties, and powers of the Budget Committee;

(2) the functions, duties, and powers of the Congressional Budget Office;

(3) the process by which Congress annually establishes the appropriate levels of budget authority, outlays, revenues, deficits or surpluses, and public debt—including subdivisions thereof—and including the establishment of mandatory ceilings on spending and appropriations, a floor on revenues, timetables for congressional action on concurrent resolutions, on the reporting of authorization bills, and on the enactment of appropriation bills, and enforcement mechanisms for budgetary limits and timetables;

(4) the limiting of backdoor spending devices;

(5) the timetables for Presidential submission of appropriations and authorization requests;

(6) the definitions of what constitutes impoundment—such as ''rescissions'' and ''deferrals'';

(7) the process and determination by which impoundments must be reported to and considered by Congress;

(8) the mechanisms to insure Executive compliance with the provisions of the Impoundment Control Act, title X—such as GAO review and lawsuits; and

(9) the provisions which affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, including the definition of terms provided by the Budget Act.

(e) OMB NOMINEES.—The Committee on the Budget and the Committee on Homeland Security and Governmental Affairs shall have joint jurisdiction over the nominations of persons nominated by the President to fill the positions of Director and Deputy Director for Budget within the Office of Management and Budget, and if one committee votes to order reported such a nomination, the other must report within 30 calendar days session, or be automatically discharged.

Standing Order on the Referral of Budget Process Legislation (1977)

On August 4, 1977, the Senate by unanimous consent established a standing order regarding the joint referral of congressional budget process legislation to the Budget Committee and the Governmental Affairs Committee.[1] In 2004 (as discussed above), the Senate adopted S. Res. 445, which, among other things, consolidated jurisdiction over legislation dealing with the congressional budget process under the Budget Committee. The adoption of S. Res. 445 effectively superseded the joint referral process established in the 1977 standing order.

The 1977 standing order read as follows:

[L]egislation affecting the congressional budget process, as described below, [shall] be referred jointly to the Committees on the Budget and on Govern-

[1] See the *Congressional Record* of August 4, 1977, vol. 123, p. 26709.

mental Affairs. If one committee acts to report a jointly-referred measure, the other must act within 30 calendar days of continuous possession, or be automati[c]ally discharged.

Legislative proposals affecting the congressional budget process to which this order applies are:

First. The functions, duties, and powers of the Budget Committee—as described in title I of the act [the Congressional Budget and Impoundment Control Act of 1974];

Second. The functions, duties, and powers of the Congressional Budget Office—as described in title[s] II and IV of the act[;]

Third. The process by which Congress annually establishes the appropriate levels of budget authority, outlays, revenues, deficits or surpluses, and public debt—including subdivisions thereof. That process includes the establishment [of]:

mandatory ceilings on spending and appropriations;

a floor on revenues;

timetables for congressional action on concurrent resolutions, on the reporting of authorization bills, and on the enactment of appropriation bills; and

enforcement mechanisms for the limits and timetables,

all as described in titles III and IV of the act[;]

Fourth. The limiting of backdoor spending device[s]—as described in title IV of the act;

Fifth. The timetables for Presidential submission of appropriations and authorization requests—as described in title VI of the act;

Sixth. The definitions of what constitutes impoundment—such as ''rescissions'' and ''deferrals,'' as provided in the Impoundment Control Act, title X;

Seventh. The process and determination by which impoundments must be reported to and considered by Congress—as provided in the Impoundment Control Act, title X;

Eighth. The mechanisms to insure Executive compliance with the provisions of the Impoundment Control Act, title X—such as GAO review and lawsuits; and

Ninth. The provisions which affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, including the definition of terms provided by the Budget Act—as set forth in title I thereof.

S. Res. 45 (94th Congress)

On January 30, 1975, the Senate reached a unanimous consent agreement that had the effect of adopting S. Res. 45, a measure providing for joint referral of impoundment messages from the President under Title X of the Congressional Budget and Impoundment Control Act of 1974 and legislation pertaining to impoundments. In addition to the referral of impoundment messages and legislation to the Appropriations Committee or appropriate authorizing committee, the Budget Committee was given referral of such matters to consider the ''macroeconomic implications, impact on priorities and aggregate spending levels, and the legality of the President's use of the deferral and rescission mechanism

under title X.'' The agreement was modified on April 11, 1986, in the wake of the *Chadha* decision. The current text of the agreement reads as follows:

Resolved, (1) That messages received pursuant to title X of the Congressional Budget and Impoundment Control Act be referred concurrently to the Appropriations Committee, to the Budget Committee, and to any other appropriate authorizing committee.

(2) That bills, resolutions, and joint resolutions introduced with respect to rescissions and deferrals shall be referred to the Appropriations Committee, the Budget Committee, and pending implementation of section 410 of the Congressional Budget [and] Impoundment Control Act and subject to section 401(d), to any other committee exercising jurisdiction over contract and borrowing authority programs as defined by section 401(c)(2) (A) and (B). The Budget Committee and such other committees shall report their views, if any, to the Appropriations Committee within 20 days following referral of such messages, bills, resolutions, or joint resolutions. The Budget Committee's consideration shall extend only to macroeconomic implications, impact on priorities and aggregate spending levels, and the legality of the President's use of the deferral and rescission mechanism under title X. The Appropriations and authorizing committees shall exercise their normal responsibilities over programs and priorities.

(3) If any committee to which a bill or resolution has been referred recommends its passage, the Appropriations Committee shall report that bill or resolution together with its views and reports of the Budget and any appropriate authorizing committees to the Senate within—

(A) the time remaining under the Act in the case of rescissions, or

(B) within 20 days in the case of deferrals.

(4) The 20 day period referred to herein means twenty calendar days; and for the purposes of computing the twenty days, recesses or adjournments of the Senate for more than 3 days to a day certain shall not be counted; and for recesses and adjournments of more than 30 calendar days continuous duration or the sine die adjournment of a session, the 20 day period shall begin anew on the day following the reconvening of the Senate.

