

## The Federal Budget Process and HIV Funding

november 2005

*No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.\**

### Overview of the Federal Budget

Every year, the President and Congress decide how much money to spend and how much to raise through taxes. They determine how much money will go to each department, agency, activity, and program and, together, they ensure that the government does not exceed its designated spending limit. Then, at the end of each budget process, actual expenditures are reported back to the President and Congress. Thirteen appropriations bills are responsible for enacting the will of the President and Congress, as defined by the allocated funds for each department, agency, activity, and program.

The President's submission of a budget begins the federal budget process, but it does not have any legally binding effect. It is a series of recommendations expressing the President's priorities and goals for the coming fiscal year (October 1 to September 30). Before the President submits his budget, each agency in the Administration submits a detailed justification for its spending priorities in the next fiscal year to the Office of Management and Budget (OMB) for the President's approval. Then, the President submits his budget to the House and Senate, where the leadership refers the budget to the appropriations subcommittees, which have jurisdiction over funding for specific departments, agencies, activities, and programs.

After reviewing the President's budget, Congress often passes its own budget resolution; it is not required though. Budget resolutions may reflect some or all of the recommendations in the President's budget, but they do not have to. A budget resolution must cover five fiscal years: the coming fiscal year and the four years that follow. Like the President's budget, Congress' budget resolution is not law, but it serves as a framework to help Members of Congress make their decisions on spending and tax collection. It includes targets for total spending and total revenues; the projected budget surplus or deficit; and allocations that set spending targets for the two types of federal spending: mandatory and discretionary. To assist in the development of the budget resolution, the National Organizations Responding to AIDS (NORA) provides budget recommendations to Congress for the federal HIV/AIDS portfolio and to related health and human service programs. NORA's recommendations include background information for use in deliberations on the federal HIV/AIDS budget.

Mandatory spending (funding allocations required by law) accounts for almost two-thirds of all federal spending. This type of spending is authorized by permanent laws. It includes entitlements, such as Social Security, Medicare, veterans' benefits, food stamps, and interest payment on the national debt. In order to change mandatory spending, the President and Congress must revise federal law. Discretionary spending (funding allocations

that reflect the needs/wishes of the President, Members of Congress, and their needs/wishes of the President, Members of Congress, and their constituents) is controlled by annual appropriations in the House and Senate Appropriations Committees. Discretionary spending accounts for approximately one-third of all federal spending; the allotment for defense alone accounts for approximately half of the total budget for discretionary spending.

The Department of Health and Human Services—the federal department under which the majority of HIV/AIDS programs and initiatives are run—receives its funding from the House and Senate Appropriations Subcommittees on Labor, Health and Human Services, and Education (Labor-HHS). The majority of domestic HIV/AIDS needs and funding decisions are debated and appropriated here (e.g., Ryan White CARE Act programs, National Institutes of Health research, and the HIV/AIDS prevention programs run by the Substance Abuse and Mental Health Services Administration and the Centers for Disease Control and Prevention). The Labor-HHS appropriations “budget bill” is the second largest discretionary bill after defense and it often inspires lengthy debate. The Members of Congress can insert special projects that are important to their constituents in this bill, so negotiations among the Members takes time. For this reason, it is generally saved for last, and it is not unusual for the bill to go well beyond the September 30 deadline for passage.

When the President and Congress are unable to arrive at agreement and to take action on all 13 appropriations bills by the end of the fiscal year (September 30), a Continuing Resolution (CR) must be passed. A CR is the only way to keep the government departments, agencies, activities, and programs for which appropriations bills have not been passed funded and operating. A CR, which is based on the funding levels from the previous fiscal year, is the only mechanism Congress can use to keep the government open temporarily, until the outstanding appropriations bills are passed by both chambers of Congress and signed into law by the President. If a CR is not passed, the departments, agencies, and activities/programs no longer have the budget authority to continue to operate; consequently, they must close. While this is a rare occurrence, it does happen.

### Appropriation vs. Authorization

The appropriations process is the action of Congress that enables federal agencies to draw funds from the Treasury for specific purposes; whereas an authorization process is the action of Congress that creates, continues, or modifies a federal agency program or policy, either for a specified period of time or indefinitely. The appropriations process usually follows an authorization.

**Authorization**

An authorization act may provide permanent, annual or articulates the goals and guidelines of a program and the multi-year authorizations. The language of an authorization projected time needed to achieve the goals. It also recommends a ceiling on the amount that can be appropriated for the program. The majority of the domestic HIV/AIDS portfolio is authorized through the Senate Committee on Health, Education, Labor and Pensions, and the House Energy and Commerce Committee Subcommittee on Health. The Ryan White Care Act of the Health Resources Services Administration (HRSA) was first authorized in 1990. It will be reauthorized for the third time in 2005.

**Appropriation**

If a program is to be appropriated, Congress must first authorize the expenditure. However, Congress is not required to provide appropriations for all the programs it authorizes. A program such as Ryan White can be authorized by a unanimous vote of Congress; but, if funds are not appropriated for it, the program will not be able to function.

