Association of Rehabilitation Nurses
Federal Budget and Appropriations Primer

How Congress Funds the Government and You Can Influence the Process

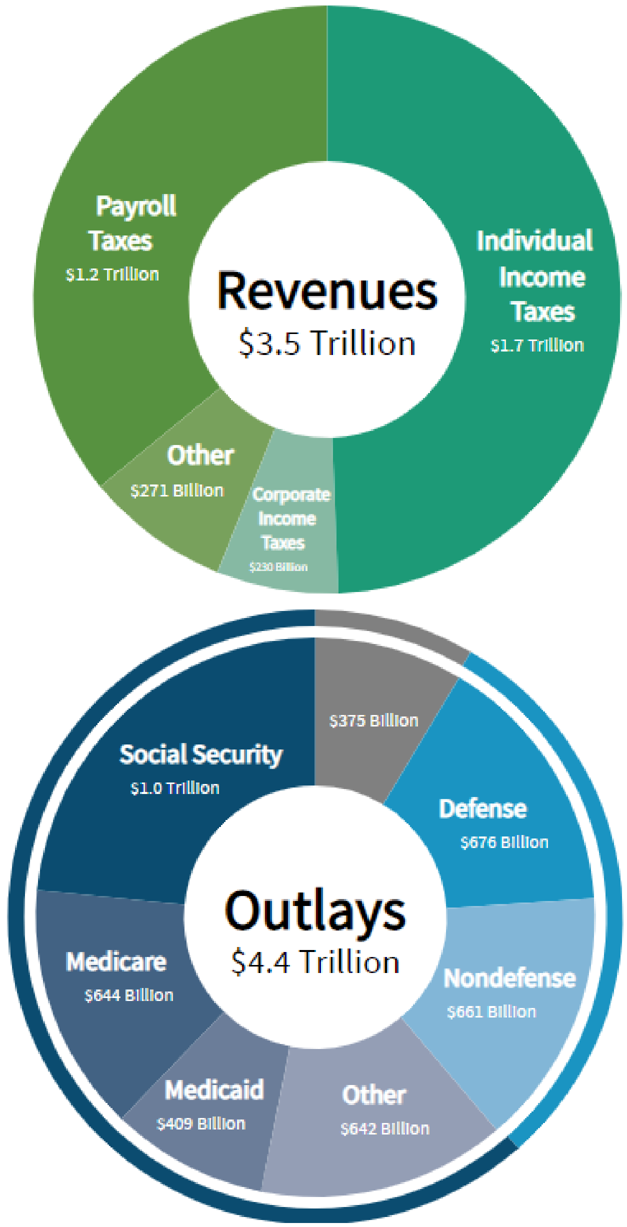
Overview

Each year, Congress and the President embark on a year-long, often-challenging process to establish spending levels for each of the federal government's departments, agencies, and programs for the coming fiscal year. Although the process varies slightly from year to year, it follows a basic timeline and order.

Not unlike a personal or business budget, the federal government has income and expenditures (outlays) and must determine annually how to prioritize and allocate funds for each spending item. Some spending items are **mandatory,**[1] such as the Medicare and Medicaid programs, and some items are **discretionary,** such as funding for the National Institutes of Health (NIH).

Funding for mandatory budget items is required by law. Programs you may think of as a "necessity" – such as funding for rehabilitation research or efforts to contain infectious disease – falls under discretionary funding. The discretionary part of the budget includes funding for biomedical research at NIH and funding for investments in disease prevention at the Centers for Disease Control and Prevention (CDC).

While the budget includes funding for both mandatory and discretionary programs, most advocates focus their attention on affecting the levels of discretionary spending for programs of interest, such as increasing funding for nursing workforce development programs at the Health Resources and Services Administration (HRSA), National Institute on Disability and Rehabilitation Research (NIDRR), or the National Institute of Nursing Research (NINR).



Source: Congressional Budget Office, 2019 Budget

The federal budget process is highly complex. Many individuals who have been working on budget and appropriations issues for decades still have difficulty at times understanding it and explaining it to others. This primer seeks to provide budget and appropriations "basics" for the advocate who wishes to understand and influence the federal funding process. With a little time and energy, public health advocates can be successful at increasing funding for programs of priority interest.

