


Federal Budget Process and Budget Terms¹

While there is a traditional budget process, less traditional funding mechanisms have been relied upon by legislators in recent years. This document outlines the traditional budget process, frequently relied upon funding strategies, and additional resources.

The Traditional Federal Budget Process²


Traditionally the federal appropriation process has included the following sequence.

Step One: The President's Budget Request

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- Traditionally the President's request is submitted to the Congress on the first Monday in February, though the date often changes, especially when a new administration takes office.
 - The President's budget request details the administration's position on the full range of federal revenue and spending.
 - The administration uses the budget request to introduce new policies, programs or changes they would like to see enacted.
 - The budget request is a proposal and has no binding authority on Congress

How You Can Participate: Review major proposals and initiatives related to early childhood learning and care within the presidents proposed budget. Prepare a few talking points about why you support/oppose the proposals as well as what additional policies/programs should be funded through the federal budget.

Step Two: Congress' Response


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- Creation of a concurrent congressional budget resolution setting the total level of discretionary funding for the next fiscal year. While this resolution looks at total federal spending over a 10-year window, it is not binding beyond the approaching fiscal year.
 - Budget resolutions are reviewed by relevant committees and must be approved by the whole chamber.
 - Unlike traditional bills, budget resolutions do not require presidential action and pass with a simple majority.

How You Can Participate: Identify key committees, members, and staff who are likely to be involved in the drafting of budget resolutions related to your priorities and work to engage them via letters, emails, and in-person meetings.

¹ <https://www.nationalpriorities.org/budget-basics/federal-budget-101/glossary/>

² <http://www.acenet.edu/news-room/Pages/A-Brief-Guide-to-the-Federal-Budget-and-Appropriations-Process.aspx>

Step Three: Congressional Appropriations

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- Once discretionary funding limits have been determined, the funding process moves to the appropriations committees in each chamber.
 - The Appropriations Committees determine program-by-program funding levels by addressing 12 separate appropriations bills that are generated by subcommittees covering federal agencies.
 - Appropriations bills are supposed to be passed in “regular order”, meaning the full passage through both chambers by the start of the federal fiscal year on October 1.
 - As the fiscal year ends leadership in both chambers often negotiate an omnibus bill, which combines all appropriations bills into one piece of legislation.
 - The final step in enacting program funding consists of the president signing the bills or the omnibus. The president has the authority to veto appropriations bills and Congress can then attempt to override the veto.
 - All appropriation bills are supposed to be fully passed through both chambers by the start of the federal fiscal year (October 1). Failure to provide appropriations results in a near complete shutdown of federal operations.

How You Can Participate: Identify key committees, subcommittees, members, and staff involved in with the House and Senate Labor, Health and Human Services, and Education Appropriations Subcommittee. Work to engage these policymakers and their staff via letters, emails, and in-person meeting related to your funding and policy priorities.

Alternative Funding Strategies

In recent years Congress has rarely passed appropriations bills as outlined above. Instead, legislators enact a series of continuing resolutions (stopgap measures), which are short-term spending bills that typically maintain funding level as at the previous year’s level in order to avoid a government shutdown.

Should congress not complete the appropriations process or pass a continuing resolution by the start of the fiscal year (October 1st) the federal government, with a few exceptions, shuts down. The funding gap created during the time of a government shutdown results in hundreds of thousands of government employees out of work. Unfortunately, the threat of government shutdown is an often-used strategy for elected officials seeking particular priorities be included in or removed from continuing resolutions.

Continuing resolutions usually last for a number of weeks, and are typically renewed when negotiations extend beyond the new deadline. Continuing resolutions can contain policy provisions as well as revisions to funding levels.

Congress also utilizes emergency spending and deficit legislation in order to impact funding changes outside of the typical budget and appropriations process. Emergency funding is commonly associated with ongoing military operations. Unlike most states (all but Vermont)³, there is no balanced budget requirement included the U.S. Constitution, permitting the federal government to carry debt year-to-year. As a result legislation has also been used in an effort to address the federal deficit though the implementation of spending limits.

More Tools and Resources

- A Brief Guide to the Traditional Federal Budget Process
<http://www.acenet.edu/news-room/Pages/A-Brief-Guide-to-the-Federal-Budget-and-Appropriations-Process.aspx>
- Center on Budget and Policy Priorities: Introduction to the Federal Budget Process
<http://www.cbpp.org/cms/?fa=view&id=155>
- Impacts and Costs of the 2013 Federal Government Shutdown
<http://www.whitehouse.gov/blog/2013/11/07/impacts-and-costs-government-shutdown>
- The President's Budget Proposal
<http://www.whitehouse.gov/omb/budget>

Budget and Appropriation Terms

The following are federal budget terms that you are likely to hear as part of your lobbying efforts. While this is an extensive list, it is not all encompassing. You will find a list of additional resources at the end of this document.

