

An introduction to

The Federal Budget Process

Part of *Understanding the Federal Budget*

www.researchamerica.org/understanding_federal_budget

Step 1: The Administration

What happens?

October
2 yrs. before
new fiscal year

November
December
January
February

Individual agencies begin planning internally for the new fiscal year budget.



March
April
May

Agencies work with the White House's Office of Management and Budget (OMB) to come up with a budget strategy that addresses the president's priorities.



June
July
August

Agencies submit their budget proposals to the OMB.

September

October
1 yr. before
new fiscal year

November
December
January

Agencies negotiate their budget with the OMB. By January, budget proposals are finalized and compiled for the President's budget.



February

President submits budget to Congress.



Step 2: Congress

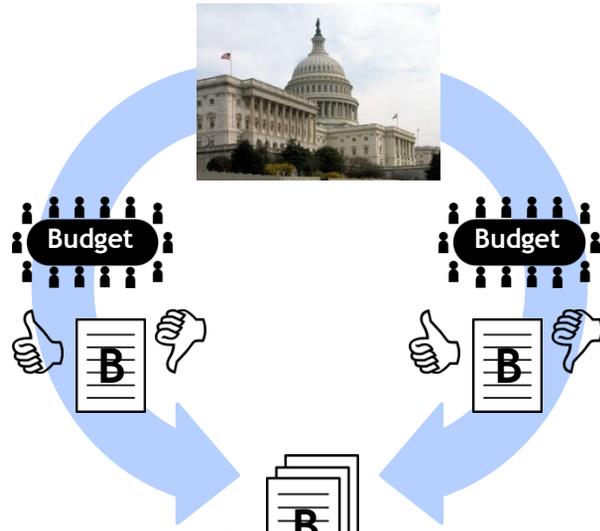
What happens?

February

Congress receives the President's budget.

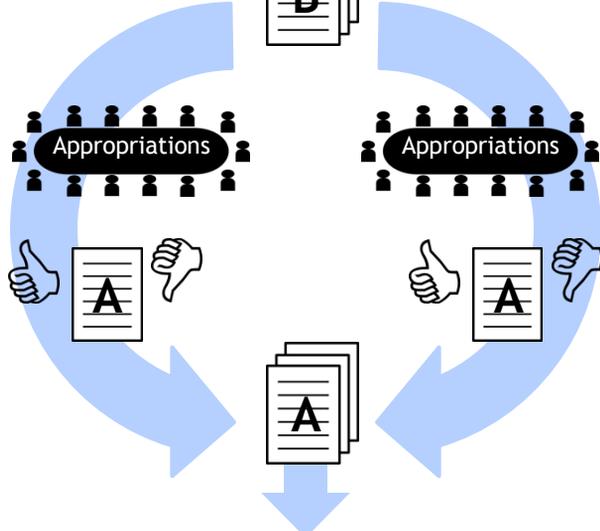
March

According to the Constitution, spending bills must originate in the House. In actuality, the House and Senate have their respective budget committees work concurrently on setting an overall budget, as well as spending by budget function (for example, "Health"). If the bills passed by the House and Senate differ, a conference committee then negotiates the difference.



April
6 mos. before
new fiscal year

May



June

Again, House and Senate appropriations committees work concurrently to determine funding for specific departments and agencies. This work is done by subcommittees specific to areas like science and health. If the final appropriations bills differ, a conference committee again negotiates the difference.

July

August

September

Appropriations bills are sent to the President for signature. This is supposed to be done by Oct. 1, the start of the fiscal year, but it is uncommon. Congress more often passes a continuing resolution (CR) to fund the government while it finishes the budget.



October
New fiscal year
begins Oct. 1

The budget is complete and agencies receive their funding.

