Understanding the Budget and Appropriations Process

Thursday, February 29, 2024

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In addition to a full portfolio of federal policy work, EESI provides direct assistance to utilities to develop “on-bill financing” programs

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We recognize that systemic barriers impede fair environmental, energy, and climate policies and limit the full participation of Black, Indigenous, people of color, and legacy and frontline communities in decision-making

Sustainable Solutions
Our mission is to advance science-based solutions for climate change, energy, and environmental challenges in order to achieve our vision of a sustainable, resilient, and equitable world.
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Appropriations Process for the U.S. Environmental Protection Agency

Angela Jones, Analyst in Environmental Policy

February 29, 2024
**Annual Appropriations Cycle**

1. President submits budget to Congress.

2. Congress adopts budget resolution.

3. Congress considers appropriations measures.

4. House and Senate confer to resolve differences.

5. President may sign or veto measure.

For more information, see CRS R42388, *The Congressional Appropriations Process: An Introduction*. 
Appropriations Subcommittee Structure

The current structure includes the following 12 subcommittees:

- Agriculture, Rural Development, Food and Drug Administration;
- 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; (includes EPA)
- Labor, Health and Human Services, Education;
- Legislative Branch;
- Military Construction, Veterans Affairs, and Related Agencies;
- State, Foreign Operations, and Related Programs; and
- Transportation, Housing and Urban Development, and Related Agencies.
EPA Appropriations Overview

FY2015 through FY2024

Source: CRS, using information from the Congressional Record; House, Senate, and conference reports; and EPA's FY2024 Congressional Budget Justification. Enacted amounts reflect rescissions, supplemental, and advanced appropriations, except FY2022 enacted amounts do not include $41.46 billion in supplemental appropriations provided in P.L. 117-169.
EPA Appropriations Accounts: Enacted and Requested Trends

Source: CRS, using information from the Congressional Record; House, Senate, and conference reports. Enacted amounts reflect rescissions and supplemental appropriations, except FY2022 enacted amounts do not include supplemental appropriations provided in the Inflation Reduction Act (P.L. 117-169).
Climate-Related EPA Appropriations: Selected Examples

Congress provides funding for many activities throughout EPA appropriations with a connection to climate change.

Science and Technology: Clean Air Program Area
- FY2023 Enacted: $144.55 million
- FY2024 Request: $220.99 million

Environmental Programs and Management: Clean Air Program Area
- FY2023 Enacted: $311.80 million
- FY2024 Request: $694.68 million

Note: Examples of climate-related appropriations are provided for illustrative purposes and do not represent a comprehensive list of EPA activities that could be considered related to climate or climate change activities.
State and Tribal Assistance Grants

- **Diesel Emissions Reduction Grants**
  - FY2023 Enacted: $100.0 million
  - FY2024 Request: $250.0 million

- **Wildfire Smoke Preparedness**
  - FY2023 Enacted: $7.0 million
  - FY2024 Request: $7.0 million
Examples of Climate Related EPA Appropriations: IRA

Climate Pollution Reduction Grants
- FY2022 Enacted: $5.0 billion

IRA Section 60103: Greenhouse Gas (GHG) Reduction Fund
- $27.0 billion to EPA for FY2022 for competitive grants to reduce GHG emissions
- Three Notices of Funding Opportunity issued in 2023
  - Solar For All: $7.0 billion
  - National Clean Investment Fund: $14.0 billion
  - Clean Communities Investment Accelerator: $6.0 billion
More Information

CRS Reports:  crsreports.congress.gov (public)

- U.S. Environmental Protection Agency (EPA) FY2023 Appropriations
- U.S. Environmental Protection Agency (EPA) Appropriations: FY2024 President’s Budget Request
- Inflation Reduction Act of 2022 (IRA) Provisions Related to Climate Change
- EPA’s Greenhouse Gas Reduction Fund (GGRF)
Getting the Big Picture

Analyzing Federal Funding with EDF’s Climate Innovation Funding Tracker

Natasha Vidangos, Associate Vice President, Innovation and Technology Policy
Innovation is Critical to Solving Climate Change
“Reaching net zero CO₂ emissions from the energy sector by 2050 does not necessarily require fundamentally new scientific concepts or breakthroughs comparable to the initial discovery of solar, wind or batteries. …Innovation still plays an important role: about 35% of the CO₂ emission reductions needed… in 2050 come from technologies that are still in development and… have not reached markets at commercial scale.”

