

BY CAITLIN EMMA AND CRISTINA RIVERO

PRO POINTS

- **Every single member of Congress has the opportunity to secure funding wins and bragging rights through annual spending bills.** Both the House and Senate Appropriations Committees are divided into 12 subcommittees, each charged with drafting a bill that funds certain parts of the government.
- **Total federal spending can be broken down into three big buckets: discretionary, mandatory and interest on the national debt.** The appropriations process only deals with discretionary spending. In recent years, that pot of funding has comprised about a third of the federal budget, but it sparks the biggest funding fights in Congress.
- **The appropriations process is structured around fiscal years, which begin on Oct. 1 and end on Sept. 30.** If Congress fails to pass some or all of its 12 spending bills by that deadline, then lawmakers face a partial or total government shutdown. But Congress often punts its funding deadlines.

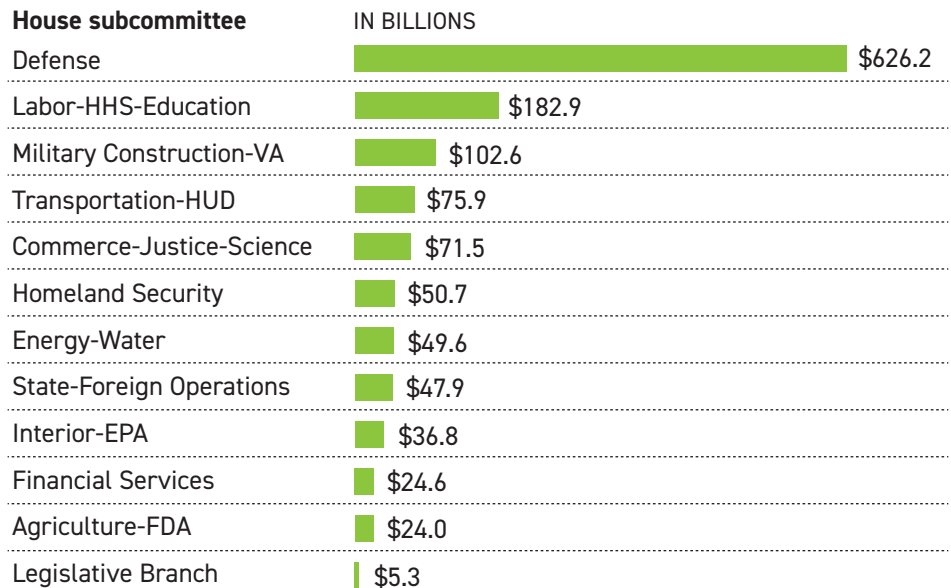
HOW WE GOT HERE

The House is nearly finished with its fiscal 2021 appropriations process, on track to pass 10 out of 12 spending bills on the floor by the end of the month. While the pandemic initially sidelined the House Appropriations Committee, members moved quickly to hold subcommittee and full committee markups with a mix of in-person and remote participation and voting.

Meanwhile, the Senate hasn't started its work on annual spending bills. Democrats and Republicans in the upper chamber are at odds over whether to include billions of dollars in emergency coronavirus aid and police reform measures in their fiscal 2021 funding measures, like House Democrats did. GOP appropriators want to exclude those provisions and tackle them through separate legislation.

A breakdown of House fiscal 2021 funding allocations

House and Senate appropriators take the total amount of money that they have to spend and divide it among 12 subcommittees in each chamber. House Democrats have already divvied up nearly \$1.3 trillion in fiscal 2021 discretionary funding into 12 subcommittee allocations, otherwise known as 302(b)s. The Senate has not started its appropriations process yet.



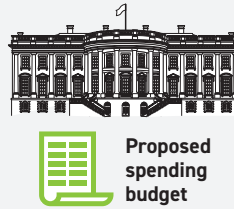
Source: U.S. House of Representatives

How the congressional appropriations process works, and how it differed in 2020

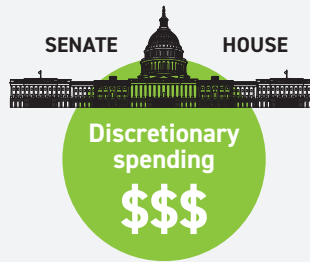
Congress struck a budget deal last summer that cemented overall defense and non-defense funding levels for fiscal years 2020 and 2021. That pact also set what's called the 302(a) allocation, or how much money congressional appropriators can spend. Historically, spending bills haven't been passed before a presidential election, and this year's Covid-19 pandemic has also caused delays throughout the appropriations process.

