

(2) The interest rate that a commercial bank pays when it borrows from a Federal Reserve Bank. The discount rate is one of the tools of monetary policy used by the Federal Reserve System. The Federal Reserve customarily raises or lowers the discount rate to signal a shift toward restraining or easing its monetary and credit policy. (*See also* Monetary Policy.)

Discretionary

A term that usually modifies either “spending,” “appropriation,” or “amount.” “Discretionary spending” refers to outlays from budget authority that is provided in and controlled by appropriation acts. “Discretionary appropriation” refers to those budgetary resources that are provided in appropriation acts, other than those that fund mandatory programs. “Discretionary amount” refers to the level of budget authority, outlays, or other budgetary resources (other than those which fund mandatory programs) that are provided in, and controlled by, appropriation acts. (*See also* Appropriation Act; Appropriations *under* Forms of Budget Authority *under* Budget Authority; One-Year Authority *under* Duration *under* Budget Authority; Gramm-Rudman-Hollings. For a contrast, *see* Entitlement Authority; Mandatory.)

E

Earmarking

Either of the following:

(1) Dedicating collections by law for a specific purpose or program. Earmarked collections include trust fund receipts, special fund receipts, intragovernmental receipts, and offsetting collections credited to appropriation accounts. These collections may be classified as budget receipts, proprietary receipts, or reimbursements to appropriations.

(2) Designating any portion of a lump-sum amount for particular purposes by means of legislative language. Sometimes, “earmarking” is colloquially used to characterize directions included in congressional committee reports but not in the legislation itself. (*See also* Special Fund Accounts *under* Federal Fund Accounts *under* Account in the President’s Budget; Trust Fund Accounts *under* Account in the President’s

Budget; Offsetting Collections *under* Collections; Proprietary Receipts from the Public *under* Offsetting Receipts *under* Collections; Committee Allocation.)

Economy Act

A common reference to section 1535 of title 31 of the *United States Code* that provides general authority for one agency or unit thereof to obtain goods and services from another agency or unit. Payment may be made in advance or upon the provision of the goods and services ordered.

Emergency

A term that usually modifies “appropriation,” “legislation,” or “supplemental.” Under procedures typically prescribed in concurrent resolutions on the budget, the House or the Senate, or their respective committees of jurisdiction, may designate proposed appropriations or other legislation as “emergency legislation” and thereby exempt any new budget authority, outlays, or receipts resulting from such legislation from specified enforcement provisions in the Congressional Budget Act, the concurrent resolution itself, or both. (*See also* Appropriations *under* Forms of Budget Authority *under* Budget Authority.)

Acts appropriating funds for national or international emergencies such as natural disasters or urgent national security events are typically designated “emergency supplemental.” (*See also* Supplemental Appropriation.)

Entitlement Authority

Authority to make payments (including loans and grants) for which budget authority is not provided in advance by appropriation acts to any person or government if, under the provisions of the law containing such authority, the U.S. government is legally required to make the payments to persons or governments that meet the requirements established by law (2 U.S.C. § 622(9)).

Under the Budget Enforcement Act (BEA), new entitlement authority was defined as direct spending and was subject to the pay-as-you-go (PAYGO) provisions. (*See also* Appropriated Entitlement; Authorizing Legislation; Backdoor Authority/Backdoor Spending; Budget Enforcement Act; Mandatory; Pay-as-You-Go.)