



# COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

## CHAIRMEN

MITCH DANIELS  
LEON PANETTA  
TIM PENNY

## PRESIDENT

MAYA MACGUINEAS

## DIRECTORS

BARRY ANDERSON  
ERSKINE BOWLES  
CHARLES BOWSHER  
KENT CONRAD  
DAN CRIPPEN  
WILLIS GRADISON  
JANE HARMAN  
WILLIAM HOAGLAND  
JIM JONES  
LOU KERR  
JIM KOLBE  
MARJORIE MARGOLIES  
DAVE MCCURDY  
JAMES MCINTYRE, JR.  
DAVID MINGE  
MICHAEL NUTTER  
JUNE O'NEILL  
MARNE OBERNAUER, JR.  
RUDOLPH PENNER  
ROBERT REISCHAUER  
CHARLES ROBB  
ISABEL SAWHILL  
ALAN K. SIMPSON  
JOHN SPRATT  
CHARLIE STENHOLM  
GENE STEUERLE  
DAVID STOCKMAN  
JOHN TANNER  
TOM TAUKE  
CAROL COX WAIT

## Appropriations 101 June 22, 2022

### 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 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 (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 for the fiscal year, but each chamber must pass its own deeming resolution to officially set 302(a) allocations. In the House, this can be done by a simple majority vote, which is how the [FY 2023 deeming resolution passed](#) on June 8. However, in the Senate such a resolution does not have privileged consideration, making it vulnerable to filibuster.

The appropriations process for the current fiscal year, FY 2022, marked the first in a decade in which discretionary spending levels were [no longer subject](#) to [statutory spending caps](#) originally enacted by the Budget Control Act of 2011. The House adopted a deeming resolution for FY 2022 in June 2021, while the Senate filed its 302(a) shortly after the FY 2022 budget resolution was passed in order to facilitate the use of [reconciliation](#). Lawmakers ultimately agreed to an [FY 2022 omnibus appropriations bill](#) in March 2022 that provided \$1.471 trillion in base discretionary spending, an increase of 6.7 percent from comparable FY 2021 levels.



## 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 2022 regular (non-disaster) appropriations along with the House and Senate FY 2023 302(b) allocations. The table will be updated as both the House and Senate Appropriations Committees release their 302(b) allocations.

Regular Appropriations (Budget Authority)				
Subcommittee	FY 2022 Appropriation	President's FY 2023 Budget	FY 2023 House Committee	FY 2023 Senate Committee
Agriculture	\$25.1 billion	N/A	\$27.2 billion	N/A
Commerce, Justice, Science	\$75.8 billion	N/A	\$85.5 billion	N/A
Defense	\$728.5 billion	N/A	\$761.7 billion	N/A
Energy and Water	\$52.9 billion	N/A	\$56.3 billion	N/A
Financial Services and General Government	\$25.5 billion	N/A	\$29.8 billion	N/A
Homeland Security	\$57.5 billion	N/A	\$60.3 billion	N/A
Interior and Environment	\$38.0 billion	N/A	\$44.8 billion	N/A
Labor, HHS, Education	\$197.0 billion	N/A	\$224.4 billion	N/A
Legislative Branch	\$5.9 billion	N/A	\$7.0 billion (\$5.7 billion in House-only spending formally approved)	N/A
Military Construction and VA	\$127.6 billion	N/A	\$150.5 billion	N/A
State, Foreign Operations	\$56.1 billion	N/A	\$64.6 billion	N/A
Transportation, HUD	\$81.0 billion	N/A	\$90.9 billion	N/A
<b>TOTAL</b>	<b>\$1.471 trillion*</b>	<b>\$1.582 trillion^</b>	<b>\$1.603 trillion^</b>	<b>N/A</b>

Source: [House Appropriations Committee](#), [Senate Appropriations Committee](#), [CBO estimate of H.R. 2471](#), Office of Management and Budget.

\* In addition to base discretionary appropriations provided in the table, final FY 2022 spending measures also included changes in mandatory spending programs and adjustments for disaster relief, wildfire suppression, and program integrity. Including these amounts, non-emergency discretionary budget authority for FY 2022 totaled \$1.512 trillion.

^According to the [House Budget Committee](#), the deeming resolution incorporates certain technical and scorekeeping adjustments to translate the topline appropriations number from the President's budget request into a formal 302(a) allocation. The House deeming resolution provides for \$1.603 trillion in regular appropriations for FY 2023 subject to 302(b)s, 9 percent more than the comparable FY 2022 level. The House measure specifies nearly \$25 billion in adjustments for disaster relief, wildfire suppression, and program integrity. The President's budget called for base discretionary funding of \$1.582 trillion; total discretionary funding would be \$1.598 trillion when considering \$26 billion in adjustments for special spending categories and excluding \$10 billion of programs shifted to mandatory spending.



Each subcommittee proposes a bill that ultimately must pass both chambers of Congress and be signed by the President in order 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.

### **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. Supplementals 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 their 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 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.

## 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 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 2023 in March, and the House began marking up individual appropriations bills in June. Like last year's process for FY 2022, the [lack of statutory caps](#) means that lawmakers have more leeway to set discretionary spending however high they would like as long as the appropriations bills written in accordance with these spending levels can ultimately pass both the House and the Senate.

Although Congress is supposed to [complete a budget resolution to lay out fiscal principles](#) and set an appropriations level, lawmakers have not adopted one. Lawmakers are using a [procedure known as "deeming,"](#) allowing the Appropriations Committees to begin their work assuming adherence to an overall discretionary spending level known as a 302(a).

Once a 302(a) allocation is adopted through a budget resolution or through deeming, 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 did not even release most of its FY 2022 appropriations bills until the fall after the new fiscal year had already started.

To follow the progress of appropriations throughout this process, see our [Appropriations Watch: FY 2023](#).