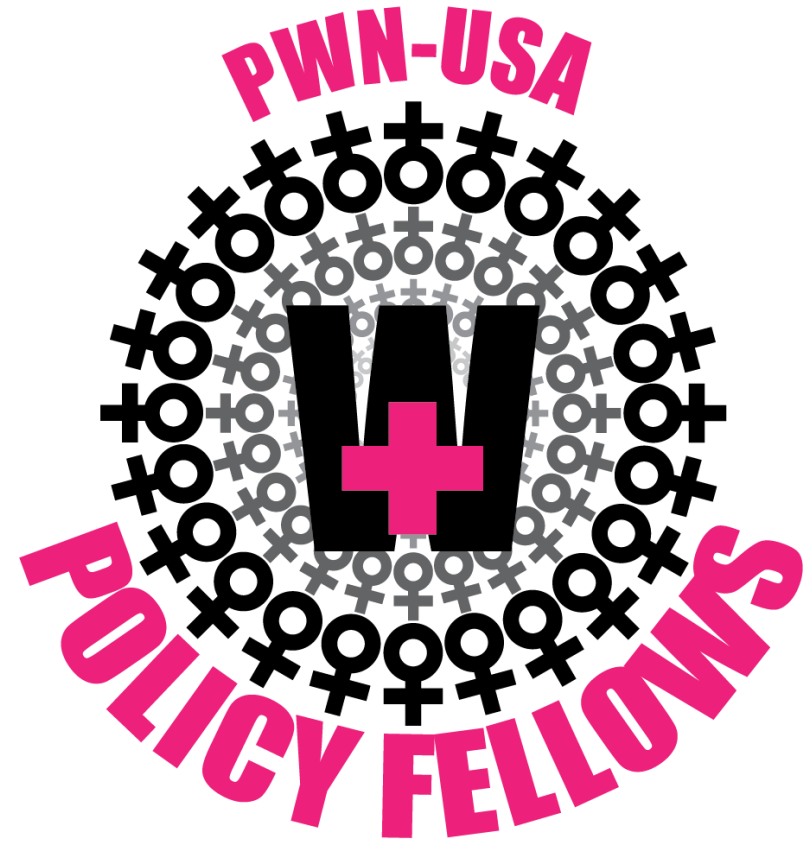
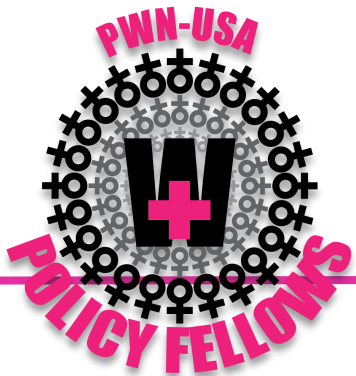


# **PWN-USA Policy Fellowship Session 4 Federal Budget Process**



# Learning Objectives

1. Learn the basics of the federal budget and appropriations process
2. Learn how the federal budget impacts the implementation of state and federal policies and programs
3. Learn strategies for advocating around the federal budget



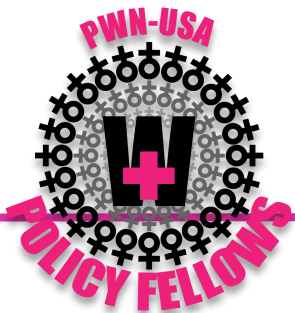
# Facilitators



Kim Miller  
Senior Policy Officer  
HIV Medicine Association

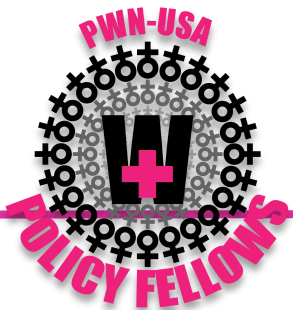


Carl Baloney  
Director of Government Affairs  
AIDS United



# Check-in Question

*What does budget justice look like to you?*



# **Follow the Money: The Federal Budget Process**

Kimberly Miller  
kmiller@hivma.org

# What we'll cover

- ▶ Types of Spending
- ▶ Regular Budget Timeline
- ▶ Sequestration
- ▶ Budget Reconciliation
- ▶ AHCA and the budget reconciliation process

# Historical Perspective

*No money shall be drawn from the Treasury, but in consequence of Appropriations made by law.*