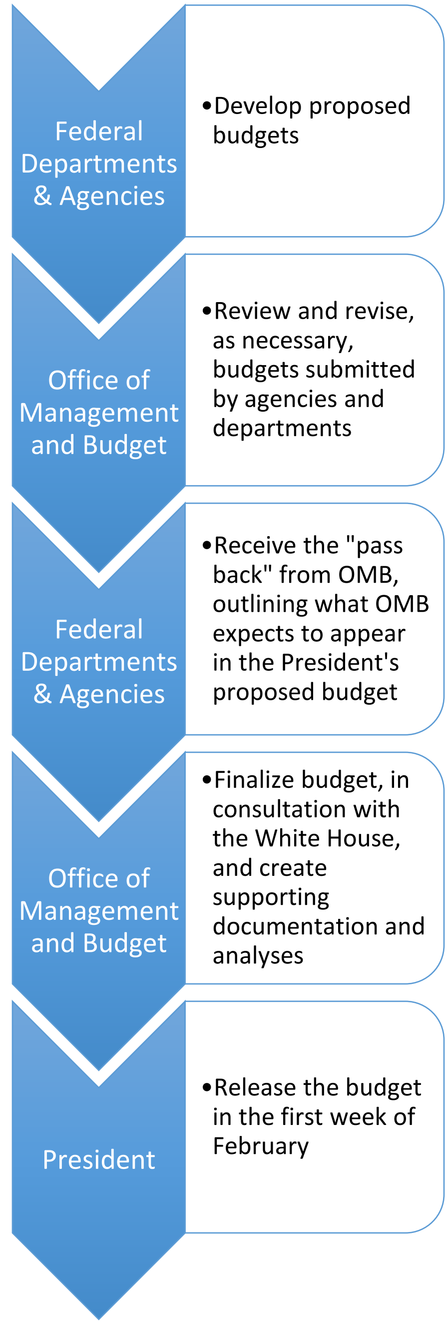
[1] Terms in bold are further defined in the Federal Budget Glossary.

Presidential Budget Process

The budget process begins with the development and submission of the **President's budget request** to Congress on the first Monday in February. The President's budget is a political "blueprint" that outlines the funding necessary to advance the President's policy priorities. Congress can consider the budget and use it as a guideline, but Congress is not required to adopt the President's recommendations.

Each year, approximately nine months before the President submits the budget, the Administration, through its **Office of Management and Budget (OMB),** collaborates with all the federal departments and agencies to identify programs and areas that need funding increases and those that could sustain cuts. Agencies face long lead times in budget preparation, beginning approximately 18 months prior to the start of the fiscal year in question. Consequently, agencies make budget requests with significant uncertainty about what the political and economic conditions will be operating when the budget is presented and/or adopted.

Despite the uncertainty, agencies must develop **professional judgment budgets** that recommend the amount of funding they believe is necessary to carry out its programmatic areas. Agencies then send the budgets to OMB where they are reviewed, considered, sometimes revised, and passed back to the agency. The budget number returned to the agency is known as the **pass back,** and the agency can expect what is recommended in the pass back to be the amount included in the President's budget. The budget development process continues through the fall and early winter in anticipation of the President presenting his budget to Congress by the first Monday in February. While the Budget and Accounting Act of 1921 requires that the President submit his budget by this date, it is not uncommon for President to miss this deadline. After the President has developed and released his budget, Congress gets to take its turn.



