



AN INTRODUCTION TO FEDERAL BUDGETING

The textbook federal budget process follows a fairly regular pattern, but in the last decade Congress and the Administration haven't always followed the script.

This section of the Campaign's Web site is meant to provide the reader with a general overview of the budget process and explain some of the hitches that have come up in recent years.

FIRST STOP, THE WHITE HOUSE

In the late summer and fall of any given year, the various agencies and departments of the federal government begin to send the White House their proposed funding levels for the upcoming budget year. The President's budget office, the Office of Management and Budget (OMB), amends and consolidates all of these requests into the Administration's "Budget Request to Congress." Political considerations, election year promises and political party platforms are all added to the mix.

The President's request is sent to Capitol Hill in early February. The unveiling of the President's budget coincides with the President's State of the Union address. During this televised address to Congress, the President outlines his budget priorities and uses the "bully pulpit" of the Presidency to make the case for his proposals. The President's address is normally followed by a week or two of travel by the President. On this tour he usually visits key parts of the country and discusses his agenda for the upcoming year.

CONGRESS TAKES OVER – THE BUDGET COMMITTEES

The spotlight then shifts to the Budget Committees of the House and Senate. These Committees are under no constitutional obligation to follow the President's request, but because of the Administration's veto power, the President's budget is generally used as a starting point for budget debates. Whether or not the White House and Congress are controlled by the same political party also plays a role here, as budget debates tend to be good opportunities to highlight what your colleagues are, or are not, funding.

The Budget Committee's main objective is to set the overall funding levels for each area of the federal budget. Once the funding caps for Health, Defense, National Security, Transportation, etc., are set by the Budget Committee, the Appropriations Committees in both the House and Senate begin the task of drafting legislative language that falls within these funding limits. This ensures that the final product at the year's end does not overshoot fiscal constraints.

THE CARDINALS OF CONGRESS

By May of each year, general funding debates are generally wrapped up and the various House and Senate Appropriations Committees begin drafting, debating and passing the separate appropriations bills that fund the government. Chairmen of these funding committees are political powerhouses in Congress as they hold the purse strings for federal projects and programs which can be directly allocated, in some cases, to specific member's districts.

If everything goes according to plan, most appropriations bills should have passed both the full House and Senate prior to the August recess, when most members of Congress spend a month outside of Washington. Upon their return, "conferees" are appointed for each of the funding bills. The conferee's job is to negotiate a final draft of each spending measure by working out any differences between the House and Senate-passed bills. These final "conferenced" appropriations bills are then sent back to both the House and Senate for one last up or down vote. Once conferenced bills are passed by Congress, they are sent to the White House to be signed into law by the President.

THE VETO PEN and GOVERNMENT SHUTDOWNS

If the President doesn't like the contents of an appropriations bill, he can veto the entire spending bill and send it back to Congress. Some argue the President should be able to veto only some lines of a bill, and not be forced to reject the entire package, but the Supreme Court has turned down earlier efforts to enact this idea.

If Congress cannot override the veto with a two-thirds vote, they must negotiate and rework the bill until it can be signed into law. If debate drags on past the end of the federal fiscal year, Presidents have forced the issue by refusing to sign spending bills they don't like— thus shutting down the parts of the federal government that would have been funded by the bill.

GLITCHES IN RECENT HISTORY

According to the text books, all spending bills should be passed before October 1st, when the new federal fiscal year begins. If any spending measure has not passed by this date, Congress must use "continuing resolutions" to continue funding the affected agencies or departments until the spending bill is passed. Like most laws passed by Congress, continuing resolutions must be signed by the President to become law.

The appropriations process has become less predictable in recent years, particularly during election periods. It has become more difficult for legislators to come to agreements on spending measures. Contentious spending bills - like the Labor, Health and Human Services and Education appropriations bill (the bill that funds the CDC and other health agencies) are increasingly difficult to pass because they include controversial programs. On several occasions appropriations bills have been passed by Congress and sent to the President in November and even in December.