Article I: Section 9  
The United States Constitution

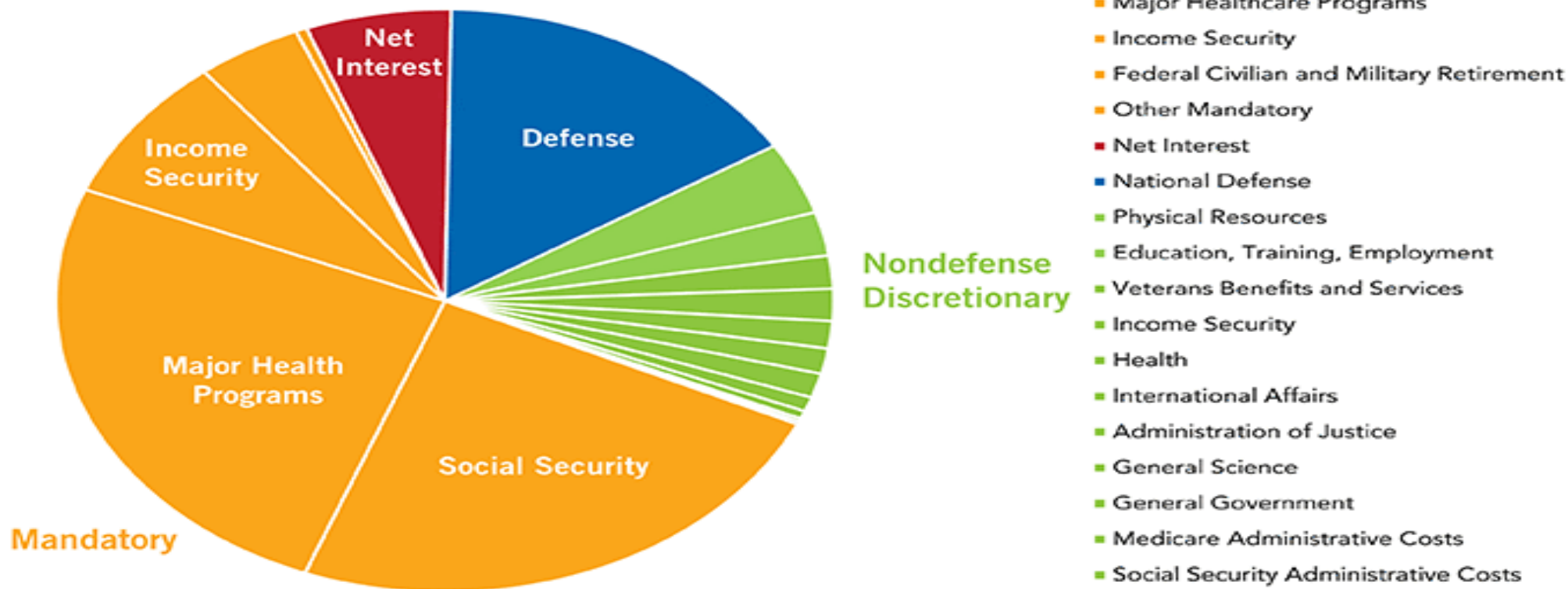
# Terms of Art: Mandatory vs. Discretionary

- Discretionary set at “discretion” of Congress
  - 12 appropriations bills must pass each year to continue operations
- Mandatory enacted by law; not dependent on appropriations bills
  - Entitlement Programs (e.g., Medicare)
    - To change spending, must change eligibility rules
  - Interest on the debt
  - Other mandatory (e.g., Prevention Fund)



## Federal spending funds a wide range of government programs

2015 Total Outlays: \$3,688 billion



SOURCE: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2017*, February 2016, and Congressional Budget Office, *Updated Budget Projections: 2016 to 2026*, March 2016. Compiled by PGPF. Data are for 2015. Compiled by PGPF.

NOTE: Major health programs includes Medicare, Medicaid, CHIP, and health exchange subsidies. Physical resources includes energy, natural resources & environment, agriculture, commerce & housing credit, transportation, and community & regional development. Other mandatory includes veterans' programs, agriculture, deposit insurance, higher education, and other.

