



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

SECTION-BY-SECTION DESCRIPTION

The fiscal year 2025 concurrent resolution on the budget establishes an overall budgetary framework. As required under the Congressional Budget Act of 1974 (Budget Act), this concurrent resolution includes aggregate levels of new budget authority, outlays, revenues, the amount by which revenues should be changed, the surplus or deficit, new budget authority and outlays for each major functional category, debt held by the public, and debt subject to the statutory limit. This concurrent resolution also sets appropriate budgetary levels for fiscal years 2026 through 2034.

This concurrent resolution also includes rulemaking provisions necessary to enforce the budget resolution, procedures for adjusting the budget resolution, provisions to accommodate legislation not assumed in the budget resolution, and certain policy assumptions underlying the budget resolution.

Section 1. Concurrent Resolution on the Budget for Fiscal Year 2025.

Subsection (a) establishes the budget for fiscal year 2025 and each of the nine ensuing fiscal years, 2026 through 2034, at the levels that appear subsequently in the resolution, replacing all prior concurrent resolutions on the budget. Section 301(a) of the Budget Act requires the budget resolution to establish budgetary levels for the fiscal year for which such resolution is adopted and for at least each of the four ensuing fiscal years.

Subsection (b) sets out the table of contents of the budget resolution.

TITLE I – RECOMMENDED LEVELS AND AMOUNTS

Section 101. Recommended Levels and Amounts.

Section 101, as required by section 301 of the Budget Act, establishes the recommended levels for revenue, the amount by which revenue should be changed, total new budget authority, total outlays, surpluses or deficits, debt subject to the statutory limit, and debt held by the public.

While the revenue level operates as a floor against which all revenue legislation is measured, the recommended levels of new budget authority and outlays serve as a ceiling for spending legislation. The surplus or deficit levels include only on-budget outlays and revenue.

Most outlays and receipts related to the Social Security program and United States Postal Service are not included because both accounts are statutorily off-budget.

Debt subject to the limit reflects the gross Federal debt, but excludes debt issued by the Federal Financing Bank or by non-Treasury agencies. Debt held by the public is the amount of debt issued and held by entities or individuals other than the U.S. Government and includes Treasury debt held by the Federal Reserve system.

Section 102. Major Functional Categories.

Section 102, as required by section 301(a) of the Budget Act, establishes the budgetary levels for each major functional category for fiscal year 2025 and for fiscal years 2026 through 2034.

These major functional categories include:

- 050 National Defense
- 150 International Affairs
- 250 General Science, Space, and Technology
- 270 Energy
- 300 Natural Resources and Environment
- 350 Agriculture
- 370 Commerce and Housing Credit
- 400 Transportation
- 450 Community and Regional Development
- 500 Education, Training, Employment, and Social Services
- 550 Health
- 570 Medicare
- 600 Income Security
- 650 Social Security
- 700 Veterans Benefits and Services
- 750 Administration of Justice
- 800 General Government
- 900 Net Interest
- 920 Allowances
- 930 Government-Wide Savings and Adjustments
- 950 Undistributed Offsetting Receipts

TITLE II – BUDGET ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES

Section 201. Point of Order Against Increasing Long-Term Direct Spending.

Subsection (a) establishes a point of order against the consideration of any measure, or amendment thereto or conference report thereon, that increases long-term net direct spending by more than \$2.5 billion in any of the four 10-fiscal year periods after the budget window.

Subsection (b) requires the Congressional Budget Office (CBO), to the extent practicable, to prepare an estimate of whether a measure reported by a committee, other than an appropriation measure, or amendment thereto or conference report thereon, would cause a net increase in direct spending in excess of \$2.5 billion in any of the four consecutive 10-fiscal year periods beginning with the first fiscal year that is 10 fiscal years after the current fiscal year.

Subsection (c) states that application of this section in the House shall not apply to any measure, or amendment thereto or conference report thereon, for which the Chair of the House Committee on the Budget adjusts the allocations, aggregates, or other budgetary levels in this concurrent resolution.

