Understanding the Federal Budgeting Process:

How it works,
How you can make a difference

Greg Smith and Moriah O’Brien
Hobbs, Straus, Dean & Walker, LLP
The Federal Budget
Committee Structure

House Standing Committees
- Agriculture
- Appropriations
- Armed Services
- Budget
- Education/Workforce
- Energy/Commerce
- Financial Services
- Government Reform
- House Administration
- International Relations
- Judiciary
- Resources
- Rules
- Science
- Small Business
- Standards of Conduct
- Transportation and Infrastructure
- Veterans Affairs
- Ways and Means

Senate Standing Committees
- Agriculture
- Appropriations
- Armed Services
- Banking, Housing, and Urban Affairs
- Commerce, Science, and Transportation
- Energy and Natural Resources
- Environment and Public Works
- Finance
- Foreign Relations
- Government Affairs
- Health, Education, Labor, and Pensions
- Indian Affairs
- Judiciary
- Rules and Administration
- Small Business
- Veterans Affairs
Authorizing vs Appropriations

**Authorizing**
- Jurisdiction over federal agencies
- Product bills that modify existing laws or establish new laws
- Approve specific federal programs
- Oversight hearings on agency actions
- Multiple subcommittees
  - Education
  - Indian Affairs

**Appropriations**
- “Power of the Purse”
- Produce bills that define specific funding allocations for one year
- Oversight hearings on funding
- 12 Subcommittees in House and Senate
  - Interior, Environment and Related Agencies
The Federal Budget

Timeline

| Planning: Selection of Program Initiatives |
| Formulation: CDC/HHS/OMB Budgets, President’s Budget, Congressional Budget |
| Presentation: Committees Hearings, Q&As, House & Senate Reports, Appropriation Bill |
| Execution: Apportionments, Spending Plans, Allotments, Allowances Analysis and Evaluation and inform the Future Strategic Direction |

<table>
<thead>
<tr>
<th>CY 2018</th>
<th>CY 2019</th>
<th>CY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec</td>
<td>Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec</td>
<td>Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec</td>
</tr>
</tbody>
</table>

| OMB Submission | Hearings | Appropriation Bills |
| HHS Submission | President’s Budget | Markup |

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
• The President’s Budget
  – Presidents originally played a limited role in the budget.
  – Now budget requests are directed through the OMB and president before going to Congress.
  – The budget process is time consuming - starting nearly a year in advance.
  – The OMB, the president, and the agencies negotiate over the budget requests.
• Congress and the Budget
  – Reforming the Process.
    • Congressional Budget and Impoundment Control Act of 1974 did much to reform the process.
    • A fixed budget calendar, congressional budget committees, and the CBO were created.
    • Budget was to be considered as a whole.
    • A budget resolution sets the bottom line for the budget.
    • The current budget is then reconciled.
    • The new budget is authorized and appropriated.
Budget Process

- President starts cycle by submitting his proposal.
- Congress takes the President’s budget proposal and develops a budget resolution that sets broad spending allocations.
  - Have not regularly occurred in recent years.
- The House and Senate Appropriations Committees decides how to divide the budget resolution among the 12 subcommittees.
- Each Subcommittee gets to decide how to split its allocation for all of its programs.
House and Senate Conference

• House and Senate negotiation on different budgets spending levels.
Discretionary spending funds a wide range of programs

2018 Discretionary Outlays
$1,262 Billion

- Defense
- Education
- Transportation
- Veterans' Benefits and Services
- Income Security
- Health (Discretionary Only)
- Administration of Justice
- International Affairs
- Natural Resources and Environment
- Community and Regional Development
- General Science, Space and Technology
- General Government
- Other

NOTE: Health (discretionary only) includes National Institutes of Health, the Centers for Disease Control and Prevention, veterans’ healthcare, and administrative costs for Medicaid.

© 2019 Peter G. Peterson Foundation
Budget Milestones

The annual federal budget process lasts for seven months. Why does the budget process take so long to complete?

First Monday of February
The president’s budget proposal is submitted to Congress. The House and Senate Budget Committees and Appropriations Committees begin analyzing the budget.

April 15
The House and Senate Budget Committees send a concurrent resolution on spending and taxation to the floor of each house.

May 15
The entire Senate and House pass the concurrent resolution.

May–September
The House and Senate Appropriations Committees continue to hold hearings and debate any conflicts they have with the concurrent resolution.

September
Conference committees form to decide on any issues the House and Senate Appropriations Committees cannot resolve. Appropriations bills are passed by the House and Senate.

October 1
The president signs all appropriations bills, and the budget is enacted.
What happens if POTUS & Congress can’t agree on a budget?

