

## The Federal Budget and Appropriations Process

The Federal Budget and Appropriations process takes place each year and can have a significant impact on the funding that education, health and other critical children's programs receive. In order to be the most effective advocate possible, it is a good idea to familiarize yourself with this process. Below is a brief outline of how the Federal Budget works.

### The Federal Budget Process

#### The President's Budget Request

Each fiscal year, the President must submit a budget request to Congress, usually by the first Monday in February. However, in years where there is a change of administrations the budget request is usually submitted later. The budget request, developed by the President's Office of Management and Budget (OMB), a long, detailed document that illustrates how the Federal budget would best be utilized to reflect the administration's goals. This proposal covers how much the Federal Government should spend on a variety of public purposes, such as education, defense, and health, as well as how much it should take in as tax revenues.

The administration is required to ask for spending levels for all discretionary, or appropriated, programs. Discretionary programs must have their funding renewed each year in order to continue operating. Examples of discretionary programs include the budgets for K-12 education, housing, and most

defense spending. Collectively, discretionary programs make up approximately one third of all federal spending.

The President's budget request is not required to, but may, include changes to mandatory, or entitlement programs. Entitlement programs, such as Medicare and Temporary Assistance for Needy Families (TANF) Program, are not considered annually and are not controlled by the annual appropriations process. However, the administration may request changes to these programs which would alter the overall federal spending required for their operation. Similarly, the budget request may include proposed changes to the federal tax code in order to affect federal revenues.

#### The Congressional Budget Resolution

After receiving the President's Budget Proposal, the House and Senate Budget Committees hold hearings in which officials from the administration are questioned about their budget requests. Once these hearings have been completed, the committees draft their own budget proposals for the fiscal year, and the full Senate and full House take up their respective versions of the budget. After each chamber of Congress has finalized a budget, a House-Senate conference committee reconciles the differences between the two versions of the

bill. Because the Federal Budget is a concurrent congressional resolution, it does not go back to the President for his or her signature after it passes the House and Senate.

Although Congress is supposed to approve a budget by April 15, it often does not happen this quickly. If Congress is unable to agree on a budget for the coming fiscal year, no new budget is adopted and the previous year's budget, which includes provisions for the next five years, is used.

## The Federal Appropriations Process

Every final budget resolution, as passed by Congress, separates federal spending into 19 broad spending categories known as budget functions. Also included with the Budget is a report that details how federal spending is to be divided up by congressional committee. This committee-specific number is known as a 302(a) allocation. These allocations differ slightly for House and Senate committees, since committee jurisdictions vary somewhat between the two chambers.

The committees with jurisdiction over mandatory, or entitlement programs each receive an allocation representing the total dollar amount, or budget authority, for all of the legislation that they produce for the entire year. All approved spending for discretionary programs are included in a single allocation that goes to the Appropriations Committee in each chamber. The Appropriations Committees then

decide how to divide this funding up among their various subcommittees. This subcommittee-specific number is known as a 302(b) allocation.

### Committee Process

For every appropriations bill, the Chairman of the subcommittee with jurisdiction proposes a draft bill, known as the chair's mark. The subcommittee then has an opportunity to debate then offer and vote on amendments, a process called a mark up. Once this process has been completed and the appropriations bill has been passed by the subcommittee, it comes before the full Appropriations Committee for consideration. The Appropriations Committee holds their own mark up of the bill passed by the subcommittee. The bill passed by the Appropriations Committee then comes before the full House or Senate where it can once again be amended before it is finally passed.

Typically, the Senate waits until an appropriations bill has been passed by the full house of Representatives before the appropriate subcommittee takes up the bill, offering their own substitute and beginning the markup process for themselves. However, this is not always the case.

Once both chambers of Congress have passed their versions of an appropriations bill, these two versions must be reconciled in a House-Senate conference committee. The resulting, single bill is then once again voted upon in each chamber. If passed, the bill is then sent to the president to be signed into law.

**PTA National Headquarters**  
541 N Fairbanks Court, Suite 1300  
Chicago, IL 60611-3396  
Toll-Free: (800) 307-4PTA (4782)  
Fax: (312) 670-6783

**PTA**<sup>®</sup>  
*everychild.onevoice.*<sup>®</sup>

**PTA.org**

**PTA Office of Public Policy**  
1400 L Street, NW, Suite 300  
Washington, DC 20005-9998  
Phone: (202) 289-6790  
Fax: (202) 289-6791