Subsection (d) affirms the authority of the Chair of the House Committee on the Budget to determine the estimates that are used to enforce this section.

Section 202. Limitation on Changes in Certain Mandatory Programs.

Section 202 strengthens the enforcement of the Committee on Appropriations' 302(a) allocation and 302(b) suballocations by limiting the amount Congress can use mandatory savings to meet the overall limit on discretionary spending.

Subsection (a) defines the term “change in mandatory programs” (CHIMPs) as a provision that: (1) would have been estimated as affecting direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002) if such provision were included in legislation other than appropriations acts; and (2) results in a net decrease in budget authority in the budget year but does not result in a net decrease in outlays over the period of the current year, budget year, and all fiscal years covered under the most recently agreed to budget resolution.

Subsection (b) establishes a point of order against any provision in a bill or joint resolution, making appropriations for a full fiscal year that proposes a change in mandatory programs, or amendment thereto or conference report thereon, that, if enacted, would cause the absolute value of all such changes in mandatory programs enacted in relation to a full fiscal year to be more than \$15 billion for fiscal year 2025.

Subsection (c) stipulates that, for purposes of this section, budgetary levels shall be determined based on estimates provided by the Chair of the House Committee on the Budget.

Section 203. Limitation on Advance Appropriations.

Section 203 establishes a limit on advance appropriations, defined as budget authority that first becomes effective following fiscal year 2025.

Subsection (a) establishes a general rule that prohibits the consideration of any general appropriation bill or bill or joint resolution continuing appropriations, or amendment thereto or conference report thereon, from providing advance appropriations.

Subsection (b) provides exceptions to the general rule for three separate lists of accounts included in the report accompanying this concurrent resolution – one for miscellaneous accounts identified under the heading “Accounts Identified for Advance Appropriations” in an aggregate amount not to exceed \$28.852 billion in new budget authority, one for veterans accounts under the heading “Veterans Accounts Identified for Advance Appropriations”, and one for Indian health accounts under the heading “Indian Health Accounts Identified for Advance Appropriations” in an aggregate amount not to exceed the total budget authority provided for such accounts for fiscal year 2025 in bills or joint resolutions making appropriations for fiscal year 2025.

Subsection (c) defines an “advance appropriation” as any new discretionary budget authority provided in a general appropriation bill or bill or joint resolution continuing appropriations for fiscal year 2025, or any amendment thereto or conference report thereon, that first becomes available following fiscal year 2025.

Section 204. Estimates of Debt Service Costs.

Section 204 stipulates that the Chair of the House Committee on the Budget may direct CBO to include an estimate of debt service costs (if any) resulting from carrying out legislation in any estimate prepared pursuant to section 402 of the Budget Act. These estimates are advisory and will not be used to determine whether a measure complies with the limits established in the budget resolution and other budget rules. This requirement is not intended to apply to the authorization of discretionary programs nor to appropriation bills or joint resolutions but is intended to apply to changes in the authorization level of appropriated entitlements.

Section 205. Fair-Value Credit Estimates.

Subsection (a) directs CBO, at the request of the Chair Committee of the Budget, to include a supplemental fair-value estimate in its cost estimate for any legislation modifying or establishing a loan or loan guarantee program.

Subsection (b) requires CBO to include estimates of loan and loan guarantee programs on a fair-value and credit reform basis in its *The Budget and Economic Outlook* to the extent practicable.

Subsection (c) permits the Chair of the House Committee on the Budget to use the supplemental fair-value estimates provided pursuant to subsection (a) in determining whether legislation complies with the Budget Act and other budget rules.

Section 206. Adjustments for Improved Control of Budgetary Resources.

Subsection (a) permits the Chair of the House Committee on the Budget to adjust the budget resolution to accommodate legislation that subjects an existing mandatory spending program to annual appropriations. The Chair would increase the 302(a) allocation to the Committee on Appropriations by the amount of the new discretionary program and reduce the 302(a) allocation of the authorizing committee that reported the legislation. An adjustment would be made upon the enactment of the legislation.

