

---

# Federal Budget 101

Your guide to the federal  
government's budgeting  
process

By  
National Priorities Project

# The Role of the Federal Government



1774407 [RF] © www.visualphotos.com



# The Federal Budget Process Defined...

- ◆ “The Budget of the United States Government” refers to the *proposed* budget released by the president every February
- ◆ Then several steps are required for the federal budget to be lawfully enacted

# FEDERAL BUDGET PROCESS

President submits  
budget to Congress



House & Senate pass  
budget resolutions



House & Senate write  
separate appropriations  
bills



House & Senate vote & reconcile  
differences between their  
two versions of the bills



The President signs bills...  
**BUDGET BECOMES LAW**

# The Budget Process: Five Steps

1. Every February the president submits a budget request to Congress for the upcoming fiscal year



2. Congress carries out a series of evaluations to pass a *budget resolution*

February



Early Spring



# The Budget Process: Five Steps

3. Congressional subcommittees “markup” appropriation bills



4. The House and Senate vote on appropriation bills and reconcile differences



5. The president signs the bills passed by Congress, and the budget is enacted

Late Spring



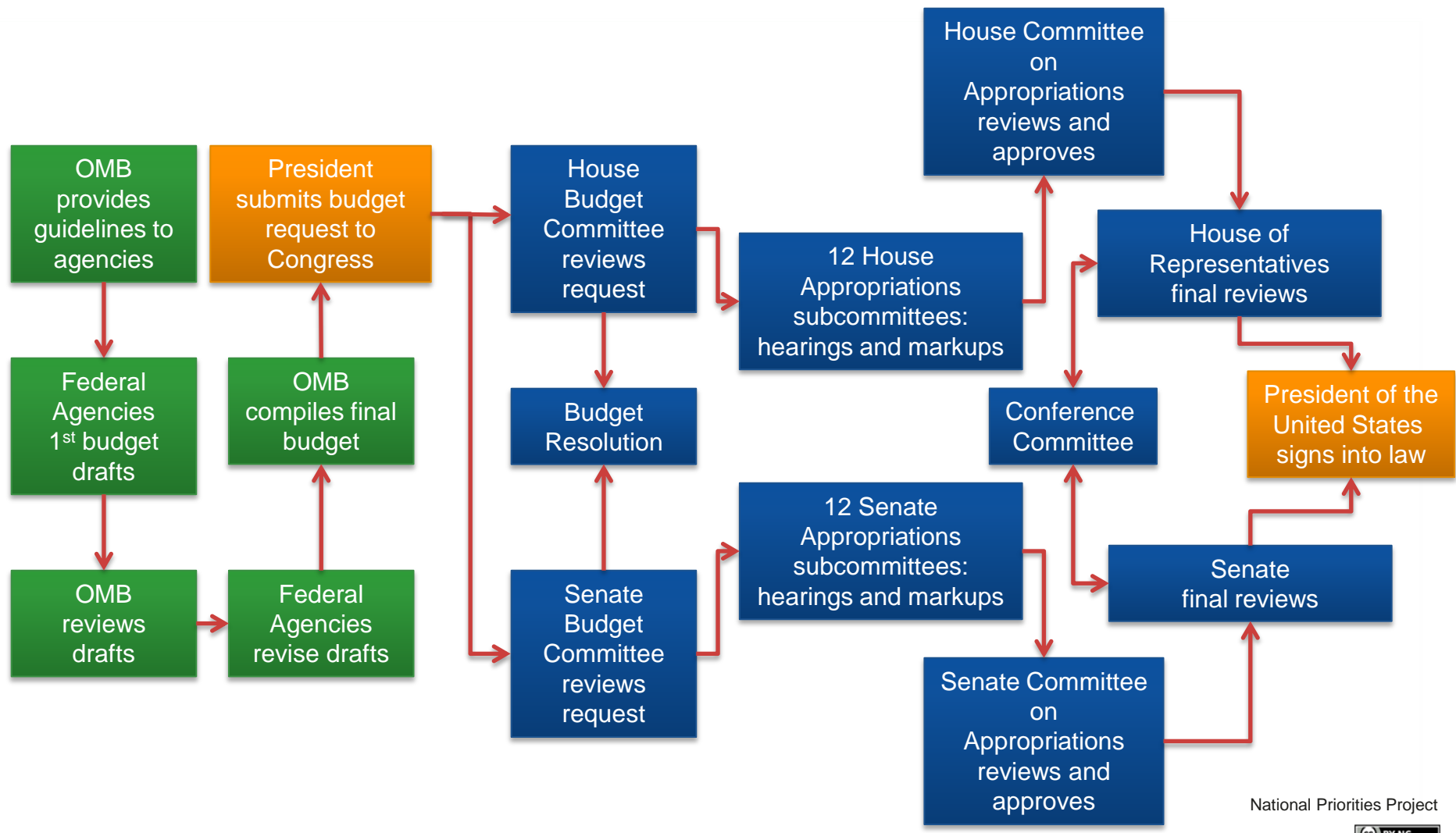
Early Fall



September 30th



# Putting It All Together



# What Does This Really Mean?

(Based on the president's FY2013 request)

