

2 The Authority to Spend

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The Authority to Spend

What is the Budget Process? The first step in the APHIS budget process is the development of unit proposals through a process known as **Program Planning and Budgeting (PPB)**. Before annual budgets can be prepared, strategic plans are developed by the APHIS Management Team (AMT), their respective unit management teams, and special task forces. Strategic plans ensure that long-range goals, stretching into the outyears, are realistic and continually adjusted to meet changing conditions and needs.

PPB translates the strategic goals of the Agency, its units, and the approximately 40 individual programs into clear annual priorities for presentation to stakeholders, the Department, Office of Management and Budget (OMB), and Congress. Formats, concept papers, and other materials are prepared and special meetings held to facilitate the integration of specialized services and cross-unit responsibilities. This phase of the process begins in January, or about 21 months before the beginning of the relevant fiscal year. Three months later, around May 1, APHIS units submit their plans and priorities for funding to the Budget and Program Analysis Staff (BPAS) of Policy and Program Development. BPAS reviews the unit submissions and works to define the key issues, options, and conflicts. These options are reviewed by the Administrator, who, with the advice of the AMT, makes decisions on the final Agency package. That package is reviewed with the Under Secretary for Marketing and Regulatory Programs and then formally submitted to the Department for consideration in July.

**What is the Budget Process?
(Continued)**

In the Department, the package goes to the Office of Budget and Program Analysis (OBPA) which analyzes and compiles the requests from all 19 USDA agencies. These packages must be submitted in a prescribed format using technical and economic criteria which change somewhat each year. These criteria are set forth in a “call letter” which is issued each year in the spring. OBPA’s criteria have important implications for APHIS’ planning and budgeting. OBPA sets total dollar amount levels which act as markers for an agency’s request. For example, OBPA might state that agencies should submit a 100% level which is no greater than the agency’s appropriation for the current year, or a streamline level which reduces spending based on an arbitrary reduction for administrative and “overhead” efficiencies. In short, one of OBPA’s aims is to limit requests.

At the same time, another aim of OBPA is to ensure that the USDA package reflects the Secretary’s and the President’s priorities. Thus, agency requests also must include initiatives and special programs which may come in above the 100% line. These are sometimes referred to as the “100% plus” items. For these items, the Agency must act to build a solid justification with OBPA and the Office of the Secretary for their inclusion in USDA’s overall submission.

OBPA puts the Department package together for the Office of the Secretary. Throughout July, APHIS and OBPA consult on the budget submission. Then typically in mid August, the Under Secretary for Marketing and Regulatory Programs makes a formal presentation to the Deputy Secretary, as do the heads of each of the other USDA mission areas. Once the presentations are completed, the Secretary issues his/her decisions in the form of Department Allowances which are communicated through OBPA to the agencies. After appropriate adjustments are made, the package is forwarded to OMB in early September for further consideration.

Upon receiving the USDA formal budget request, OMB officials hold meetings with USDA and APHIS officials to discuss significant program, budget, and management issues. Considerable attention is given to the basis of the estimates, the current and projected volume of work, methods used to accomplish objectives, and requirements for supplies, equipment, facilities, and people.

**What is the Budget Process?
(Continued)**

From these meetings, OMB officials prepare recommendations and summaries of programs and budgets to be presented at the OMB Director's review.

The Director's review provides an opportunity for high-level OMB officials to gain an understanding of APHIS programs and budget requests. It also helps to ensure that Administration policy is reflected in each agency's request. Areas are identified that require the President's specific attention and a formal recommendation is submitted. This review generally takes from early September until mid-December.

During this period, the economic forecasts for the coming fiscal year are being assessed by the Treasury Department, Council of Economic Advisors, and OMB. The revenue forecasts are prepared and presented to the President.

House and Senate Formulate the Budget

Congressional action on the budget, as provided in the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344) as amended, is organized around a "concurrent resolution on the budget". This resolution, based on the President's annual budget recommendations together with "views and estimates" from House and Senate committees, is scheduled for adoption by April 15 *before* the House and Senate consider appropriations, revenue, and entitlement legislation. However, Congress has failed to meet these deadlines in recent years.

Concurrent resolutions do not have the force of law. Consequently, Congress cannot appropriate money or impose taxes by means of a budget resolution or directly limit Federal expenditures. The main purpose of a budget resolution is to guide and restrain Congress in its actions on various spending, revenue, and debt bills.

The resolution sets targets for budget authority, budget outlays, and revenues. A point of order can, with some exceptions, be raised against legislation that would cause total expenditures to exceed, or total revenues to drop below, budgeted amounts. Nonetheless, Congress can revise these budget decisions any time during the fiscal year by adopting additional budget resolutions.

Congress Authorizes and Appropriates

After the President has formulated the budget estimates or requests for appropriations, he submits them to Congress. By law, the Presidential budget estimates must be submitted with 15 days after Congress reconvenes in January. This gives Congress less than 10 months to pass the appropriation bills so that the different Government agencies can continue operating. In many recent years, most Government agencies have operated on continuing resolutions. The following is a description of what Congress does after it receives the Presidential estimates:

Upon receiving the Presidential estimates, both the House and Senate Appropriations committees have subcommittees which hold hearings and review justifications from each agency. The APHIS Administrator and other USDA officials first appear before the House subcommittee on Rural Development, Agriculture, and Related Agencies. They provide written explanatory notes in advance of the hearings, as well as oral testimony, in support of the Presidential budget estimates for APHIS.

The House subcommittee then reviews APHIS' performance for the past year, along with the status of present programs and proposed estimates for the coming budget year. Proposals and recommendations are then reported to the full House Appropriations Committee. The Appropriations Committee reviews the subcommittee's actions and adopts it or revises the appropriation bill before forwarding it to the full House of Representatives. After debate, the House then passes the appropriation bill with or without amendments, and forwards the final version to the Senate.

The same process takes place in the Senate, with the APHIS Administrator and other officials testifying before the Senate Appropriations subcommittee. After holding hearings, reviewing justifications, and drafting revisions to the House bill (if necessary), the Senate Subcommittee reports its recommendations to the Senate Appropriations Committee. The full Senate Appropriations Committee reviews the actions of the subcommittee and adopts or revises the appropriation bill before passing it along to the full Senate.

**Congress
Authorizes and
Appropriates
(Continued)**

The full Senate then debates the appropriation bill and passes it with or without amendments. If the Senate bill is identical to the House version, then the bill is sent directly to the President for signature. If there are differences, then both bills are sent to a conference committee which reviews the items of disagreement and recommends adjustments. In all cases, the House and Senate must agree with the recommendations and pass the appropriations bill as amended. The appropriation bill then is sent to the President for signature or veto.

**The Budget Is
Passed!**

Once the President receives the appropriation bills from Congress, he can either sign them into law, allowing APHIS and other agencies to have specific budget authority, or veto them due to congressional amounts differing from his budget estimates. If a President veto is not overridden by Congress or if appropriation action is not completed by September 30, then the affected programs and agencies technically must shut down operations until an appropriation bill is approved by Congress and the President. In the interim, Congress may pass a continuing resolution allowing Federal agencies to continue operations. The continuing resolution has the same effect as an appropriation act. While Congress may authorize any amount it chooses in a continuing resolution, the tendency has been to maintain funding approximately equal to that of the previous year.