An appropriation of funds to a department, agency, activity or program is sometimes possible without specific authorizing language. For example, the CDC receives an annual appropriation that is divided among its program priorities and goals, including the programs designed to control and prevent the transmission of HIV. Unlike HRSA, the CDC's HIV/AIDS prevention programs do not require reauthorization; like the budget for HRSA's Ryan White CARE Act, however, the CDC's HIV/AIDS budget must be annually appropriated.

**Constituent Involvement**

Often, when budget bills are being considered, there is time allotted by the committee for debate and comment. This is where your work in making your views known to key legislators and their staff is important. Your efforts could even lead to an invitation to speak or submit materials for the official record. Informing your representatives and other key Congressional leaders of the needs in their communities and the importance of receiving federal funding to ensure successful delivery of health and human services is essential during the appropriations process.

Funds are generally available to the relevant federal departments, agencies, programs, and activities immediately after each appropriations bill passes. For non-governmental entities, the actual dates of funding availability may vary. These variations are based on agency implementation schedules (including dates and processes for requests for proposals), special provisions in the appropriations bill, and the need to issue or amend regulations, and other factors.

**The Tracking of a Bill**

After the President signs a bill into law, the federal agencies responsible for administering the new law issue a rule, which elaborates on important provisions, such as eligibility for assistance, timetables for implementation and

program administration, to ensure the law is carried out correctly. (Rulemaking may also be triggered by Congressional hearings and reports, Office of Management and Budget Circulars, court orders, or agency initiatives to carry out their mission.) The public is encouraged to participate in the rulemaking process by submitting comments. It is important to follow legislation through the rulemaking stage. Key policies are often established and articulated during this part of the process. Visit [www.regulations.gov](http://www.regulations.gov) to identify, review, and submit comments on federal documents that are open for comment and published in the *Federal Register*, "the government's legal newspaper."

**Supplemental Appropriations**

After Congress has appropriated funds for the fiscal year, there is often a need for additional funds to support recovery from natural disasters or other unforeseen emergencies. A request for funding and an allocation in the same calendar year that the funds are needed is called supplemental appropriations. Supplemental appropriations bills often include "earmarks" (language specifying the use of the funds) so that only the unforeseen disaster is covered by the supplemental. In FY 2003, additional funds for the AIDS Drug Assistance Program (ADAP) were included in the supplemental appropriations bill that Congress passed shortly after passing the full budget bill.

**The Federal Budget Process**

*November*

Each agency submits a detailed justification of its spending priorities to the Office of Management and Budget.

*February*

The President submits the budget to Congress no later than the first Monday in February.

*March 15*

Congressional committees submit their views of the President's budget and make their recommendations to the Budget Committee.

*April 15*

Deadline for adoption of the Congressional budget resolution for the next fiscal year

*May*

Consideration of appropriations bills begins in House Appropriations Committee.

*June - July*

Consideration of appropriations bills begins in Senate Appropriations Committee.

*September - October*

Senate and House conference committee meets to negotiate any differences between their respective chambers' appropriations allocations. The President signs appropriations bills or a CR to keep government funded.

*September 30*

Current fiscal year ends.

*October 1*

New fiscal year begins.

The current members of the House and Senate 109<sup>th</sup> Congress appropriation and authorizing committees are as follows:

**List of Senate Labor-HHS Appropriations Subcommittee Members**

**Senator Arlen Specter, Pennsylvania, Chairman**

Senator Thad Cochran, Mississippi  
 Senator Judd Gregg, New Hampshire  
 Senator Larry E. Craig, Idaho  
 Senator Kay Bailey Hutchison, Texas  
 Senator Ted Stevens, Alaska  
 Senator Mike DeWine, Ohio  
 Senator Richard Shelby, Alabama

**Senator Tom Harkin, Iowa, Ranking Member**

Senator Daniel Inouye, Hawaii  
 Senator Harry Reid, Nevada  
 Senator Herb Kohl, Wisconsin  
 Senator Patty Murray, Washington  
 Senator Mary Landrieu, Louisiana  
 Senator Richard J. Durbin, Illinois

**List of House Labor-HHS Appropriations Subcommittee Members**

**Rep. Ralph Regula, Ohio, Chairman**

Rep. Ernest J. Istook, Jr., Oklahoma  
 Rep. Roger F. Wicker, Mississippi  
 Rep. Anne Northup, Kentucky (VC)  
 Rep. Randy "Duke" Cunningham, California  
 Rep. Kay Granger, Texas  
 Rep. John E. Peterson, Pennsylvania  
 Rep. Don Sherwood, Pennsylvania  
 Rep. Dave Weldon, Florida  
 Rep. James T. Walsh, New York

**Rep. David R. Obey, Wisconsin, Ranking Member**

Rep. Steny H. Hoyer, Maryland  
 Rep. Nita M. Lowey, New York  
 Rep. Rosa DeLauro, Connecticut  
 Rep. Jesse L. Jackson, Jr., Illinois  
 Rep. Patrick J. Kennedy, Rhode Island  
 Rep. Lucille Roybal-Allard, California