Congressional Budget Background & Process

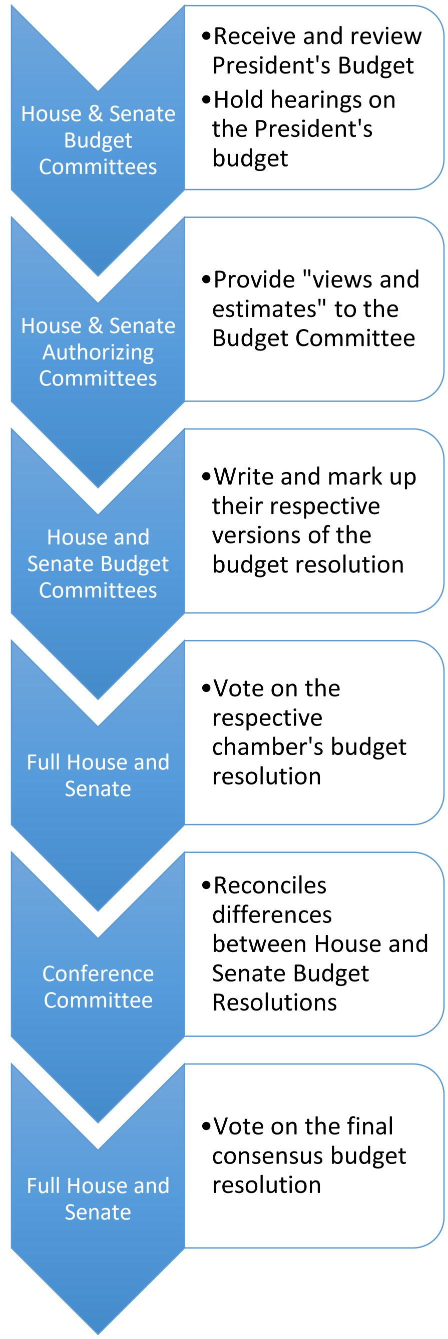
Each year Congress is responsible for creating a budget blueprint and then developing and enacting up to 12 **appropriations bills** that fund the federal government. In response to the President's budget proposal, congressional committees hold **hearings** and submit their "views and estimates" of spending and revenues in their respective jurisdictions to the House and Senate Budget Committees. The House and Senate Budget Committees take this information, then draft and report a **budget resolution** to their respective chambers.

The budget resolution is a **concurrent resolution**— meaning it is approved by the House and the Senate, but it is not sent to the President for signature. Therefore, it is not a law and serves only as a guideline for the House and Senate Appropriations Committees for how funding should be allocated. To have legal effect, Congress must pass revenue and spending (appropriations) legislation that is enacted into law.

When the House and Senate vote on the budget resolution, they are considering the total size of government taxes and spending. The budget resolution does not mention specific programs or accounts. Instead, it consist of two major components: (a) **budget aggregates**, which contains all of the budget totals for the broad categories of revenue, expenditures, deficit, and public debt, and (b) **functional allocations**, which divides funding among 20 more specific functions or categories that include everything from health and defense to interest to be paid on the national debt.

The budget resolution sets spending limitations and determines the amount of funding available to the appropriations committees (see below). However, the budget resolution ***does not*** allocate particular funding amounts to specific programs (e.g., HRSA, Nursing Workforce Development Programs.)[2]

Although the **Congressional Budget Act** sets April 15 as the deadline for final congressional adoption of the budget resolution, Congress frequently misses the deadline. Congress must, however, pass all its appropriations bills by September 30 each year because the new federal **fiscal year** begins on October 1. If Congress misses the September 30 deadline, it must pass a **continuing resolution** (CR), or the government will shut down. Once Congress has adopted its budget resolution, the House and Senate Appropriations Committees begin determining funding for discretionary programs through the separate appropriations bills.



[2] Members often offer amendments to the budget resolution in an effort to increase their share of the pie for subcommittees or programs under their jurisdiction or of interest to them.

Congressional Appropriations Background

The House and Senate Appropriations Committees have jurisdiction over discretionary spending, which is approximately one-third of the $4.4 trillion federal budget. The remaining two-thirds of the budget is mandatory spending (e.g., Medicare, Medicaid, and Social Security) and interest on debt.

Four types of appropriations bills exist:

1. Annual appropriations measures that fund the federal government for the upcoming fiscal year.
2. **Supplemental appropriations** bills contain additional money for the current fiscal year. For example, during the COVID-19 pandemic, Congress appropriated additional funding for unemployment insurance and public health measures to immediately respond to the public health emergency.
3. Continuing appropriations (commonly referred to as a continuing resolution, or CR) to fund existing government operations if Congress fails to complete action on some or all of the annual appropriations measures.[3]
4. **Omnibus** or **consolidated appropriations** bills where two or more separate appropriations bills are combined into one bill.

The House and the Senate each have an Appropriations Committee that is broken down into separate subcommittees that each have jurisdiction over one regular appropriations bill that specifies funding levels for federal programs in the Committee's jurisdiction.[4] The House and Senate Labor, Health and Human Services, Education and Related Agencies (or LHHS) Appropriations Subcommittees has jurisdiction over the majority of issues of importance to ARN – including NIH and Title VII funding. To learn who sits on the subcommittees, visit http://appropriations.senate.gov or http://appropriations.house.gov.

