THE FEDERAL BUDGET PROCESS

Timeline

	Budget Request	Budget Resolution / Reconciliation		Appropriations	
		House	Senate	House	Senate
February	President submits **budget request** to Congress	Budget Committee hearings with Administration and expert witnesses	Budget Committee hearings with Administration and expert witnesses	**Appropriations** subcommittees hold hearings with agency heads and outside public witnesses	**Appropriations** subcommittees hold hearings with agency heads and outside public witnesses
March	Administration and agency officials testify in support of **budget request**	Budget Committee prepares a **budget resolution**	Budget Committee prepares a **budget resolution**		
April		House adopts resolution	Senate adopts resolution		
May		House-Senate **conference committee** negotiates final budget resolution		Appropriations Committee makes **302(b) allocations**	Appropriations Committee makes **302(b) allocations**
June		House **tax and policy committees** prepare **reconciliation** measures	Senate **tax and policy committees** prepare **reconciliation** measures	Subcommittees prepare **appropriations bills**	Subcommittees revise the House-passed bills
July				House passes spending bills	Senate passes revised bills
August		House passes **reconciliation bill**	Senate passes **reconciliation bill**		
September	President signs or vetoes reconciliation and spending bills	House-Senate **conference committee** resolves differences, agree on final **reconciliation bill**		House-Senate **conference committees** resolve differences, agree on final versions of spending bills	
October	Beginning of **fiscal year**. Administration and Congress negotiate completion of any unsigned or vetoed bills; Congress passes **continuing resolutions** to maintain funding for any agencies that are not covered by signed **appropriations bills**				

Definitions

Budget request	The **budget request** is a proposed spending and revenue plan submitted by the President to the Congress at the beginning of the budget cycle about 8 months before the beginning of the **fiscal year**. It includes detailed plans for every agency of the federal government.
Budget resolution	The **budget resolution**, prepared by the budget committees, sets ceilings on broad sectors of the federal budget—discretionary spending and various categories of mandatory spending and revenues—to which the other Congressional committees must adhere as they formulate budgetary legislation for the coming fiscal year. The resolution is binding only on the current Congress and is not signed by the President.
Discretionary spending	**Discretionary spending** is the part of the budget that is not mandated by existing law but must be made available by Congress each year. All research programs fall into this category.
Appropriations	**Appropriations** is the annual process for distributing the discretionary budget among government agencies and providing them with the legal authority to spend federal funds on specific programs.
302(b) allocations	After the budget resolution sets the overall level of discretionary spending, each appropriations committee divides the total among its thirteen subcommittees. 302(b) refers to the section of the law governing this procedure.
Appropriations bills	Each appropriations subcommittee, which has jurisdiction over a given subset of government agencies, is responsible for writing a bill authorizing those agencies to spend federal funds.
Reconciliation	**Reconciliation** is the process for enacting changes in law to bring mandatory-spending and revenue levels into compliance with the budget resolution. Unlike the **appropriations bills**, a **reconciliation bill** does not have to be enacted every year—Congress can decline to make, or might fail to agree on, changes in these areas.
Tax and policy committees	The **tax and policy committees**—which include most congressional committees except budget and appropriations—are responsible for writing legislation to amend revenue and mandatory-spending laws so these budget categories will be within the limits set by the **budget resolution**. Each committee considers measures relating only to the program(s) under its jurisdiction; ie. the tax committees would seek to amend tax law while the agriculture committees would seek to amend laws concerning mandatory farm subsidies.
Reconciliation bill	Typically, the separate measures reported by the tax and policy committees are bundled into one legislative package, the **reconciliation bill**, for consideration by the chambers.
Conference committee	**Conference committees** are convened to iron out differences between House and Senate versions of legislation. Conferees are appointed by the House and Senate leadership and are usually drawn from the committees that originally wrote the bill in question.
Continuing resolutions	**Continuing resolutions** are passed to provide temporary appropriations when one or more of the **appropriations bills** has not been passed and signed by the beginning of the **fiscal year**.
Fiscal year	The **fiscal year**, FY 199x, runs from October 1, 199(x-1) to September 30, 199x.