

# Appropriations Primer



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## Budget and Appropriations Overview

- Budget
  - Divides spending totals into **21 functional categories** and may include reconciliation instructions to designated House or Senate committees
    - The education category is "500: Education, Training, Employment, and Social Services"
- Appropriations
  - Annual decisions made by Congress about how the federal government spends its **authorized** money for **discretionary** portions of the budget
- Process
  - Funding is convoluted with a lot of jargon, procedures, and deadlines that are rarely met
  - Congress is supposed to produce a budget resolution and **12 appropriations bills** for the fiscal year before Oct. 1
  - Begins with the President's annual budget request to Congress
    - A large document with economic projects for revenues and programs
    - Not meant to be used by Congress entirely, but it's instead used to **show an administration's values and priorities**



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## Congressional Budget Process

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- Congressional Budget Resolution
  - A “blueprint” that guides fiscal decision-making in Congress
  - A budget resolution binds Congress, but is not a law
  - Also used to send a message about priorities
- House and Senate Committees on the Budget
  - Set total levels of discretionary spending by drafting budget resolutions



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## Budget Allocations

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- 302(a) allocations
  - A table that takes the spending totals laid out by budget function in the budget resolution and distributes them by congressional committee instead
    - Represents a total dollar limit on all of the legislation each committee produces that year
  - Both the House and the Senate Appropriations Committees receive a single 302(a) allocation for all programs
- 302(b) allocations
  - A table that takes all 302(a) allocations and divides the funding among the 12 appropriations subcommittees



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## Committee Appropriation Process

- House and Senate Committees on Appropriations
  - Generate 12 separate appropriations bills in 12 subcommittees
- Labor, Health, Human Services, Education & Related Agencies Appropriations Bill (Labor-H) covers education
- Commerce, Justice, Science and Related Agencies (CJS) covers Science part of CHIPS and Science Act
- Defense covers Military



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## The 12 Appropriations Bills

1. Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
2. **Commerce, Justice, Science, and Related Agencies**
3. **Defense**
4. Energy and Water Development
5. Financial Services and General Government
6. Homeland Security
7. Interior, Environment, and Related Agencies
8. **Labor, Health, and Human Services, Education, and Related Agencies**
9. Legislative Branch
10. Military Construction, Veteran Affairs, and Related Agencies
11. State, Foreign Operations, and Related Programs
12. Transportation, Housing and Urban Development, and Related Agencies



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## Appropriations Bills

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- Appropriations bills are supposed to be passed in “regular order” by September 30<sup>th</sup>
  - Given disagreements between the House and the Senate, this rarely happens
- Instead, Congress passes “continuing resolutions” (CRs) to avoid shutdown, or some combination of an Omnibus, Minibus, or CRomnibus
- Policy is often reflected in the language
  - e.g., “no money to be spent on the President’s immigration policy”



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## Appropriating without a Passed Budget

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- Previous Legislation (Caps)
- Deeming Resolution
  - 302(a) and 302(b) allocations
- Leadership Agreement
- Reconciliation
  - Parliamentarian Ruling



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## FY24 Appropriations

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- The Consolidated Appropriations Act, 2023 (H.R.2617) was signed on March 23, 2024 to fund the federal government through September 30, 2024
  - This omnibus funding bill allocates \$1.66 trillion of discretionary spending, a 7% increase from FY22
  - \$800 billion of the budget is directed to non-defense programs (5.5% increase)
  - \$858 billion is directed to defense programs (10% increase)
- FY24 appropriations includes \$1.38 billion in funding for Title IV-A Student Support and Academic Enrichment (SSAE) grants, as well as \$1.33 billion for Title IV-B 21st Century Community Learning Centers
- FY24 Appropriates \$9.87 billion in funding to NSF



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## The Fiscal Responsibility Act of 2023

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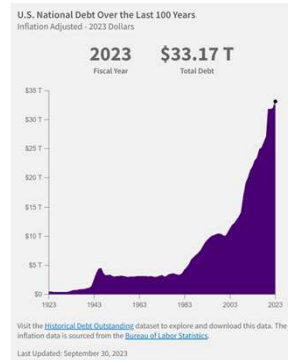
- Passed on June 3rd, 2023
- Sets discretionary spending limits for FY24
  - \$886,349,000,000 for defense spending
  - \$703,651,000,000 for non-defense spending
  - Lack of parity
- Punishes Continuing Resolutions
  - Congress cannot delay appropriations
  - If it does, automatic sequesters cut government spending across the board
- Emergency Spending
  - Emergency spending is exempt from above spending limits
  - Supplemental spending marked as emergency spending may be used to increase total spending