Committee Rules of Procedure

Senate Rule XXVI, Paragraph 2, requires each committee to adopt rules (''not inconsistent with the Rules of the Senate'') for its internal procedure and to publish them in the *Congressional Record* by March 1 of the first year of each Congress. Further, any amendment to a committee's rules may not take effect until the amendment is published in the *Congressional Record*.

The Budget Committee's rules of procedure for the 109th Congress were published in the *Congressional Record* on February 14, 2005.[2] The rules are divided into seven sections dealing with: (1) meetings; (2) quorums and voting; (3) proxies; (4) hearings and hearing procedures; (5) committee reports; (6) use of display materials in committee; and (7) confirmation standards and procedures.

[2] See the remarks of Senator Judd Gregg in the *Congressional Record* (daily ed.), Feb. 14, 2005, p. S1337–S1338.

Legislation Developed by the Senate Committee on the Budget

Concurrent Resolutions on the Budget: Fiscal Years 1976–2007

During the 32-year period from 1975 (for the FY1976 budget cycle) through 2006 (for the FY2007 budget cycle), the House and Senate adopted a total of 36 budget resolutions (see table 1).

TABLE 1.—CONCURRENT RESOLUTIONS ON THE BUDGET: FY1976–FY2007

Congress	Fiscal year	Type [1]	Budget resolution	U.S. Statutes-at-Large citation
94th	1976	First	H. Con. Res. 218	89 Stat. 1197–1198
		Second	H. Con. Res. 466	89 Stat. 1209–1210
	1977	First	S. Con. Res. 109	90 Stat. 3029–3030
		Second	S. Con. Res. 139	90 Stat. 3044–3045
95th	1977	Third	S. Con. Res. 10	91 Stat. 1666–1667
	1978	First	S. Con. Res. 19	91 Stat. 1670–1673
		Second	H. Con. Res. 341	91 Stat. 1683–1684
	1979	First	S. Con. Res. 80	92 Stat. 3870–3872
		Second	H. Con. Res. 683	92 Stat. 3878–3879
96th	1980	First	H. Con. Res. 107	93 Stat. 1413–1416
		Second	S. Con. Res. 53	93 Stat. 1428–1433
	1981	First	H. Con. Res. 307	94 Stat. 3655–3668
		Second	H. Con. Res. 448	94 Stat. 3680–3688
97th	1982	First	H. Con. Res. 115	95 Stat. 1743–1759
		Second	S. Con. Res. 50	95 Stat. 1778
	1983		S. Con. Res. 92	96 Stat. 2647–2661
98th	1984		H. Con. Res. 91	97 Stat. 1501–1523
	1985		H. Con. Res. 280	98 Stat. 3484–3498
99th	1986		S. Con. Res. 32	99 Stat. 1941–1959
	1987		S. Con. Res. 120	100 Stat. 4354–4370
100th	1988		H. Con. Res. 93	101 Stat. 1986–2003
	1989		H. Con. Res. 268	102 Stat. 4875–4886
101st	1990		H. Con. Res. 106	103 Stat. 2540–2554
	1991		H. Con. Res. 310	104 Stat. 5163–5181
102nd	1992		H. Con. Res. 121	105 Stat. 2414–2433
	1993		H. Con. Res. 287	106 Stat. 5165–5189
103rd	1994		H. Con. Res. 64	107 Stat. 2508–2538
	1995		H. Con. Res. 218	108 Stat. 5075–5103
104th	1996		H. Con. Res. 67	109 Stat. 996–1030
	1997		H. Con. Res. 178	110 Stat. 4434–4482
105th	1998		H. Con. Res. 84	111 Stat. 2710–2760
	1999	[Congress did not complete action on a budget resolution for this year]		
106th	2000		H. Con. Res. 68	113 Stat. 1968–1999

TABLE 1.—CONCURRENT RESOLUTIONS ON THE BUDGET: FY1976–FY2007—Continued

Congress	Fiscal year	Type [1]	Budget resolution	U.S. Statutes-at-Large citation
	2001	.....	H. Con. Res. 290	114 Stat. 3139–3173
107th	2002	.....	H. Con. Res. 83	115 Stat. 2486–2516
	2003	[Congress did not complete action on a budget resolution for this year]		
108th	2004	.....	H. Con. Res. 95	117 Stat. 2910–2942
	2005	[Congress did not complete action on a budget resolution for this year]		
109th	2006	.....	H. Con. Res. 95	[not yet available]
	2007	[Congress did not complete action on a budget resolution for this year]		

[1] "Type" refers to whether the budget resolution was the first, second, or third for the fiscal year. For the first 7 years of the congressional budget process, the House and Senate adopted at least two budget resolutions each year. Beginning with the FY1983 budget resolution, the House and Senate have not adopted more than one budget resolution a year.

Note: Although budget resolutions, as concurrent resolutions, do not become law, they are compiled in a special section of the U.S. Statutes-at-Large.

Source: Congressional Research Service, CRS Report RL30297, Congressional Budget Resolutions: Selected Statistics and Information Guide, by Bill Heniff, Jr. and Justin Murray, Appendix B, pp. 20–21.

The 1974 Act originally required that the Senate and House adopt two budget resolutions each year—an advisory budget resolution in the spring (by May 15) and a binding budget resolution in the fall (by September 15). Congress adopted the second required budget resolution from FY1976 through FY1982. For the following several years, through FY1986, Congress did not adopt a second budget resolution, instead relying on a feature in the first budget resolution that automatically deemed it to be the second budget resolution on October 1 if a second budget resolution had not been adopted by that date. In 1985, Congress amended the 1974 Act to require only a single budget resolution each year, in the spring, and advanced its due date by 1 month, to April 15 (first effective for FY1987). Section 304 (2 U.S.C. 635) of the Act allows Congress to adopt a revised budget resolution at any time. Congress adopted a third budget resolution for FY1977.

Of the 36 budget resolutions adopted during this period, 7 were first budget resolutions, 7 were second budget resolutions, 1 was a third budget resolution, and 21 were single budget resolutions.

The House and Senate were not able to reach final agreement on a budget resolution in four instances, for FY1999, FY2003, FY2005, and FY2007.