Subsection (b) authorizes the Chair to make the adjustments under subsection (a) and affirms the Chair's authority to determine the estimates used to execute this section.

Section 207. Limitation on Transfers from the General Fund of the Treasury to the Highway Trust Fund.

Section 207 stipulates that legislation that transfers funds from the general fund of the Treasury to the Highway Trust Fund will count as new budget authority and outlays in the fiscal year the transfer occurs for purposes of budget enforcement.

Section 208. Budgetary Treatment of Administrative Expenses.

Subsection (a) provides that the administrative expenses of the Social Security Administration and the United States Postal Service are reflected in the allocation to the Committee on Appropriations even though both are technically off-budget. This language is necessary to ensure the Committee on Appropriations retains control over administrative expenses for these agencies through the annual appropriations process. This budgetary treatment is based on the long-term practice of the House and Senate Committees on the Budget.

Subsection (b) requires administrative expenses to be included in the cost estimates for the relevant appropriation measure, which are used to determine if a measure exceeds the budget resolution's spending limits.

Section 209. Application and Effect of Changes in Allocations and Aggregates.

Subsection (a) specifies the procedure for adjusting the levels established by the budget resolution under the reserve funds and other special procedures in this concurrent resolution. It provides that the adjustments apply while the legislation is under consideration and take effect upon enactment of the legislation. The Chair of the House Committee on the Budget must submit any adjustments to the budget resolution for printing in the Congressional Record.

Subsection (b) clarifies that the adjusted levels in the budget resolution are fully enforceable under the Budget Act and other budget rules.

Subsection (c) stipulates that the Chair of the House Committee on the Budget is the ultimate arbiter of the cost estimates for legislation used to enforce the budget resolution and budget rules.

Subsection (d) clarifies that legislation for which an adjustment to the budget resolution is made, such as those in the reserve funds in Title III, is not subject to the point of order set forth in clause 10 of rule XXI of the Rules of the House Representatives, commonly referred to as the House Cut-As-You-Go rule.

Section 210. Adjustments to Reflect Changes in Concepts and Definitions.

Section 210 authorizes the Chair of the House Committee on the Budget to adjust the appropriate budgetary levels of this concurrent resolution for any change in budgetary concepts and definitions in accordance with section 251(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Section 211. Adjustment for Changes in the Baseline.

Section 211 authorizes the Chair of the House Committee on the Budget to adjust the applicable budgetary levels in this concurrent resolution to reflect changes from CBO's update to its baseline for fiscal years 2025 to 2034.

Section 212. Exercise of Rulemaking Powers.

Section 212 affirms the adoption of this concurrent resolution is an exercise of the rulemaking power of the House of Representatives and that the House of Representatives has the constitutional right to change these rules.

TITLE III – RESERVE FUNDS IN THE HOUSE OF REPRESENTATIVES

Title III establishes four reserve funds, which are special procedures that provide the committee reporting specific legislation flexibility as to the timing and composition of offsets in the legislation.

Section 301. Deficit Neutral Reserve Fund for Investments in National Infrastructure.

Section 301 permits the Chair of the House Committee on the Budget to adjust the allocations, aggregates, and other appropriate levels in the budget resolution for legislation that invests in national infrastructure if such a measure would not increase the deficit for the period of fiscal years 2025 through 2034.

Section 302. Reserve Fund for Pro-Growth Tax Policies.

Section 302 permits the Chair of the House Committee on the Budget to adjust the allocations, aggregates, and other appropriate levels in the budget resolution for legislation reported by the Committee on Ways and Means that advances pro-growth tax reforms and simplifies the tax code.

Section 303. Deficit Neutral Reserve Fund for Medical Innovation.

Section 303 permits the Chair of the House Committee on the Budget to adjust the allocations, aggregates, and other appropriate levels in the budget resolution for legislation related to promoting

American medical innovation if such a measure would not increase the deficit for the period of fiscal years 2025 through 2034.

Section 304. Reserve Fund for Trade Agreements.

