What are appropriations?

Appropriations are decisions made by Congress about how to allocate a portion of federal spending. In general, the appropriations process addresses the discretionary portion of the federal budget – spending ranging from national defense to food safety to education to federal employee salaries – but excludes mandatory spending, such as Medicare and Social Security, which is spent automatically according to formulas.

How does Congress determine the total level of appropriations?

After the President submits the Administration’s budget proposal to Congress, the House and Senate Budget Committees are each directed to report a budget resolution that, if passed by their respective chambers, would then be reconciled in a budget conference (to learn more, see Q&A: Everything You Need to Know About a Budget Conference).

The resulting budget resolution, which is a concurrent resolution and therefore not signed by the President, includes what is known as a 302(a) allocation that sets a total amount of money for the Appropriations Committees to spend. For example, the conferenced Fiscal Year (FY) 2016 budget between the House and Senate set the 302(a) limit for that year at $1.017 trillion.

In the absence of a budget resolution, each chamber may enact a deeming resolution that sets the 302(a) allocation for that chamber. Leaders of the House and Senate Budget Committees may propose deeming resolutions at whatever level they find necessary to fund discretionary priorities and to officially set 302(a) allocations for the fiscal year. Deeming resolutions for FY 2024 had been expected to adhere to the $1.590 trillion level included in the Fiscal Responsibility Act, but the House may draft its appropriations bills to the $1.471 trillion level from FY 2022 and set its 302(a) allocations accordingly. In the House, this can be done by a simple majority vote, which is how the FY 2023 deeming resolution passed. However, in the Senate such a resolution does not have privileged consideration, making it vulnerable to a filibuster.

The appropriations process for the current fiscal year, FY 2023, was completed in December 2022. The House adopted a deeming resolution for FY 2023 in June 2022 and passed six appropriations bills over the summer, while the Senate released its bills in late July and passed none before the new fiscal year. Lawmakers ultimately
agreed to an **FY 2023 omnibus appropriations bill** in December 2022 that provided $1.602 trillion in base discretionary spending, an increase of 8.9 percent from the comparable FY 2022 level.

### How does Congress allocate appropriations?

Once they receive 302(a) allocations, the House and Senate Appropriations Committees set 302(b) allocations to divide total appropriations among the 12 subcommittees dealing with different parts of the budget. The subcommittees then decide how to distribute funds within their 302(b) allocations. The 302(b) allocations are voted on by the respective Appropriations Committees, but they are not subject to review or vote by the full House or Senate. The table below lists the FY 2023 regular (non-emergency) appropriations along with the House and Senate FY 2024 302(b) allocations. The table will be updated as both the House and Senate Appropriations Committees release their 302(b) allocations for FY 2024.

### Fig. 1: Budget Authority Allocations by Appropriations Subcommittee (billions)

<table>
<thead>
<tr>
<th>Subcommittee</th>
<th>FY 2023 Appropriation</th>
<th>FY 2024 President’s Budget</th>
<th>FY 2024 House Committee</th>
<th>FY 2024 Senate Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$25.5 billion</td>
<td>N/A</td>
<td>$17.8 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Commerce, Justice, Science</td>
<td>$82.4 billion</td>
<td>N/A</td>
<td>$58.7 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Defense</td>
<td>$797.7 billion</td>
<td>N/A</td>
<td>$826.4 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Energy and Water</td>
<td>$54.0 billion</td>
<td>N/A</td>
<td>$52.4 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Financial Services and General Govern</td>
<td>$27.6 billion</td>
<td>N/A</td>
<td>$11.3 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Homeland Security</td>
<td>$60.7 billion</td>
<td>N/A</td>
<td>$62.8 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Interior and Environment</td>
<td>$38.9 billion</td>
<td>N/A</td>
<td>$25.4 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Labor, HHS, Education</td>
<td>$207.4 billion</td>
<td>N/A</td>
<td>$147.1 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Legislative Branch</td>
<td>$6.9 billion</td>
<td>N/A</td>
<td>$6.7 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>(5.3 billion in House-only spending proposed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Military Construction and VA</td>
<td>$154.2 billion</td>
<td>N/A</td>
<td>$155.7 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>State, Foreign Operations</td>
<td>$59.7 billion</td>
<td>N/A</td>
<td>$41.4 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Transportation, HUD</td>
<td>$87.3 billion</td>
<td>N/A</td>
<td>$65.2 billion</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Undistributed Changes in Mandatory Programs</strong></td>
<td>N/A</td>
<td>-$30.6 billion*</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL Base Funding</strong></td>
<td><strong>$1.602 trillion</strong></td>
<td><strong>$1.695 trillion</strong></td>
<td><strong>$1.471 trillion</strong>^</td>
<td><strong>$1.590 trillion</strong>^</td>
</tr>
</tbody>
</table>