IEA(2023)
Innovation is Critical to Solving Climate Change

Improve Performance
Reduce Costs
Improve manufacturing processes
Minimize use of critical resources
Mitigate environmental impacts

“Reaching net zero CO\textsubscript{2} emissions from the energy sector by 2050 does not necessarily require fundamentally new scientific concepts or breakthroughs comparable to the initial discovery of solar, wind or batteries.

...Innovation still plays an important role: about 35% of the CO\textsubscript{2} emission reductions needed... in 2050 come from technologies that are still in development and... have not reached markets at commercial scale.”

IEA(2023)
Innovation Requires an Ecosystem

Federal funding is critically important to drive innovation where it is not yet profitable.

We need innovation systems to move faster to address climate challenges.
Big Picture Questions about Climate Innovation

• How much did the Bipartisan Infrastructure Law and Inflation Reduction Act change the levels of climate innovation funding?

• Which sectors receive the most climate innovation funding? The least? Which agencies are involved?

• How much more do we spend on energy efficiency relative to electrification?

• Which DOE offices have programs related to low-carbon fuels?

• How much funding flows is for R&D? For pilots and demonstrations?
About the Climate Innovation Funding Tracker

- A **data visualization tool** to showcase climate innovation funding (for mitigation) across multiple agencies
- Allows users to browse and compare levels of innovation funding across sectors, solutions, innovation stage, funding type, funding source
- Explore funding within agencies down to the budget control point
- View annual estimates of relevant tax credits
- Select among FY21, FY22, FY23
- Export and download Excel dataset
Caveats

- Federal budgets are complex and difficult to compare
- Definitions matter – whether you’re talking about innovation or climate
- Creating apples-to-apples comparisons requires analysis and estimation

**Climate Innovation** | The creation and application of new or enhanced climate solutions through technology, public policy, and investment models.

**Mitigation** | Activities dedicated to the research, development, demonstration, and deployment of technologies and processes to reduce, reuse, or sequester greenhouse gas emissions (e.g., development of clean energy technologies, natural climate solutions and other potential climate solutions).
Coverage

Version 1: focused on three agencies

Fiscal Year 2021

Annual Appropriations

DOE  USDA  DOT
Coverage

Version 2: including BIL/IRA

Fiscal Year 2021

Annual Appropriations

DOE  USDA  DOT

Fiscal Year 2022, 2023

Annual Appropriations

Bipartisan Infrastructure Law (BIL)

DOE  USDA  DOT  EPA  DOI

Inflation Reduction Act (IRA)

CHIPS and Science Act

Farm Bill

Treasury (Tax Credits)
See our blog and other “how-to” materials here
Appropriations 101 –
Staffer Perspective for
Understanding the Process

February 29, 2024
How to navigate through a complex process
A LOT has changed with Congress and the country since 1789

- 37 more states
- 332 million people (2020)
  - (3.9 million in 1790)
- 761,179 people per congressional district
  - (30,000 in 1789)
- 30,000+ statutes (estimate)
- 438 federal agencies (2022)
  - 3 federal agencies (1789)
Discretionary Spending - 302(a) and 302(b) Allocations
(FY23 Funding $1.602 Trillion)

- Defense (49.8%) $797.7 B
- Labor, HHS, Education (13%) $207.4 B
- Transportation, HUD (9.5%) $87.3 B
- Commerce, Justice, Science (5.1%) $82.4 B
- Homeland Security (3.8%) $60.7 B
- State, Foreign Operations (3.7%) $59.7 B
- Interior and Environment (2.4%) $38.9 B
- Energy and Water (3.4%) $54 B
- Military Construction and VA (9.6%) $154.2 B
- Legislative Branch (0.4%) $6.9 B
- Financial Services and General Government (1.7%) $27.6 B
- Agriculture (1.6%) $25.5 B
Federal Budget and Appropriations Process
Office of Management and Budget (OMB) finalizes the new budget request.
President speaks to Congress signaling his priorities in the State of the Union.

Appropriations and authorizing committee hearings begin on the budget request.
Budget Committees draft annual resolution.
Possible House and Senate floor action taken on their versions of the Congressional Budget Resolution
Members send priority requests to appropriators on Appropriations subcommittees.

