

ACTUALLY, IT'S NOT AS BAD AS SAUSAGE-MAKING...

Legislative basics: How a bill becomes a law

To be effective as an advocate, you need a good understanding of how Congress works. If you know the steps a bill must follow to become law, you will be able to determine the best time to try to shape the outcome of the legislation.

HOW A BILL BECOMES A LAW

A small percentage of legislation proposed in any session of Congress becomes law. **The system is designed to make bill passage difficult**; each bill must pass through a series of steps prior to enactment. Here are the steps a bill must follow:

Introduction of a Bill

Bills may be introduced in either the House or Senate (except for tax bills, which must originate in the House).

While the *idea* for a piece of legislation can come from anywhere, only a Member of Congress can actually *introduce* a bill.

Upon introduction, each bill is assigned a bill number. House bills start with H and Senate bills start with S.

Members who introduce the legislation are called “prime sponsors” and may seek out other members to co-sponsor their bill.

Referral to Committee

House: The Speaker of the House refers bills to Committees based on precedent and Committee jurisdiction.

Senate: The Senate Majority Leader refers bills to Committees based on precedent and Committee jurisdiction.

Referral to Subcommittee

House: The Committee Chair refers bills to at least one Subcommittee. Hearings, while not mandatory, are usually held to seek opinions on and draw attention to the bill. Next, the bill faces the markup procedure. The Subcommittee may then choose: pass the bill on to the full Committee with or without recommendations; vote it down; or allow the bill to die by not acting.

Senate: The procedure is similar. However, Senators serve on more Committees and Subcommittees than do House members.

Reported out to Full Committee

House: The Committee Chair may hold additional hearings and then a markup.* The Committee may then choose to: pass the bill on to the full House with or without recommendations; vote it down; or allow it to die by not acting. A bill that is not reported out of Committee may be released through a discharge petition requiring 218 signatures.

Senate: Senate committees follow similar procedures.

Rules Committee Action

House: The House Rules Committee determines the procedure for debate on the floor, including amendments that will be allowed and time limits. The Rules Committee may be bypassed and a bill brought to the floor by agreement between the majority

and minority party leadership through the process known as Suspension of the Rules.

Senate: No such Rules Committee process exists in the Senate. Any amendments may be offered from the floor.

Floor Action

House: The rule for consideration of the legislation is voted on. If it passes, opponents and supporters debate the bill under the terms of the rule. If passed, the bill then moves to the Senate.

Senate: Senate Majority Leaders may bring legislation to the floor at any time. Traditionally, there are no set limits on debate. An attempt to delay or kill a bill through continual debate is known as a filibuster. To stop a filibuster, a cloture petition with 16 signatures must be filed. Once the petition is filed a cloture vote must receive 60 votes to pass the petition and stop the filibuster. If passed, the bill then moves to the House.

Conference Committee

When the House and Senate pass different versions of the same bill, a conference committee is appointed by the leaders of both chambers. Members are selected from the committees that originally considered the bill. The conference committee is given the task of resolving differences between the House and Senate versions. If they fail to do so, the bill dies.

If the conference committee agrees on a compromise bill, it reports the bill out as a conference report which goes back to both chambers for a final vote. No amendments to the conference report are allowed.

If both chambers vote to support the conference report, it goes to the White House for approval. If one or both chambers fail to support the conference report, the bill dies.

The President's Desk

Once the bill reaches the White House, the President can choose to:

1. Sign the bill into law.
2. Veto the bill and send it back to Congress. A two-thirds majority in both chambers is needed to override a veto and pass the bill into law. Failing a two-thirds vote in both chambers, the bill then dies.
3. Take no action on the bill for ten days. If Congress has not adjourned at that time, it becomes law; if Congress has adjourned, the bill has been “pocket vetoed” and Congress cannot vote to override.

*After hearings, the subcommittee usually will consider the bill in what is popularly known as the “markup” session. Views of both sides are studied and at the end of deliberation a vote is taken. The subcommittee may decide to report the bill favorably to the full committee, with

or without amendment, or unfavorably, or without recommendation. The subcommittee may also suggest that the committee “table” it or postpone action indefinitely. Each member of the subcommittee, regardless of party affiliation, has one vote.

making
sense

of the



THE FEDERAL BUDGET PROCESS

For more, consult these
WAND action guides:

- “All Our Dollars”
- “The American Pie Exercise”

*The federal budget is our
nation’s checkbook.*

In your household, you can tell where your money goes by examining which checks you write. And when you see where the money goes, you see what really matters to you.

The same holds true for our national checkbook. And the story is: each year, we decide to give more to the Pentagon than to any other segment of the discretionary pie – than to education, healthcare, international relations, children, you name it. Is this what matters most to you, as a taxpayer?

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DO WE HAVE TO STUDY THE FEDERAL BUDGET?

