

# Key Budget Players and Process

House Budget Committee – budget resolutions

House Appropriations Committee – defense and nondefense appropriations bills

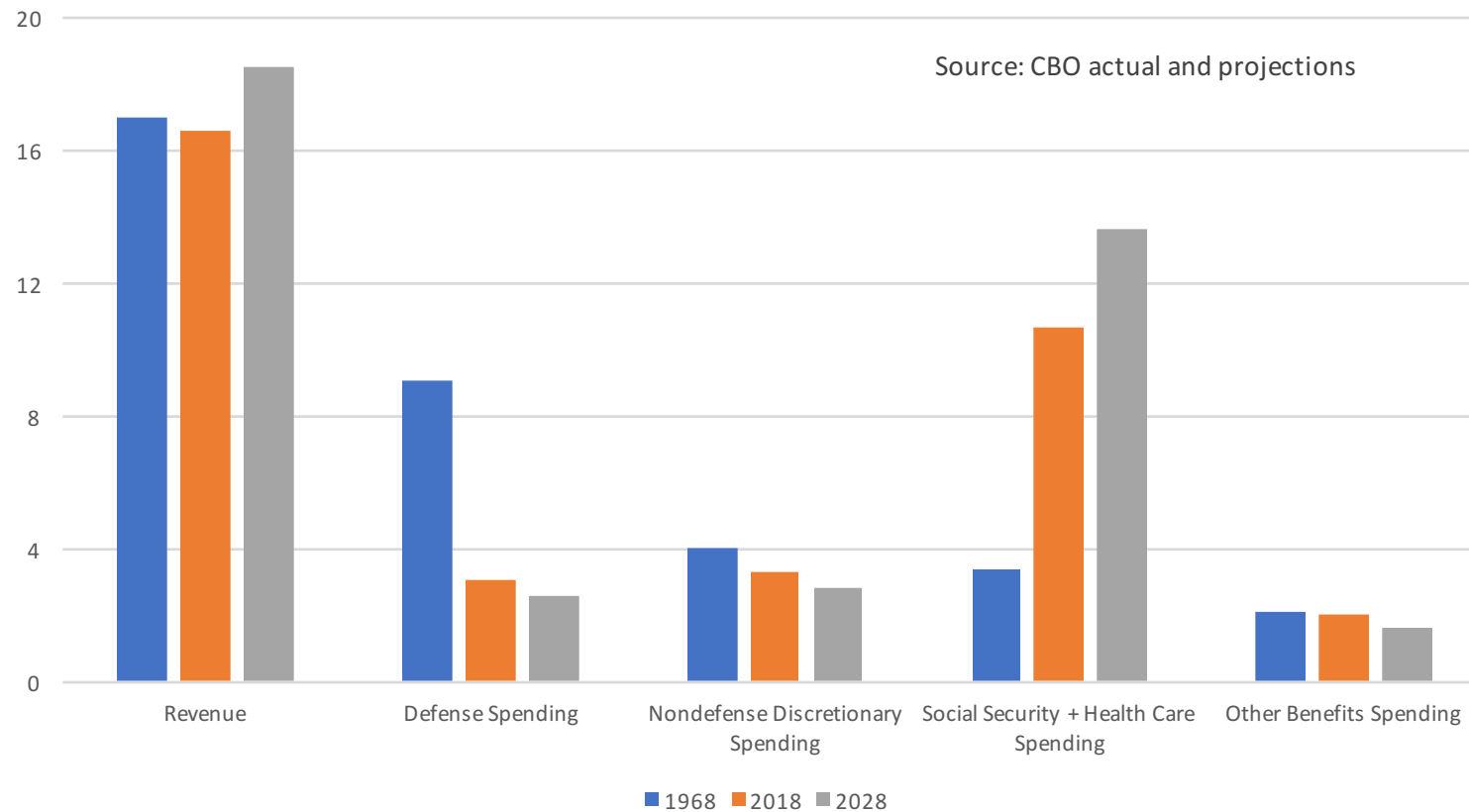
House Ways and Means Committee – tax bills

Congressional Budget Office

- Provides baseline budget projections and cost estimates (“scores”) of bills (though estimates for tax bills come from the staff of the Joint Committee on Taxation)
- Nonpartisan; makes no policy recommendations; works for leaders of House and of key House committees on both sides of the aisle

# Key Budget Numbers

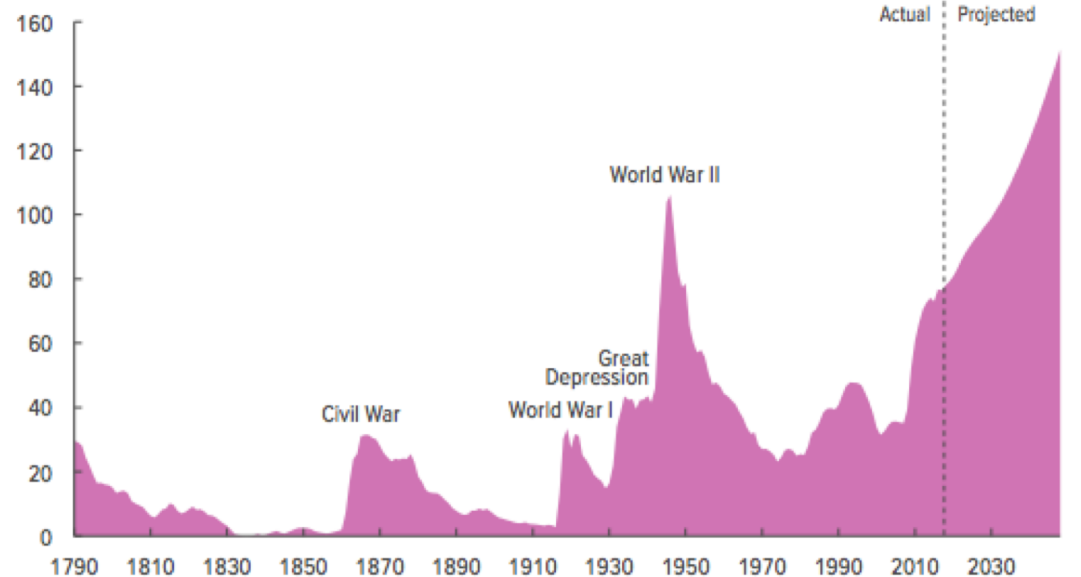
## Major Budget Components (percent of GDP)



# Key Budget Choices

## Federal Debt Held by the Public

Percentage of Gross Domestic Product



Source: Congressional Budget Office.

Tax and spending policies will need to be changed eventually to reduce budget deficits and debt relative to current-law projections.

Because Treasury interest rates probably will remain lower than usual, deficits do not need to be reduced immediately – but legislating changes well in advance of implementing them would be sensible.

P.S. Budget deficits should be large when unemployment is high.