Section 304 permits the Chair of the House Committee on the Budget to adjust the allocations, aggregates, and other appropriate levels in the budget resolution for legislation reported by the Committee on Ways and Means that modifies tariffs on imports or implements trade agreements.

TITLE IV – POLICY STATEMENTS IN THE HOUSE OF REPRESENTATIVES

Section 401. Policy Statement on Economic Growth.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution to pursue policies that embrace the free market and promote economic growth through reducing federal spending and deficits; expanding American energy production by eliminating excessive burdens and barriers placed on energy producers; lowering taxes that discourage work, savings, and investment; deregulating the economy and enacting reforms to restrict future bureaucratic red tape; eliminating barriers to work that keep Americans on the sidelines; expanding free and fair trade; and restructuring health care to focus on patients and cures instead of administrative control.

Section 402. Policy Statement on Unauthorized Appropriations.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that the House should enact legislation establishing a schedule for reauthorizing all Federal programs on a staggered basis with declining spending limits for each year a program is not reauthorized. Congress would be prohibited from funding programs above specified levels. These limits would gradually decrease the longer a program remained unauthorized. The policy further states that this new rule should be strictly enforced.

Section 403. Policy Statement on Improper Payments.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution to lower improper payment rates by \$1 trillion over the next decade by working closely with authorizing committees throughout the budget process to: require all Federal programs to annually report improper payment rates; streamline the processes and mechanisms through which information is shared between Federal agencies; task Federal agencies to implement technologies to identify patterns indicative of fraudulent activities or errors, and enhance eligibility verification processes to ensure that only qualified receipts

receive benefits; incentivize States and Federal agencies to comply with anti-fraud rules; and hold programs and agencies accountable for continued or prolonged failure to prevent and mitigate improper payments.

Section 404. Policy Statement on Budget Gimmick Reform.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that the House should pursue reforms to the budget and appropriations process that eliminate the use of budget gimmicks, to ensure greater transparency, accountability, and fiscal discipline; specific mechanisms should be implemented to correct the current fiscal path and safeguard the Nation's economic future, such as the use of budgetary caps, stricter criteria for emergency spending, the prohibition of "bad CHIMPs," and the requirement to direct savings towards deficit reduction; the House supports efforts to engage in discussions that refine and enact these reforms to restore fiscal responsibility; and that by pursuing reform, the House reaffirms its commitment to fiscal responsibility and the elimination of practices that obscure the Federal budget's true condition.

Section 405. Policy Statement on Higher Education and the American Workforce.

Subsection (a) sets out findings on higher education.

Subsection (b) states it is the policy of this concurrent resolution to promote college affordability, access, and success by reserving Federal financial aid for those most in need and streamlining grant and loan programs to help students and families more easily assess their options for financing post-secondary education; removing regulatory barriers to reduce costs, increase access, and allow for innovative teaching models; increasing accountability for colleges and universities and ensuring students and taxpayers receive a return on investment; and championing policies that achieve these goals, including H.R. 6951, the College Cost Reduction Act.

Subsection (c) sets out findings on the American workforce.

Subsection (d) states it is the policy of this concurrent resolution to promote and advocate policies that benefit all American workers and businesses by further streamlining and consolidating Federal workforce development programs; empowering States with the flexibility to tailor funding and programs to the specific needs of their workforce and employers; and protecting employee freedom, promoting union accountability, supporting independent contractors, updating the Fair Labor Standards Act, and strengthening retirement security for workers and families.

Section 406. Policy Statement on Medicare.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution to support bipartisan solutions to save Medicare for those in or near retirement and strengthen the program's

solvency for future beneficiaries.

Section 407. Policy Statement on Promoting Patient-Centered Health Care Reform.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that Americans deserve affordable, accessible, and personalized health care coverage that best fits their needs; Congress should enact policies that increase competition and transparency in health care markets by targeting the incentives that drive consolidation, including bipartisan legislation to equalize payments between hospital outpatient departments and independent physician offices; the American health care system should encourage research, development, and innovation in the medical sector, rather than stymie growth through overregulation; States should determine the parameters of acceptable private insurance plans based on the needs of their populations and retain control over other health care coverage standards; reforms should protect patients with pre-existing conditions and create greater parity between benefits offered through employers and those offered independently; States should have greater flexibility in determining their Medicaid programs and State Children's Health Insurance Programs; and States should have the flexibility to implement medical liability policies to best suit their needs.

