Budget and Appropriations

Special education and early intervention has its own jargon and so does budget and appropriations. As you advocate for increased funding for special/gifted education and early intervention it will be important for you to understand the terminology.

The Terminology

ADVANCE APPROPRIATION:
Budget authority provided in an appropriation act which is first available in a fiscal year beyond the fiscal year for which the appropriation act is enacted. The amount provided by an advance appropriation is included in the budget totals of the year that it will become available for obligation by the federal government.

ADVANCE FUNDING:
Budget authority provided in an appropriation act that allows funds to be spent during this fiscal year even though the appropriation actually is for the next fiscal year. Advance funding generally is used to avoid requests for supplemental appropriation for entitlement programs late in a fiscal year when the appropriations for the current fiscal year are insufficient.

AUTHORIZATION:
The substantive legislation that establishes the purpose and guidelines for a given activity and usually sets the limit on the amount that can be spent. The authorization does not, however, provide the actual dollars for a program or enable an agency or department to spend funds in the future.

APPROPRIATION:
The appropriation enables an agency or department to (1) make spending commitments and (2) spend money. Except in the case of entitlements, an appropriation is the key determinant of how much will be spent on a program.

BALANCED BUDGET:
When annual revenues equal annual outlays, measured by fiscal years.
**BASELINE:**
An estimate of spending, revenue, the deficit or surplus, and the public debt expected during a fiscal year under current laws and current policy. For the purposes of the Budget Enforcement Act, the baseline is defined as the projection of current-year levels of new budget authority, outlays, revenues, and the surplus or deficit into the budget year and outyears based on laws enacted through the applicable date. In general, a baseline is a projection of the federal revenues and spending that will occur under certain specified assumptions. This is not a forecast of a future budget, only a benchmark against which proposed changes in taxes or spending can be measured,

**BUDGET AUTHORITY:**
The authority granted to a federal agency in an appropriations bill to enter into financial commitments that result in immediate or future spending. Budget authority is not necessarily the amount of money an agency or department actually will spend during a fiscal year but merely the upper limit on the amount of new spending commitments it can make. The three basic types of budget authority are appropriations, borrowing authority, and contract authority.

**CONCURRENT RESOLUTION ON THE BUDGET:**
Legislation passed by Congress that establishes, reaffirms, or revises the congressional budget for a fiscal year. The congressional budget resolution, which is expected to pass by April 15, establishes binding figures for the aggregate levels of budget authority, outlays, revenues, and deficit or surplus, the appropriate level of the public debt, and an estimate of the budget authority and outlays for each of the budget functions. If needed, subsequent budget resolutions for a fiscal year may be adopted at any time after the passage of the April 15 resolution. A budget resolution does not require the president's signature to become effective. A budget resolution may contain "reconciliation" instructions to congressional committees.

**CONTINUING RESOLUTION:**
Legislation that may be enacted to provide budget authority for a department or agency or a specific program when Congress and the president have not completed action on the regular appropriation for that department, agency, or program by the start of the fiscal year or when a previously enacted continuing resolution expires. The continuing resolution thus allows the department, agency, or program to continue operating.

**CROSSWALK:**
A translation of budget information from one to another - for example, from a budget relation to an authorization or appropriations bill.

**CURRENT SERVICES:**
An estimate of the budget authority and outlays that would be needed in the next fiscal year to continue federal programs at their current levels. These estimates reflect the anticipated costs of continuing programs at their present spending levels without any policy changes.
DEBT:
There are three basic tabulations of federal debt: (1) gross federal debt, (2) debt held by the public, and (3) debt subject to statutory limit. Gross federal debt consists of all federal government debt securities outstanding, whether issued by Treasury or by other agencies and whether held by the public or by government accounts. Debt held by the public consists of that part of the gross federal debt held outside of the federal government. Debt subject to statutory limit includes all Treasury debt. However, only a small portion of agency debt is included in this tabulation of federal debt. The Rules of the House of Representatives provide that whenever the House adopts a budget resolution that includes an increase in the public debt limit, the House automatically passes a joint resolution increasing the statutory limit.

DEFICIT:
When annual outlays exceed annual revenues, measured by fiscal years.

DISCRETIONARY SPENDING:
Budgetary resources provided in appropriations acts, except for those that are provided to fund direct-spending programs.

DISCRETIONARY SPENDING CAP:
A limit placed on certain categories of discretionary spending. Separate caps exist for both budget authority and outlays. For fiscal 1991-1993, caps were provided for three separate categories of discretionary spending - defense, domestic, and international. For fiscal 1994-1995, the three categories were combined into a single category that included all discretionary spending. For fiscal 1996-1998, caps exist for two categories - defense and nondefense. Any legislation that is enacted that would cause budget authority or outlays to breach the cap will trigger a sequester.

