How Appropriations Function Under Normal Rules

What Are They?

Appropriations is the annual process by which a large portion of the government's funds is allocated for specific purposes. The process uses a portion of the budget known as discretionary spending, which encompasses all government spending that is not mandatory spending (such as Social Security and Medicare) or interest payments on government debt. The appropriations process is designed to include the consideration and passage of 12 unique bills to allocate the government's discretionary funds across its various organizations and departments.

Appropriations are determined as part of the annual budget cycle, with both the House and Senate deferring the process to their respective appropriations committee. Each appropriations committee is split into 12 subcommittees, each responsible for producing a single appropriations bill for the organizations under their jurisdiction. These subcommittees consist of:

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- Commerce, Justice, Science, and Related Agencies
- Defense
- Energy and Water Development, and Related Agencies
- Financial Services and General Government
- Homeland Security
- Interior, Environment, and Related Agencies
- Labor, Health and Human Services, Education, and Related Agencies
- Legislative Branch
- Military Construction, Veterans Affairs, and Related Agencies
- State, Foreign Operations, and Related Programs
- Transportation, Housing and Urban Development, and Related Agencies

How Do They Work in the Budget Cycle?

The budget cycle is the annual process by which the federal budget and appropriations are decided. It is designed to begin with the president submitting an annual budget proposal before the first Monday in February, though often the president misses this deadline. The president's budget outlines the administration's recommendations for a potential budget to be considered by Congress. Congress is then required by statute to produce a budget resolution by April 15, although in practice that deadline frequently is not met. The resolution serves both to outline the government's budget for revenues and mandatory spending and establish the amount of discretionary spending available to various broad functions of the government.

If Congress cannot agree on a budget, they can instead pass a "deeming resolution," which determines discretionary spending amounts without advancing a budget. Once discretionary spending is set, funding is divided among the 12 subcommittees. Each subcommittee then allocates the funding available to them among the government functions and agencies under their jurisdiction, ultimately producing their single appropriations bill.

When the process is functioning as it should, both the House and Senate then pass their respective versions of each of the 12 appropriations bills, which subsequently proceed to conference committees to work out differences. The resulting, unified “conference report” is passed by both chambers and presented to the president for signing (or veto). For annual appropriations to pass on time, all 12 bills must complete this process by the start of the fiscal year, October 1. Congress has not completed this process on time since 1997.