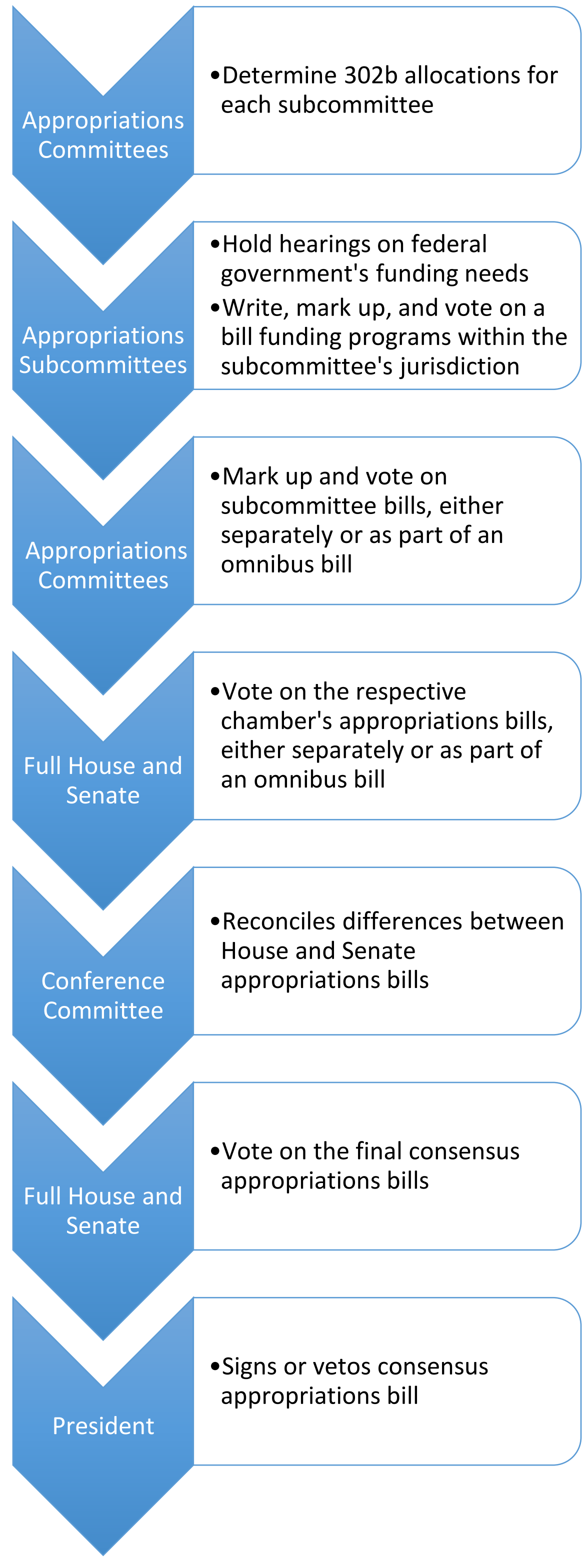
Each of the appropriations subcommittees in the House and Senate receive instructions from its respective full Appropriations Committee on the proportion of amount agreed to in the budget resolution—known as a **302(b) allocation**— that it may allocate to programs under its jurisdiction. Each subcommittee bill is limited by the total amount allocated under the budget resolution, as well as by any guidelines established separately in **authorizing legislation**. Authorizing legislation may be permanent or temporary and the associated provisions may be general or specific. Authorizing legislation establishes programs; appropriations legislation provides funding to operationalize programs. Authorizing legislation itself does not provide funding in the absence of appropriations bills.

For example, Congress could pass the "Traumatic Brain Injury Act" to direct several federal agencies to address Traumatic Brain Injury (TBI). By enacting this legislation Congress authorizes — or permits —the costs to pay for

[3] A CR is used most often when Congress misses the September 30 deadline. Without a stop-gap funding measure, not-yet-funded agencies will shut down. The longest, full federal government shut down occurred in 2013. The federal government shuttered for 16 days, resulting in furloughs for more than 800,000 federal government employees.

