



## Understanding the U.S. Budget and Appropriations Process

The Federal fiscal year runs from October 1 to September 30. Each year, the President submits his budget request which kicks off the year's fiscal planning process, which includes funds for the Child Nutrition Programs. The following information should help clarify the process for School Nutrition Association (SNA) members.

### The Basics

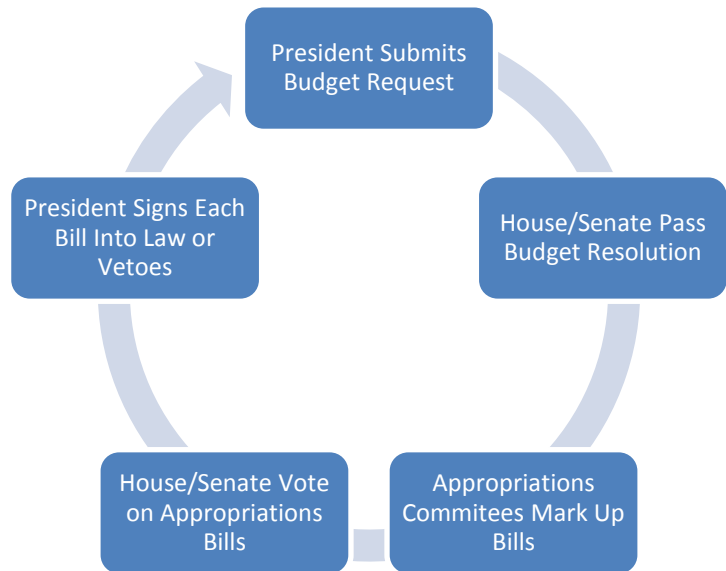
The majority of federal spending consists of “*mandatory spending*,” which means legislation defines the eligibility criteria for participation, and the government allocates funds to all who are eligible, regardless of the annual cost to the U.S Treasury. Most school nutrition programs, including the National School Lunch Program (NSLP), School Breakfast (SBP), and Summer Feeding Program, fall under mandatory spending and thus are funded based on use, not a set amount of appropriations. This means that participating schools are always reimbursed regardless of how many children are served a reimbursable meal.

The other element of federal spending is “*discretionary funded*” programs which have annual allocations that set the level of funding the government can provide within that Fiscal Year. Unlike mandatory spending programs, discretionary programs cannot exceed the allotted amount of funds. Examples include salaries and National Parks.

### Traditional Process

The traditional five steps in the federal budget process are:

1. In the winter, the President submits his budget request to Congress.
2. The Congress passes budget resolutions based on the President's proposal and with Congressional edits, which acts as guideline for the fiscal process.
3. The Senate and House Appropriations Committees “mark-up” or draft the appropriations bills that provide funds for every program run by the U.S. Government.
4. The Senate and House debate and vote on the appropriations bills.
5. Before the close of the Fiscal Year, the President must either sign or veto the bills.



### Non Traditional Process

If by the end of the Fiscal Year, Congress has passed only a few, or none, of the appropriations bills, they must pass a “*continuing resolution*”, also known as a “CR”. This allows the government to remain operational at the current Fiscal Year levels for a set period of time, which can range from a few days to weeks to months. This gives Congress additional time to pass the spending bills. It is possible that multiple CRs will get passed.

A term many are familiar with is “*omnibus bill*”, which is when the House and Senate bundle a number of appropriation bills into one large bill. An omnibus has become the more common way to address appropriations. If Congress does not act and pass the appropriations bills, the related government agencies must cease operations until the spending bills are passed.