The Federal Spending Process & Impacts on Science

Back to Basics Webinar Series
9 March 2017
Roadmap

- **Speaker Introductions**
- **FY17 Update**
- **The President’s Budget**
- **Budget Process**
- **Appropriations Process**
- **What You Can Do**
Today’s Speakers

From the AGU Public Affairs Team:
• Timia Crisp, Public Affairs Analyst
• Brittany Webster, Public Affairs Specialist
• Carissa Bunge, Public Affairs Specialist

Special Guest Speaker:
• Virginia Ainslie, CEO of Ainslie & Associates
What’s the deal with Fiscal Year 2017?

Speaker: Timia Crisp, Public Affairs Analyst at AGU
Current Status of FY2017 Budget

Discretionary spending is about a third of total spending.

Discretionary spending = Blue + Green

Science accounts for about 1% of total federal spending.
Non-Defense Discretionary (NDD) Spending accounts for roughly 16%
Spending below FY 2010 Levels

Federal Spending Since FY 2010
Percent change from FY10 levels, constant dollars, excluding new mandatory proposals in FY 2017

*Includes EERE, OE, Fossil, Nuclear; excludes ARPA-E (regular appropriations began in FY 2011).
Based on AAAS analyses of historical OMB, agency, and appropriations data and the President’s FY 2017 request. © 2016 AAAS
President’s Budget to be released

PROPOSED REDUCTIONS TO FEDERAL SCIENCE AGENCIES (NOT CONFIRMED)

FY2016 AS BASELINE

EPA (26%)
NOAA (17%)
USGS (10%)
NSF
NASA
Why We Need to Speak For Science

Between 1995 and 2015, NASA’s purchasing power decreased by 11.6 percent overall, with some parts of the Agency experiencing even further declines.

Weather-related natural disasters in the U.S. have more than tripled since 1980; $3 trillion dollars in damage the last 37 years.

The non-defense discretionary spending limit for FY 18 is $2 billion less than it was in FY 16, in nominal terms.

The National Science Foundation's budget in real dollars decreased by over $250 million from FY10 to FY16.
The Budget Process

Speaker: Virginia Ainslie, CEO of Ainslie & Associates
There are three types of legislation:

- **Authorization**
  - Specifies purpose
  - Authorizes appropriations

- **Appropriations**
  - Spending bills
  - **MUST PASS**

- **Budget**
  - Budget resolution
  - Budget reconciliation
Federal Budget Process (In Theory)

1. In early February, OMB, after reviewing agency proposals, submits the President’s annual budget request, detailing the administration’s goals for federal revenue and spending, program-by-program funding levels, and project deficits and surpluses.

2. By April 15, Senate and House Budget Committees draft budget resolutions to set total levels of discretionary funding available for the next fiscal year. If a resolution fails to pass both chambers, a chamber will pass a “deeming resolution” to establish enforceable budget levels.

3. Working within the discretionary funding limits set by the budget resolutions, House and Senate Appropriations Committees assign to each of their twelve subcommittees the task of determining program-by-program funding.

4. The Appropriations Committees amend and pass subcommittee appropriations bills.

5. Senate and House leadership negotiate passing all unfinished subcommittee bills together in an omnibus bill. If Congress fails to do this by October 1, it must pass a continuing resolution to keep programs funded, or face partial government shutdown.

6. The President signs the omnibus bill or continuing resolution.

Congressional Budget Process

• **Budget Resolution**
  – A fiscal agreement between House and Senate
  – SOMETIMES includes reconciliation instructions
  – Never becomes law

• **Budget Reconciliation Bill(s)**
  – Provides instructions for authorizing committees
  – Simple majority
  – May become law
The Budget Resolution

• An agreement between the House and the Senate
• Topline numbers = mandatory + discretionary spending
• Does not require the president’s signature and never becomes law
• Fiscal framework for appropriations and authorization bills

SETS LIMIT ON SPENDING FOR DISCRETIONARY PROGRAMS (SCIENCE FUNDING)
<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
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<tbody>
<tr>
<td>1st Monday in February</td>
<td>President’s Budget is submitted to Congress</td>
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<tr>
<td>March 15</td>
<td>Debt ceiling expires</td>
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<tr>
<td>April 15</td>
<td>Congress passes budget resolution</td>
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<tr>
<td>April 28</td>
<td>Current continuing resolution expires</td>
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<tr>
<td>October 1</td>
<td>Fiscal year begins</td>
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What is AGU doing & How can you help?

Speaker: Brittany Webster, Public Affairs Specialist at AGU
What is AGU doing?

Earth and Space 101: Securing the Nation and Expanding Frontiers
A recap of the House Earth and Space Science Caucus’s first event of the 115th Congress.

Help Save Science Funding for NOAA and Other Agencies
NOAA facing program eliminations—tell Congress not to cut science funding today.

Now is your chance to help support NOAA and other science agencies. Write to your members of Congress today—it just takes a few minutes.

TAKE ACTION
How can you engage?

- WRITE With the AGU Action Center
- MEET District Visits (April recess)
- SHARE Your experience
The Appropriations Process

Speaker: Virginia Ainslie, CEO of Ainslie & Associates
Appropriations Process

1. President sends budget proposal to congress
2. House Appropriations Committee marks up bill and sends to House floor
3. House considers, amends, and passes bill
4. Senate Appropriations Committee marks up bill and sends to Senate floor
5. Joint Senate and House conference work out differences between two bills
6. Senate considers, amends, and passes bill
7. House and Senate vote on final bill
8. White House signs or vetoes the bill

What is AGU doing & How can you help?

