

# Monday

- EQ #27- What are the key steps in the Federal Budget Process?
- Create a flow chart of the Budget Process
- Wrap-up / Review Federal Budget

# Last Six-Week Push

- AP exam in in May- sign up is SOON!
- Term ends in March
- April will be review time for you on your own AND with me
- I will schedule SEVEN out of class review sessions
- HIGHLY RECOMMENDED to attend

# Seating Chart

- Six week push means we need to mix it up
- Thanks for cooperating
- See me if you're miserable!

EQ #27- What are the key steps in the Federal Budget Process?

# Film Clips-

## The Budget Process

- [https://www.youtube.com/watch?v=v67UoLRuH\\_c](https://www.youtube.com/watch?v=v67UoLRuH_c)
- <https://www.nationalpriorities.org/budget-basics/federal-budget-101/federal-budget-process/>

# The Budget Process- What's at stake?

## The Federal Budget:

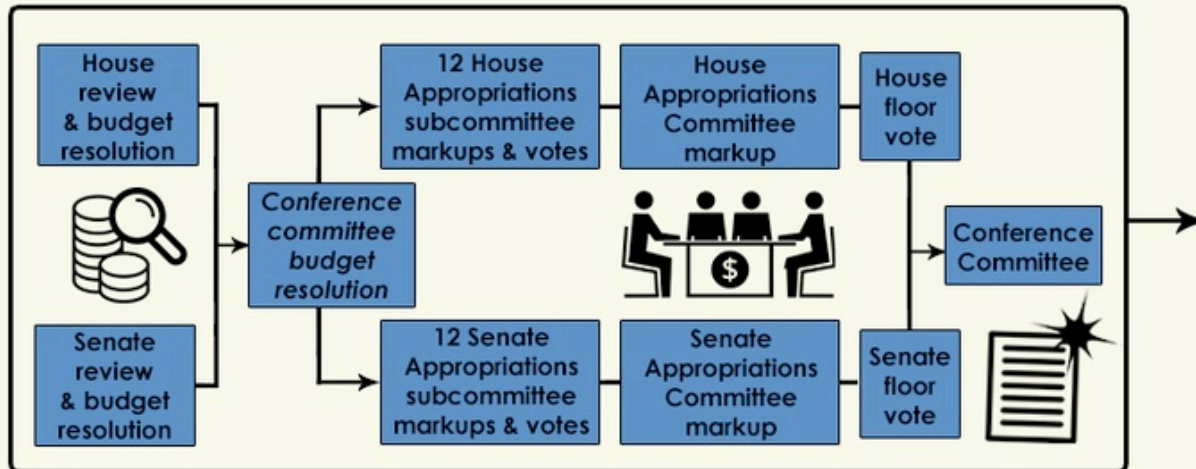
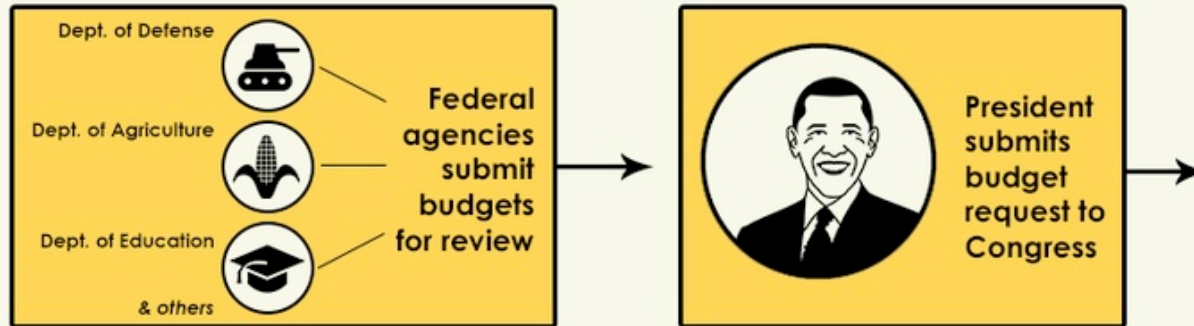
- Affects and involves all regulatory agencies (EPA, FDA, etc.)
- All cabinet departments (Dep't of Defense etc) in the executive branch
- Affects all state and local governments who count on receiving federal grants

# The Budget Process- What's at stake?

## The Players-

- \*The PRESIDENT- proposes/submits the budget request
- \*CONGRESS- must approve (pass it into a law)
  - Almost all committees are involved in the budget.
  - Congress has the “power of the purse” = budget authority to authorize all spending.