Budget Reconciliation Acts

As an optional procedure, reconciliation has not been used in every year that the congressional budget process has been in effect. Beginning with the first use of reconciliation by both the House and Senate in 1980, however, reconciliation has been used in most

years (see table 2).[3] Congress has sent the President 21 reconciliation acts over the years; 18 were signed into law and 3 were vetoed (and the vetoes not overridden).

Thirteen of the 21 acts were omnibus reconciliation measures reported by the Budget Committee (in which submissions from the instructed committees were incorporated by the Budget Committee without any substantive revision, as required by the 1974 Act) and 7 were revenue reconciliation measures reported by the Finance Committee. In the one remaining instance, involving the Consolidated Omnibus Budget Reconciliation Act of 1985, the final legislation merged together separate reconciliation measures reported by the Budget and Finance Committees.

TABLE 2.—BUDGET RESOLUTIONS AND ASSOCIATED BUDGET RECONCILIATION ACTS: FY1981–FY2006

Fiscal year	Budget resolution	Budget reconciliation act(s)	Date enacted (or vetoed)
1981	H. Con. Res. 307	Omnibus Reconciliation Act of 1980 (P.L. 96–499).	December 5, 1980
1982	H. Con. Res. 115	Omnibus Budget Reconciliation Act of 1981 (P.L. 97–35).	August 13, 1981
1983	S. Con. Res. 92	Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97–248).	September 3, 1982
		Omnibus Budget Reconciliation Act of 1982 (P.L. 97–253).	September 8, 1982
1984	H. Con. Res. 91	Omnibus Budget Reconciliation Act of 1983 (P.L. 98–270).	April 18, 1984
1986	S. Con. Res. 32	Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99–272).	April 7, 1986
1987	S. Con. Res. 120	Omnibus Budget Reconciliation Act of 1986 (P.L. 99–509).	October 21, 1986
1988	S. Con. Res. 93	Omnibus Budget Reconciliation Act of 1987 (P.L. 100–203).	December 22, 1987
1990	H. Con. Res. 106	Omnibus Budget Reconciliation Act of 1989 (P.L. 101–239).	December 19, 1989
1991	H. Con. Res. 310	Omnibus Budget Reconciliation Act of 1990 (P.L. 101–508).	November 5, 1990
1994	H. Con. Res. 64	Omnibus Budget Reconciliation Act of 1993 (P.L. 103–66).	August 10, 1993

[3] On December 15, 1975, the Senate considered, amended, and passed H.R. 5559, the Revenue Adjustment Act of 1975, which reduced revenues by about $6.4 billion pursuant to a directive in the second budget resolution for FY1976. The measure was not regarded as a reconciliation bill when it was considered by the House, but it was considered under reconciliation procedures in the Senate. President Gerald Ford vetoed the measure later in the year and the House sustained his veto. See the remarks of Senator Russell Long and the Presiding Officer, on page 40540, and the remarks of Senator Edmund Muskie and others, on pages 40544–40550, in the *Congressional Record*, vol. 121, Dec. 15, 1975, regarding the status of H.R. 5559 as a reconciliation bill.

TABLE 2.—BUDGET RESOLUTIONS AND ASSOCIATED BUDGET RECONCILIATION ACTS: FY1981–FY2006—Continued

Fiscal year	Budget resolution	Budget reconciliation act(s)	Date enacted (or vetoed)
1996	H. Con. Res. 67	Balanced Budget Act of 1995 (H.R. 2491).	December 6, 1995 (vetoed)
1997	H. Con. Res. 178	Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193).	August 22, 1996
1998	H. Con. Res. 84	Balanced Budget Act of 1997 (P.L. 105–33).	August 5, 1997
		Taxpayer Relief Act of 1997 (P.L. 105–34).	August 5, 1997
2000	H. Con. Res. 68	Taxpayer Refund and Relief Act of 1999 (H.R. 2488).	September 23, 1999 (vetoed)
2001	H. Con. Res. 290	Marriage Tax Relief Reconciliation Act of 2000 (H.R. 4810).	August 5, 2000 (vetoed)
2002	H. Con. Res. 83	Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107–16).	June 7, 2001
2004	H. Con. Res. 95	Jobs and Growth Tax Relief Reconciliation Act of 2003 (P.L. 108–27).	May 28, 2003
2006	H. Con. Res. 95	Deficit Reduction Act of 2005 (P.L. 109–171).	February 8, 2006
		Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109–222).	May 17, 2006

Source: Congressional Research Service: (1) CRS Report RL33030, The Budget Reconciliation Process: House and Senate Procedures, by Robert Keith and Bill Heniff, Jr., Table 1, p. 4–5; and (2) CRS Report RL33132, Budget Reconciliation Legislation in 2005–2006 Under the FY2006 Budget Resolution, by Robert Keith, p. 2.

Other Significant Legislation Enacted Into Law

The Budget Committee has been involved in the development of significant measures other than budget resolutions and reconciliation measures. For the most part, these measures have pertained to changes in the Federal budget process. Major examples of such legislation that was enacted into law are listed and described below. In cases where important budget process changes were made as a separate act within omnibus reconciliation legislation or legislation raising the statutory limit on the public debt, the separate act is included in the list.

Some of the measures listed below were not referred to or reported by the Budget Committee, and some originated as floor amendments. The Budget Committee, nonetheless, was centrally involved in formulating the legislation. The Balanced Budget and Emergency Deficit Control Act of 1985, for example, was carried in a measure increasing the statutory limit on the public debt

(such legislation is under the jurisdiction of the House Ways and Means Committee and Senate Finance Committee). It originated on October 9, 1985, as a floor amendment offered by Committee Chairman Pete Domenici and Ranking Member Lawton Chiles (modified Domenici-Chiles amendment number 771).