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# Sequestration

- ▶ Package of automatic spending cuts in the Budget Control Act (BCA) of 2011
- ▶ \$1.2 trillion in cuts through spending caps imposed from 2013 to 2021, evenly divided over the nine-year period
- ▶ Cuts are evenly split defense and non-defense discretionary
- ▶ Most entitlements like Social Security and Medicaid exempted
- ▶ Two 2-year budget deals in 2013 and 2015 provided partial and temporary relief but sequestration returns in full in 2018—unless Congress acts to replace it

# Sequestration continued...

- ▶ In 2018 the non-defense cap is poised to fall by \$3 billion, which is:
  - 16 percent below the comparable 2010 level when adjusted for inflation
  - 21 percent below the 2010 level when adjusted for both inflation and population growth

# Non-Defense Discretionary Appropriations

GRAPH: NON-DEFENSE DISCRETIONARY SPENDING FALLING TO HISTORIC LOWS

Spending as percent of gross domestic product



Note: Data available only back to 1962. Sequestration refers to budget cuts required under the 2011 Budget Control Act, and includes modifications made in the Bipartisan Budget Acts of 2013 and 2015.

Source: CBPP based on Office of Management and Budget and Congressional Budget Office data

# Terms of Art: Authorization vs. Appropriation

- Authorizing legislation
  - Authorizes the appropriation of funds to implement laws that create agencies, programs, and government functions
- Appropriating legislation
  - Confers budget authority on federal agencies to incur obligations
- No requirement—constitutional or statutory—that an appropriation be preceded by authorization
- Most authorizations are meaningless without an appropriation

# Authorization vs. Appropriation

- Committees
  - Appropriation: Labor-HHS, Ag/FDA, Interior, MilCon-VA, etc.
  - Authorization: HELP, Energy & Commerce, etc.
- Timing
  - Appropriation: move annually
  - Authorization: seven years, on average
- Deadlines
  - Appropriation: statutory deadlines
  - Authorization: at will

# Shaping Policy with the Purse

- Appropriators use spending bills to enact policy change
  - De/funding priorities
    - Increase funding
    - Cut funding
    - Prohibit use of funding (aka “policy riders”)
  - Report language
    - Direct funding provided to discrete projects
    - Require new activities (e.g., reports to Congress)
    - Restrict use of funding

# Budget Request

- Developed by agencies, OMB, White House
- Outlines president's priorities for federal spending, policy
  - Sets funding levels for discretionary programs
  - May also include changes to mandatory spending, tax increases
- Does not have force of law
- Provides framework for congressional action
  - “Congressional justifications”



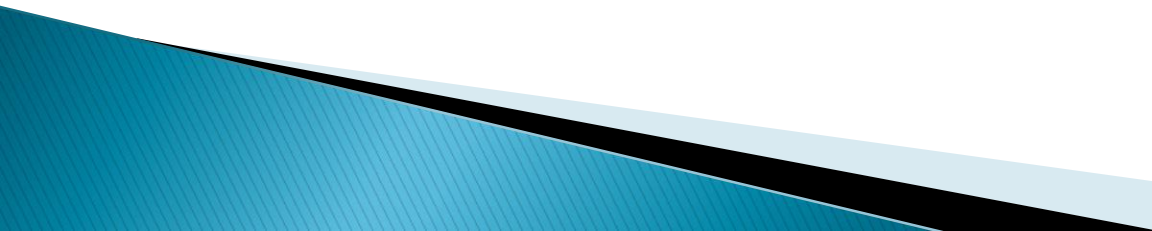
# Budget Resolution

- Provides blueprint for year's budget activities
- Establishes discretionary spending caps
  - Instructions to appropriations committees on 302(a) allocations
  - Spending divided into 20 "functions"
- Spending or savings directions for authorizing committees to "reconcile"
- Concurrent resolution; no presidential signature

## Major Budget Functions

Function Number	Category
050	National Defense
150	International Affairs
250	General Science, Space, and Technology
270	Energy
300	Natural Resources and Environment
350	Agriculture
370	Commerce and Housing Credit
400	Transportation
450	Community and Regional Development
500	Education, Training, Employment, and Social Services
550	Health
570	Medicare
600	Income Security
650	Social Security
700	Veterans Benefits and Services
750	Administration of Justice
800	General Government
900	Net Interest
920	Allowances
950	Undistributed Offsetting Receipts