Section 408. Policy Statement on Medical Innovation.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that Congress should foster investment in health care innovation and maintain the Nation's world leadership status in medical science by encouraging competition; continue to support the critical work of medical innovators throughout the country through preserving free market incentives to conduct life-saving research and development; and unleash the power of private-sector medical innovation by removing regulatory obstacles and rejecting centralized government price controls for innovative cures and therapies that impede the development and adoption of new medical technology and pharmaceuticals and increase costs for patients.

Section 409. Policy Statement on Medicaid Work Requirements.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that Congress should enact legislation, similar to the provisions in the House-passed Limit, Save, Grow Act of 2023 (H.R. 2811), that encourages able-bodied adults without dependents to work, actively seek work, participate in a job-training program, or do community service in order to receive Medicaid benefits; legislation implementing Medicaid work requirements could require able-bodied adults without dependents to work, engage in community service, or participate in a work training program for at least 80 hours per month to remain eligible for Medicaid; States should be given flexibility to determine the specific parameters of qualifying program participation and work-

equivalent experience; States should perform regular case checks to ensure taxpayer dollars are appropriately spent; and the Government Accountability Office or the U.S. Department of Health and Human Services Inspector General should annually audit State Medicaid programs to ensure proper reporting and prevent waste, fraud, and abuse.

Section 410. Policy Statement on Combating the Opioid Epidemic.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that combatting opioid abuse using available budgetary resources remains a high priority; the House, in a bipartisan manner, should continue to examine the Federal response to the opioid abuse epidemic and support essential activities to reduce and prevent substance abuse; the Federal Government should secure the U.S. southern border to reduce the flow of fentanyl and other opioids into the Nation; the House should examine the specific threat posed by fentanyl and fentanyl analogues and support initiatives to reduce the supply of fentanyl in the U.S. and mitigate its deadly impact on American lives; the House should engage in oversight efforts to ensure taxpayer dollars intended to combat opioid abuse are spent appropriately and efficiently; and the House should collaborate with State, local, and tribal entities to develop a comprehensive strategy for addressing the opioid addiction crisis.

Section 411. Policy Statement on Border Security.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution to implement the policies set forth in H.R. 2, the Secure the Border Act of 2023; that it is imperative for Congress to dedicate appropriate resources to the Department of Homeland Security to deter and prevent illegal immigration, secure the border, and effectively control the entry and exit of all people; and that enforcing our borders and the rule of law should be a top priority for Congress.

Section 412. Policy Statement on the Supplemental Nutrition Assistance Program.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that the House Committee on Agriculture should look for opportunities to strengthen measures related to employment, integrity, and health; and that benefit recipients and the American taxpayer deserve a program that provides for those in need while emphasizing pathways out of poverty.

Section 413. Policy Statement on Agriculture.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that the House Committee on Agriculture should improve and strengthen the Farm Safety Net.

Section 414. Policy Statement on Bipartisan Fiscal Commission.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that the House recommends the creation of a bipartisan fiscal commission, consistent with H.R. 5779, as ordered reported by the House Committee on the Budget.

Section 415. Policy Statement on Government Deregulation.

Subsection (a) sets out findings.

Subsection (b) states it is the policy of this concurrent resolution that Congress should examine ways to relieve the burdens of overregulation throughout the Federal Government; House Republicans remain at the ready to promote initiatives that will reduce government bureaucracy, restore Article I congressional power, enhance federalism, and increase economic prosperity through deregulation; ensure that once harmful and costly regulations are repealed, they cannot be reimposed; develop policies with authorizing committees that will demonstrate the contributions to economic growth and reducing government spending embodied in legislation like the Regulations from the Executive in Need of Scrutiny (REINS) Act; and reestablish the role of Congress in checking executive branch overreach in the future.