- Continuing resolutions = allows federal departments to continue spending at the previous years’ levels (temporary solution)
- Government shutdowns = all non-essential departments can be shutdown
- President Clinton vs. The Republican controlled Congress (mid-1990s)
- President Obama vs. The Republicans in Congress
- The most recent shutdowns
The (2 Year) Budget Process

<table>
<thead>
<tr>
<th>FY 2008 Budget</th>
<th>FY 2009 Budget</th>
<th>FY 2010 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WHO</strong></td>
<td><strong>WHAT</strong></td>
<td><strong>WHEN</strong></td>
</tr>
<tr>
<td>President and OMB</td>
<td>OMB presents long-range forecasts for revenues and expenditures to the president. President and OMB develop general guidelines for all federal agencies. Agencies are sent guidelines and forms for their budget requests. Agencies prepare and submit budget requests to OMB.</td>
<td>January February March</td>
</tr>
<tr>
<td>Executive agencies</td>
<td>OMB reviews agency requests and holds hearings with agency officials.</td>
<td>April May June July</td>
</tr>
<tr>
<td>OMB and agencies</td>
<td>OMB presents revised budget to president. President and OMB write budget message for Congress.</td>
<td>August September October</td>
</tr>
<tr>
<td>OMB and president</td>
<td>President presents budget for the next fiscal year to Congress.</td>
<td>November December</td>
</tr>
<tr>
<td>President</td>
<td>CBO and congressional committees</td>
<td>January</td>
</tr>
<tr>
<td>Congress; House and Senate budget committees</td>
<td>Committees present first concurrent resolution, which sets overall total for budget outlays in major categories. Full House and Senate vote on resolution. Committees are instructed to stay within Budget Committee’s resolution.</td>
<td>February May</td>
</tr>
<tr>
<td>Congress; House and Senate appropriations committees and budget committees</td>
<td>Appropriations committees and subcommittees draw up detailed, agency-by-agency, submission to the Budget Committee for the concurrent resolution. The full House and Senate vote on “reconciliation” and second (fifth) concurrent resolution.</td>
<td>May June</td>
</tr>
<tr>
<td>Congress and president</td>
<td>House and Senate pass various appropriations bills (nine to eleven bills, by major functional category, such as defense). Each is sent to president for signature. (If successfully vetoed, a bill is revised and re-submitted to the president.)</td>
<td>July August September October</td>
</tr>
<tr>
<td>Congress and president</td>
<td>Fiscal year for all federal agencies begins October 1. If no appropriations bill for an agency has been passed by Congress and signed by the president, Congress must pass a continuing resolution to allow the agency to spend at last year’s level until a new appropriations bill is passed. If no continuing resolution is passed, the agency must officially cease spending government funds and must officially shut down.</td>
<td>After October 1</td>
</tr>
</tbody>
</table>

**Role of Continuing Resolutions (Reality)**

**Theory vs. reality!**

**New Fiscal Year**
Budget Timeframe -- Shutdown

• Regular appropriations expire at the end of the fiscal year - Sept. 30. If no action on one or more regular appropriations bills has taken place by Oct. 1, the agencies funded must cease activities due to the lack of budget authority.
FY 2022 Omnibus Outcomes

- $3.66 billion for Bureau of Indian Affairs, Bureau of Indian Education, and the Office of the Special Trustee, $150 million above the fiscal year 2021 enacted level. Within this amount, the bill includes:
  - $1.8 billion for operation of Bureau of Indian Affairs Operation of Indian Programs, $204 million above the fiscal year 2021 enacted level.
  - Establishes and provides $1 million for a new Indian Land Consolidation account. $147 million for Bureau of Indian Affairs Construction, $18 million above the fiscal year 2021 enacted level.
• $11.8 million for the Indian Guaranteed Loan Program, equal to the fiscal year 2021 enacted level.

• $1 billion for Bureau of Indian Education Operation of Indian Programs, $50 million above the fiscal year 2021 enacted level.

• $264 million to Bureau of Indian Education Construction, equal to the fiscal year 2021 enacted level. Fully funds Contract Support Costs and Payments for Tribal Leases.

• $109.6 million for the Office of the Special Trustee, $1.2 million above the fiscal year 2021 enacted level.
• $6.6 billion for the Indian Health Service for fiscal year 2022, an increase of $395 million above the fiscal year 2021 enacted level.

• $4.7 billion for health services, $359 million above the fiscal year 2021 enacted level.

• $940 million for health facilities construction, $22 million above the fiscal year 2021 enacted level. This continues $5 million to invest in green infrastructure. o Fully funds Contract Support Costs and Payments for Tribal Leases.
How you can make a difference

• Your Congressional Delegation wants to hear from you.
• If you don’t tell them what your priorities are, they won’t know.
• There are certain times throughout the federal budgeting process when your outreach can make the most impact.
Key Outreach Times

• In the spring, when the House and Senate Appropriations Subcommittees are accepting testimony
• At the same time, send a copy to each Member of your Congressional Delegation
• Submit specific requests into the electronic form on your Member’s website
• Request a meeting to follow up
• Review the House and Senate bills and reports and contact your delegation throughout the summer
• Make sure to thank your delegation in the fall for key wins
Outreach Tips

• Make sure you follow the Subcommittees’ directions for testimony
• See if you can identify which accounts fund your priorities so you can ask for increases for those specific accounts
• Explain to your delegation how this will benefit your congressional district and more broadly, your state
• Tell a short, but memorable story about why the funding is important
• See if other entities share your concerns and can reach out to their congressional delegation, too