Complex Budget Terms and Processes — and Why They Matter

Whether it’s health care, tax reform, the debt ceiling, the end of the fiscal year or the annual appropriations process, the 2017 legislative calendar is filled with issues that have significant fiscal implications.

Understanding what’s happening on Capitol Hill requires an understanding of the Congressional budget process — which is notoriously technical, complex and arcane.

Many Americans might not know what the Byrd Rule is or how long the budget window lasts, but these terms describe important rules and procedures that are meant to help ensure responsible budgeting.

Budget decisions, after all, affect the lives of all Americans, as well as our economy. And with a $4 trillion budget at stake — one-fifth of the U.S. economy — understanding the rules behind the budget is critical for policymakers and Americans alike.

As our elected leaders debate the spending and revenue policies for 2018, this explainer aims to help readers understand complex budget terms and processes — and why they are so important.

In the following pages, we look at budget terms, rules and processes including:

- Congressional Budget Resolution
- Budget Window
- Budget Reconciliation
- Byrd Rule
- PAYGO
- Sequestration
- Discretionary Spending Caps
- Congressional Budget Office

For more information about the budget process, please visit PGPF’s Understanding the Budget.