THE FEDERAL BUDGET. YES, IT’S DAUNTING; it’s also extraordinarily important. The truth is, our nation’s priorities are established through the federal budget process.

It is incumbent upon those who care to have a good working knowledge of how money is distributed at the federal level.

The federal budget involves lots of unique (not to say confusing) terminology. Walk the hallways of Congress and you’ll hear words like appropriations, discretionary funds, mandatory funds, budget caps, budget resolution, conference report, reconciliation.

But don’t despair; you can master all this. This guide offers a brief overview of budget basics — including key terms and timelines. While countless books cover the federal budget, this section serves as a good starting point to help everyone understand where the money goes and how it gets there.

For starters: Two types of spending

MANDATORY AND DISCRETIONARY SPENDING

The federal budget includes two types of spending:

- **Mandatory** - This portion of the budget is required by law: the programs are not optional. Mandatory spending happens automatically unless the President and Congress change the laws that govern it. Mandatory spending includes entitlements (benefits like Social Security), Medicare, food stamps and federal pensions. It also includes interest payments on the national debt.
- **Discretionary** - This portion of the budget is determined each year by Congress. Congress has a good degree of discretion about how to spend these funds. Discretionary spending includes the Pentagon, domestic programs, and international programs.



Women’s Action for New Directions
Education Fund • 2006



**Women's Action for New Directions
Education Fund**

WAND Education Fund educates the public and opinion leaders about the need to reduce violence and militarism in society, and redirect excessive military spending to unmet human and environmental needs.

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WHAT HAPPENS WHEN?

What actually happens to pass a budget? First: The overview

The federal budget process takes about **nine months** to complete (in some years it takes longer).

- 1. The President submits a proposed budget** to Congress.
- 2. Congress passes a budget resolution**, which sets targets for other committees to follow in making their spending or tax decisions.
- 3. Congress passes appropriations bills** to provide funding for federal programs that require annual approval.
- 4.** If the budget resolution includes savings or decreases/increases, then **Congress tries to meet budget resolution targets by passing a reconciliation bill**. The President can alter the process by vetoing an appropriations bill or the reconciliation bill. To override a veto, each chamber must pass the bill again by a two-thirds majority, or change the part of the bill to which the President objects.

AND... If Congress does not complete action on all the appropriations bills by the end of the fiscal year (September 30), it must pass a **continuing resolution** to keep the federal government open and federal programs operating. Because appropriations bills expire at the end of each fiscal year, a continuing resolution allows spending to continue beyond the end of the fiscal year until the appropriations bills have been signed into law.

When the federal budget process has been completed, the nation has its fiscal priorities for the year. Also, many important fiscal decisions are made at the state and local levels regarding how federal funds are spent.

Budget and appropriations timetable

February	President submits a budget request.
February - April	House and Senate Appropriations Committees and House and Senate Budget Committees hold hearings on the President's budget.
April 15	Goal for completion of House-Senate Budget Resolution.
May - June	House and Senate Appropriations Subcommittees and full Committees consider the annual appropriations bills (during the 109th Congress, 12 in the Senate and 10 in the House).
June - July	House and Senate approve annual appropriations bills, though the process is typically not completed until after August recess.
Fall	House - Senate conference committees resolve differences between House and Senate versions of annual appropriations bills. President signs bills.
October 1	Deadline for enactment of annual appropriations bills. (It often happens that this deadline is not met, and Congress needs to enact <i>continuing resolutions</i> until the appropriations process is completed.)

DETAILS, DETAILS, DETAILS

What actually happens to pass a budget? Next: The step-by-step

1. President's Budget

On the first Monday in February, the President submits a budget to Congress. It covers everything from money for federal programs in every agency, to proposed tax cuts or tax increases. Generally, both the House and Senate hold hearings on the President's proposals. The hearings are held by committees with jurisdiction over the subject matter.

2. Budget Resolution

The first step in putting together a budget is to pass a budget resolution, which is the blueprint for committees to follow in developing their spending, savings, and tax proposals. The budget resolution does not require the President's signature and does not become law. It is passed by the House and the Senate and serves as an internal budget management tool for Congress.

What is a Budget Resolution?

The budget resolution sets broad targets for committees to follow. It says how much generally will be spent for all areas of the federal budget. It also makes assumptions (e.g., child care spending will be decreased by 2%).

The budget resolution also includes parameters about taxes — setting a target goal for tax cuts or tax increases. The budget resolution is a management tool because it sets targets, but the actual decisions within the targets will be made by various committees later in the budget process.

The House and Senate Budget Committee chairs draft the budget resolution. (It's possible both chairs could come up with the same plan, but not likely.)

Once the House and Senate have each passed a budget resolution, the differences in the two measures must be worked out so that each chamber can pass the same measure. To hammer out the differences, House and Senate members are appointed to a conference committee that meets to negotiate a final budget resolution.