Some of the measures developed by the Budget Committee were considered by the Senate but did not become law. While most of these measures dealt with budget process reform, others involved specialized aspects of Federal budgeting. Certain budget enforcement procedures, for example, may be suspended pursuant to Section 258 of the 1985 Act during periods when low economic growth occurs, as determined by a ''low growth report'' issued by the CBO Director. Whenever the CBO Director issues such a report, the Senate Budget Committee must report a suspension resolution, in the form of a Senate joint resolution, that is considered under expedited procedures (the House does not have comparable procedures). In three instances in 1991 and two in 2002, the Budget Committee reported the required suspension resolution unfavorably and the Senate rejected it in each instance.

Balanced Budget and Emergency Deficit Control Act of 1985

Title II of P.L. 99–177 (Increasing the Statutory Limit on the Public Debt); December 12, 1985; 99 Stat. 1038–1101.

The Act established deficit targets intended to lead to a balanced budget by FY1991; created a sequestration process to enforce the targets, triggered by a report issued by the Comptroller General, involving automatic, largely across-the-board spending cuts; and made many changes in the Congressional Budget Act of 1974, mainly ratifying recent changes in practice (such as requiring only a single budget resolution each year). The 1985 Act is also known as the ''Gramm-Rudman-Hollings Act'' after its three primary sponsors in the Senate—Senators Phil Gramm, Warren Rudman, and Ernest Hollings (all of whom served on the Budget Committee at different times).

Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987

Title I of P.L. 100–119 (Increasing the Statutory Limit on the Public Debt); September 29, 1987; 101 Stat. 754–784.

The Act revised and extended the deficit targets set in 1985, requiring a balanced budget by FY1993. In addition, in response to court action invalidating the role of the Comptroller General in triggering sequestration, the Act placed that authority in the OMB Director, and made changes in the congressional budget process under the 1974 Act.

Budget Enforcement Act of 1990

Title XIII of P.L. 101–508 (Omnibus Budget Reconciliation Act of 1990); November 5, 1990; 104 Stat. 1388–573 through 630.

In the wake of dissatisfaction with experiences under the deficit targets set in 1985 and revised in 1987, the Budget Enforcement Act (BEA) of 1990 effectively replaced them with discretionary spending limits and a ''pay-as-you-go'' (paygo) requirement through FY1995. Sequestration was retained as the means of enforcing the new mechanisms; both temporary and permanent changes were made in the congressional budget process under the 1974 Act, including making the Byrd rule on extraneous matter in reconciliation measures part of the Act (Section 313); and special procedures were established to protect the long-term balances in the Social Security trust funds.

Federal Credit Reform Act of 1990

Section 13201 (104 Stat. 1388–609 through 615) of the Budget Enforcement Act of 1990.

The Federal Credit Reform Act of 1990 provided for the more accurate measurement of the costs of direct loans and loan guarantees, placed the costs of credit programs on a budgetary basis equivalent to other spending programs, and improved the methods of allocating resources among credit programs and between credit programs and other spending programs. This was achieved in part by defining the cost of credit programs to be the long-term cost to the government on a net present value basis, excluding administrative costs and certain incidental effects. The Act was incorporated into the Congressional Budget Act of 1974 as a new Title V.

Omnibus Budget Reconciliation Act of 1993

P.L. 103–66; August 10, 1993; 107 Stat. 683–685 (Title XIV).

Title XIV (Budget Process Provisions) of the Omnibus Budget Reconciliation Act of 1993 extended the discretionary spending limits and paygo requirement, first established by the BEA of 1990, for legislation enacted through the end of FY1998. The House and Senate initially considered more extensive budget process changes in this legislation, but ultimately decided to confine it to this more narrow purpose.

Unfunded Mandates Reform Act of 1995

P.L. 104–4; March 22, 1995; 109 Stat. 48–71.

The Unfunded Mandates Reform Act (UMRA) of 1995 established procedures designed to curb the imposition of unfunded Federal mandates on State, local, and tribal governments and pri-

vate sector entities; required Federal agencies to foster greater participation by such governments and entities in the development of regulations; and directed the Advisory Commission on Intergovernmental Relations to study and make recommendations on issues pertaining to unfunded mandates. The Congressional Budget Office is required to prepare cost estimates with respect to mandates exceeding a threshold (that is adjusted periodically) and an intergovernmental point of order may be raised against legislation imposing unfunded mandates that exceed the threshold. UMRA was incorporated into the Congressional Budget Act of 1974 as Part B (Federal Mandates) of Title IV (Sections 421–428), and was amended in 1999 by the State Flexibility Clarification Act (P.L. 106–141; December 7, 1999; 113 Stat. 1699–1700).

Line Item Veto Act

P.L. 104–130; April 9, 1996; 110 Stat. 1200–1212.

The Line Item Veto Act augmented the rescission authority of the President in the Impoundment Control Act of 1974 by authorizing him to put line-item cancellations into effect upon the enactment of a law and providing that they could be overturned only if Congress enacted a law disapproving them within 30 days. Further, the authority was extended to items of direct spending (i.e., for entitlement programs) and certain limited tax benefits, as well as discretionary spending provided in annual appropriations acts. The Line Item Veto Act was incorporated into the Impoundment Control Act of 1974 as Part C (Line Item Veto), Title X (Sections 1021–1027). On June 25, 1998, the U.S. Supreme Court, in *Clinton* v. *City of New York*, held that the Act was unconstitutional as a violation of the Presentment Clause of the Constitution (Article I, Section 7, Clause 2).

Budget Enforcement Act of 1997

Title X of P.L. 105–33 (Balanced Budget Act of 1997); August 5, 1997; 111 Stat. 677–712.

The BEA of 1997 extended the discretionary spending limits and paygo requirement, first established under the BEA of 1990, for legislation enacted through the end of FY2002. In addition, it made permanent several changes in the 1974 Act that had been made on a temporary basis in the BEA of 1990, including the requirement that budget resolutions cover at least 5, rather than 3, fiscal years; and made many other, mostly minor, changes in the sequestration and congressional budget processes.

Glossary of Budget Terms

Allocation.—For congressional budget purposes, an allocation is the distribution of budget authority and outlays to relevant committees (and subcommittees) based on the levels contained in the Congressional Budget Resolution.

Appropriation Act.—A statute, under the jurisdiction of the House and Senate Appropriations Committees, that generally provides authority for Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. Examples of appropriation acts are regular, supplemental, and continuing.