Appropriation: An appropriation enables an agency or department to make spending commitments and expenditures. Generally speaking an appropriation determines how many dollars the federal government will spend on the program in a fiscal year.

³ <http://www.ncsl.org/research/fiscal-policy/state-balanced-budget-requirements.aspx>

Appropriations Committees: Appropriations committees in both the House and Senate are responsible for determining the precise levels of budget authority for all discretionary programs.

Appropriations Subcommittees: Appropriations subcommittees in both the House and Senate are made up of members of the full Appropriations Committee. Each of these subcommittees has jurisdiction over funding for a different area of the federal government. In both the House and Senate there are the following 12 Appropriations subcommittees:

- Agriculture, Rural Development, and Food and Drug Administration
- Commerce, Justice, and Science
- Defense
- Energy and Water
- Financial Services and General Government
- Homeland Security
- Interior and Environment
- Labor, Health and Human Services, and Education
- Legislative Branch
- Military Construction and Veterans Affairs
- State and Foreign Operations
- Transportation, and Housing and Urban Development

Authorization Bill: An authorization bill gives a government agency the legal authority to fund and operate its programs (i.e. Child Care Development Block Grant, HeadStart, etc.). An authorization bill also sets maximum funding levels and includes policy guidelines. Government programs can be authorized on an annual, multi-year, or permanent basis.

Balanced Budget: A budget in which revenues and spending are equal in a given year.

Budget Resolution: A non-binding resolution passed by both chambers of Congress that serves as a framework for budget decisions and sets the overall spending limits but does not include funding levels for specific programs.

Conference Committee: Members of the House and Senate work together to reconcile differences in their respective versions of a bill. Both the House and Senate must pass identical versions of any legislation before it can be signed into law by the president.

Congressional Aide: Support staff or members of Congress.

Continuing Resolution (CR): A piece of legislation that extends funding for federal agencies – typically at the same rate that they had previously been funded.

Deficit: The amount by which government expenditures are greater than tax collections in a given year.

Discretionary Spending: Spending determined by the Appropriations Committee and Congress. Most early childhood and education programs are discretionary spending programs.

Discretionary Spending Caps: Spending limits, which if exceeded my trigger across the board funding cuts.

Earmarks: Provisions added to legislation to designate money for a particular project, company, or organization, usually in the congressional district of the lawmaker who sponsored it.

Entitlement Programs: An entitlement program requires the government to pay benefits to anyone who is eligible under the program guidelines (i.e. social security, student loan program, school lunch).

Fiscal Year: October 1 – September 30th

House Committee on the Budget: The committee in the U.S. House of Representatives that is responsible for writing a budget resolution, among other responsibilities.

Mandatory Spending: Entitlement programs and other programs that Congress designates as mandatory programs do not rely on the appropriations process.

Office of Management and Budget (OMB): Part of the executive branch of government, OMB gives guidelines to federal agencies instructing them how to prepare their strategic plans and budgets. It also serves as the president's accounting office.

Poverty Line: Also called the poverty level or the poverty threshold, the poverty line is determined by annual income. For example, the federal poverty line for a family of four in 2014 was \$23,850.

President's Budget: the White House releases the annual spending proposal of the president each February. It represents the administration's priorities as reflected in the specific funding requests of various federal agencies.

Revenues: Funds flowing into the U.S. Treasury from such things as individual and corporate income taxes, payroll taxes, and user fees.

Sequestration: The term for automatic, across-the-board spending cuts triggered by legislation.

Subsidy: Direct assistance from the federal government to individuals or businesses for certain activities, which helps defray the costs of those activities.

More Tools and Resources

- A Federal Budget Glossary
<https://www.nationalpriorities.org/budget-basics/federal-budget-101/glossary/>
- Federal Poverty Guidelines, Research, and Measurement
<http://aspe.hhs.gov/poverty/index.cfm>
- The President's Budget Proposal
<http://www.whitehouse.gov/omb/budget>
- Office of Management and Budget Agency and Program Oversight
<http://www.whitehouse.gov/omb/management>
- Additional Federal Budget Terms
<http://www.gao.gov/products/GAO-05-734SP>