12 Appropriations subcommittees in the House and 12 more in the Senate:

Agriculture

Commerce, Justice, & Science

Defense

Energy & Water

Financial Services

Homeland Security

Interior & Environment

Legislative Branch

Labor, HHS, & Education  
 HHS = \$922B

Military Construction & Veterans' Affairs

State & Foreign Operations

Transportation, Housing, & Urban Development



Head Start = \$8.1B  
 1% Reduction  
 NV = \$30.2M

LIHEAP = \$2.8B  
 20% Reduction  
 WI = \$85.3M

TANF = \$16.7B  
 2% Reduction  
 CA = \$3.5B



# How Federal Funds Affect Local Communities

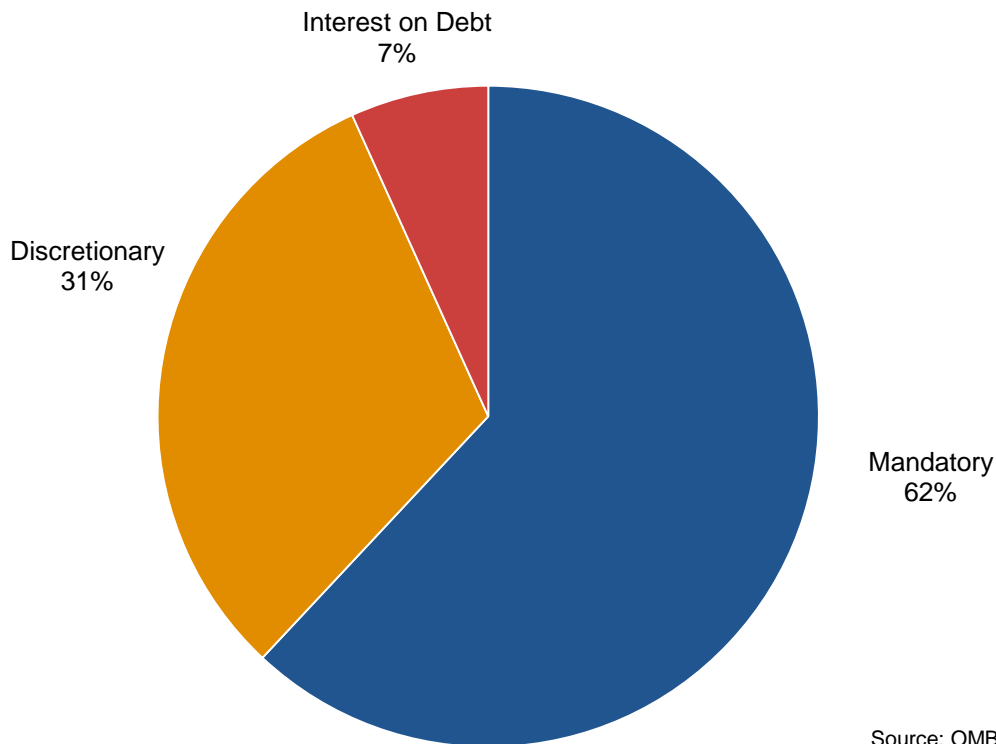
| <u>Where</u>                       | <u>Federal Program</u>   |
|------------------------------------|--|
| <b>Schools</b>                     | Head Start, Title I  |
| <b>City Hall</b>                   | Infrastructure (water, transit, roads, bridges)  |
| <b>Housing Authority</b>           | Housing assistance   |
| <b>Community/<br/>Anti-poverty</b> | Early childhood, economic development, social services<br>bock grant, weatherization, fuel assistance, youth programs,<br>food & hunger programs |
| <b>State Agencies</b>              | Medicaid, TANF, SNAP, jobs programs  |
| <b>Employment Agencies</b>         | Unemployment benefits, job training, jobs  |
| <b>Universities</b>                | Pell grants, student loans, grants to schools  |