Sources: House Appropriations Committee, Senate Appropriations Committee, CBO estimate of H.R. 2617, Office of Management and Budget, CQ.

*The President’s FY 2024 budget proposes $1.726 trillion in discretionary funding partially offset by $30.6 billion in changes in mandatory spending programs (CHIMPs).

^The Senate total is expected to adhere to the cap as enacted in the Fiscal Responsibility Act; the House may limit its total to the FY 2022 level.
Each subcommittee proposes a bill that ultimately must pass both chambers of Congress and be signed by the President to take effect. Although the budget process calls for 12 individual bills, all of them are often combined into what is known as an omnibus appropriations bill, and sometimes a few are combined into what has been termed a minibus appropriations bill.

How are appropriations levels enforced?

If any appropriations bill or amendment in either chamber exceeds the 302(b) allocation for that bill, causes total spending to exceed the 302(a) allocation, or causes total discretionary spending to exceed any statutory spending cap in place (if applicable), any Member of Congress can raise a budget “point of order” against consideration of the bill. The House can waive the point of order by a simple majority as part of the bill’s rule for floor consideration, and the Senate can override it through a 60-vote majority. Statutory spending caps come with even stricter rules and can result in consequences aimed at correcting violations, such as across-the-board cuts to put spending in line with the overall caps or other mechanisms to ensure fiscal responsibility. For FY 2024 and FY 2025, the caps enacted under the Fiscal Responsibility Act will be enforced through sequestration.

What happens if funds are needed outside of the appropriations process?

After initial appropriations bills have been signed into law, Congress can pass a supplemental appropriations bill in situations that require additional funding immediately, rather than waiting until the following year’s appropriations process. Supplem ents are often used for emergencies such as natural disasters or military actions. Occasionally, Congress has used supplemental appropriations to stimulate the economy or to provide more money for routine government functions after determining that the amount originally appropriated was insufficient. Supplemental appropriations bills are subject to the same internal and statutory spending limits as regular appropriations and require the same offsets to ensure they do not exceed spending limits unless designated as emergency spending.

What role does the President play in the appropriations process?

Although Presidents have no power to set appropriations, they influence both the size and composition of appropriations by sending requests to Congress. Specifically, each year the President’s Office of Management and Budget (OMB) submits a detailed budget proposal to Congress based on requests from agencies. The appendix to the President’s budget submission contains much of the technical information and legislative language used by the Appropriations Committees. In addition, presidents must sign or veto each of the appropriations bills, giving them additional influence over what the bills look like.

What is the timeline for appropriations?

The 1974 Budget Act calls for the Administration to submit its budget request by the first Monday in February and for Congress to agree to a concurrent budget resolution by April 15. The House
may begin consideration of appropriations bills on May 15 even if a budget resolution has not been adopted. Action on appropriations bills is supposed to be completed by June 30 (the process is generally designed for the House to take the lead on appropriations and the Senate to follow). However, none of these deadlines are enforceable, and they are regularly missed. The practical deadline for passage of appropriations is when the next fiscal year begins on October 1. For a full timeline of the budget process, read more here.

**What happens if appropriations bills do not pass by October 1?**

If appropriations bills are not enacted before the fiscal year begins on October 1, federal funding will lapse, resulting in a government shutdown. To avoid a shutdown, Congress may pass a continuing resolution (CR), which extends funding and provides additional time for completion of the appropriations process. If Congress has passed some, but not all, of the 12 appropriations bills, a partial government shutdown can occur.

