



The Federal Budget Process

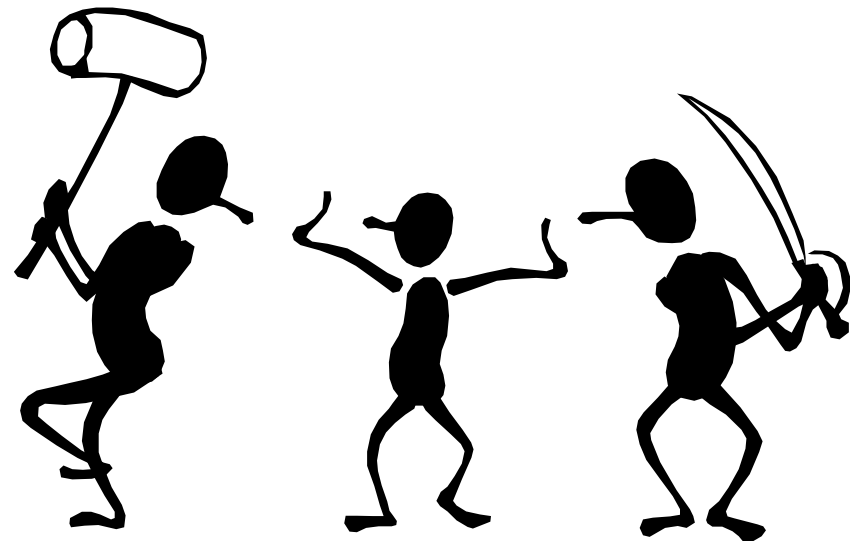
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U.S. Fish and Wildlife Service



Budget Process and Politics

- To budget is to fight over money
- There will always be friction among congressional committees and between those who make tax policy and control spending
- The budget process is the means by which this conflict is channeled to enable agreement each year
- There is no federal budgeting devoid of politics