The budget and appropriations process

1 By the first Monday in February, the president is supposed to submit his budget request, although this timeline often slips.

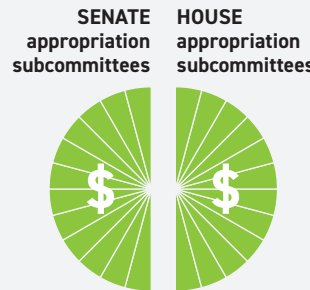


2 By April 15, the House and Senate Budget committees are supposed to adopt a budget resolution, which is a non-binding fiscal road map. But Congress often misses that deadline and in recent fiscal years, hasn't adopted a budget resolution at all.

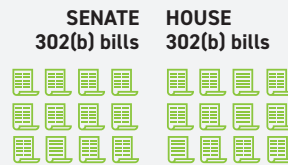


3 By May, the House and Senate Appropriations Committees take the budget's discretionary spending and divide it into smaller chunks, called 302(b)s, among 12 appropriations subcommittees in each chamber.

Each subcommittee decides how to spend their amount. The biggest chunk, aside from Defense, goes to the subcommittee funding the Departments of Labor, HHS and Education.

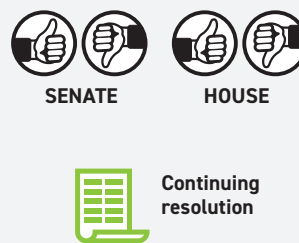


4 By June, the subcommittees mark up their spending bills and send them to the full committee for approval and amendments. The full committee then sends the bills to the House and Senate floors by July.



5 By September, the House and Senate vote on the bills before sending them to the president. They can either enter formal or informal negotiations to reach an agreement on the full set of bills.

If the bills do not pass before Oct. 1 or are vetoed by the president, Congress must pass – and the president must sign – a continuing resolution to temporarily drag out current funding levels and avoid a government shutdown.



Covid-19's impact in 2020

House Appropriations markups were delayed as Congress mounted a massive response to the coronavirus pandemic and wrestled with how to mark up spending bills during the outbreak.

The House ultimately decided to mark up bills with a mix of remote and in-person participation. The Senate hasn't launched its appropriations process yet.

The House is nearly finished with its appropriations process, with plans to pass nearly all of the bills on the floor by the end of July.

It's likely that a continuing resolution will be introduced through the 2020 presidential election.

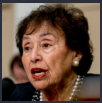
Sources: U.S. Congress, POLITICO staff reports

WHAT'S NEXT

Congress is likely hurtling toward a continuing resolution to keep the government open past Sept. 30 and beyond Election Day. Such a stopgap measure, or a bill that would drag out current funding levels to a later date, will buy more time for negotiations on annual appropriations bills that actually boost federal agency budgets.

While election-year politics typically derail Congress' ability to pass spending bills on time, lawmakers are also mired in negotiations over another massive pandemic relief package, which is dominating the legislative agenda.

POWER PLAYERS



House Appropriations Chair Nita Lowey (D-N.Y.)

Lowey is the first woman to lead the powerful spending panel. After more than three decades in Congress, she's retiring at the end of this year. Reps. Rosa DeLauro (D-Conn.), Debbie Wasserman Schultz (D-Fla.) and Marcy Kaptur (D-Ohio) are all vying to replace her.



Rep. Kay Granger (R-Texas)

Granger is the ranking Republican on the House Appropriations Committee. She boasts a close relationship with Lowey. After a tough primary challenge earlier this year, she won her primary bid for a 13th term in the House.



Senate Appropriations Chair Richard Shelby (R-Ala.)

Shelby was first elected to Congress in 1986 and he has been coy about whether he'll run for reelection in 2022. The Alabama Republican also serves as chair of the Defense spending subcommittee.



Sen. Patrick Leahy (D-Vt.)

Leahy is the ranking Democrat on the Senate Appropriations Committee, working closely with Shelby. He was first elected to the Senate in 1974. Leahy also serves as Dean of the Senate and he's famous for loving Batman, even appearing in several Batman movies like the 2012, "The Dark Knight Rises."