

insights

TYPES NOT MAPPED YET June 06, 2023 | TTR not mapped yet | Christopher T. Murray

302(b) Allocations

The appropriations suballocation (or budget cap) issued to each of the 12 congressional appropriations subcommittees, usually following the passage of a concurrent budget resolution.

Inside Job

The Congressional Budget Act of 1974 (the Budget Act) [requires](#) the appropriations committees in both the House and Senate to create, reconcile, and pass a budget. There are several checks in this process designed to constrain spending. One of these is 302(b) allocations, which are a relatively obscure but incredibly important mechanism of congressional appropriations.

The process starts with the [submission](#) of the President's annual budget request to Congress. The Budget Committees in each chamber then create a budget resolution, and if passed by both chambers, a conference is held to reconcile differences, arriving at a [concurrent budget resolution](#). This budget resolution contains spending limits for each of the committees in the House and Senate with jurisdiction over spending, which are referred to as 302(a) allocations. The appropriations committees in the House and Senate then further subdivide their 302(a) allocation into 302(b) allocations, which set the spending limits for each of the 12 appropriations subcommittees.

How to Succeed in Business Without Really Trying

302(b) allocations only apply to [discretionary spending](#). Most federal spending is mandatory spending, based on formulas with established criteria from their authorizing statutes (*e.g.*, Social Security). Congress sets discretionary spending through annual appropriations.

Functionally, the 302(b) allocation gives each appropriations subcommittee the amount of money they can spend for that fiscal year. Then, each subcommittee [divvies up](#) those funds among the programs of the departments and agencies under its jurisdiction when it marks up its bill.

This is how the process is supposed to work. Completion of the full budget and appropriations processes has not occurred in nearly two decades, and Congress has come to rely instead on massive omnibus appropriations bills and continuing resolutions to carry out their constitutional spending authority. In fact, when Congress has yet not completed its budget, a chamber can "deem" 302(b) allocations so that the subcommittees can begin working on marking up their bills.

Moneyball

302(b) allocations, like much of the appropriations process, are subject to political and economic pressures. The current inflationary environment and recent high-stakes compromise to increase the debt ceiling have led to limits on federal discretionary spending. Just a few weeks ago, it appeared possible that non-defense discretionary spending could see substantial cuts. But with a debt ceiling deal now signed into law and modest federal spending caps determined for the next two years, congressional appropriators will turn to setting 302(b)s and writing their bills. What could have been a rout for non-defense discretionary programs has been avoided, but appropriators still have a lot of complicated and consequential decisions to make.



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