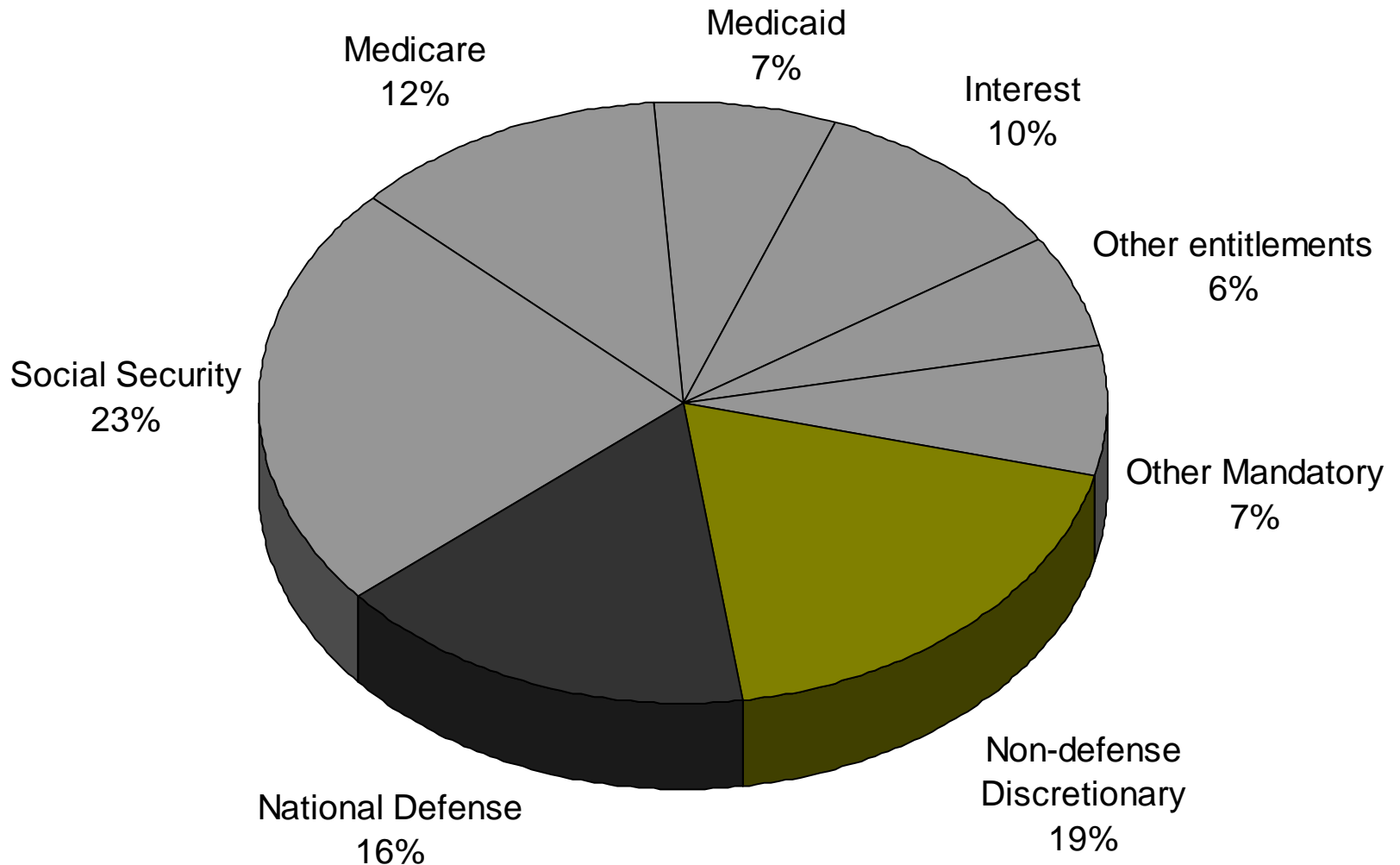


Authorization vs. Appropriation

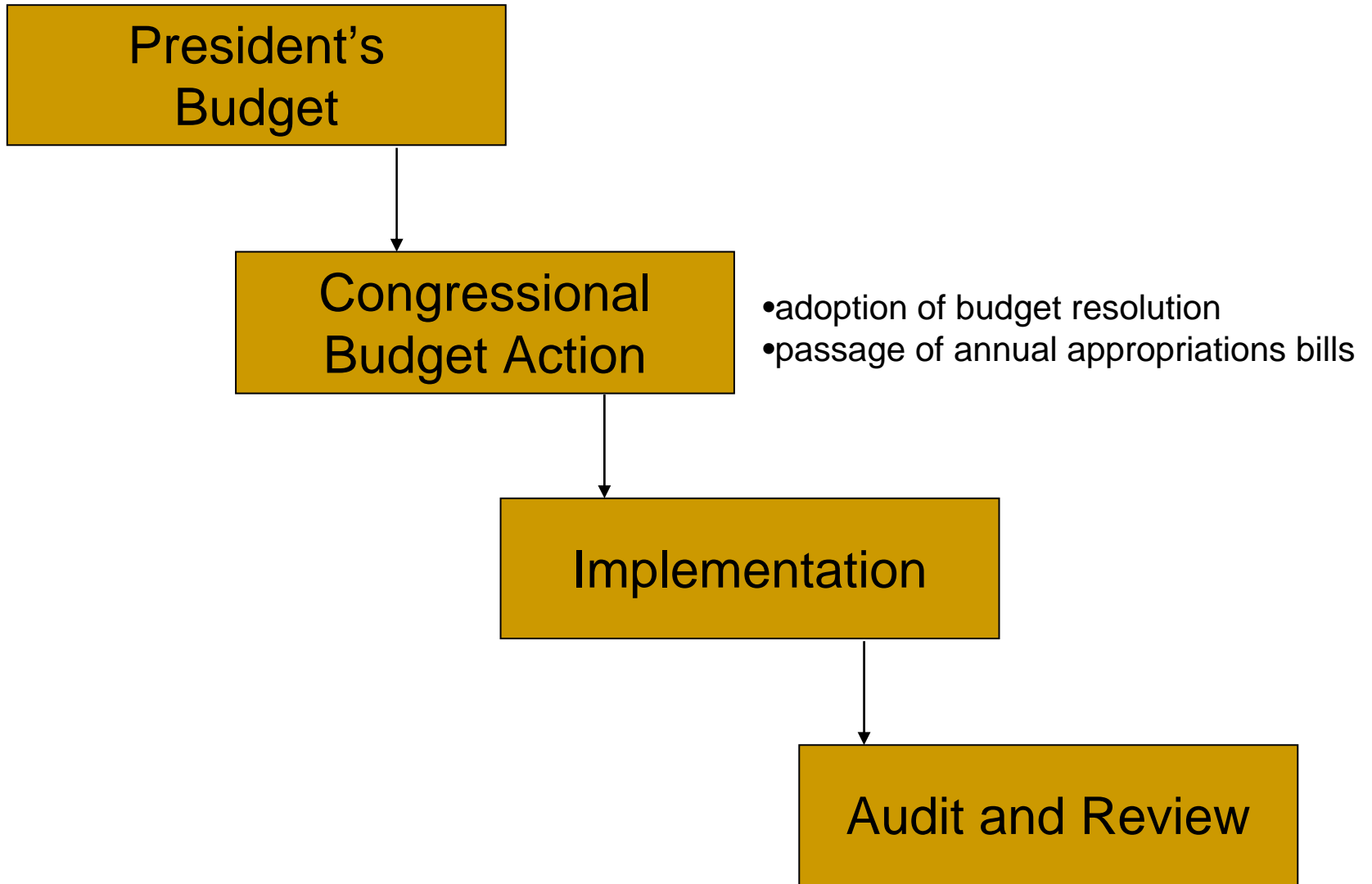
- **Authorization is writing the law**
 - Authorization is policy guidance. It establishes a framework including what should a program do, where should it be located, etc.
 - These bills authorize the federal government to do something, such as implementing recovery of endangered species or amending the tax code, etc.
 - The authorization bill merely says the government CAN spend the money on this purpose if it so chooses.
- **Appropriation is cutting the check**
 - Any agency or program needs language in an appropriation bill to actually get the money
 - Appropriations bills are key to making things happen because federal actions require money. Even though most policy guidance is contained in authorization bills, policy can also be modified through the appropriations process.