Authorizing Committee.—A committee of the House or Senate, other than the Appropriations Committee, which has legislative jurisdiction over the operations of Federal programs and provides the authorizing legislation that is usually a prerequisite for making appropriations for those programs. Authorizing committees also have jurisdiction over the administration and collection of revenues and spending for mandatory programs since the government's obligation to make payments for such programs is contained in the authorizing legislation.

Authorizing Legislation.—Substantive legislation proposed by a committee of jurisdiction other than the Appropriations Committees that establishes or continues the operation of a Federal program or agency for a specific period of time or indefinitely. Authorizing legislation may provide new budget authority or authorize the future appropriation of either a fixed amount or such sums as are necessary for a program.

Baseline.—A benchmark for measuring the budgetary effects of proposed changes in revenues or spending. The baseline is a projection of spending, revenues, and deficits into the budget year and out-years based on current laws and policies.

Budget Authority.—The legal authority to enter into obligations which will result in immediate or future outlays, including appropriations, borrowing authority, contracting authority, and the authority to spend offsetting receipts and collections.

Budget Deficit.—For unified deficit, the amount by which the government's total outlays exceed its total revenues for a given fiscal year. For on-budget deficit, the amount by which

the government's on-budget (which excludes the two Social Security trust funds and the transactions of the U.S. Postal Service) outlays exceeds its on-budget revenues.

Budget Resolution.—A concurrent resolution adopted by both Houses of Congress as part of the annual budget and appropriations process, setting forth an overall budget plan for Congress against which individual appropriation bills, other spending bills, and revenue measures are to be evaluated. As a plan of Congress, the resolution is not presented to the President for signature and does not have the force of law. The concurrent resolution must contain budget levels for at least 5 fiscal years and may contain reconciliation instructions to specified committees.

Budget Surplus.—For the unified budget, the amount by which the government's total revenues exceed its total outlays for a given fiscal year. For on-budget, the amount by which the government's on-budget (which excludes the two Social Security trust funds and the transactions of the U.S. Postal Service) revenues exceeds its on-budget outlays.

Continuing Resolution.—An appropriation act that provides spending authority for Federal agencies and programs to continue in operation when action on the regular appropriation acts has not been completed by the beginning of the fiscal year.

Cost Estimates.—Estimates of the impact legislation under consideration by Congress would have on the Federal budget if the legislation became law. Costs estimates are provided to Congress by the Congressional Budget Office.

Credit Reform.—The method of controlling and accounting for credit programs (loans and loan guarantees) in the Federal budget. Unlike the rest of the budget, loans and loan guarantees are accounted for on an accrual basis.

Direct Spending.—Also known as mandatory spending. As defined in the Balanced Budget and Emergency Deficit Control Act of 1985, entitlement authority, the Food Stamp Program, and budget authority provided by law other than in appropriation acts.

Discretionary Spending.—A category of spending (budget authority and outlays) provided in and controlled by annual appropriation acts. (See also Appropriation Acts.)

Entitlement.—A legal obligation of the Federal Government to make payments to a person(s) or entity that meets the eligibility criteria set in law and for which the budget authority is not provided in advance in an appropriation act. Spending for entitlement programs is controlled through the eligibility

criteria and benefit or payment rules. Examples of entitlements are Social Security and Medicare.

Emergency Spending.—Budget authority, designated by Congress as emergency spending, is exempt (along with the outlays that flow from it) from spending limits set forth in a concurrent resolution on the budget.

Federal Debt, Gross.—The total amount borrowed by the government from the public or from government accounts.

Debt subject to limit.—A subset of gross Federal debt, debt subject to limit is Federal debt that is subject to a statutory limit on its issuance. The limit applies to Federal debt, excluding a small portion of the debt issued by the Department of the Treasury and all of the small amount of debt issued by other Federal agencies (primarily the Tennessee Valley Authority and the Postal Service). It has two components.—debt held by the government and debt held by the public.

Debt held by the government.—Represents the holdings of debt by Federal trust funds and other special government funds.

Debt held by the public.—Represents the holdings of debt by individuals, institutions, other buyers outside the Federal Government and the Federal Reserve System. The change in debt held by the public in any given year closely tracks the unified budget deficit for that year.

Fiscal Policy.—Federal Government policies with respect to taxes and spending that affect the amount of government debt as well as the level, composition, and distribution of national output and income.

Fiscal Year.—A fiscal year is a 12-month accounting period. The fiscal year for the Federal Government begins October 1 and ends September 30. The fiscal year is designated by the calendar year in which it ends; for example, fiscal year 2007 is the year beginning October 1, 2006 and ending September 30, 2007.

Functional Classification.—A system of classifying budget resources by major purpose so that budget authority and outlays can be related in terms of the national needs being addressed (for example, national defense, health) regardless of the agency administering the program. There are currently 20 functions. A function may be divided into two or more subfunctions depending upon the complexity of the national need addressed by that function.

Impoundment.—A generic term referring to any action or inaction by an officer or employee of the U.S. Government that

defers or precludes the obligation or expenditure of budget authority.

Mandatory Spending.—Also known as direct spending. As defined in the Balanced Budget and Emergency Deficit Control Act of 1985, entitlement authority, the Food Stamp Program, and budget authority provided by law other than in appropriation acts.

Markup.—Meetings where congressional committees work on language of bills or resolutions. At Budget Committee markups, the House and Senate Budget Committees work on the language and numbers contained in budget resolutions and legislation affecting the congressional budget process.

Obligation.—A legally binding commitment by the Federal Government that will result in outlays, immediately or in the future.

Off-Budget.—Those budgetary accounts designated by law as excluded from the unified budget totals. As of 2007, the revenues and outlays of the two Social Security trust funds (the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund) and the transactions of the Postal Service are the only off-budget accounts. Budget documents routinely report the on-budget and off-budget amounts separately and then add them together to arrive at the consolidated or unified government totals.

