

Glossary

Commonly used budget terms.

302(a) Allocations: 302(a) allocations determine the total amount of funding going to all discretionary programs in the upcoming fiscal year. While the allocation does not set funding levels for specific programs or agencies, it determines the total size of the pie.

302(b) Allocations: The House and Senate Appropriations Committees each determine their own 302(b) allocations by dividing the amount set out in the 302(a) allocation among the appropriations subcommittees. This divides the pie up into respective slices based on each appropriations subcommittee's jurisdiction. The subcommittees then continue to divide up those funds to specific programs.

Appropriations: Congress passes appropriations, either through yearly bills setting funding levels or through supplemental measures if the initial funding was insufficient, which allow federal agencies to make payments for specified purposes.

Appropriations Committees: The House and Senate each have powerful appropriations committees. These committees are in charge of writing the appropriations bills that set funding levels for all discretionary programs. Each committee has a series of subcommittees that set funding levels for a specific set of programs. The appropriations subcommittees most relevant for programs for hungry and poor people are the State-Foreign Operations Subcommittee, the Agriculture Subcommittee, and the Labor-Health and Human Services Subcommittee.

Authorization: Congress passes authorization bills to create programs and determine how they operate for either a set number of years or permanently. For discretionary programs, authorizing bills set a recommended amount of money for that program's yearly funding. However, final funding levels are determined only by the appropriations committees, which do not have to follow those recommendations.

Budget Committee: House and Senate budget committees write the yearly budget resolution, including the 302(a) allocations, and often make recommendations about the budget process.

Budget Resolution: Intended to be passed every year by Congress, the budget resolution establishes the 302(a) allocations and makes funding recommendations. It may also include reconciliation instructions, requiring congressional committees to propose changes in law to bring the programs they oversee into compliance with the resolution's funding levels. The budget resolution is not law and does not have to be signed by the president.

Debt: Because the federal government often runs a deficit, it must incur debt to pay for all its commitments. The total debt is the amount of money, plus interest, that the government owes on this borrowing. This takes the form of bonds owned by private citizens and companies, money owed to various federal accounts—such as the Social Security Trust fund—and debts owed to foreign governments.

Debt Ceiling: Set by Congress, the debt ceiling is the total amount of debt that the United States government is authorized to incur to meet its existing legal obligations, including Social Security and Medicare benefits, military salaries, interest on the national debt, tax refunds, and other payments. Increasing the debt limit does not authorize new spending commitments; rather, it allows the government to pay its bills.

Deficit: If the government spends more money than it takes in during a given year, it runs a deficit.

Discretionary Program: Programs that have their funding determined every year through the appropriations process are known as discretionary programs. Discretionary programs include poverty-focused development assistance, the military, education programs, and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

(continues on back)

Gross Domestic Product (GDP): The value of all goods and services produced within a country. GDP is used as a measure of economic strength.

Mandatory Programs: Also known as entitlements, mandatory programs do not have their yearly funding set by appropriations. Instead, these programs spend as much as necessary to meet the needs of eligible recipients as set out in their authorization. Examples include the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Medicare, Social Security, and Medicaid.

Millennium Challenge Corporation (MCC): A United States foreign aid agency created in 2004, which delivers assistance with three specific guidelines: competitive selection, country-led solutions, and country-led implementation. The MCC works with middle-income countries through three- to five-year compacts in order to develop certain sectors.

Per Capita Income: Average annual income per person of a country.

Poverty-Focused Development Assistance (PFDA): A portion of U.S. foreign assistance funding that is targeted at reducing poverty and helping hungry and poor people. It includes programs such as global health, child survival, food aid, and agricultural development. Currently, these programs comprise 0.6 percent of the federal budget.

U.S. Agency for International Development (USAID): The primary U.S. federal aid agency responsible for administering civilian foreign aid and support of economic growth, agriculture and trade, global health, democracy, conflict prevention, and humanitarian aid. While USAID leads on foreign assistance, it works within the Department of State.



breadfortheworld
HAVE FAITH. END HUNGER.