President’s budget request is sent to Congress for its consideration.
Budget Committees start hearings on a Congressional Budget Resolution.

Congressional Budget Resolution debate continues.
April 15th – Statutory deadline for completion of Congressional Budget Resolution (frequently missed)
➢ Congressional Budget Resolution debate concludes.
➢ May 15 – Statutory date after which appropriators may begin to consider bills even if a Congressional Budget Resolution is not finalized.
➢ House/Senate Appropriations issue 302(b) allocations to their respective subcommittees.

➢ Senate Appropriations subcommittees/full committee markups are underway.
➢ Senate floor consideration of appropriations bills begin
❖ Federal agencies begin to formulate the next fiscal year’s budget proposal.

➢ House Appropriations subcommittee/full committee markups are underway.
➢ House floor debate on appropriations bills begin.

➢ House/Senate stand in recess during August (dates vary).
➢ House/Senate appropriations staff begin conference negotiations.
➢ Appropriations House/Senate conference negotiations begin.
➢ House and Senate conferees meet to finalize bills.
➢ Conference bills are approved by the full House and then the full Senate.
❖ President signs bills into law after conference bills are approved by Congress.

➢ October 1st – New federal fiscal year begins.
➢ Continuing resolutions begin remaining bills.
❖ Any appropriations negotiations not resolved in September continue.
❖ Federal agencies send proposals for next fiscal year’s budget to OMB.

❖ OMB and federal agencies negotiate the next fiscal year’s budget request with rounds of feedback and input.
❖ OMB and federal agencies resolve differences on next fiscal year’s budget request.
Opportunities to Engage in the Appropriations Process
Ways to be Actively Engaged in the Appropriations Process

Submit appropriations requests or submit congressional support letters.

- **Timeframe** – typically February and March after the budget request is released to Congress
- Requests include three primary ways related to a policy or programs:
  - Funding request levels (programmatic and member requests)
  - Report language requests
  - Bill language requests

Engage in the appropriations or authorizing committee oversight process

- **Timeframe** – typically March - July
- Hearing process by:
  - Asking questions at authorizing, budget and appropriations hearings
  - Submitting questions for the record
Ways to be Actively Engaged in the Appropriations Process

Engage on the Senate and House floor debates
- Timeframe – typically June, July, September . . . rest of year?
- If an appropriations bill or minibus package of bills is on the floor, this may be a chance to offer amendments.

Indicate member priorities to federal agencies
- Timeframe – throughout the entire year, but often later in the year
- In terms of the federal agency budget development process, it is best to be in contact with the federal agencies early fall as they are formulating their future budget requests to Congress for the next fiscal cycle.
Member Requests / Earmarks – An Overview

• Reformed process was reestablished in FY2021 after being prohibited for a decade

• House and Senate reforms (examples)
  • 1% of discretionary funding limit; for-profit entities banned; members must post requests

• Differences between House and Senate (examples)
  • Cap for House members (up to 15 requests) and no caps for Senators to make requests
  • Subcommittees & accounts – Senate 9 subcoms/60 accounts // House 7 subcoms/36 accounts

• Increased transparency - GAO has been analyzing enacted requests – Tracking the Funds

• Participation (bipartisan & bicameral) – FY24 – 80.5% overall (83.7% of House & 66% of Senate)
Key Documents and Information

- Administration Budget Request – White House / Office of Management and Budget
- Congressional Justifications (CJs) – Specific request outlined by each department and agency
- House and Senate offices have online portals for requests to Approps Committee
- Budget Committee resolution – 302(a) and Appropriations Committee - 302(b)
- Appropriations Subcommittee ‘marks’ – summary, bill and report
- Appropriations Full Committee ‘marks’ – summary, bill and report
- Continuing Resolutions
- Conference report – in the form of an individual bill, a minibus, or an omnibus
Key Elements for Engagement

- Office - Have a good internal organizational system set up (DC and district)
- Fly-in season - Meet with constituents in Washington or the district
- Deadlines and requirements (sorting requests, selecting priorities, getting member approval, making submissions)
- Programmatic and individual member requests – Be aware of both options
- Subcommittee engagement - Highlight requests & provide insight on member priorities
- Constituent updates – Stay in touch in a timely manner on where things stand
- Highlight wins – Focus on the provisions enacted that were member priorities