



Quick Guide to the Annual Federal Budget Process

The federal government plays a crucial role in setting policy and investments for early care and education. Knowing how and when funding decisions are made helps us to take action for children, families and family child care providers!

Administration's Budget Proposal

The President's budget proposal is the start of the annual federal funding process. It includes the Administration's priorities, so it is important, but it is not a law and it is just the beginning of a long process where Congress does the detail work.

Congressional Budget Resolution

The House and Senate Budget Committees create a Budget Resolution to guide their work. This is a framework which sets revenue and spending targets – that is, how much the government should bring in and how much it should spend. Budget Resolutions do not typically mention specific programs. The House and Senate vote on this measure, but a signature from the President is not required. (And, Congress sometimes skips this Budget Resolution step altogether.)

House and Senate Appropriations Committee Action for "Discretionary" Funding

The Appropriations Committees determine individual program funding for everything: roads and clean water, farms and courts, everything from A to Z including federal investments in early care and education opportunities. This work is divided into Subcommittees. The House and Senate Subcommittees on the Departments of Labor, Health and Human Services and Education work on funding for the Child Care and Development Block Grant, Head Start, and other preschool opportunities, for instance. The Subcommittees hold hearings to gather information about how funds are used and what funds are needed. The Subcommittee writes, negotiates and votes on the funding legislation. These bills are then brought to the full Appropriations Committee for votes.

House and Senate Approval of Committee Bills

Each bill then moves to the House and Senate floors for a vote. Then, like with any piece of legislation, a Conference Committee is convened with members from both Committees to work out any differences and send one bill to the President for signature. This is all supposed to be completed in time for the start of the fiscal year on October 1.

What if This Work Isn't Completed By September 30?

The Continuing Resolution

If Congress has not finished all appropriations bills for the new fiscal year by the end of the current fiscal year, a Continuing Resolution (CR) must be passed to continue funding for federal programs until Congress can finish their work. Congress can choose any new date as the new deadline. Without this action, there is a federal government shutdown.

The Omnibus Appropriations Bill

Congress can create an "omnibus" bill that rolls some or all of the individual appropriations bills into one bill for debate and vote on the House and Senate floor, instead of voting on each appropriations bill separately.

Action for "Mandatory" Funding and For Tax/Revenue

The federal budget also includes proposals for entitlement programs. A portion of CCDBG dollars are considered in this way, and the Child and Adult Care Food Program is funded this way too, as well as tax and revenue proposals including the Dependent Care Tax Credit. The House Ways and Means Committee and the Senate Finance Committee work on the legislation for these kinds of proposals.

Federal Budget Action Timeline