# Budget Reconciliation

- ▶ Created through the Congressional Budget Act of 1974
  - ▶ Congress has to actually pass a budget resolution — something it hasn't been great at doing in recent years
  - ▶ The resolution has to include “reconciliation instructions,” which instruct specific committees to draw up legislation to meet revenue and spending targets
  - ▶ Senate can't filibuster reconciliation bills, debate limited to 20 hours no matter what
  - ▶ Allows the majority to pass legislation with just 52 votes instead of 60 otherwise needed to call a vote
- 

# Appropriations Bills

- May be annual or supplemental
- House and Senate full committees adopt 302(b) allocations for 12 annual bills
- Subcommittees determine funding levels for agencies, programs, and activities
  - “Health funding” included in five bills
    - Labor-HHS-Education, Agriculture, Interior-Environment (Function 550)
    - MilCon-VA, Defense (health research)
- ...with input from colleagues (“member requests”)

# Budget Timetable

- President submits budget request (*Feb.*)
- Congress adopts a Budget Resolution (*Apr.*)
- Appropriations Committees make 302(b) allocations to 12 subcommittees (*May*)
- Subcommittees mark up appropriations bills (*May – June*)
- Full Committee ratifies bill (*June*)

## Budget Timetable (cont.)

- House floor debate, vote (*June*)
- Senate develops and adopts its own appropriations bills (*July – Sept.*)
- Differences negotiated in conference committee (*Sept.*)
- To president for signature/veto (*NLT Sept. 30*)
- New fiscal year begins (*Oct. 1*)

# All's Well That Ends Well...

- Final bill includes...
  - Statutory language (force of law)
  - Statement of managers (guidance)
    - Report language
    - Detailed tables
- Agencies discern congressional intent, respond to mandates (e.g., spend plans, requests for information)

# The best laid plans...

- ▶ Budget process rarely works as it should
- ▶ Continuing resolution is “parachute” for annual appropriations process
  - Funds federal government in absence of appropriations bills for finite period
  - Programs funded at current level (generally)
  - No new starts
- ▶ Outstanding bills are frequently bundled in “omnibus” or “minibus” measures
  - FY 2013 & 2015: Years of the “CRomnibus”



# Federal budget impact on state and federal policies and programs

## FEDERAL ROLE: PRINCIPAL PUBLIC HEALTH SERVICE AGENCIES

The Public Health Service agencies comprise a small portion of the Department of Health and Human Services' overall budget—just 5.5 percent—but they provide the building blocks Americans need to live healthy, successful lives. These agencies touch every American, providing millions of children, families, and seniors with access to care, keeping the food on Americans' shelves safe and infectious diseases at bay, and pushing the boundaries of how we diagnose and treat disease.

- **The Centers for Disease Control and Prevention (CDC)** is the nation's first responder in health emergencies, and supports people in living healthier, longer.
- **The Food and Drug Administration (FDA)** ensures that food, drugs, medical devices, and cosmetics that come to market are safe and effective.
- **The Health Resources and Services Administration (HRSA)** supports the pipeline for new health providers and delivers health services in our nation's communities.
- **The Indian Health Service (IHS)** funds health services and local facilities that serve American Indian and Alaska Native populations.
- **The Substance Abuse and Mental Health Services Administration (SAMHSA)** supports communities in providing treatment and prevention to those in need.
- **The Agency for Healthcare Research and Quality (AHRQ)** provides evidence to improve health care costs, quality, and access through funding to local universities and research centers.
- **The National Institutes of Health** discovers cures and treatments for illness—physical and behavioral—through funding to local universities and research centers.

# Questions?



# AIDS Budget & Appropriations Coalition

Carl Baloney

*Director of Government Affairs*

**AIDS**  
**United** 



- Established in 2002, the Federal AIDS Policy Partnership (FAPP) is a national coalition of local, regional, and national organizations advocating for progressive federal HIV/AIDS legislation and policy.
- The AIDS Budget and Appropriations Coalition (ABAC) is a working group of the Federal AIDS Policy Partnership (FAPP)