[4] Regular appropriations bills also may include provisions that set aside funds for a more specific purpose, known as an **earmark.** For example, the House LHHS appropriations bill could earmark $5 million for immunization outreach and education efforts in Peoria, Ill. Most earmarks are included in committee reports and joint explanatory statements that accompany conference reports—the final versions of the funding bills. While committee reports and joint explanatory statements do not have the force of law, agencies generally follow these guidelines.

the provisions in the bill. However, unless Congress actually provides specific funding in the subsequent LHHS Appropriations bill for the corresponding agencies, the TBI program will not be funded and not become operational. Just because the funding has been authorized does not mean it will be appropriated. Despite having been created by an act of Congress, numerous programs have failed to secure appropriations for implementation and support. In these cases, advocates must contact Congress to encourage them to fund these programs.



Congressional Appropriations Schedule[5]

Traditionally, the House Appropriations Committee initiates consideration of appropriations measures and reports bills out of subcommittee in the spring, out of full committee in early summer, and considers the bills in the full chamber votes prior to the annual August congressional recess (break). The Senate Appropriations Committee follows the House and begins reporting regular funding bills out of committee for full chamber votes in June or July, with the goal of holding a full Senate vote by the end of September. Following these votes, members of the House and Senate Appropriations Committees engage in negotiations to resolve any differences between the measures passed by the two chambers. If Congress fails to pass funding measures by September 30th, it must pass — and the President must sign — a continuing resolution to keep the government running.

Committee Process & Full Chamber Consideration

The House and Senate Appropriations Committees typically hold full committee and subcommittee hearings on the segments of the budget under their jurisdiction. The appropriations subcommittees hold their own hearings to receive more detailed budget justification arguments from federal agency officials and the public, including organizations such as ARN. The subcommittees solicit input and recommendations about the work of the federal departments, agencies, and programs and receive feedback on the necessary funding levels for the initiatives.

[5] The timeline and process described in this primer is how the budget and appropriations process "should" work. Increasingly however, because of political and substantive reasons, the timing of the process has been pushed back later and later in the year with a CR needed throughout the fall to keep the government operating in the absence of final funding measures for the current fiscal year.

After the hearings have been completed and the House Appropriations Committee has received its committee spending ceilings and established 302(b) subcommittee allocations, as outlined in the budget resolution, the House Appropriations Subcommittees begin to **mark up** the regular bills under their jurisdiction and report them to the full committee.[6] The full committee considers each subcommittee's recommendations separately and may adopt amendments to a subcommittee bill and then report the bill, as amended, to the full House for consideration (voting).

Traditionally, the Senate Appropriations Committee waits until it receives a House-passed regular appropriations bill before it commences its process. The Senate Appropriations Subcommittees usually report the House-passed bill to the full committee with several amendments or with completely new text included as a substitute amendment. However, more recently, the Senate Appropriations Committee has reported nearly all of its regular funding bills as Senate-originated bills instead of waiting to consider and amend those passed first by the House.

When the House and Senate Appropriations Subcommittees write their respective bills, they also write a committee report that explains congressional intent for the various program allocations. The actual appropriations bills include only funding allocations.

After the House or Senate Appropriations Committee reports an appropriations bill to the full House or full Senate, the bill is brought before the full chamber for consideration and a vote. Usually, members of Congress are provided an opportunity to propose amendments to the bill. Once each chamber has finished its consideration and debate, a vote is taken on final passage of the measure to report it out of the chamber.[7]

Conference Committee

As with all legislation, if the House and Senate pass different versions of an appropriations measure, Members must meet in a **conference committee** to reconcile the differences. The conference committee usually includes members of the appropriations subcommittees in both chambers with jurisdiction over the appropriations bill, the House and Senate **chairs** as well as the **ranking minority members** of the full committees.[8] These negotiators (or **conferees** or **managers**) generally are required to stay within the scope of the differences between the positions of the House- and Senate-passed bills (meaning that they do not have the ability to add new provisions).

For example, if a House-passed bill provides $28.8 billion for the National Institutes of Health and the Senate-passed version allocates $30.7 billion to the program, the conferees usually must reach an agreement on a final amount to complete the conference report. Often they split the difference and allocate a mid-point amount (e.g., $29.8 billion).

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[6] The subcommittee chair and other subcommittee members discuss amendments to the draft bill—known as the chair's mark—and may agree to include some new provisions. The process is called marking up the bill. The bill is introduced and assigned a number when the House Appropriations Committee reports or releases the bill to the full chamber for consideration.

[7] Advocates seeking to influence the bill once it comes to the full chamber must note that the House and Senate have different rules for floor consideration of appropriations measures. Given the parameters under which each chamber considers funding measures, affecting the content of appropriations measures through the committee process generally is easier than when the measure is before the full chamber for consideration.