Federal Spending

The Federal government spends about \$2 trillion a year



Budget Cycle



(Activities related to a single FY stretch over a period of 2.5 calendar years)

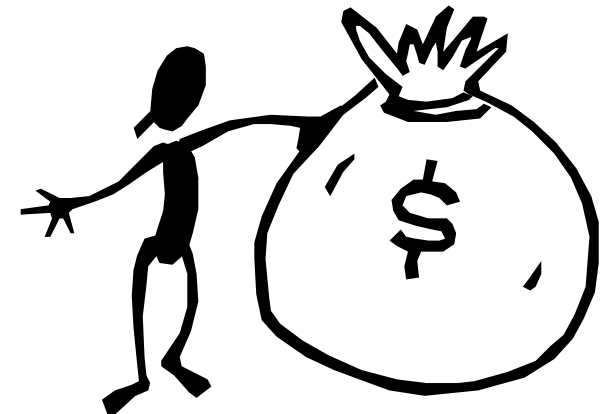
President's Budget

- The President's budget must be submitted to Congress no later than early February of each year
- The President's budget is only a request to Congress. Nevertheless, the power to formulate the budget is a vital tool in direction of the executive branch and of national policy.
- The President's proposals often influence congressional revenue and spending decisions, the extent of the influence varies from year to year and depends more on political and fiscal conditions than on the legal status of the budget.