Speaker: Carissa Bunge, Public Affairs Specialist at AGU
What is AGU doing?
What you can do?

- AGU Science Policy Alerts
- Say Why #ScienceIsEssential
- AGU Science Policy Toolkits
Questions?
Remember: You can engage NOW!

Sign up for [Science Policy Alerts](#)

Follow us on Twitter (@AGUSciPolicy)

Check out our [toolkits](#)

Write your legislator through our [Action Center](#)

Subscribe to the [Sharing Science Network](#)

[Share](#) your experience with us

[Register](#) for a webinar
Future Webinars

- **How to Communicate Your Science** *(Spring)*
- **Science Policy Update** *(Spring)*
- **District Visits** *(early Summer)*
- **Alternative Ways to Engage Legislators** *(Summer)*
- **Legislative Updates and the Role of Committees** *(Fall)*
- **2017 Fall Meeting Science Policy Events: Sneak Peek** *(late Fall)*
Appendix

Extra Documents
Budget: Key terms

- **Mandatory Spending**: Mandatory spending, or entitlement spending, is not controlled by annual appropriations; the government allocates funds to all who are eligible regardless of cost to the Treasury; includes Social Security and Medicare.

- **Discretionary Spending**: Discretionary spending, or appropriated spending, must be renewed each year in order for the programs to continue operating; includes Defense and Education.

- **Budget Resolution**: Passed by the Senate and the House, sets overall spending limits but does not decide funding for specific programs.

- **Deeming Resolution**: Legislation used when the House and Senate have not agreed on a budget resolution; establishes enforceable budget levels for a budget cycle.

- **Continuing Resolution**: Legislation that permits a government agency to continue to operate at existing funding levels if a new appropriations bill to fund its operations has not been adopted by the start of the fiscal year (October 1).

- **Regular Order**: Full passage of appropriations bills through both chambers by the start of the fiscal year on October 1.

- **Omnibus Bill**: Combined package of appropriations bills that leadership in both chambers negotiate in order to pass a comprehensive budget.
Key offices and committees involved

- **House and Senate Budget Committees**: Draft annual budget resolutions and monitor the progress of appropriations.

- **House and Senate Appropriations Committees**: Decide spending levels for all discretionary programs, such as Defense and Education, after reviewing spending proposals from subcommittees.

- **House and Senate Ways and Means Committees**: Has jurisdiction over taxes and most mandatory programs, such as Social Security, Medicare, and Medicaid.

- **Congressional Budget Office (CBO)**: Non-partisan branch of Congress that provides objective analyses needed for economic and budgetary decisions related to programs covered by the budget.

- **Office of Management and Budget (OMB)**: Works with agencies to coordinate spending requests that become part of the President’s annual budget package.
# Authorization & Appropriations Processes

## Establish & Fund Federal Programs

### Authorization v. Appropriations

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<th>Authorization</th>
<th>Appropriation</th>
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<tr>
<td><strong>What it does</strong></td>
<td>• Establishes federal programs</td>
<td>• Outlines how money will be spent on federal programs during the next fiscal year</td>
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<td><strong>Who does it</strong></td>
<td>• Congressional committees with jurisdiction over specific subject areas write the legislation</td>
<td>• There are 12 appropriations subcommittees in each house of Congress; they are divided among broad subject areas and each writes an annual appropriations measure</td>
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| **How it works**    | • Authorization legislation authorizes the expenditure of funds from the federal budget; it may specify how much money should be spent on a program, but it doesn’t actually set aside the money or elaborate on where the money to pay for the budget will come from  
  • The committees are supposed to review programs before their expiration to determine how well they are working | • After subcommittees in the House and Senate mark up appropriations bills in response to the President’s budget, the House and Senate must pass the same version of an appropriation bill to give a program funding  
  • It is very possible for programs to be authorized but not funded |

In Order For a Program to Be Funded, It Must First Be Authorized

Authorization Process

1. House and Senate Committees draft authorization bills
2. House and Senate each pass version of the authorization bill
3. If the bills are not the same, a Conference Committee resolves any differences and sends the bill back to the floors
4. Authorization is sent to White House; President passes or vetoes

Government shutdown occurs if budget is not passed

- Did the House and Senate agree on topline budget numbers in a unified budget plan?
- Did the House and Senate each define how they would prefer to meet budget goals by passing all 12 appropriations bills?
- Did the House and Senate reach a compromise by combining and passing their 12 appropriations bills?
- Congress enacts a regular order budget to fund programs through the next fiscal year

The House and Senate are less likely to reach a compromise on a binding budget bill if they do not pass a unified budget plan, but both chambers may still move forward in the budget process.

- Did the House and Senate pass an omnibus bill that addresses all unfinished appropriations categories?*
  - Yes
  - No
- Congress passes an omnibus bill to fund programs through the next fiscal year

- Did the House and Senate pass a continuing resolution that funds any unfinished appropriations categories at current levels?
- Congress passes a continuing resolution to fund programs until an agreed-upon expiration date

- A government shutdown occurs due to lack of funding

Budget Reconciliation

• A Budget Resolution SOMETIMES includes reconciliation instructions to authorizing committees.
• These authorizing Committees must develop and report out legislation to:
  - Increase or decrease revenue
  - Revise the sources of revenue and/or adjust tax rates
  - Increase or decrease spending on mandatory & entitlement programs
• Budget Reconciliation bill becomes law if it is:
  - Passed by the House and Senate in identical form, and
  - Signed by the President
How will the new Congress use budget reconciliation?

- Repeal and Replace Obamacare
- Tax Reform
- Immigration Reform
- Regulatory Reform
- Raise the debt ceiling