

BUDGET PROCESS



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- To learn who your Senators are, visit <http://www.senate.gov> and choose your state.
- If you do not have access to the internet, call the Capitol Switchboard at (202) 224-3121.
- **To contact your Senator**, visit <http://www.senate.gov> or write to
The Honorable (First Name_Last Name)
United States Senate
Washington, DC 20510

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Washington, DC 20515
- **To contact the White House**, visit <http://www.whitehouse.gov> or write to
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1600 Pennsylvania Ave. NW
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Budget and Appropriations Process

There is a basic divide regarding Congressional Committees: authorizers and appropriators. The authorizing committees (such as the House Education and the Workforce Committee and the Senate Health, Education, Labor and Pensions Committee) are the primary authors of federal programs under their respective jurisdictions. Appropriators decide how much money is spent on those programs.

Each year, the House and Senate Appropriations Committees determine how much money each federal agency and discretionary program receives. This process begins with the President's State of the Union and Budget Request in early February and funding decisions are finalized, ideally, before the start of the next fiscal year on October 1. The following is a month by month guide of the major landmarks in the budget and appropriations process. Please note that most of these dates and time frames are flexible and fluid. For example, a president rarely submits a budget in February of his first year in office and Congress rarely finishes its funding responsibilities by the September 30 deadline.

Key Terms

Appropriation: Gives legal authority for Federal agencies to spend money from the Treasury for specific purposes. It is not necessarily the full amount permitted under the authorization.

Authorization: Basic legislation that establishes a federal program and that sanctions a particular expenditure for that program.

Budget Resolution: Legislation setting forth the congressional budget that establishes budget totals and divides them into spending categories by federal agency.

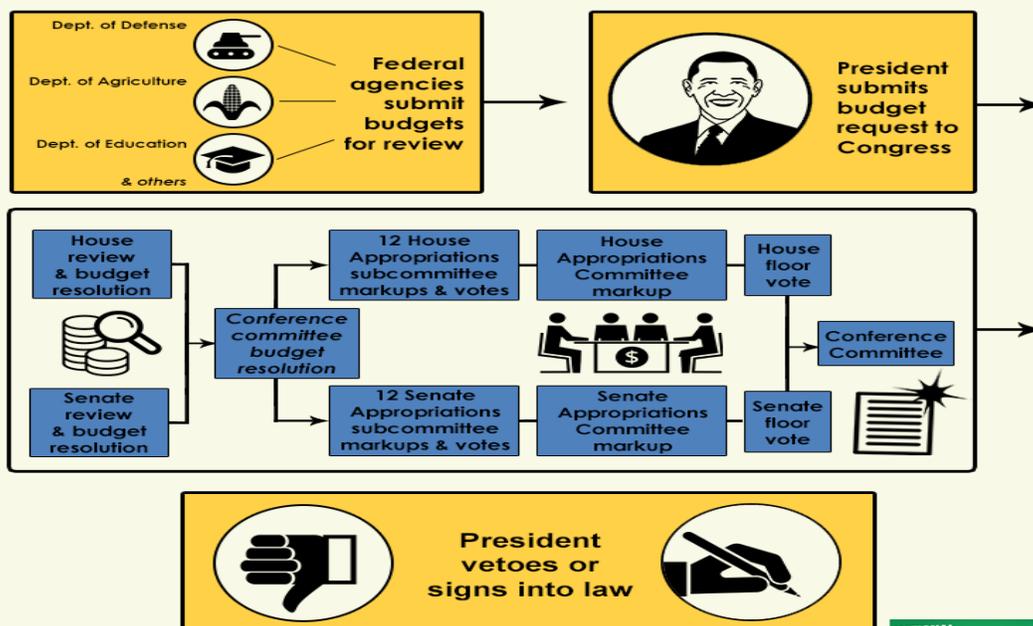
Continuing Resolution: A joint resolution enacted by Congress and signed by the President that provides budget authority for federal agencies to continue their operations.

Discretionary spending: Spending controlled in annual appropriations acts, not mandatory (ex., programs authorized by the America COMPETES Act).

Mandatory spending: Spending controlled by laws other than annual appropriations (ex., Social Security).

Omnibus Appropriations: A bill that combines several spending areas into a single measure

The Annual Federal Budget Process



Timeline

January-February

In late January or early February, the President typically delivers his State of the Union address to a joint session of Congress. This speech sets the President's priorities for the coming year. While it does not provide specific funding recommendations, it does offer insight into the overall fiscal environment and if the President plans on introducing new programs, reforms, etc.

In early February, the President submits his budget request for the coming fiscal year. This collection of documents makes funding requests for all federal discretionary programs in all agencies. It also provides details on new programs and reforms the Administration would like to see implemented, including those under the jurisdiction of authorizing committees. In the first year of a new Administration, this timeline is delayed, typically to mid-spring.

While the recommendations are not automatically accepted by Congress, they often form the basis for future appropriations discussions.

Accompanying the budget request are several supporting documents including the Office of Management and Budget's (OMB) Program Ratings Assessment Tool (PART). Over the past few years, the PART has become the main evaluation tool the Administration uses to evaluate the efficacy of all federal programs and the basis for its appropriations recommendations.

The President's budget request is extensively studied and members of Congress begin to form their opinions on the issues. For instance, if a Representative's favorite program is recommended to be cut, then he or she knows that working to "restore" funding to it will be a main priority for the coming months.

