

An hourglass-shaped graphic with a globe in the top bulb and another globe in the bottom bulb. The hourglass is light blue and has a dark blue cap at the top. The globe in the top bulb is dark blue, while the globe in the bottom bulb is light blue. The text is centered within the hourglass.

WikiLeaks Document Release

<http://wikileaks.org/wiki/CRS-RS20268>

February 2, 2009

Congressional Research Service

Report RS20268

Agency Justification of the Presidents Budget

William Heniff, Government and Finance Division

June 12, 2008

Abstract. While the President is required to submit annually a comprehensive federal budget to Congress, each federal agency bears the primary responsibility for justifying its budget request to gain approval from Congress. This fact sheet focuses on the justification of requests for spending provided through the annual appropriations process.

WikiLeaks



CRS Report for Congress

Agency Justification of the President's Budget

Bill Heniff Jr.

Analyst on the Congress and Legislative Process
Government and Finance Division

While the President is required to submit annually a comprehensive federal budget to Congress, each federal agency bears the primary responsibility for justifying its budget request to gain approval from Congress. Several key activities are involved. These include the preparation of supporting materials for the President's budget transmittal, formal testimony, and the submission of more detailed written justifications to the appropriations subcommittee of jurisdiction. This fact sheet focuses on the justification of requests for spending provided through the annual appropriations process (i.e., discretionary spending). For more information on the budget process, see the CRS Guides to Congressional Processes at [<http://www.crs.gov/products/guides/guidehome.shtml>].

Agency Supporting Material. Each agency is responsible for providing the supporting materials from which the account and program detail in the *Budget Appendix* is prepared. OMB Circular A-11 contains detailed instructions on their preparation to ensure they adhere to standardized conventions and formats. These materials are prepared in support of an agency's initial budget submission to the Office of Management and Budget (OMB), and then, if necessary, revised to conform to the decisions made by OMB and the President.

The major elements of these materials for each account include (1) proposed appropriations language for the upcoming fiscal year; (2) a program and financing schedule, which includes the obligations for specific activities and programs and the sources of budget authority; (3) an object classification schedule, which reflects the nature of things or services purchased; (4) a personnel summary, if applicable; and (5) a narrative statement of the program and its performance. The budget schedules state the dollar amounts of appropriations and other sources of budgetary resources. They show actual dollar amounts for the previous fiscal year, enacted amounts for the current fiscal year, and proposed amounts for the upcoming fiscal year, reflecting the President's request.

Agency Budget Justifications. The House and Senate Appropriations Committees have jurisdiction over the 12 regular appropriations acts and other appropriations acts. The Appropriations Committees of each house have 12 parallel subcommittees, each of which is responsible for one of the 12 regular appropriations acts. Soon after the President's budget has been transmitted to Congress, the appropriations subcommittees hold hearings on the individual agency budget requests.

<http://wikileaks.org/wiki/CRS-RS20268>

Agency officials usually testify before the appropriations subcommittee with jurisdiction over the agency's budget request. A central element of this testimony is the detailed written budget justifications prepared by an agency and submitted to the applicable subcommittee. The testimony and written justifications usually are published as part of the subcommittee's hearings. Each year, the hearings of the House appropriations subcommittees combined often exceed 100,000 pages, covering testimony of about 10,000 witnesses (which include nongovernmental as well as agency officials).

The written justifications typically vary in form and content with each agency and appropriations subcommittee, reflecting the ongoing relationship between them. An agency's budget justification generally consists of a detailed description of each program activity and its purpose. Agencies also include an extensive explanation of the proposed changes in appropriations and program activities for the next fiscal year, often concentrating on the increase or decrease in spending.

The primary purpose of the budget justifications is to provide an appropriations subcommittee with more detailed information about an agency's program activities and their relationship with the appropriations request than is contained in the President's budget documents. Agency officials use this detailed information to support their testimony at subcommittee hearings. Although the budget justification is not included in appropriations acts and thus does not have the force of law, it serves as an agreement with the appropriations subcommittee as to the activities an agency plans to carry out during the next fiscal year. A subcommittee often modifies these plans by including language in the Appropriations Committee's report accompanying the appropriations bill. For more information on Appropriations Committee report language, see CRS Report 98-558, *Appropriations Bills: What Is Report Language?*

An agency usually has to go through a formal process if it wants to change the program activity plans contained in its budget justification material after the fiscal year begins. For example, if an agency wants to shift funds from one purpose to another within the same appropriations account (referred to as reprogramming funds), an agency often is required to notify the relevant appropriations subcommittee, and in some cases, must get advance approval to go forward with the reprogramming.

Finally, it is important to note that when agencies interact with Congress they are required to support the President's budget proposals. To ensure agency compliance with this requirement, section 22 of OMB Circular A-11 sets out general responsibilities of agency officials when dealing with Congress on budgetary matters. In particular, all budget-related materials, including the budget justifications, must be submitted to OMB for clearance prior to transmittal to Congress (see section 22.3).