[8] Committee and subcommittee chairs are members of the majority party in the chamber. The **ranking members** are the most senior or highest-ranking members of the minority party on the committee.

Once the conferees have finished their negotiations and have developed a single, uniform spending measure, they develop and report to both chambers a **conference report** containing the agreements along with a **joint explanatory statement**. First the House votes (and then the Senate follows) on the conference report before it is sent to the President for his signature and enactment or veto.[9]

Final Enactment

After the President receives the funding measure from Congress, he has 10 days to sign or veto it. If he takes no action, the bill automatically becomes law after 10 days. The president also may veto the bill or, if he takes no action when Congress has adjourned, he may **pocket veto** the bill. If the president vetoes the measure, Congress can **override** his veto with a two-thirds vote in both chambers. If Congress successfully secures a two-thirds vote in the House and the Senate, the bill becomes law. If Congress cannot gather enough votes, the bill dies.

Nursing and Rehabilitation Specific Appropriations

Most of the programs of interest to ARN are funded in the LHHS Appropriations bill. The LHHS bill includes funding for the National Institute of Nursing Research (NINR), through the National Institutes of Health (NIH), the Nursing Workforce Development Programs at Health Resources and Services Administration (HRSA), the National Institute on Disability and Rehabilitation Research *(*NIDRR), as well as Traumatic Brain Injury prevention funding through the Centers for Disease Control and Prevention and HRSA*.*

Because most funding decisions for programs funded through the LHHS Appropriations bill are made at the subcommittee level, advocates must weigh in with these members and ensure they are aware of the programs of importance to the rehabilitation and nursing communities.

To help ensure adequate funding for ARN priority programs, House and Senate LHHS Subcommittee members must hear from rehabilitation nurses in their congressional districts and states about the impact that people with disabilities have on the nation and be educated about the need to increase funding for key rehabilitation research and nursing workforce development programs. Because these members decide funding for the programs ARN cares about, it is especially important for nurses who live in districts of LHHS Subcommittee members to weigh in on these issues. To learn which members sit on the House and Senate LHHS Appropriations Subcommittees, visit http://appropriations.house.gov or http://appropriations.senate.gov.

[9] Conference reports cannot be amended in either the House or the Senate—they come before each chamber for a straight, up-or-down (yes or no) vote. If either chamber rejects the conference report, the conferees return to the negotiating table to continue to resolve differences between the two chambers. The measure cannot be sent to the president until the House and the Senate have adopted the same exact text of the bill.

Contacting your Members of Congress

Members of the public – including rehabilitation nurses – are vital to the legislative process. For that reason, it is essential that rehabilitation nurses make their views known on pending legislation and federal government funding by communicating with their members of Congress. Rehabilitation nurses are encouraged to contact their members of Congress and advocate for their federal government funding and policy priorities. Communication can be done by phone, email, or regular postal mail. Correspondence to Members of Congress should be addressed as follows:

U.S. House of Representatives	U.S. Senators
The Honorable [First name Last name of Congressperson] U.S. House of Representatives Washington, DC 20515 Dear Representative [Last name of Member]:	The Honorable [First name Last name of Senator] U.S. Senate Washington, DC 20510 Dear Senator [Last name of Member]:

You also can reach your members of Congress in the following ways.

- Phone the U.S. Capitol Switchboard at (202) 224-3121.
- E-mail your U.S. representative through their website, which you can find at https://www.house.gov/representatives.
- E-mail your two U.S. senators through their websites, which you can find at https://www.senate.gov/senators/index.htm.

Be sure to visit ARN's website at www.rehabnurse.org for alerts on priority issues, model correspondence to send to federal policymakers, and quick links and information about how to contact your congressional delegation.

Federal Budget Glossary

<u>302(a) allocations:</u> These groupings refer to a section of the Congressional Budget Act of 1974 that requires that the total budgetary assets be allocated among relevant committees for further distribution.

<u>302(b) allocations:</u> These groupings refer to a section of the Congressional Budget Act of 1974 that requires the House and Senate Appropriations Committees to establish spending allocations for the relevant subcommittees.

