

Budget Bills Under Consideration in Congress This Fall

There is much going on in Congress this fall regarding federal funding. Below is a brief summary of three budget processes occurring this fall and how they all fit together.

Continuing Resolution (CR):

Congress did not complete the appropriations process before the end of the fiscal year (September 30). Therefore, Congress passed a continuing resolution (CR) to keep the federal government operating through November 18. A CR is simply a legislative bill that continues federal funding for a short period of time until Congress approves full-year funding for the current fiscal year. The current CR represents a 1.5 percent cut from FY 2011 funding levels in accordance with the Budget Control Act (Public Law 112-25).

FY 2012 Appropriations:

Although the federal government is operating under a continuing resolution, Congress will continue to work to complete the 12 regular spending bills to provide federal funding for the remainder of the fiscal year. The process is more complicated this fall due to the current political climate of reducing the federal deficit, the budget caps on spending reached in the Budget Control Act in August, and the need to strengthen the economy given continued levels of high unemployment. It is unclear if Congress will reach agreement on all 12 regular spending bills, especially the Departments of Labor, Health and Human Services (HHS), and Education Appropriation bill that provides funding for child care and early learning programs. If Congress does not reach agreement on all of the FY 2012 spending bills by November 18, then another CR will be necessary in order to keep the federal government operating (either temporarily or for all of FY 2012).

Budget Control Act of 2011 & Joint Committee on Deficit Reduction (“Super Committee”):

The Budget Control Act of 2011 created a complex budgetary process that complicates the current appropriations process for FY 2012. The Budget Control Act set discretionary spending caps for the next ten years, including enforcement mechanisms, and created a twelve member Joint Select Committee on Deficit Reduction, known as the “Super Committee.” The Super Committee is tasked with identifying at least \$1.2 trillion in savings to reduce the deficit and make recommendations to Congress by November 23. If Congress fails to identify at least \$1.2 trillion in deficit reduction, then automatic across-the-board spending cuts occur in order to reach the \$1.2 trillion starting January 1, 2013.

Three things to keep in mind on the Budget Control Act and the Super Committee:

- (1) The Super Committee is important as Members are deciding what federal programs to recommend as spending cuts to Congress;
- (2) All Members of Congress will vote on the Committee’s recommendations; and
- (3) Failure of Congress to reach agreement on at least \$1.2 trillion in deficit reduction could be devastating for child care and early learning funding as it will mean across-the-board cuts in whatever amount of funding necessary to reach \$1.2 trillion in savings.