# Three Main Budget Categories

## Discretionary Spending:

Energy,  
Environment,  
Science,  
Military,  
Education

Funding  
determined on  
an annual  
basis



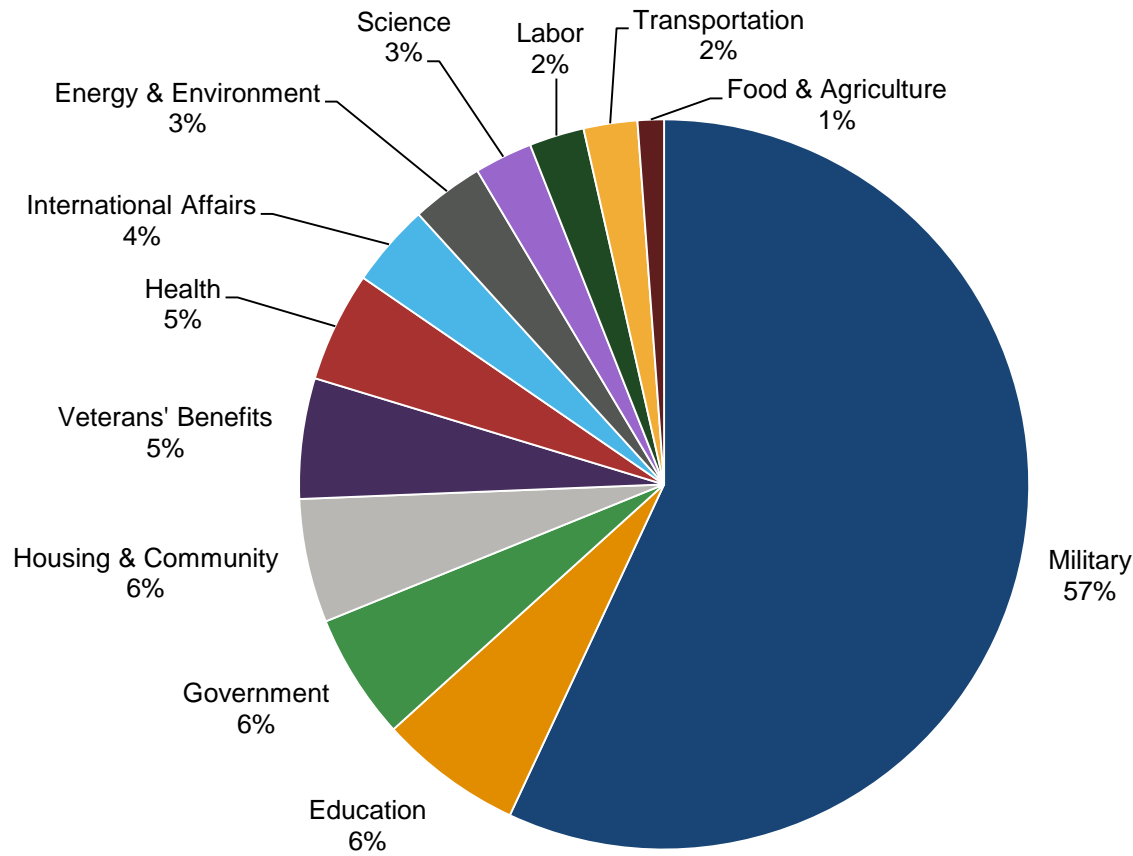
## Mandatory Spending:

Social Security,  
Medicaid,  
Medicare, food  
stamps, CHIP

Funding based  
on how many  
people are  
eligible and  
apply for  
benefits

Source: OMB

# The Discretionary Budget: How does it affect you?

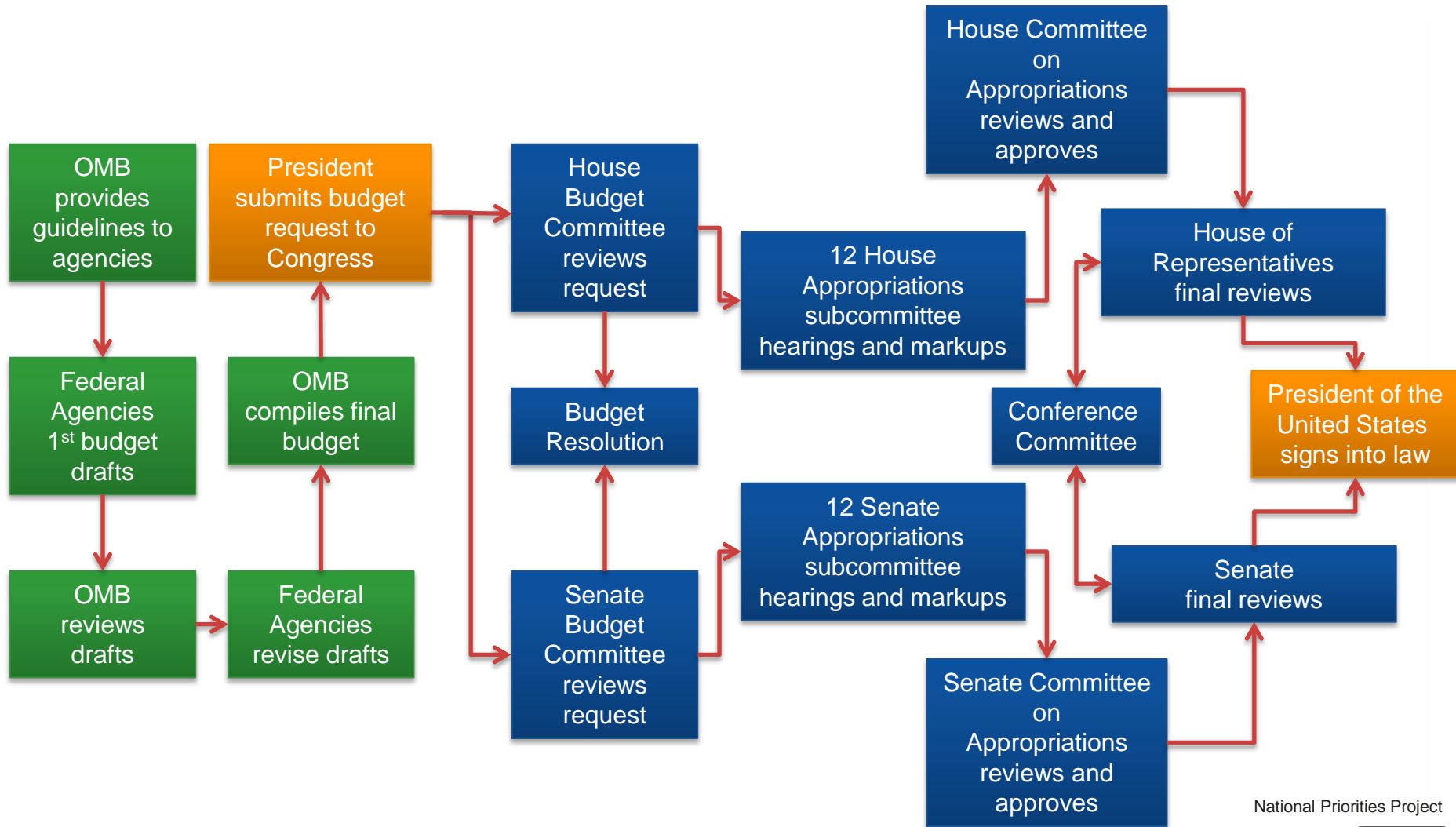


Source: OMB

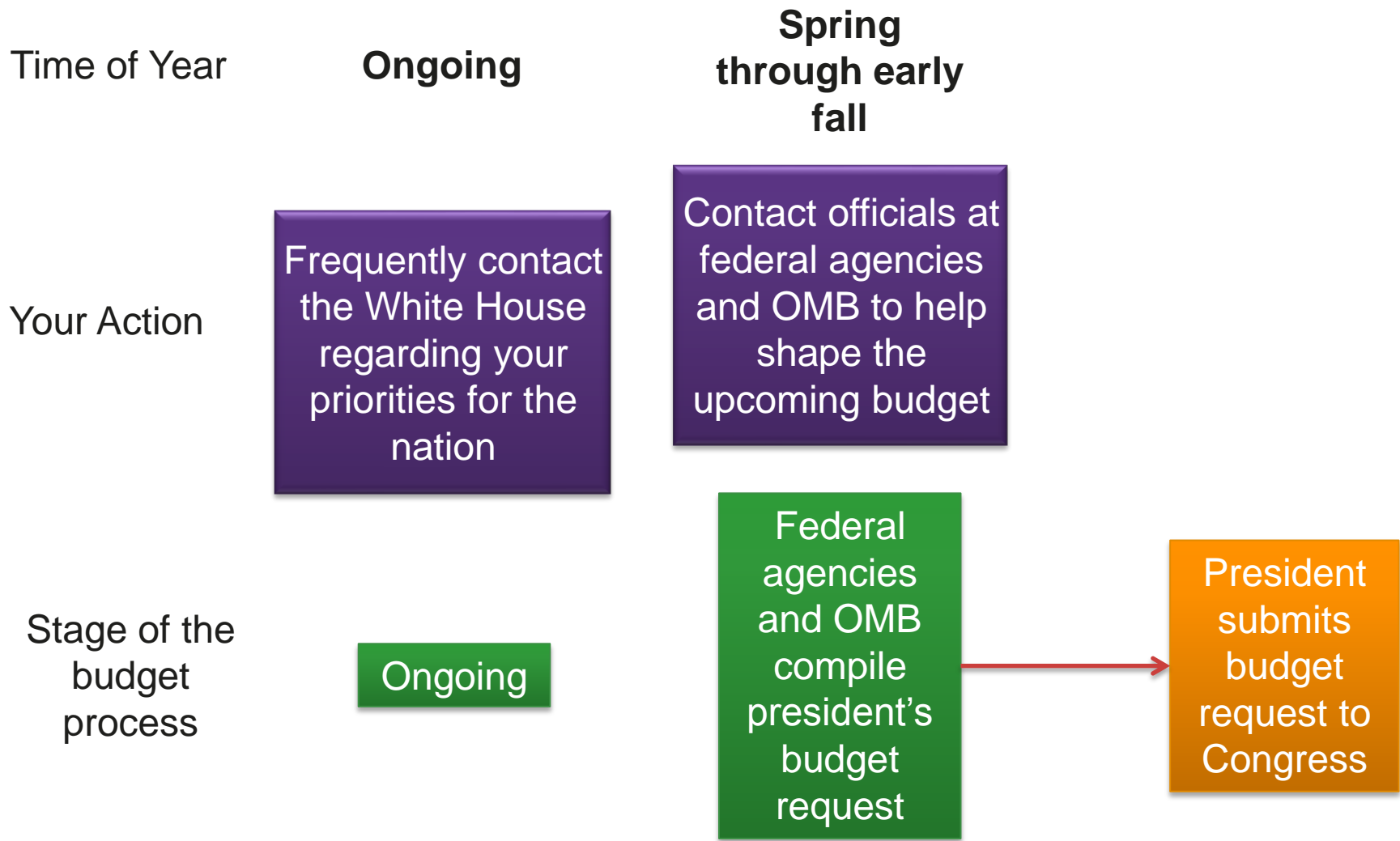
# Budget Control Act of 2011

- ◆ Calls for \$2.4 trillion in deficit reduction over 10 years
- ◆ \$917 billion in cuts to discretionary spending by 2021
- ◆ Additional \$1.2 trillion in deficit reduction over 10 years based on “super committee”
- ◆ Super committee failure = “sequestration”

# Now, how can YOU influence THIS?



# Knowledge is Power How to Take Action



# How to Take Action, continued

| Time of Year                | February to March AND May to June                              | April                                      | July through September                               |
|-----------------------------|--|--|--|
| Your Action                 | Contact members of Appropriations Committees                   | Contact members of Budget Committees       | Contact members of House and Senate                  |
| Stage of the budget process | Lawmakers review president's request; then write Approps bills | Budget Committees write budget resolutions | Full House and Senate vote and reconcile differences |

**Last chance! Presidential veto**

# NPP has the stuff to keep you up-to-date and engaged in the budget process

[www.nationalpriorities.org](http://www.nationalpriorities.org)

Tools

Build a Better Budget, NPP database,  
tax receipt

Resources

Federal Budget 101 in detail, more  
webinars, *People's Guide*

Blogs

Blog updates on the federal budget and  
government programs

Social Media





# Contact

Chris Hellman

*senior research analyst*

chellman@nationalpriorities.org



Mattea Kramer

*senior research analyst*

mattea@nationalpriorities.org

*[www.nationalpriorities.org](http://www.nationalpriorities.org)*