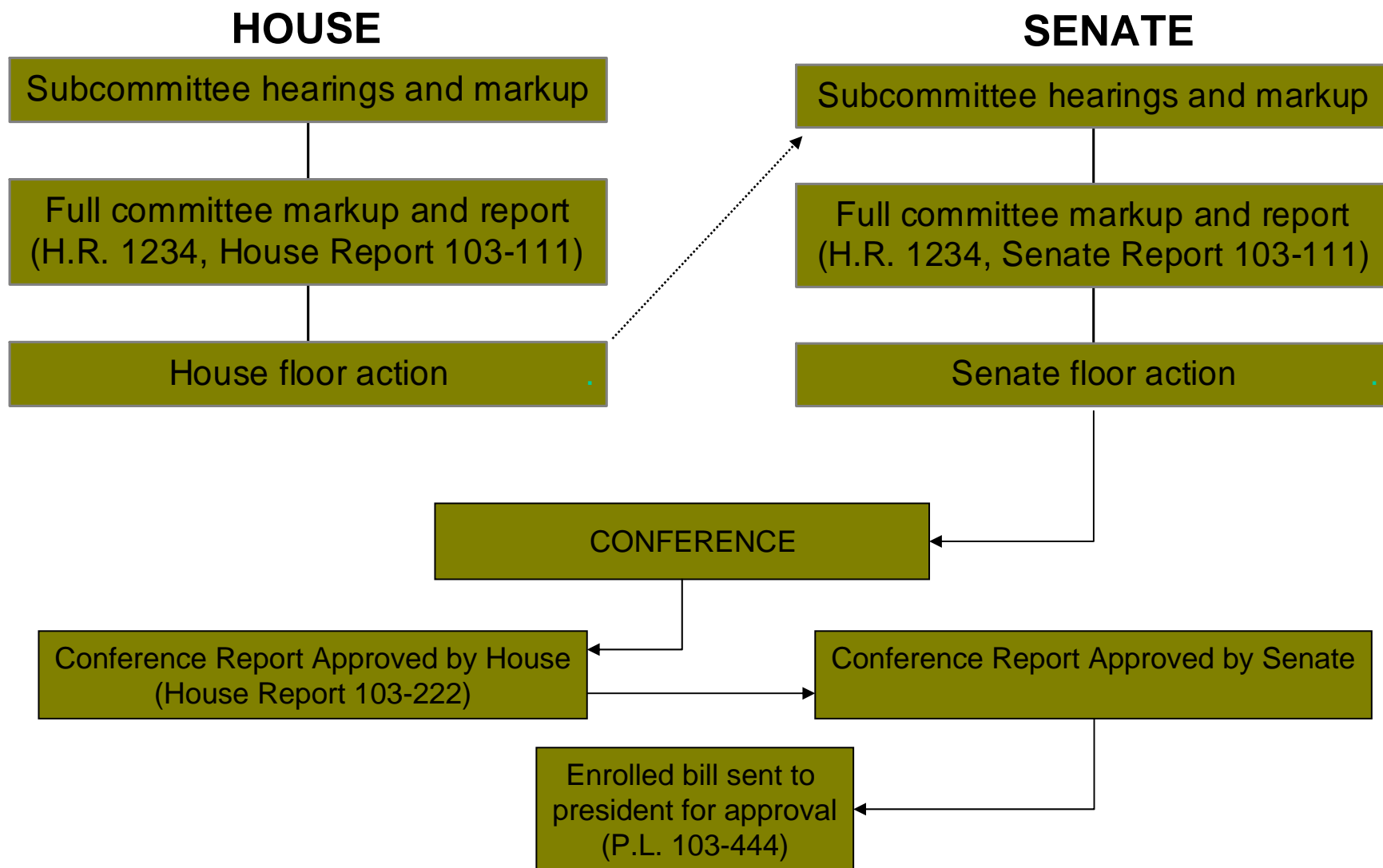


Appropriations Process

- In the fall of each year, you often hear that Congress is trying to pass the federal budget. It is the appropriations bills that Congress is usually frantically trying to pass before their October 1st deadline (the beginning of the fiscal year).
- If Congress fails to pass the appropriations bills by October 1st, they must pass a “CR” or continuing resolution. This allows the government to continue operating with funding at about the level of the previous fiscal year.



