Follow the Money:  
The U.S. Budget and You

Part 7: Words to Know
7. Words to Know

**amendment**

An amendment is a change to a document.

**appropriations bills**

Appropriations bills explain how to spend the money in the budget.

**Appropriations Committee**

The Appropriations Committee decides how much money to spend on some things the government does.

The House of Representatives and the Senate both have their own Appropriations Committee.

**bill**

A bill is a draft version of a proposed law. It is not yet a law and it can be changed.

**budget**

A plan for saving and spending money.

**budget process**

See “federal budget process.”
**budget request**

When the President explains what the President wants the budget to be.

**budget resolutions**

What Congress wants the budget to be.

**capping**

When the government “caps” spending, it puts limits on how much money is spent on programs.

**caps**

Limits to how much money can be spent on something

**committees**

A committee is a group of legislators who work on a specific set of issues, for example, a Committee on Gender Equality.

**conference**

When the House and the Senate combine two different bills into one bill for the President.

**conference committee**

A conference committee is a committee made up of members of both the House and the Senate.
**Congress**
The part of the federal government that makes laws.

**continuing resolution**
A bill passed by Congress to keep spending money at the same rates as the last fiscal year.

**corporate tax**
A business gives the government some of the money it makes. This is called a corporate tax.

**deficit**
When the government spends more money than it gets from taxes.

**discretionary spending**
Money the government can only spend when a budget bill is passed.

**entitlement**
The government pays for entitlement programs. These programs must give benefits to some groups of people.

**essential**
Some services are considered essential. That means they need to happen no matter what. The people who provide these services have “essential jobs.”
**federal budget**

The federal government’s plan for how it will get money and spend money.

**federal budget process**

The federal budget process is the way the federal government decides how to spend money.

**federal government**

The government that is charge of the entire country and is based in Washington, D.C.

**fiscal year**

A fiscal year starts and stops at different times than a regular year. For example, a normal year starts in January and ends in December.

The federal government’s fiscal year starts in October and ends in September.

**House of Representatives**

The House of Representatives is one of the two parts of Congress.

**income tax**

If you have a job, you have to give some of the money you make to the government. The money you make is called “income,” so this kind of tax is called an income tax.
law

Laws are rules the government makes that everyone has to follow.

mandatory spending

There are some things that the government has to pay for all the time. These things are called mandatory spending.

markup

“Marking up” a bill means to make changes to the bill.

members of Congress

Members of Congress are the people who have the power to make federal laws.

national debt

The amount of money that the government needs to pay back.

omnibus bill

A bill that bundles together all the different budget resolutions, to make them easier to vote on. Omnibus bills are very long.
PAYGO

PAYGO is a rule that Congress made. PAYGO is short for “pay-as-you-go.”

PAYGO limits the amount of money the government can spend so that the national debt doesn’t get bigger.

The PAYGO rule says that whenever Congress decides to do something that costs money, they have to explain how they will pay for it.

PAYGO sequestration

If Congress doesn’t explain how they will pay for something, the PAYGO rules decide for them. The rules automatically take money out of many programs.

raising the caps

When the government raises the caps, it lets more money get spent on important programs.

reconciliation

Congress made a special process for some kinds of budget bills. Usually, a bill needs 60 votes to pass in the Senate.

When the Senate decides to use reconciliation, they only need 51 votes to pass a bill.

Representatives

Representatives are the elected officials in the House of Representatives.
sales tax

When you buy something, part of the money you spend goes to the government. This is called a sales tax.

Senate

The Senate is one of the two parts of Congress. There are 100 Senators in the U.S. Senate. There are two Senators for each state.

Senators

Senators are the elected officials in the Senate.

sequestration

Sequestration is a word for spending less money.

shutdown

When the government closes because Congress has not passed a budget bill.

state government

State governments are almost exactly the same as the federal government. State governments are just on a smaller scale. State governments make laws that apply to their states.

subcommittees

Smaller groups of people who are part of a larger committee. In Congress, subcommittees focus on different things that the federal government does.
**surplus**

A surplus is when the government spends less money than it gets from taxes.

**taxes**

Money that people have to pay to federal and state governments.

**veto**

To veto something is to reject it. Veto can also be used as a noun.