<u>Appropriations bill:</u> Provides the legal authority needed to spend or obligate U.S. Treasury funds. As many as 12 annual appropriations bills together fund the entire federal government. The bills must be enacted prior to the start of a new fiscal year, designated as October 1. Failure to meet the deadline results in the need for temporary short-term funding or governmental agencies and offices will be shut down.

<u>Appropriations committee:</u> Allocates federal funds to the numerous government agencies, departments, and organizations on an annual basis. Appropriations are limited to the levels set by a budget resolution, drafted by the House and Senate Budget Committees.

<u>Authorizing legislation or authorization bill:</u> Provides the authority for a program or agency to exist and determines its policy and structure. It also recommends spending levels to carry out the defined policy, but the levels are not binding. Authorizations may be annual, multiyear, or permanent. Expiring programs require reauthorizations. House and Senate rules require that authorization be in place before final funding decisions are made, though this rule frequently is waived or disregarded.

<u>Bill:</u> A legislative proposal that becomes law if it passes both the House and Senate and receives presidential approval. Bills are introduced as “H.R.” in the House, and “S.” in the Senate with consecutive numbering in each respective chamber. Besides bills, joint resolutions are the only other type of legislation that becomes law (H.J.Res. or S.J.Res.).

<u>Budget aggregates:</u> Federal budget totals for revenue expenditures, deficit, and public debt.

<u>Budget resolution:</u> The annual document (a Concurrent Resolution) in which Congress sets spending and revenue levels for the coming fiscal year and provides a framework within which Congress agrees to limit subsequent funding bills. It also may instruct committees to change current law to reconcile revenues and expenditures.

<u>Chair:</u> The presiding officer of a committee and/or a subcommittee; a member of the majority party in the chamber.

<u>Committee report:</u> A formal report prepared by a House or Senate committee to explain the content of a bill being reported. Committee reports are optional in the Senate but mandatory in the House. They contain views of committee members, a cost impact analysis, and comparison of the bill to current law.

<u>Committee report language:</u> A document that accompanies the statutory text of a bill and explains congressional intent.

<u>Companion bill:</u> A bill that is similar or identical to one introduced in the other chamber of Congress.

<u>Congressional Budget Act:</u> Known formally as the “Congressional Budget and Impoundment Control Act,” a federal law (enacted in 1974) to establish procedures for developing an annual congressional budget plan and achieving a system of impoundment control. The law also created congressional standing committees devoted solely to the budget and established the Congressional Budget Office. Under the budget act, Congress must adopt its budget resolution by April 15 each year, but Congress often misses that deadline.

Congressional Budget Office: At the request of Congress, the agency conducts nonpartisan economic analysis and research and evaluates proposed bills and amendments, assessing their potential cost.

Concurrent resolution: Used to take action or express opinion on behalf of both the House and Senate; it does not make or become law. Concurrent Resolutions are used to set congressional adjournment dates and set the annual congressional budget.

Conferee: A member of Congress named to represent his or her chamber in negotiations with the other body. Formally known as "managers," the conferees meet in conference committee to negotiate a compromise between the House and Senate versions of a bill.

Conference committee: A formal meeting, or series of meetings, between House and Senate members, the purpose of which is to engage in negotiations with the goal of reconciling the differences between the House and Senate versions of a bill.

Conference report: Refers to the final version of a bill proposed by House and Senate conferees. It also contains the "statement of managers," a section-by-section explanation of the final agreement.

Consolidated appropriations bill: A large measure that packages together several appropriations bills into one or combines diverse subjects into a single bill. It is also known as an "omnibus appropriations" measure.

Continuing resolution: Also known as continuing appropriations; this is a short-term or long-term temporary funding bill that funds the federal government after September 30 until a permanent appropriations measure is passed.

Discretionary spending: Refers to spending set by annual appropriation levels made by decisions of Congress. This spending is optional, in contrast to entitlement programs (e.g., Medicare and Medicaid) for which funding is mandatory. Funding for the National Institutes of Health and the Centers for Disease Control and Prevention is considered discretionary spending.

Earmarks: Specific provisions detailing—or setting aside—funding for a specific program, purpose, or entity. Expenditures are earmarked in appropriations bills or reports.

Federal debt: The total amount of funds borrowed and not yet repaid by the federal government.

Federal deficit: The amount by which federal expenditures exceed federal revenues.

Fiscal year: Begins on October 1 and ends on September 30. For example, FY 2011 began on October 1, 2010 and ends on September 30, 2011.