**List of Senate Authorization Committee Members  
 Committee on Health Education, Labor and Pensions**

**Senator Michael B. Enzi, Wyoming, Chairman**

Senator Judd Gregg, New Hampshire  
 Senator Bill Frist, Tennessee  
 Senator Lamar Alexander, Tennessee  
 Senator Richard Burr, North Carolina  
 Senator Johnny Isakson, Georgia  
 Senator Mike DeWine, Ohio  
 Senator John Ensign, Nevada  
 Senator Orrin G. Hatch, Utah

Senator Jeff Sessions, Alabama

Senator Pat Roberts, Kansas

**Senator Edward Kennedy, Massachusetts, Ranking Member**

Senator Christopher Dodd, Connecticut  
 Senator Tom Harkin, Iowa  
 Senator Barbara Mikulski, Maryland  
 Senator Jeff Bingaman, New Mexico  
 Senator Patty Murray, Washington  
 Senator Jack Reed, Rhode Island  
 Senator Hillary Clinton, New York  
 Senator James M. Jeffords, Vermont

**109<sup>th</sup> Congress**

**List of House Authorization Subcommittee Members  
 Energy and Commerce Committee -- Subcommittee on Health**

**Rep. Nathan Deal, Georgia, Chairman**

Rep. Ralph M. Hall, Texas  
 Rep. Michael Bilirakis, Florida  
 Rep. Fred Upton, Michigan  
 Paul E. Gillmor, Ohio  
 Rep. Charlie Norwood, Georgia  
 Rep. Barbara Cubin, Wyoming  
 Rep. John Shimkus, Illinois  
 Rep. John B. Shadegg, Arizona  
 Rep. Charles "Chip" Pickering, Mississippi  
 Rep. Steve Buyer, Indiana  
 Rep. Joseph R. Pitts, Pennsylvania  
 Rep. Mary Bono, California  
 Rep. Mike Ferguson, New Jersey  
 Rep. Mike Rogers, Michigan  
 Rep. Sue Myrick, North Carolina  
 Rep. Michael C. Burgess, Texas

**Rep. Sherrod Brown, Ohio, Ranking Member**

Rep. Henry A. Waxman, California  
 Rep. Edolphus Towns, New York  
 Rep. Frank Pallone Jr., New Jersey  
 Rep. Bart Gordon, Tennessee  
 Rep. Bobby Rush, Illinois  
 Rep. Anna G. Eshoo, California  
 Rep. Gene Green, Texas  
 Rep. Ted Strickland, Ohio  
 Rep. Diana DeGette, Colorado  
 Rep. Lois Capps, California  
 Rep. Thomas H. Allen, Maine  
 Rep. Jim Davis, Florida  
 Rep. Tammy Baldwin, Wisconsin

\*The United States Constitution – Article I, Section 9, Clause 7

The Congressional Budget and Impoundment Act of 1974, as amended, (the Congressional Budget Act) requires the President to submit a comprehensive budget to Congress that covers the full range of federal activities for each fiscal year (October 1<sup>st</sup> – September 30<sup>th</sup>). The Congressional Budget Act also requires Congress to adopt a budget resolution, which is the framework through which Members of Congress make their decisions about Federal spending and tax levels, though there is no penalty if one is not adopted.

The following chart presents budget request and appropriations information for domestic HIV/AIDS programs from fiscal year 2000-2005 at the following federal agencies and departments, HRSA (Ryan White CARE Act), HUD (Housing Opportunities for People with AIDS), CDC (Division of HIV, STD, and TB Prevention), NIH (Office of AIDS Research), and SAMHSA (Substance Abuse Prevention and Treatment Block Grants including CSAP and CSAT funds). Financial information is divided into three segments for each fiscal year: the President's Budget Request, as submitted to Congress; the Community's Request, as expressed by the National Organizations Responding to AIDS (NORA); and the Final Appropriation, as passed by Congress.

This chart can be read as follows: 1) Observing the differences between the total amounts for each fiscal year between the President's Request, the Community's Request and the Final Amount (for example in FY 2001 the total President's request was just shy of \$7 billion, the Community's Request was more than \$8 billion, and the Final Appropriation was just over \$7 billion). 2) Observing increases/decreases over time from fiscal year 2001 to fiscal year 2004 (for example, the total Community's Request increased from \$8 billion to \$9.3 billion in four years). 3) Noting the differences between the President's Request, the Community's Request and the Final Appropriation for each specific domestic program per fiscal year (for example, in fiscal year 2002 the President requested \$2.501 billion for NIH, the Community requested \$2.614 billion for NIH and the Final Appropriation for NIH was \$2.616 billion). 4) Observing increases/decreases over time from fiscal year 1999 to fiscal year 2004 for each specific domestic program (for example, the Final Appropriation for CDC decreased from \$767 million in FY 2001 to \$697 million in FY 2002).

Amounts are shown in millions of dollars. It should be noted that amounts for SAMHSA represent total program allocations, of which HIV/AIDS is a substantial portion but not the total allocation for the Substance Abuse and Treatment Block Grants, CSAP, and CSAT.