**What is a continuing resolution?**

A continuing resolution, often referred to as a CR, is a temporary bill that continues funding for all programs based on a fixed formula, usually at or based on the prior fiscal year’s funding levels. Congress can pass a CR for all or just some of the appropriations bills. CRs can increase or decrease funding and can include “anomalies,” which adjust spending in certain accounts to avoid technical or administrative problems caused by continuing funding at current levels, or for other reasons. The Fiscal Responsibility Act includes a penalty for the use of a CR in FY 2024, reducing both defense and nondefense funding levels by 1 percent if appropriations bills are not enacted by January 1, 2024, which would take effect by April 30, 2024. (A similar penalty and timeline also apply for FY 2025.)

**What happens during a government shutdown?**

A shutdown represents a lapse in available funding. During a shutdown the government stops most non-essential activities related to the discretionary portion of the budget. To learn more, see Q&A: Everything You Should Know About Government Shutdowns.

**Do agencies have any discretion in how they use funds from appropriators?**

Executive branch agencies must spend funds provided by Congress in the manner directed by Congress in the text of the appropriations bills. Appropriations bills often contain accompanying report language with additional directions, which are not legally binding but are generally followed by agencies. In some instances, Congress will provide for very narrow authority or use funding limitation clauses to tell agencies what they cannot spend the money on. That said, Congress often provides broad authority, which gives agencies more control in allocating spending. Agencies also have some authority to reprogram funds between accounts after notifying (and in some cases getting approval from) the Appropriations Committees.
What is the difference between appropriations and authorizations?

Authorization bills create, extend, or make changes to statutes and specific programs and specify the amount of money that appropriators may spend on a specific program (some authorizations are open-ended). Appropriations bills then provide the discretionary funding available to agencies and programs that have already been authorized. For example, an authorization measure may create a food inspection program and set a funding limit for the next five years; however, that program is not funded by Congress until an appropriations measure is signed into law. The authorization bill designs the rules and sets out the details for the program, while the appropriations bill provides the actual resources to execute the program. In the case of mandatory spending, an authorization bill both authorizes and appropriates funding for a specific program without requiring a subsequent appropriations law.

Where are the House and Senate in the current appropriations process?

Congress began appropriations work for FY 2024 in March, and the House began scheduling mark ups for individual appropriations bills in May. In March, the Biden Administration released its full FY 2024 budget with a base discretionary funding request of $1.695 trillion, 4.8 percent more than the comparable FY 2023 level.

The Fiscal Responsibility Act is designed to shape appropriations work for FY 2024, capping defense spending at $886 billion and nondefense spending at $704 billion, for a total of $1.590 trillion. (The House may pursue lower nondefense spending levels of $585 billion while keeping defense spending at $886 billion, according to media reports.) There is also a penalty for failure to enact regular appropriations by January 2024 in the form of one percent reductions to defense and nondefense spending levels (to take effect by April 30, 2024), which is intended to aid the budget process and deter excessive reliance on CRs.

Although Congress is supposed to complete a budget resolution to lay out fiscal principles and set an appropriations level, lawmakers have not adopted one. The Fiscal Responsibility Act includes instructions for the House Budget Committee chairman to formally submit discretionary spending limits for purposes of section 302 budget enforcement in lieu of a true budget resolution.

Once a 302(a) allocation is adopted through a budget resolution or through a deeming resolution, spending totals for each of the 12 appropriations bills, or 302(b) allocations, must be formally adopted by the House and Senate Appropriations Committees. As in previous years, the House is expected to take the lead on marking up and passing appropriations bills over the summer. Last year, the Senate released its FY 2023 appropriations bills at the end of July. Following enactment of the Fiscal Responsibility Act, appropriators from both the House and the Senate expressed determination to move the process forward over the summer.
To follow the progress of appropriations throughout this process, see our Appropriations Watch: FY 2024.