**Emily McCloskey** NASTAD



**Carl Schmid**  
The AIDS Institute



**Carl Baloney**  
AIDS United



# ABAC Priorities

HHS PROGRAM		FY2016 Final	FY2017 Senate Committee	FY2017 House Committee	FY2017 Omnibus	FY2018 Coalition Request <sup>1</sup>
C D C	Total – HIV, Hep, STD, TB line	\$1.122 b (+\$4.0 m)	\$1.112 b <sup>2</sup> (-\$10.0 m)	\$1.122 b (+\$0.0 m)	\$1.117 b (-\$5.0 m)	... <sup>3</sup>
	HIV Prevention	\$755.6 m (+\$0.0 m)	\$755.6 m (+\$0.0 m)	\$755.6 m (+\$0.0 m)	\$755.6 m (+\$0.0 m)	\$822.7 m (+\$67.1 m)
	HIV School Health	\$33.1 m (+\$2.0 m)	\$33.1 m (+\$0.0 m)	\$33.1 m (+\$0.0 m)	\$33.1 m (+\$0.0 m)	\$50.0 m (+\$16.9 m)
	Viral Hepatitis	\$34.0 m (+\$2.7 m)	\$34.0 m (+\$0.0 m)	\$34.0 m (+\$0.0 m)	\$34.0 m (+\$0.0 m)	\$70.0 m (+\$36 m)
	STD Prevention	\$157.3 m (+\$0.0 m)	\$152.3 m (-\$5.0 m)	\$157.3 m (+\$0.0 m)	\$152.3 m (-\$5.0 m)	\$192.3 m (+\$40 m)

# ABAC Priorities Continued

<b>H R S A</b>	<b>Ryan White Program Total</b>	<b>\$2.323 b</b> (+\$4.0 m)	<b>\$2.294 b</b> (-\$29.0 m)	<b>\$2.323 b</b> (+\$0.0 m)	<b>\$2.319 b</b> (-4.0 m)	<b>\$2.465 b</b> (+\$145.8 m)
	<b>Part A</b>	\$655.9 m (+\$0.0 m)	\$655.9 m (+\$0.0 m)	\$655.9 m (+\$0.0 m)	\$655.9 m (+\$0.0 m)	\$686.7 m (+\$30.8 m)
	<b>Part B: Care</b>	\$414.7 m (+\$0.0 m)	\$414.7 m (+\$0.0 m)	\$414.7 m (+\$0.0 m)	\$414.7 m (+\$0.0 m)	\$437.0 m (+\$22.3 m)
	<b>Part B: ADAP</b>	\$900.3 m (+\$0.0 m)	\$900.3 m (+\$0.0 m)	\$900.3 m (+\$0.0 m)	\$900.3 m (+\$0.0 m)	\$943.3 m (+\$43.0 m)
	<b>Part C</b>	\$205.1 m (+\$4.0 m)	<b>\$201.1 m</b> (-\$4.0 m)	\$205.1 m (+\$0.0 m)	<b>\$201.1 m</b> (-\$4.0 m)	\$225.1 m (+\$24.0 m)
	<b>Part D</b>	\$75.1 m (+\$0.0 m)	\$75.1 m (+\$0.0 m)	\$75.1 m (+\$0.0 m)	\$75.1 m (+\$0.0 m)	\$85.0 m (+\$9.9 m)
	<b>Part F: AETCs</b>	\$33.6 m (+\$0.0 m)	\$33.6 m (+\$0.0 m)	\$33.6 m (+\$0.0 m)	\$33.6 m (+\$0.0 m)	\$35.5 m (+\$1.9 m)
	<b>Part F: Dental</b>	\$13.1 m (+\$0.0 m)	\$13.1 m (+\$0.0 m)	\$13.1 m (+\$0.0 m)	\$13.1 m (+\$0.0 m)	\$18.0 m (+\$4.9 m)
	<b>Part F: SPNS</b>	\$25.0 m (+\$0.0 m)	<b>\$0.0 m</b> (-\$25.0 m)	\$25.0 m (+\$0.0 m)	\$25.0 m (+\$0.0 m)	\$34.0 m (+\$9.0 m)