On-Budget.—All budgetary accounts other than those designated by law as off-budget. (See also Off-Budget)

Outlays.—Outlays are disbursements by the Treasury in the form of checks, cash, or electronic funds transfers to liquidate a Federal obligation. Outlays flow in part from budget authority granted in prior years (outlays prior) and in part from budget authority provided for the year in which the disbursements occur (outlays new).

Pay-As-You-Go (paygo).—A budgetary enforcement mechanism originally set forth in the Budget Enforcement Act (BEA), which expired at the end of fiscal year 2002. Under this mechanism, proposed changes in, or new permanent, law affecting direct spending and revenues were expected to be deficit neutral. Statutory paygo was enforced through sequestration (across-the-board cuts in certain direct spending programs). In addition to statutory paygo, the Senate, in the concurrent resolution on the budget, has also established various internal paygo rules, enforced by a 60-vote point of order which is still in effect.

President's Budget.—The document sent to Congress by the President typically on the first Monday in February of each

year, requesting new budget authority for Federal programs and estimating Federal revenues and outlays for the upcoming fiscal year.

Revenues.—Collections from the public arising from the government's sovereign power to tax. Revenues include individual and corporate income taxes, social insurance taxes (such as Social Security payroll taxes), excise taxes, estate and gift taxes, customs duties and the like.

Reconciliation Process.—A special, fast-track process by which Congress, in its budget resolution, includes reconciliation instructions to specific committees, directing them to report legislation by a certain date that changes spending and/or revenues. Reconciliation legislation may also contain a change in the debt limit. Reconciliation is governed by special rules that limit debate and the ability of Senators to offer amendments.

Rescission.—Legislation enacted by Congress that cancels the availability of previously enacted budget authority before the authority expires.

Reserve Fund.—A provision in a budget resolution that grants the chairman of the Budget Committee the authority to make changes in budget aggregates and committee allocations once some condition or conditions have been met.

Scoring or Scorekeeping.—The process for estimating budget authority, outlay, revenue and deficit levels that result from legislative actions. The Committees on the Budget of the House and Senate determine all estimates for congressional purposes. The committees are assisted in the process by the Congressional Budget Office (CBO) and, for legislation dealing with the Internal Revenue Code, by the Joint Committee on Taxation, which provides revenue estimates of such legislation through CBO. Scorekeeping data prepared by the CBO include status reports on the effect of congressional actions and comparisons of these actions to targets and ceilings set by Congress. These reports are submitted by the Budget Committees for printing in the *Congressional Record* on a regular basis.

Sequester or Sequestration.—Under Budget Enforcement Act (BEA) provisions, which expired in 2002, the cancellation of budgetary resources provided by discretionary appropriations or direct spending laws. New budget authority, unobligated balances, direct spending authority, and obligation limitations were ''sequestrable'' resources; that is, they were subject to reduction or cancellation under a Presidential sequester order.

Supplemental Appropriation.—An act appropriating funds in addition to those in the regular annual appropriations acts. Supplemental appropriations are often designated as emergency requirements and are for unexpected and non-recurring purposes.

Unfunded Mandates.—In general, Federal statutes and regulations that require State, local, or tribal governments or the private sector to expend resources to achieve legislative goals without being provided Federal funding to cover the costs.

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Appendix

THE FEDERAL BUDGET AND INFLATION

WEDNESDAY, AUGUST 14, 1974

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, D.C.

The committee met, pursuant to notice, at 9:40 a.m., in room 4200, Dirksen Senate Office Building, Senator Edmund S. Muskie (chairman), presiding.

Present: Senators Muskie, Magnuson, Moss, Hollings, Cranston, Abourezk, Biden, Dominick, Young, Javits, Hruska, Fannin, and Dole.

Also present: Alvin From, Lee Lockwood, and Lucinda Dennis, staff of Senator Muskie.

Senator MUSKIE. The committee will be in order.

May I say this is the first official hearing to be conducted by the new Senate Budget Committee, and so I think it is appropriate for me to make a brief opening statement and some of my colleagues, I understand, may also have some opening statements. I do not think they can be described as filibusters. I think we can get to the witnesses reasonably quickly. But I think it is important to set the context of these hearings.

OPENING STATEMENT OF CHAIRMAN MUSKIE

This is an historic occasion this morning.

Frankly, during some of the long hours and months of work that went into the budget reform bill, I had my doubts as to whether this committee would ever become a reality.

But it did. And now to borrow a phrase from the President, we have our work cut out for us.

Two days ago we heard our new President describe inflation as public enemy No. 1. I am sure everyone in this room would agree with that assessment.

The question, of course, is where are we going to go from here?

In the 1960's, a President of the United States committed our Nation to placing a man on the Moon. If we were to do it today we might meet inflation there. There was no small commitment, to be sure. But primarily it entailed only a marshaling of national resources and a nurturing of the technology needed to realize a finite goal.

Inflation is a much more elusive target. It is subject to countless uncontrollable pressures, both domestic and international.

The tools for taming it are far from exact.

If we are to strike a blow at its seemingly boundless vitality, we are going to need a far steadier aim than we have had in the past.

That, of course, is one of the principal reasons that we now have a Budget Committee—to help provide a steadier aim for the Congress in putting its fiscal house in order.

As a committee, our formal legislative recommendations to the Congress are scheduled to begin next year.

But we believe we have a responsibility to become involved—in appropriate ways—in the budget debate of this year.

Congress has no higher priority, for the fall of 1974.

Here in the Senate, over the last few weeks, we have heatedly debated the question of whether cutting Federal expenditures will ease inflationary pressures.

Opinions are sharply divided.

As our first official act, this committee seeks to divert the energy of these divisions into the energy of constructive consensus, bearing in mind that the American people want action, not slogans—solutions, not panaceas.

We must ask the hard questions from the very beginning, for they will not get any easier if we wait.

And we must be prepared to let popular assumptions fade where they are not supported by the facts.

The most crucial question we must ask at the outset is how Federal spending affects the economy. Is Federal spending in fact a prime cause of today's double-digit inflation?

On this point we have heard a lot of talk. We need some hard analysis.

We must also ask how Congress can best control Federal spending—whether we reduce it, or simply hold the line—within a broad framework of agreed-upon priorities.

