

## The Congressional Appropriations Process

### Overview

The federal appropriations process is a complex and crucial aspect of the United States government's budgeting and spending procedures. It involves the allocation of funds to various government agencies, programs, and activities to support the functioning of the government and the implementation of policies.

All federal funding is outlined and approved by Congress and is allocated by fiscal year. The federal government's fiscal year runs from October 1<sup>st</sup> of a given calendar year through September 30<sup>th</sup> of the following year.

Congressional committees can be divided into two broad categories: authorizing committees and appropriating committees. The majority of the committees consider authorizing legislation - members vet legislation that sets policy and an authorized funding level for the federal government's departments, programs, resources, and staffing. On the other hand, appropriating committees oversee legislation that, once passed by both chambers and signed by the President, actually releases money from the U.S. Treasury to fund the federal government.

Although bipartisan collaboration is common (and necessary), the funding levels produced by this process are significantly affected by the priorities of both the White House and congressional majorities.

### Funding Accounts

There are 12 funding accounts that make up the federal government's spending:

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- Commerce, Justice, Science, and Related Agencies
- Defense
- Energy and Water Development and Related Agencies
- Financial Services and General Government

- Homeland Security
- Interior, Environment, and Related Agencies
- Labor, Health and Human Services, Education, and Related Agencies
- Legislative Branch
- Military Construction, Veterans Affairs, and Related Agencies
- State, Foreign Operations, and Related Programs
- Transportation, and Housing and Urban Development, and Related Agencies

Each account is represented by a dedicated subcommittee of the House and Senate Appropriations committees. The members of these subcommittees produce a spending bill that outlines funding levels for the federal agencies within the jurisdiction of each account. This legislation is then approved, amended, or rejected by the full appropriations committee.

### **Jurisdictional Anomalies**

The jurisdiction of congressional committees is determined at the beginning of each Congress. Although precedent is a very strong indicator, shifts in jurisdiction do sometimes occur. In the appropriations space, certain programs may not be covered by the funding accounts or bills one would expect. A few examples:

- The Marine Mammal Commission is funded through the Commerce, Justice, and Science bill;
- Federally-chartered regional development commissions, such as the Appalachian Regional Commission, are funded through the Energy and Water Development bill; and
- Much of the U.S. Forest Services' funding is included in the Interior and Environment bill, despite being an agency within the Department of Agriculture.

Especially if you have multiple programs of interest across different agencies, be sure to have a thorough understanding of which accounts contain your programs before committees start marking up funding bills.

### **Earmarks**

"Earmarks" (also known as Congressionally Directed Spending or Community Funding Projects) are requests submitted by individual members of Congress to fund specific local projects. Earmarks are not permitted every year. The leadership of the majority party (or parties) typically comes to an agreement as to whether earmark requests will be gathered in a given fiscal year.

Earmark requests are typically solicited in February or March. Members of Congress will typically include some form of earmark submission portal for their constituents on their official House or Senate website.

Each appropriations subcommittee publishes specific guidelines detailing what projects are eligible. It is vital to consult these guidelines and adhere strictly in order to put forth the most competitive request possible.

## **Timing**

Early in the calendar year, federal agencies create budget requests for submission to the White House Office of Management and Budget (OMB). OMB refers to the agencies' requests and develops a budget proposal for the president. The president submits the budget proposal to Congress in Q1 of the calendar year. On its face this document serves as an estimate of federal spending for the upcoming fiscal year. At the same time, the budget is both an explanation of priorities and a wish list to Congress.

The President's budget is due the first Monday in February. However, it is common for the Administration to release the budget several weeks after this date, particularly following a presidential transition.

Congressional leadership analyze the President's budget and develop a budget resolution in response. This is a non-binding document that outlines the fiscal priorities, budgetary parameters, reconciliation instructions, and debt projections for the upcoming fiscal year. The budget resolution is typically passed sometime in the Spring.

The respective House and Senate appropriations committees then begin the granular work of determining what they believe to be the appropriate levels of funding for the departments and programs within each funding bill. Committees frequently hold hearings as one method of demonstrating due diligence in determining funding levels, but they also act as a forum for messaging the majority party's desired policies.

All 12 spending bills must be passed by both chambers and final spending levels must be negotiated before the bills are sent to the president for signature. This all must take place before 11:59 PM on September 30<sup>th</sup>, the last day of the fiscal year.

## **Contingencies**

In the event that all spending legislation is not enacted before the end of the fiscal year, Congress may attempt to pass an omnibus bill, which combines multiple appropriations bills to fund either the entire slate of federal accounts (as was the case in fiscal year 2023) or

a handful of accounts – often known as a “minibus” - that weren't able to be passed in time. Omnibus bills often include “policy riders,” which are additional provisions unrelated to spending that address specific policies or changes. Riders can make omnibus bills complex and controversial, as they allow legislators to attach idiosyncratic provisions to must-pass funding legislation.

Congress may also opt to extend funding with a continuing resolution (CR) - a stopgap measure to prevent a government shutdown when Congress cannot reach an agreement on regular order appropriations bills or an omnibus package. A CR allows the government to continue operating at current funding levels for a specific period, typically a few weeks to a few months, until a more detailed budget can be agreed upon. It maintains the status quo and provides agencies with the funds necessary to keep functioning while lawmakers negotiate and pass the final budget.

If no legislation funding the government is signed into law by October 1<sup>st</sup>, the government ceases operations that are deemed “non-essential” and federal employees are furloughed until a funding bill is negotiated and enacted. Several government shutdowns have occurred since 1980, most recently in 2018, during which much of the government halted operations for over a month.

## **Conclusion**

The appropriations process can be arduous and complex. Effective participation and advocacy requires meticulous planning and attention to detail. Be sure to prepare your programmatic and earmark requests as early as possible and work with congressional staff to optimize your request.