# ABAC Priorities Continued

HHS PROGRAM		FY2016 Final	FY2017 Senate Committee	FY2017 House Committee	FY2017 Omnibus	FY2018 Coalition Request <sup>1</sup>
HRSA	Community Health Centers <sup>4</sup>	\$5.1 b (+\$100.0 m)	\$5.1 b (+\$0.0 m)	\$5.1 b (+\$0.0 m)	\$5.1 b (+\$0.0 m)	\$5.1 b (+\$0.0 m)
Office of Population Affairs	Title X	\$286.5 m (+\$0.0 m)	\$286.5 m (+\$0.0 m)	\$0.0 m (-\$286.5 m)	\$286.5 m (+\$0.0 m)	\$327.0 m (+\$40.5 m)
NIH	AIDS Research	\$3.00 b (+\$0.00 b)	TBD <sup>5</sup>	TBD <sup>5</sup>	TBD <sup>5</sup>	\$3.225 b <sup>6</sup>
ACF	Competitive Abstinence Education	\$10.0 m (+\$5.0 m)	\$15.0 m (+\$5.0 m)	\$20.0 m (+\$10.0 m)	\$15.0 m (+\$5.0 m)	\$0.0 m (-\$15.0 m)
Office of Adolescent Health	Teen Pregnancy Prevention Program	\$101.0 m (+\$0.0 m)	\$101.0 m <sup>7</sup> (+\$0.0 m)	\$0.0 m <sup>7</sup> (-\$101.0 m)	\$101.0 m <sup>7</sup> (+\$0.0 m)	\$130.0 m <sup>7</sup> (+\$29.0 m)
SAMHSA	Total	\$3.73 b (+\$140.0 m)	\$3.73 b (+\$0.0 m)	\$4.21 b (+\$480.0 m)	\$3.76 b (+\$35.0 m)	\$4.32 b (+\$60.0 m)
MAI	HHS Secretary MAI Fund	\$53.9 m (+\$1.7 m)	\$48.0 m (-\$5.9 m)	\$53.9 m (+\$0.0 m)	\$53.9 m (+\$0.0 m)	\$105.0 m (+\$51.1 m)
	[Minority AIDS Initiative multiple programs]	\$427.1 m	TBD	TBD	TBD	\$610.0 m
HUD Program		FY2016 Final	FY2017 Senate	FY2017 House Committee	FY2017 Omnibus	FY2018 Coalition Request <sup>1</sup>
	HOPWA	\$335.0 m (+\$5.0 m)	\$335.0 m (+\$0.0 m)	\$335.0 m (+\$0.0 m)	\$356.0 m (+\$21.0 m)	\$385.0 m (+\$29.0 m)

# Key Advocacy Triggers

- **FY17**

The FY17 funding bill proved to be a relatively unambiguous rejection of the FY17 funding priorities laid out by the Trump administration.

- **FY18**

FY18 will be introduced on May 23<sup>rd</sup>

FY18 fiscal year starts on October 1<sup>st</sup>





*Advocacy Strategy and Tools*

# Strategies

- **Congressional Meetings and Briefings:**  
Target Budget and Appropriations Committee
- **Coalition Letters:**  
Senate and House Dear Colleague letters
- **Social Media/Action Alerts:**  
To decrease #HIV in the US, we urge #Congress to increase funding for #RyanWhite in FY2018
- **Congressional Testimony**

# Strategies

- **House Dear Colleague Letters:**

HIV/STD

- Office: Reps. Pascrell, Nadler, and Waters

HOPWA

- Office: Nadler and Crowley

Sexuality Education :

- Office: Lee

Minority AIDS Initiative

- Office: Waters, Bordallo, Lee, Grijalva, Kelly

- **Senate Dear Colleague Letters:**

HIV/STD/MAI

- Office: Baldwin and Gillibrand

# Players

LHHS Chairman Cole    Budget Chairwoman Black



# Players

LHHS Chairman Blunt



Budget Chairman Enzi



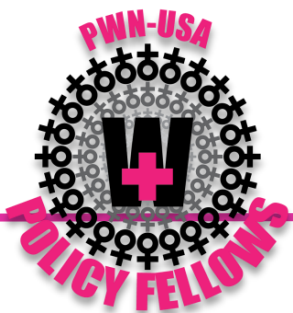


*Questions*

**AIDS**  
**United** 

# Announcements

- USCA
- Choosing Frames and Shaping the Narrative: Values Based Messaging – by June 17
- Session Evaluations



**SAVE THE DATE!**

**Web Session 5**

**Friday, June 9, 2017 3pm EST**

**Administrative Advocacy and Key Federal Agencies**