3. Appropriations Bills

Appropriations bills are spending bills that actually provide funding for federal programs in compliance with the broad spending targets included in the budget resolution.

Once the budget resolution is adopted, there is a finite amount of money available to House and Senate Appropriations Committees. A certain amount of spending called for under the budget resolution is given to the Appropriations Committees and then further subdivided to each of the subcommittees. In effect,

this gives each subcommittee a limited amount of money to further divide among competing programs within its jurisdiction.

This is why it is so hard to increase funds for a program like child care and simultaneously reduce funds from a Defense Department program (like missile defense). These programs

are split in different subcommittees. Child care is

under jurisdiction of the subcommittee on labor, HHS, and education funding, while missile defense is under jurisdiction of the defense subcommittee. By the time funds are allocated to the Appropriations subcommittees, child care competes against other domestic programs under HHS (or labor or education) — just like all defense programs compete against each other.

This is why the budget resolution is so important! The time to shift priorities between defense and domestic spending is during the consideration of the budget resolution when broad spending targets are set. Otherwise, proponents of some programs completely lose out because the budget resolution locks in the aggregate levels of spending for each broad area.

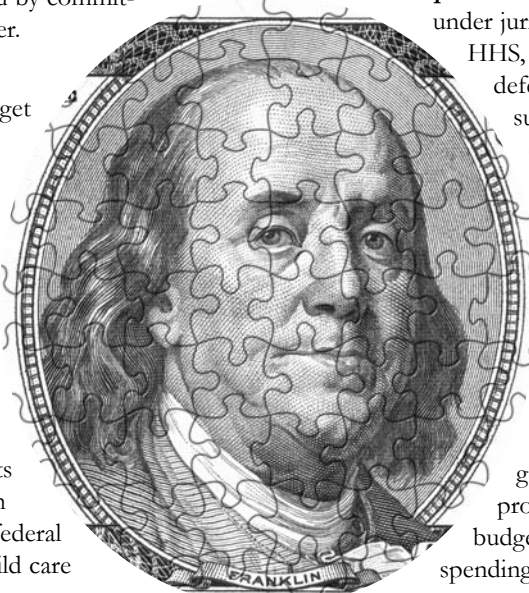
4. Reconciliation

Reconciliation is a collection of changes in tax laws and in entitlement and mandatory spending programs which, taken together, reconcile the differences between money coming into the federal treasury (revenue) and money authorized to be spent in a fiscal year. Authorizing committees write various parts of a reconciliation bill every couple of years.

AND... Continuing Resolution

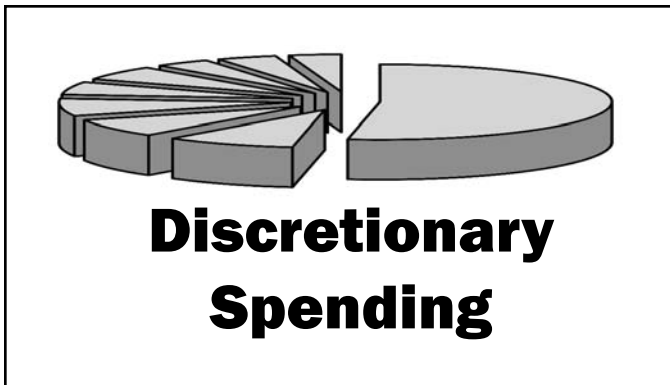
The fiscal year begins on October 1. Sometimes, it's not possible to complete action on all of the appropriations bills before this date. In this case, to keep the government open, the House and Senate must approve a continuing resolution (also referred to as a "CR"). A CR keeps federal programs operating until regular appropriations bills are enacted. (In 1995, the government actually shut down when the various appropriations bills had not been passed and Congress was not able to pass a CR.)

Generally, while a CR is in place, Congress works to complete action on any appropriations bills left outstanding. Sometimes, action happens in a timely manner and appropriations bills are sent individually to the President. At times, the remaining appropriations bills are consolidated into one bill to further expedite the process. At this point, the mega-measure may be called the "omnibus" appropriations bill.



The federal budget card game!

Copy these two sides, and cut them into 16 separate cards. Distribute the cards to individuals. Each takes turns reading what's on their card; the person with the match (either the term or the definition) should speak up and read what's on their card.



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Spending that is *not* optional; it happens automatically every year. This includes such things as Social Security, Medicare, and interest payments on the national debt.

October 1 through September 30

Spending that *is* optional. Congress appropriates it each year, through separate spending bills.

The process of assigning exact amounts to the specific items in the budget.

What the president offers every February, as an official opening to the budget season.

The process of granting permission for a new program to exist.

It's produced by the House and Senate Budget Committees, to serve as a blueprint for the appropriations process that follows.

A temporary appropriations bill, it keeps the government running if the new budget is not ready by October 1.