

During the Congressional recess in early January, I had the opportunity to learn the concerns of my constituents through a series of Town Meetings in several Fifth District communities. I found constituents still concerned about the state of the nation's economy and the steps Congress will take to get the nation firmly on the road to economic recovery. In particular, I received many inquiries about the new Congressional budget process established in the Congressional Budget and Impoundment Control Act of 1974. Through this legislation, Congress pledged for the first time to assess spending priorities, establish budget ceilings, and achieve a balance between budget targets and government revenues. In this week's column, I will outline the new budget process established by Congress and what its impact will be on long-range government spending.

The Budget Act created, as legislative tools, Budget Committees in the House and Senate and a Congressional Budget Office. In addition, this law has shifted the fiscal year time frame from the July 1 to June 30 fiscal year, to an October 1 to September 30 fiscal year. The change gives Congress more time to evaluate the President's budget proposals (submitted near the beginning of each session of Congress) as well as time to accommodate the new Congressional budget procedures prescribed in the law.

Fifteen days after Congress convenes in January, the President announces his budget. From the end of January through March, the House and Senate Budget Committees draft their first budget resolution and deliver their reports on April 15. The first budget resolution is based on many elements, including budget estimates and views received from each legislative committee on March 15. By May 15, Congress should complete action on the first budget resolution.

The first resolution is intended as a broad outline of government spending and anticipated revenues for the coming fiscal year. On May 15, all legislative committees should have decided upon legislative appropriations and reported these to the House Appropriations Committee. The Appropriations Committee, in turn, compares the Committees' anticipated spending with the first budget resolution and five-year projection. During the month of August, both Budget Committees draft a second budget resolution and report. Congressional action on the second budget resolution should be completed by September 15. This action is binding on the Congress, and additional monies cannot be expended without a waiver which must be approved by the Congress. On September 25 Congress completes action on the reconciliation bill worked out between the House and Senate Budget Committees. The congressional budget deadline mandates that Congress will not adjourn until the budget is settled and the second resolution is accepted. Any legislation which exceeds these ceilings is subject to a point of order from any member.

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The significance of the new Congressional budget process is twofold. First, Congress has pledged to take full responsibility for the ultimate shape of the national budget. For the first time, Congress is assessing budget outlays and government revenues in the same resolution. Both Houses are taking a total look at what the government will invest and the taxes the government will take in. As a result, the legislative branch has accepted full responsibility for the deficit or surplus which might ultimately emerge.

A second and very significant by product of the new Congressional budget process is the fact that Congress will now serve more effectively in the checks and balances system as it relates to government spending. Prior to this new budget system, only the executive branch had a broad base for budget analysis, the Office of Management and Budget. The legislative branch could previously manage, at best, a very fragmented view of the budget. The Congressional Budget Act of 1974 was designed to eliminate this inequity by establishing a Congressional Budget Office whose job it is to provide Congress with ongoing technical information about the economy and the budget. Since the President and the Congress can both now draw on a stable source of budget information, the checks and balances system of the government can operate effectively at one of the most important levels, the fiscal level.