

FACT SHEET

The Budget & Appropriations Process

An Introduction to Discretionary Federal Funding

Broadly speaking, the federal government spends money in two ways: on discretionary programs, which must be funded annually, and on mandatory programs, which can be funded for several years at a time and, in some cases, have no cap on spending (as is the case for Medicaid). The annual budget and appropriations process for discretionary programs is a key part of the federal legislative calendar, as these bills are some of the only must-pass pieces of legislation that Congress considers, and they direct more than \$1.4 trillion in federal funding.

THE BUDGET

- There are two budgets that are relevant for federal funding: the president's budget and Congress' budget resolution.
- The president's budget is a detailed proposal from the administration that outlines how it would like all federal funds spent in the upcoming year. The document never becomes law – it merely services as a statement of priorities and, sometimes, as a starting point for Congress to use when drafting its appropriations bills.
- Congress' budget resolution is a measure passed by the House and Senate that sets the broad funding levels for the upcoming fiscal year. It does not need to be signed by the president, and Congress sometimes skips this step and instead goes directly to drafting individual bills.

APPROPRIATIONS

- Appropriations are the funds that Congress directs toward particular departments, agencies, and programs through spending bills. Unlike either of the budgets, appropriations need to be passed by Congress and signed by the president, and agencies are obligated to follow the terms laid out in these bills. By law, all appropriations bills must originate in the House, though the Senate separately crafts its proposals to consider in committee.

- While appropriations bills are supposed to focus on the amount of funding for government programs, in practice they often include policy riders that dictate how programs can be administered. In addition, appropriators can fund programs even if the original congressional authorization for the program (typically found in the bill that established the program) has expired, allowing the program to continue operating.
- Congress manages the appropriations process through 12 subcommittees on both the House and Senate sides. Each subcommittee is responsible for drafting the bill that covers its assigned departments and agencies and then bringing that bill to the full House or Senate Appropriations Committee for consideration. After the full committee passes the bill, it then goes to the floor for a vote by the full chamber.
- When a bill comes to the floor for consideration, it can come alone or as part of a group of two or more appropriations measures. A package of anything from two to 11 appropriations bills is called a minibus, while a package of all 12 appropriations bills is called an omnibus. These packages are typically used to make it more likely that a controversial bill will pass, by pairing that measure with a more popular one.
- Congress is often unable to complete the process of moving all 12 bills forward before the end of the federal fiscal year. When that happens, Congress must pass a continuing resolution (CR), which extends current funding levels into the new year for a set period of time, giving leadership more time to negotiate the new bills. If Congress agrees to some federal funding, but not all, leadership can put forth a “cromnibus,” which is a CR packaged with a minibus. While unusual, if Congress cannot reach an agreement on any new bills, leadership can choose to put forth a full-year CR to end the appropriations process.
- If Congress cannot reach an agreement on appropriations or a CR by the end of the fiscal year, the federal government shuts down. It is possible to have parts of the government open and others closed if Congress agrees to some, but not all, of the bills. A shutdown ends when Congress passes a CR or new funding allocations, and then that bill is signed by the president.

THE TIMELINE

- The federal fiscal year (FY) runs from October 1 through September 30. The period is known by the year in which it ends. For example, October 1, 2020–September 30, 2021 is known as FY 2021.

- The president's budget is due to Congress on the first Monday in the February preceeding the start of the fiscal year, though it is often late (especially in the first year of a new administration). For example, the FY 2021 president's budget was due on February 3, 2020, but was released on February 10, 2020. To meet the February deadline, agencies begin working on the budget the summer before it is due, making it difficult for the administration to be responsive to emerging needs.
- After the president's budget is released, Congress' budget and appropriations season begins. By law, Congress is supposed to agree to the budget resolution by April 15, though it is often late, if written at all. Concurrently, the appropriations subcommittees begin drafting legislation, with the House often writing its bills in February and March and the Senate writing its bills in April and May. If the committees adhere to this schedule, the House can complete committee and floor consideration of its bills by the end of May and the Senate can complete its bills by the end of July. That then leaves August and September for the House and Senate to conference their bills and come up with a final agreement before the September 30 deadline.
- In recent years, the House and Senate have almost never met these deadlines, and so at least one CR is typically needed to keep the government open. CRs can be as short as a few days, if negotiators just need a little more time, or months long, if the chambers are far from a deal.

HOW TO ENGAGE IN THE PROCESS

- Individuals and non-governmental organizations have many opportunities to have their voices heard in the budget and appropriations process. They can provide input to the Office of Management & Budget on the president's budget through meetings and site visits; submit testimony to the House and Senate Appropriations Committees; and encourage their representative and senators to vote a particular way on an amendment to the appropriations bills and on the bill itself. Each of these activities does constitute lobbying, as the individual or organization is weighing in on a specific legislative proposal.
- NFPRHA alerts its members when the above entities are accepting feedback and when bills are on the floor. In addition, NFPRHA offers its members training and support in engaging in all of these activities. For assistance, please contact Lauren Weiss, Director, Advocacy & Communications, at lweiss@nfprha.org.