The Path of an Appropriations Bill through Congress





Supplemental Appropriations Bills

- In addition to the regular appropriations bills
- Passed before the President's annual budget to pay for unanticipated matters occurring in the current fiscal year.
 - For example, Congress passed a supplemental appropriations bill to cover the costs due to hurricane damages and defense spending.



BUDGET PROCESS OVERVIEW

Department of Interior & FWS:

- Department of the Interior
- Office of Management and Budget
- Congress
- Timeline
- Role of budget in policy making
- U.S. Fish and Wildlife Service procedures



DOI Facts

- Over 70,000 employees
- 165,000 facilities at 2,400 locations - DOI 2nd only to DOD in managed assets
- Over 500 million acres, or one-fifth of the land area of the US, plus 56 million acres in trust for Native Americans
- 380 million public visits per year to DOI lands
- 31 million people rely on DOI for drinking water
- Produce almost a third of Nation's domestic energy production
- 562 federally-recognized Tribes in Lower 48 states
- Revenues of up to \$18 billion annually



How Much Money???

FY 08 - DOI has total of \$16.9 billion

- \$11.1 billion is appropriated
 - Subject to annual action by Congress
 - Salaries and expense accounts
 - Construction & Land Acquisition
- \$5.5 billion is permanent authority
 - No need for Congressional action
 - Excise taxes, receipts, collections, etc.
 - (FWS = Federal Aid & “Duck Stamps”)



BALANCE

Trade-offs throughout the process

- Secretary must weigh
 - Adequate housing for Park Rangers or additional school funding for Indian children?
 - Endangered Species recovery or additional inspections of OCS drilling?
- DOI programs vs Administration priorities
- Possible Congressional action/interest



Office of Management and Budget

- Assists the President in overseeing preparation of budget
- Evaluates effectiveness of agency programs, policies, and procedures
- Assesses competing funding demands among agencies
- Sets funding priorities for the President's budget



Congressional Timeline

- April = Concurrent budget resolution
- June - August = House reports all appropriation bills
- September = In a good year - all bills to President
- October = If not a good year, Continuing Resolutions (CRs)



Congressional Priorities

- Politics
- Balance
- Member interests
- Legislative priorities
- Agency performance
- Constituent interests



FWS Formulation

- Subject to Director's "style"
 - Very inclusive of all components
 - Limited, specific themes/initiatives
- Funding parameters from DOI/OMB
- "Base" is previous year President's request



Timing

- December – May = internal FWS
- May/June – August = DOI
- September – November = OMB
- December - February = final preparation
- February = Release of PB
- March = Congressional Hearings



Request to Secretary

- Uncontrollables / Fixed Costs
- New Initiatives – “over target packages”
- Program increases/changes
- Legislative/budget structure changes



Department of Interior - Passback

- Secretarial decisions
- Appeals
- Budget Estimates for OMB
 - Performance data
 - Narrative justification
 - Focus on changes



OMB Review

- Examiner briefings
- Additional information/issues
- Formal “Director’s Review”
- Passback
- Appeals



Greenbook

- Detailed explanation of President's request
- Base narrative
- Accomplishments
- Description of requested changes

www.fws.gov/budget/



The President's Budget

- 1st Monday in February
- DOI Press Conference
- DOI Highlights – Budget in Brief Book

www.whitehouse.gov/omb



Congressional Consideration

- Staff briefings
- Formal hearings
 - Questions and Answers
- Capability Statements
- Effect Statements
- Reports
- Directives



Budget Execution

- OMB apportions funding to FWS
- Treasury issues warrant for funding
- FWS Budget office allots funding to Finance
- FWS Budget office allocates funding to Regions
- Regions allocate to Field Offices