Before we suggest cutting the budget, we must ask first, what is in the budget?

If cuts are required, we must ask where they can best be taken, to avoid the pitfalls of false economy.

And, we must ask the price of the various policy options before we agree to buy. How much unemployment are we willing to allow as a possible price of tighter fiscal policy? How much slack in our productive capacity can we sustain as another possible cost of restraint?

Will any or all of these cures be worse than the disease itself?

These questions are serious business.

And many people in the Congress and throughout the Nation, are looking to this committee and its counterpart in the House, for serious answers.

Inflation is not a partisan issue. Each and every citizen has felt its stealthy touch.

And I believe that each and every citizen is willing to pay a price to leave it far behind.

But the lead must come from us.

We are here this morning because we are ready to take that lead.

And I know that I can speak for the entire committee when I say that we are looking forward to the challenge.

At this point may I express my appreciation to Mr. Rush for being willing to launch not only the administration's economic policy but this committee. We look forward to his testimony, but before we get to that, I would like to yield to the ranking Republican member of this committee, my good friend, Senator Dominick.

OPENING STATEMENT OF SENATOR DOMINICK

Senator DOMINICK. Thank you, Mr. Chairman.

I am delighted that we are as a committee starting these hearings. I believe that this committee, as I have said, has the potential to become one of the Congress' most important responses to the need for combatting inflation. Therefore, Mr. Rush's testimony, Mr. Ackley's testimony, and the others tomorrow and next week, are going to be extraordinarily important.

This year the proposed Federal budget for 1975 is more than $304 billion and that budget exceeds last year's by $20 billion. When one looks at the history of spending by the Federal Government, the need for timeliness for Congress to get control of its own spending apparatus is obvious, at least to me.

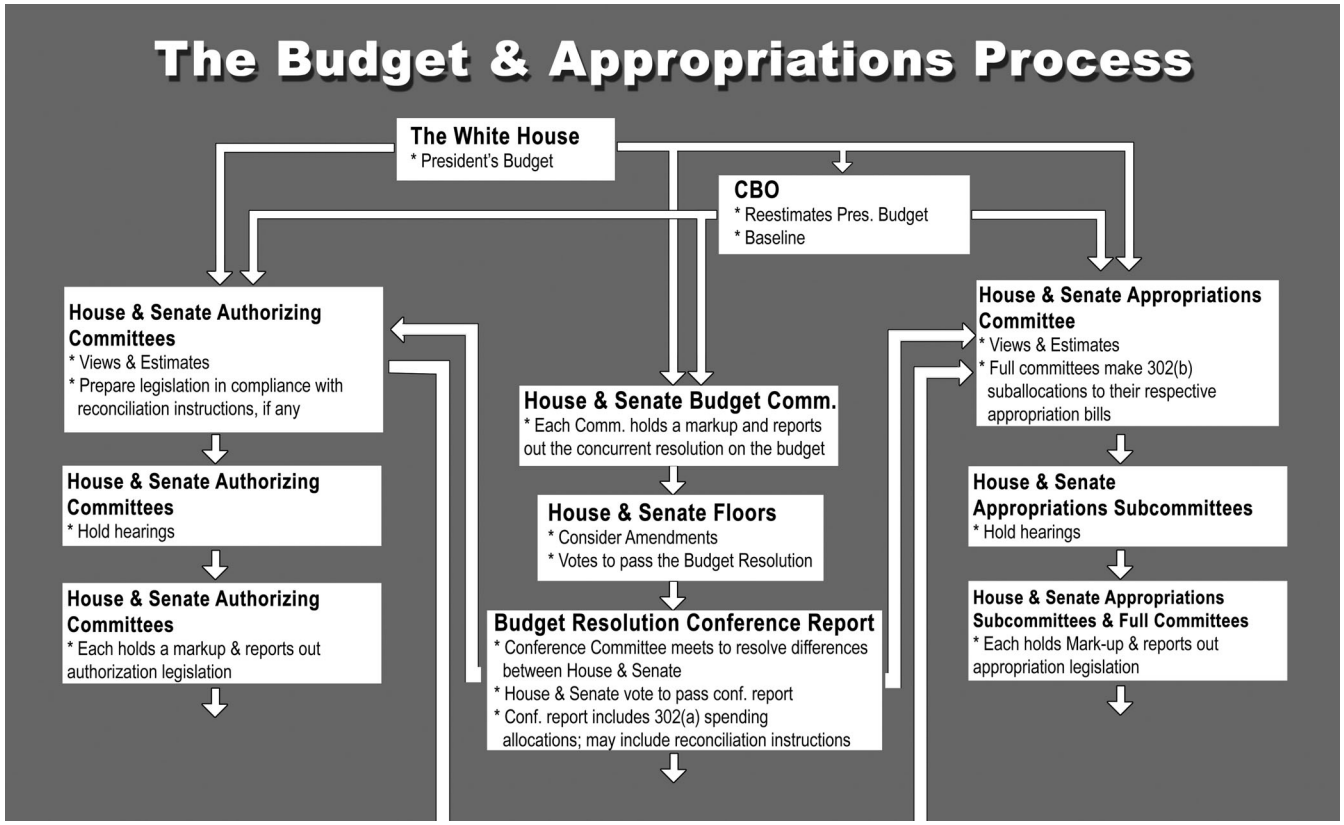
For example, it took this country 185 years to reach an annual Federal expenditure of $100 billion. Nine years later we were at $200 billion. And now, 4 more years have passed and we are at the $300 billion level.

