



## Section 7

### Budget and Appropriations 101

Federal Budget Process Timeline

The President's Budget

The Budget Resolution

Appropriations Bills

Key Terms



# Federal Budget and Appropriations 101

Each year, Congress determines the amount of federal money that will be spent to advance women's economic justice—including funds for education, job training and child care—as well many, many other programs, from space exploration to defense. This federal budget and appropriations process takes about a year to complete. The process includes several steps and many opportunities to educate Congress about the needs and priorities for unemployed and underemployed women in your communities.

## Federal Budget Process Timeline

Early February.....	President Submits Budget to Congress
April 15.....	Deadline for completion of the Budget Resolution
May - July.....	House consideration of Appropriations bills begins
June 30.....	Target date for House completion of Appropriation bills
June – October.....	Senate consideration of Appropriations bills
October 1.....	New Fiscal Year begins
Post-October 1.....	Continuing Resolution enacted if necessary

## The President's Budget

---

On the first Monday of every February, the President kicks off the appropriations process by submitting to Congress a budget request for the coming fiscal year. So, on the first Monday of February 2008, for example, the President submitted a budget request for Fiscal Year 2009. The President's Budget is developed by the Office of Management and Budget (OMB) with input from the federal agencies that will be funded under it.

The President's Budget "lays out" his or her spending priorities for the coming year including **specific funding levels for individual federal programs**. While Congress is not required to follow the President's Budget it often serves as a starting point for their work. After receiving the President's Budget, Congress usually holds hearings to review his or her recommendations and to question Administration officials about requests for specific agencies. Then, Congress begins to develop its Budget Resolution.

## The Budget Resolution

---

The Budget Resolution is the annual blueprint that sets broad totals for all federal spending in a given year. The Budget Resolution establishes funding ceilings in nineteen different spending categories. One such category is called “Education, Training, Employment and Social Services.” Unlike the President’s Budget, it does not set specific funding levels for individual programs.

The Budget Resolution is drafted by the House and Senate Budget Committees. Once the Committees are finished, the Budget Resolution goes to the House and Senate floors for a vote. During this time, Members of Congress can offer amendments to the Budget Resolution. The Budget Resolution must be approved by each chamber and then agreed to by a joint House-Senate conference committee, where Members of both chambers negotiate the differences. Each chamber then approves the conference Budget Resolution.



Visit the House and Senate Budget Committees’ websites at <http://budget.house.gov/> and <http://www.senate.gov/~budget/>.

The Budget Resolution never becomes law. Instead, it is used as an internal management tool for Appropriations Committees and Subcommittees to use as a guide in making spending or revenue decisions. Based on the spending levels agreed to in the Budget Resolution, the Appropriations Committees in the House and Senate allocate specific funding levels among thirteen Appropriations Subcommittees in each chamber.

While setting specific funding levels is the responsibility of these Appropriations Sub-Committees, the Budget Resolution sometimes provides non-binding guidance that describes the assumptions—thoughts about what programs should be cut and what programs should be increased—behind the broad spending totals it includes. Sometimes, the Budget Resolution creates one or more “reserve funds” which can only be used for a specific purpose or program. For example, the FY2008 Budget Resolution included a “reserve fund” that could only be tapped in order to increase the amount of federal child care funding.

## Appropriations Bills

---

Once the Budget Resolution is approved and the thirteen Appropriations Subcommittees have been allocated funding, these Committees begin holding hearings about the programs within their jurisdiction and start to work on drafting the annual spending bills.

Much of the funding that affects women’s economic equity—education, job training, and child care, for example—falls under the Labor, Health and Human Services, and Education Appropriations Subcommittees in the House and Senate. Each year, these Subcommittees produce the annual Labor, Health and Human Services, and Education bill (sometimes called the Labor-HHS-Education bill or even Labor-H).

Each bill is subject to a mark-up at the Subcommittee level, during which Members of Congress on the Subcommittee can offer and vote on amendments. Once a final bill has been “marked up” or approved

by the Subcommittee, it goes to the full House or Senate Appropriations Committee for a second round of amendments and voting.

Once approved by the Appropriations Committee in the House or Senate, the Appropriations bill moves to that chamber's floor for a full vote. The U.S. Constitution requires that funding bills be first approved by the House.

Once an Appropriations or spending bill has been approved by both chambers, it goes to a joint House-Senate conference committee, where appointed Members representatives reconcile differences between the House and Senate versions of each bill. The final bill is sent back to the House and Senate for a vote and then to the President for his signature.

The deadline for passing all of the annual spending bills is Oct. 1—the beginning of each new fiscal year. If Congress and the President are unable to come to agreement about one or more Appropriations bills by this deadline, Congress must pass a temporary funding measure known as a Continuing Resolution in order to avoid the government shutting down because it has no operating budget.

## Key Terms

---

**Appropriation** is the legislative designation of money for certain uses in the context of the federal budget.

**Appropriations Act** is a kind of legislation that provides funds for federal programs and agencies.

**Appropriations Committees** are in charge of setting the expenditures of money by the US government. Both the House and the Senate have an Appropriations Committee. These committees are further divided into Appropriations Subcommittees which set funding levels for particular areas. For example, the Labor-HHS-Education Appropriations Subcommittee drafts the Labor-HHS-Education Appropriations bills which sets funding levels for education, job training, child care and many other programs that affect women's economic security.

**Budget Resolution** is an internal budget management tool or blueprint for establishing budget priorities for federal spending and taxation each year. The Budget Resolution sets targets for committees to meet in setting federal spending. The Budget Resolution does not hold the force of law and does not go to the President for signature. It must be approved by each chamber and then agreed to by a joint House-Senate conference committee.

**Continuing Resolution** must be passed and signed into law if, at the end of a fiscal year, there are appropriations bills that have not yet been enacted. A continuing resolution continues or extends spending for a limited period of time until the regular appropriations bills can be completed.

**Discretionary spending** is spending for programs that require Congress to appropriate funding each year. For example, Perkins Career and Technical Education grants to States are a discretionary program that requires an annual appropriation.

**Fiscal year** is the accounting period for the federal government which begins on October 1 and ends on September 30. The fiscal year is designated by the calendar year in which it ends; for example,

fiscal year 2007 began on October 1, 2006 and ended on September 30, 2007. Congress passes appropriations legislation to fund the government for every fiscal year.

**Mandatory spending** is spending controlled by laws other than annual Appropriations Acts. Funds are not appropriated annually, but rather are set in legislation authorized for a period of several years. For example, the Temporary Assistance for Needy Families program (TANF) is mandatory spending. TANF spending is set for a five-year period in an authorization bill.

**OMB** is the White House Office of Management and Budget and the largest office within the Executive Office of the President. OMB gives expert advice to senior White House officials on topics relating to legislative and budgetary issues.