# The Annual Federal Budget Process





# Budget Process

- 1 The President submits a budget request to Congress
- 2 Congress reviews the budget and sets a final amount to spend (Budget Resolution)
- 3 Congress Sets spending limits by department.
- 4 Congress agrees on and approves a final budget
- 5 The President signs the budget into law

# The Budgetary Process

- Step #1: The President Submits a formal Budget Proposal to Congress
  - \*Each of the executive cabinet departments submits their budget to the Office of Management and Budget (OMB) who reviews it for feasibility
    - Interest groups and federal agencies (such as the FDA, EPA, DOD) often team up when making budget requests

# The Budgetary Process-

## STEP #1- PROPOSAL

- Step #1: The President Submits the Budget
  - Based on all of the agency requests and feedback from the OMB, the President formally proposes a budget plan to Congress in February
  - The budget proposal reflects the P's priorities for the coming year

# The Budgetary Process

## STEP #2- BUDGET RESOLUTIONS

- STEP #2:
- Congress Reviews the Proposed Budget and Establishes a final budget amount
  - Congress MAY rewrite tax codes now to increase or decrease revenue if needed.
  - House and Senate each pass a budget resolution
    - the total budget amount for the year NOT to be exceeded

# The Budgetary Process

## STEP #3- APPROPRIATIONS

- STEP #3:
- Congress sets spending limits by department, based on the total amount in the budget resolution
- Appropriations Committees in the House and Senate allocate spending
- -Congress CAN / MAY make changes to existing laws in order to meet the budget resolution

# Budget Process-

## STEP #4- RECONCILIATION

- STEP #4-
- The House and Senate reconcile differences and create a final, unified budget
  - The House and Senate must agree on ONE final version with the same language.
  - They use the Conference Committee to sort out differences
  - A final majority vote in each house moves the budget forward

# Budgetary Process

## STEP #5- P SIGNATURE

- Step #5:
- The President signs each of the 12 appropriations bills and the budget becomes law
- But this rarely happens anymore...

# The Budget Process What Else?

- Process is EVEN MORE complicated and messy!!
- P often late to submit budget proposal
- Congress relies on Continuing Resolutions and Omnibus Spending Bills to keep government going...



# What's an Omnibus Spending Bill?

- A bill that packages many smaller appropriations bills into one larger single bill that can be passed with only one vote in each house



# Budget Reform- What is the Congressional Budget Act?

The Congressional Budget and Impoundment Control Act of 1974

An attempt to reform/improve the process.

- Established a fixed budget calendar—with established deadlines
- Created congressional budget committees in each house,
- Created the Congressional Budget Office (CBO) to advise Congress on the consequences of spending; is a counterweight to the President's OMB.
- A budget resolution sets the bottom line for the budget.

# Is the Congressional Budget Act successful?

- Congressional Budget Reform Act, 1974
  - The 1974 Reforms haven't been successful.
    - Between 1974 and 1998, every budget was a deficit budget.
    - Congress misses most of its own deadlines.
    - Congress passes continuing resolutions—a bill that continues the previous budget until a new one is agreed upon—to keep the government going until it passes a new budget.

# Activity- Diagram the Budget Process

- Use your notes and the supplemental handout
- Create a flow chart with PICTURES that graphically illustrates the FIVE steps in the Budget Process
- Each step should have a graphic and words that describe the KEY GIST of the section

# Inbound Methodology