Functional allocations: Different funding groupings for the 20 government functions. Examples include health and defense.

Hearing: A formal meeting of a committee or subcommittee to review legislation or explore a topic. Hearings may also be called to investigate a matter or conduct oversight of existing programs. Witnesses are called to deliver testimony and answer questions in all three types of hearings.

Joint explanatory statement: Accompanies legislation that is reported out of conference committee. Its purpose is to provide guidance to the executive branch, and the public, on Congress's intent and rationale for the various provisions in the legislation.

Joint resolutions: Measures used to appropriate funding, pose constitutional amendments, or fix technical errors. Joint resolutions become public law if adopted by both the House and Senate and, where relevant, approved by the president. In terms of Constitutional amendments, they must be approved by three-fourths of the states.

Managers: The majority and the minority members who manage the floor debate on a bill for their party.

Manager's amendment: A package of individual amendments agreed to by both parties in advance.

Mandatory spending: Accounts for two-thirds of the federal budget. These funds are not controlled by an annual decision of Congress but are automatically obligated by virtue of previously enacted laws. For example, as Medicare, Medicaid, food stamps, and social security are entitlement programs; funding for them all falls under mandatory spending.

Mark up: Refers to the committee meeting held to review the text of a bill before reporting it out to the full chamber for consideration. Committee members' offer and vote on proposed changes (amendments) to the bill's language. Most mark ups end with a vote to send the revised bill to the floor for final approval.

Motion to waive the Budget Act: If adopted, this motion temporarily sets aside a specific provision of the Congressional Budget Act. Without a waiver, the provision would cause the pending amendment to fall on a point of order. With a waiver, the amendment may be considered despite violating the Congressional Budget Act. A minimum of 60 votes is required for adoption.

Off budget: Describes programs not counted toward budget limits because of provisions in current law. For example, Social Security trust funds and the U.S. Postal Service are off-budget programs.

Office of Management and Budget (OMB): The federal agency that prepares the president's budget submission to Congress and develops associated economic forecasts.

Omnibus (appropriations) bill: A large measure that packages together several bills into one or combines diverse subjects into a single bill. Also is known as a "consolidated appropriations" measure.

Override: The vote taken to pass a bill that the president has vetoed. Success requires an affirmative vote by two-thirds of those voting in each chamber (290 - House and 67 - Senate, if all are present and voting). If both chambers override the veto, the bill becomes law despite the president's objection.

Oversight: The term used for congressional review of federal agencies, government programs and performance.

Pass back: The recommended budget number returned to the federal agency by OMB that is usually then included in the president's budget.

Pocket veto: A veto that occurs when the president fails to sign a bill within the 10 days allowed by the Constitution and Congress is in adjournment.

Point of order: A point of order is made during floor proceedings to assert that the rules of procedure are being violated. A point of order halts proceedings while the presiding officer rules on whether it is valid. In the Senate, the chair's ruling may be appealed by any senator. Should the Senate vote to approve the appeal, the chair's ruling is overturned. In the House tradition, appeals also are possible but rarely are entered and almost never succeed.

Pork barrel legislation: When used to describe a bill, it implies the legislation is loaded with special projects (known as earmarks) for Members of Congress to distribute to their constituents back home. The term intones that the project funding is an act of largesse, courtesy of the federal taxpayer.

Power of the purse: Refers to the constitutional power given to Congress to raise and spend money.

President's budget: The document the President sends to Congress each year on the first Monday in February. It estimates the federal government's receipts and spending, and recommends appropriation levels and administrative priorities for the upcoming fiscal year.

Professional judgment budgets: Budgets developed by federal agencies that recommend the amount of funding they believe necessary for each of their programmatic areas.

Question of final passage: Occurs when the presiding officer puts the question to the chamber for a final vote in favor of or in opposition to the measure under consideration.

Ranking (minority) member: The member of the minority party on a committee and/or subcommittee with the most seniority. (The Chairman is the highest-ranking member of the majority party).

Reconciliation bill: Makes changes in law required to meet preset spending and revenue levels. A reconciliation bill may be considered when permitted by a budget resolution passed by the House and Senate. The budget committee packages the bills produced by the committees of jurisdiction into one omnibus bill.

Supplemental appropriations: A bill that provides funds in addition to the regular appropriations level. Supplemental measures often arise when an emergency (e.g. disaster relief) requires immediate funding.