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# The Debt Ceiling

- Article I of the Constitution gives Congress the power to borrow money on the credit of the United States. Total amount of money that the United States government is authorized to borrow to meet its existing legal obligations.
- First enacted in 1917 through the Second Liberty Bond Act and was set at \$11.5 billion.
- Modified 96 times since 1917.
- The Bipartisan Budget Act of 2019 suspended the debt limit through July 31, 2021. Before this, the limit was set to \$22 trillion. When the limit expired, the debt was at \$28.5 trillion.
- The Promoting Physical Activity for Americans Act passed on October 14, 2021 to raise the debt limit by \$480 billion.
- Congress passed Senate Joint Resolution 23 (S.J.Res.33) on December 16, 2021 to raise the debt limit to \$31.4 trillion.
- Fiscal Responsibility Act of 2023 suspends debt limit through January 1, 2025
- Federal debt is currently at about \$33.2 trillion.

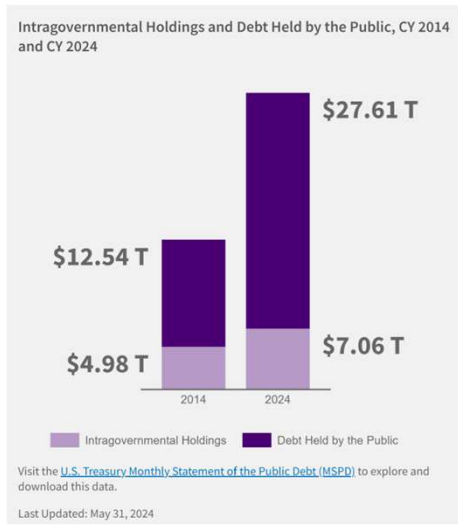


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# Federal Debt FY24: \$34.7 Trillion

Country	Jan 2023	Dec 2022
Japan	1104.4	1076.3
China, Mainland	859.4	867.1
United Kingdom	668.3	654.5
Belgium	351.1	354.3
Luxembourg	318.2	329.4
Switzerland	290.5	269.7
Cayman Islands	285.3	283.8
Canada	254.1	215.1
Ireland	253.4	254.8
Taiwan	234.6	225.5
India	232.0	224.1
Hong Kong	226.8	221.0
Brazil	214.0	217.4
Singapore	187.6	182.9
France	183.9	189.0
Saudi Arabia	111.0	119.7
Korea	105.8	102.9
Norway	104.4	92.0
Germany	91.3	100.7
Bermuda	77.4	81.5
Netherlands	73.7	67.4
United Arab Emirates	64.9	58.6
Australia	62.2	57.1
Mexico	58.2	58.6
Thailand	52.8	46.0
Philippines	48.8	48.3
Israel	46.1	47.8



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## FY25 Appropriations

- House:
  - House leaders scheduled markups for all 12 appropriations bills through June 30
  - The House has reported 6 bills out of their subcommittees and 2 out of the full committee
  - The Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill (MilCon) only bill to pass full House
  - The Labor-H Subcommittee has not reported out their bill
  - CJS Markup Scheduled Wednesday June 26th
- Senate:
  - Has not scheduled markups
- Both chambers adopted budget allocations in the Fiscal Responsibility Act of 2023

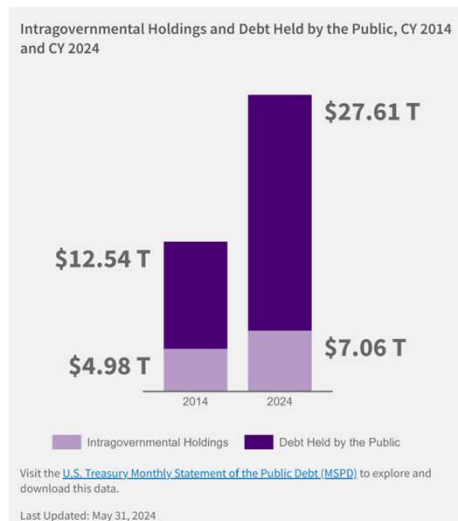


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## The Future

- Deficit in FY23 was \$1.68 Trillion
- Estimated Deficit for FY24 is \$1.99 Trillion

FY23		
Debt [Trillions]	GDP [Trillions]	Debt as a percentage of GDP
\$32.989	\$26.974	122%



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# Questions