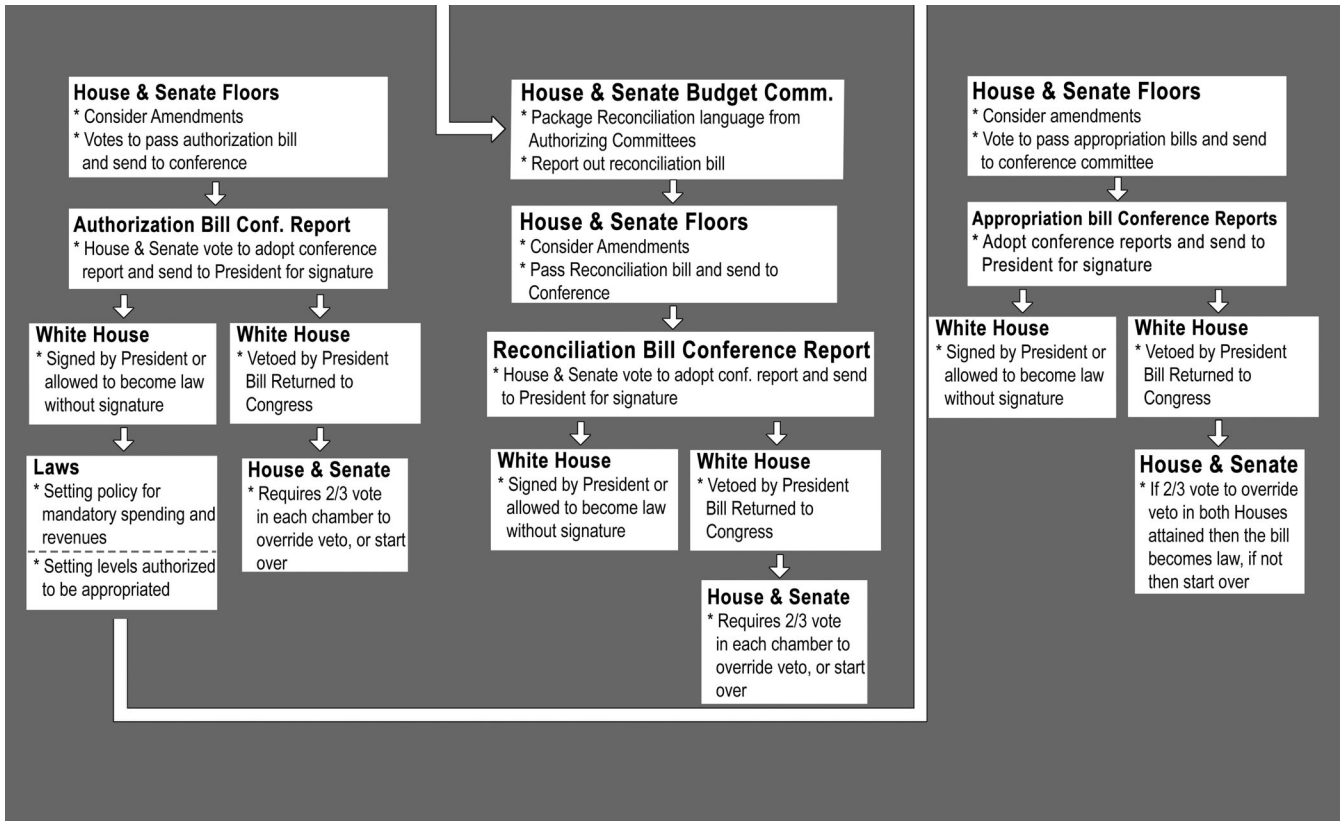
Right now the rate of inflation in the country is projected to be 14 percent, a figure 10 percent higher than 10 years ago, and I believe it is here in this committee where the Congress can and should begin to provide a meaningful and thoughtful response in working to combat not only inflation today but also to meet and head off pressures of tomorrow.

It is my hope that this committee's work will be one way to respond to the call of President Ford Monday night when he said to Members of both Houses, "You and I have a lot of work to do. Let's get on with it."

I would ask, Mr. Chairman, if I could have unanimous consent to put my whole prepared statement in the record. It is not very long to begin with, but I think I have hit on some of the key points of it.

Senator MUSKIE. Of course. Without objection, that will be done.


The Budget & Appropriations Process
The White House
* President's Budget
CBO
* Reestimates Pres. Budget
* Baseline
House & Senate Authorizing Committees
* Views & Estimates
* Prepare legislation in compliance with reconciliation instructions, if any
House & Senate Authorizing Committees
* Hold hearings
House & Senate Authorizing Committees
* Each holds a markup & reports out authorization legislation
House & Senate Budget Comm.
* Each Comm. holds a markup and reports out the concurrent resolution on the budget
House & Senate Floors
* Consider Amendments
* Votes to pass the Budget Resolution
Budget Resolution Conference Report
* Conference Committee meets to resolve differences between House & Senate
* House & Senate vote to pass conf. report
* Conf. report includes 302(a) spending allocations; may include reconciliation instructions
House & Senate Appropriations Committee
* Views & Estimates
* Full committees make 302(b) suballocations to their respective appropriation bills
House & Senate Appropriations Subcommittees
* Hold hearings
House & Senate Appropriations Subcommittees & Full Committees
* Each holds Mark-up & reports out appropriation legislation


House & Senate Floors
* Consider Amendments
* Votes to pass authorization bill and send to conference
Authorization Bill Conf. Report
* House & Senate vote to adopt conference report and send to President for signature
White House
* Signed by President or allowed to become law without signature
White House
* Vetoed by President Bill Returned to Congress
Laws
* Setting policy for mandatory spending and revenues
* Setting levels authorized to be appropriated
House & Senate
* Requires 2/3 vote in each chamber to override veto, or start over
House & Senate Budget Comm.
* Package Reconciliation language from Authorizing Committees
* Report out reconciliation bill
House & Senate Floors
* Consider Amendments
* Pass Reconciliation bill and send to Conference
Reconciliation Bill Conference Report
* House & Senate vote to adopt conf. report and send to President for signature
White House
* Signed by President or allowed to become law without signature
White House
* Vetoed by President Bill Returned to Congress
House & Senate
* Requires 2/3 vote in each chamber to override veto, or start over
House & Senate Floors
* Consider amendments
* Vote to pass appropriation bills and send to conference committee
Appropriation bill Conference Reports
* Adopt conference reports and send to President for signature
White House
* Signed by President or allowed to become law without signature
White House
* Vetoed by President Bill Returned to Congress
House & Senate
* If 2/3 vote to override veto in both Houses attained then the bill becomes law, if not then start over