

Federal Budget Authorization & Appropriations

As the song in “Cabaret” says, “Money makes the world go around.”

The Founding Fathers in drafting the Constitution recognized that a Federal Government would require funds to support itself and specifically granted power to Congress to levy taxes to do so. “The Congress shall have Power to Lay and collect taxes.... To pay Debts and provide for the common Defense and general Welfare of the United States.” The Constitution also states that “All Bills for raising Revenue shall originate in the House of Representatives, but the Senate may propose or concur with Amendments as on other Bills.”

This is the basis for Congressional power to annually consider appropriations for the 13 bills (or more) to maintain the agencies and programs that comprise the Federal Government. The power to tax and spend is exclusively a legislative power, with the executive branch constrained to “not spend more than those monies appropriated and only spend funds for the purposes established by Congress.”

Each year a dance of sorts is played out in the Halls of Congress with or without the acquiescence of the President. But it is the President who initiates the appropriations process by submitting the annual budget for the upcoming fiscal year to the Congress on or before the first Monday in February. The fiscal year starts October 1st and ends September 30th.

The President recommends spending levels for the programs and agencies of the federal government in the form of a budget authority. The Budget Authority represents the legal authority for federal agencies to make obligations requiring either immediate or future expenditures. But not all budget authority provided for a fiscal year is necessarily expended in that year. The President’s role in the appropriations process also includes the power to approve or veto entire measures, but not specific line items.

Appropriations Committees

Once the President submits his budget to Congress, each of the agencies provides a detailed justification (through the hearing process or just submission of documents) to the House and Senate appropriations subcommittees which have jurisdiction over funding for the particular agencies. Then the 13 appropriations subcommittees in each house hold detailed hearings on these agencies’ justifications. Each House appropriations subcommittee is paired with a Senate appropriations subcommittee, both having jurisdiction over the same agencies and programs.

After the hearings have been completed and the House and Senate Appropriations Committee received their committee spending ceilings from the Budget resolution, they commence to “mark up” the regular bills under their jurisdiction and report them to their respective full committees. Each appropriations committee considers each of their subcommittee’s recommendations separately. The committees may adopt amendments to

a subcommittee bill and then report the bill as amended to their respective floors for action.

Floor Action in the House and Senate

After the House or Senate Appropriations Committee reports an appropriations bill to the House or Senate, the bill is brought to the floor. It is at this time that Members of Congress are provided an opportunity to propose floor amendments to the bill being considered.

By tradition, the Senate Appropriations Committee has generally waited until it received a House-passed regular appropriations bill before it drafted its version. The Senate appropriations subcommittee has reported the House passed bill to the full committee with amendments which could number from a few to 100. The full committee considered subcommittee recommendations and made any other changes it considered appropriate. The full committee then reported the bill to the Senate floor for consideration.

The House has far more detailed rules governing the whole appropriations process from opening statements by the chairman and ranking minority member to the requirement that amendments to the appropriations bill must be germane to the bill. Thus special rules governing the budget process are sacrosanct in the House.

However, once the House and Senate have individually adopted an appropriations bill, the members of the respective subcommittees having jurisdiction over a particular regular appropriations bill, the chairman of the full committees and the ranking members of the full committees meet to negotiate differences between the House and Senate passed bills – Conference.

Conference Activity

Under House and Senate rules, the negotiators are required to remain within the scope of the differences between the positions of the two chambers. Their agreement must be within the range established by the House and Senate passed versions (e.g. the House appropriates \$4M for a program while the Senate provides for \$6M, the conferees must reach agreement that is within the \$4-6M range. Lately these rules have not always been adhered to).

The conferees must reach agreement on all points of difference between the House and Senate versions before reporting the conference report in agreement to both houses. Once this occurs then the conferees propose a new conference substitute for the bill as a whole with an explanatory statement attached.

The House usually considers conference reports on appropriations measures first and once the House adopts the conference report, the conference is automatically disbanded; therefore the second house (the Senate) has two options – adopt or reject the conference report. Conference reports cannot be amended in either House or Senate.

Presidential action

Once both houses agree on the conference report, the appropriations bill is sent to the President who then has 10 days to sign or veto the measure. If the President takes no action, the bill automatically becomes law at the end of the 10 day period. Also, if the President takes no action when Congress has adjourned, he may pocket veto the bill. If the President vetoes the bill, he sends it back to Congress where upon Congress may override a veto by a 2/3 vote in both houses. If Congress successfully overrides the veto, the bill becomes law, if not, than the bill dies.

Resources:

Congressional Research Service, "The Congressional Appropriations Process: An Introduction", May 31, 2002

Committee on the Budget, United States Senate, "The Congressional Budget Process"
December 1998

www.senate.gov/~budget/republican/major

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