During this time, Congressional Committees hold hearings on the appropriations recommendations as well. For the appropriators, the hearings involve appropriate representatives of the administration explaining and defending the budget request, such as the Secretary of Education. Other hearings involve witnesses from the general public and the opportunity for other members of Congress who do not sit on the committee in question to formally submit their opinions. These hearings occur in appropriations subcommittees and in authorizing subcommittees.

In February, the Congressional Budget Office (CBO) releases its annual "Budget Options" report. CBO is a nonpartisan resource that provides Members of Congress with estimates of how much bills cost (called scoring) and other budget-related information. The Budget Options report provides Congress with solutions to change revenue and spending targets for the coming fiscal year; along with how much each individual action will cost or save.

March - April - May 15

During this time hearings on the budget and annual appropriations continue, but the primary focus shifts to the House and Senate Budget Committees. These committees draft their respective chambers' budget resolution. The budget resolution sets an overall spending figure for discretionary programs for the coming fiscal year. The budget resolution is not a law, but sets a guideline for appropriators to follow. It is important to note that the budget resolution does not include any specific program funding decisions, although many Members of Congress "assume" funding decisions into the resolution.

Establishing a budget resolution allows the chairman of the Appropriations Committee to give his subcommittee chairmen – called "Cardinals" – individual allocations, called 302(b) allocations. By passing a budget resolution, any amendments that increase spending over the budget resolution or the caps set in the 302(b) allocations are subject to a point of order – meaning that amendments must either include offsets or have enough votes to carry through.

May 15

Under law, Congress has until May 15 to pass a budget resolution. If they fail to pass one, the Appropriations Committees can bring their appropriations bills to the floor of their respective chambers.

What happens if the House and Senate cannot agree on a budget resolution by May 15? Without limits on discretionary spending, any of the appropriations bills that are brought to the floor are subject to any amendments without regard to cost. If the budget resolution appears deadlocked, then Congress often includes a "deeming resolution" in the first of their appropriations bills. The deeming resolution includes discretionary spending caps that create parliamentary protection against amendments that violate the budget cap. Deeming resolutions cannot include language that calls for budget reconciliation.

May 16-June-July

This is the period when the House and Senate begin significant action on appropriations bills. The House Appropriations Committees typically act first, with the Senate acting later in the summer. For each appropriations bill, the House and Senate go through the following parallel processes using the Labor, Health and Human Services and Education (Labor-HHS-Education) bill, as an example.

Subcommittee Mark Up

This is when the House and Senate release actual program funding numbers for the Labor-HHS-Education bill. The actual bill language includes funding levels for all programs within the subcommittee's jurisdiction as well as any other legislative language regarding use of discretionary funding.

From this point, and every subsequent step in the process, these numbers become more difficult to change. At the subcommittee mark up, the chairman introduces his appropriations recommendations and the bill is subject to amendments by other members of the subcommittee. Given sufficient votes, the bill is passed out of subcommittee and moves on to the full Appropriations Committee.

Appropriations Committee Mark-Up

This is similar to the subcommittee mark up, only that all members of the Appropriations Committee have the opportunity to offer amendments. Upon successful passage of the bill, the Appropriations Committee drafts report language that accompanies the bill. The report language explains why the committee did what it did and also provides further clarification on technical matters.

Floor Consideration

This is when all members of Congress debate the bill and have the opportunity to offer amendments on it. Debate and amendments are "managed" on the floor by the respective Chairman and Ranking Member of the bill in question.

Conference

After the House and Senate have passed their respective Appropriations bills, their differences must be negotiated via what is known as "conference." Party leadership and senior appropriations members are appointed from the House and Senate to work out the differences between the two bills, with the majority party in firm control of the proceedings. The result of the negotiation process is a final conference report that contains final funding decisions.

This conference report needs to be passed by both the House and Senate before it can be signed into law by the President.

If the budget resolution contains reconciliation language, authorizing committees work to meet their reconciliation instructions during this time. If a committee is directed to make cuts, the committee will hold hearings, introduce and mark up legislation that meets those instructions. The Congressional Budget Office is the ultimate arbiter in deciding if legislation passed out of the committee saves as much as members on the Committee claim.

September 30

Congress typically takes off all of August, coming back in early September. Ideally, this is when Congress finishes work on all of their appropriations bills before the start of the fiscal year, October 1. In an effort to meet the deadline, several appropriations bills are often combined into one "omnibus" appropriations bill. For instance in FY2016, the Consolidated Appropriations Act of 2016 included the Agriculture; Commerce, Justice and State; Energy and Water; Foreign Operations; Interior; Labor-HHS-Education; Legislative Branch; Transportation and Treasury; and the Veterans Affairs, Housing and Urban Development and Independent Agencies appropriations bills.

Omnibus appropriations bills are used because they make final passage easier for two reasons: (1) it saves time for debating individual bills and (2) it is more difficult for Members of Congress to vote against an omnibus bill because voting against one bill becomes voting against several bills.

If Congress has not completed its annual appropriations work by October 1, then it must pass a "continuing resolution" or federal agencies without appropriations bills signed by the President will be forced to shut down due to lack of funds. Continuing resolutions fund federal agencies at the levels equivalent to the previous year for the length of the resolution. This allows individual programs and agencies to function in a manner similar to the previous year.

Continuing resolutions (commonly referred to as a "CR") can hold for a matter of a few hours or for an entire fiscal year. If Congress believes it needs a little extra time to complete its work, the CR may last for a few weeks. If Congress feels it is irrevocably deadlocked, they may pass a year-long CR and start over for the next fiscal year (commonly referred to as "punting") in an attempt to bring about some sort of consensus that has enough votes to pass.

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