ENTITLEMENT:
Legislation that requires the payment of benefits to all who meet the eligibility requirements established in the law. Examples of entitlement programs are Social Security, Medicare, the student loan program, and veterans’ pensions.

FISCAL YEAR:
Any yearly account cycle. The fiscal year for the federal government begins on October 1 and ends on September 30. The federal fiscal year is designated by the calendar year in which it ends; for example, fiscal 1997 begins on October 1, 1996, and ends on September 30, 1997. The federal fiscal year used to begin on July 1 and end on June 30. This was changed by the Congressional Budget Act of 1974 starting in fiscal 1977 primarily to give Congress additional time to work on budget matters. A three-month "transition quarter" was added after the end of the old fiscal 1976 on June 30 and before the new fiscal 1977 on October 1 to make this
possible. This transition quarter is often designated in budget tables as fiscal "197T."

**FORWARD FUNDED:**
Budget authority provided in an appropriations act that allows funds to be committed to a specific purpose (obligated) this year for programs that will be implemented next year. Forward funding often is used for education programs so that grants can be made by the federal government before the start of the school year and local school officials can plan their budgets.

**FUNCTION OR FUNCTIONAL CLASSIFICATION:**
The system of presenting budget authority, outlays, receipts, and tax expenditures in terms of the principal national need the programs are intended to serve. Each program is placed in the single functional category that best represents its major purpose, regardless of the department that administers it.

**GRANT:**
A cash award given by the federal government to a state or local government or other recipient. The two major forms of federal grants are "block" and "categorical." Block grants are awarded primarily to general purpose governments, are distributed to them according to formulas established in the law, and can be used by the recipient for any activities that fall within the purpose of the grant as stated in the law. Categorical grants are made to governments or other recipients, can be used only for a specific purpose, and usually are limited to narrowly defined activities.

**IMPOUNDMENT:**
An action by the president that prevents the obligation or expenditure of budget authority. Deferrals and rescissions are the two types of impoundments.

**MANDATORY SPENDING:**
Outlays for entitlement programs and certain non-entitlements that Congress controls by defining eligibility and payment rules rather than through appropriations.

**OFF-BUDGET:**
Programs and agencies whose transactions have been excluded by law from the unified federal budget for some reason.

**OMNIBUS APPROPRIATION:**
A single bill that includes the appropriations that are usually included in a separate bill. An omnibus appropriation is often adopted when there is not enough time for congress to consider each bill individually, such as when the fiscal year is about to begin.

**OUTLAYS:**
The actual amount of dollars spent for a particular activity. Total outlays in any year result from both new budget authority provided the current year and from unexpected balances of budget authority provided in previous years.
OUT-YEAR:
The four fiscal years that follow the budget year. For example, the first session of the 105th Congress will convene in January 1997, and will debate the 1998 budget. This means that the current year is fiscal 1997, the budget year is fiscal 1998, and the outyears are fiscal 1999-2002.

PAY-AS-YOU-GO or PAYGO:
An enforcement mechanism created by the Budget Enforcement Act that requires any enacted legislation that either reduces revenues or increases mandatory spending above the baseline to be offset by equal revenue increases or mandatory spending reductions. If a full offset is not enacted, then a pay-as-you-go sequester will be triggered.

RECESSION:
The Budget Enforcement Act of 1990 defines a recession as either of two events: (1) if either the director of OMB or CBO determines that real economic growth is or will be negative during any two consecutive quarters over a six-quarter period starting with the quarter before the current quarter and continuing through the four quarters after the current quarter or (2) if the Department of Commerce announces that the rate of real economic growth for the current quarter and the immediately preceding quarter is less than 1 percent. Either of these two events can trigger a suspension of most of the key Budget Enforcement Act provisions.

RECONCILIATION:
The process used by Congress to force its committees to comply with the fiscal policy established in a budget resolution.

RESCISSION:
An action of the president that cancels previously appropriated budget authority. A proposed rescission must be reported to Congress and the comptroller general by the president in a rescission message. If both houses do not approve of the proposed rescission within 45 days, the president must obligate the budget authority as it was intended by Congress.

REVENUES:
Receipts collected by the federal government from duties, taxes, user fees, or premiums from social insurance programs.

SEQUESTER:
The cancellation of budgetary resources provided by discretionary appropriations or a direct spending law.

SUPPLEMENTAL APPROPRIATION:
An act appropriating funds in addition to the 13 regular annual appropriations. Supplemental appropriations are supposed to be enacted when the need for
additional funds is too urgent to be postponed until the next regular appropriation is considered, although they are often enacted for other reasons as well.

**SURPLUS:**
The amount by which revenues exceed outlays, measured by fiscal years.

**UNIFIED BUDGET:**
The present form of the budget of the federal government in which receipts and outlays from federal funds and trust funds are consolidated into a single total.