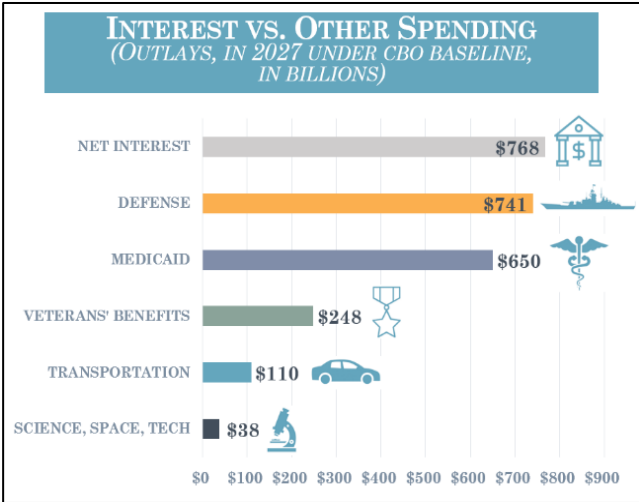


## Budget Digest – Week of March 27<sup>th</sup>

### WHAT IS A BUDGET RESOLUTION?

**What is a Budget Resolution?** The budget resolution is the only legislative vehicle that provides both a comprehensive view of the Federal Government’s finances and a plan for Congress to address the Nation’s fiscal challenges. The budget is a *concurrent resolution* – a solely congressional measure, agreed to by the House and Senate, that does not require the President’s signature to become the blueprint for fiscal policy. It provides the framework for subsequent spending and tax bills that do become law.

**Why Should Congress Adopt a Budget Resolution?** Federal finances are on an unsustainable path. The Congressional Budget Office [CBO] projects annual budget deficits will rise over the next decade, reaching \$1.4 trillion by 2027. That will push up the stock of national debt – which reflects the *cumulative* level of deficits over time – to \$25 trillion, or 89 percent of gross domestic product, in 2027. That would mark the highest debt share since 1947, just after World War II.



CBO projects interest costs will more than triple over the next 10 years, soaring from \$241 billion in 2016 to \$768 billion in 2027. Within a decade, the government will spend more on interest payments than it does on national defense, Medicaid, veterans’ benefits, transportation, and science (see figure). Interest on the debt will become the government’s third largest expenditure, following only Social Security and Medicare. Adopting a budget resolution shows how Congress would address these major challenges.

**What if Congress Fails to Pass a Budget Resolution?** Failing to pass a budget would irresponsibly ignore a fast approaching debt crisis and put current and future generations of Americans increasingly at risk. It forfeits the powerful reconciliation tool, a key means of putting substantial deficit reduction and reform legislation, such as tax reform, on the President’s desk. Without a budget resolution, Congress ignores the regular order of appropriations, making omnibus bills or continuing resolutions more likely and diminishing individual lawmakers’ influence over spending priorities.