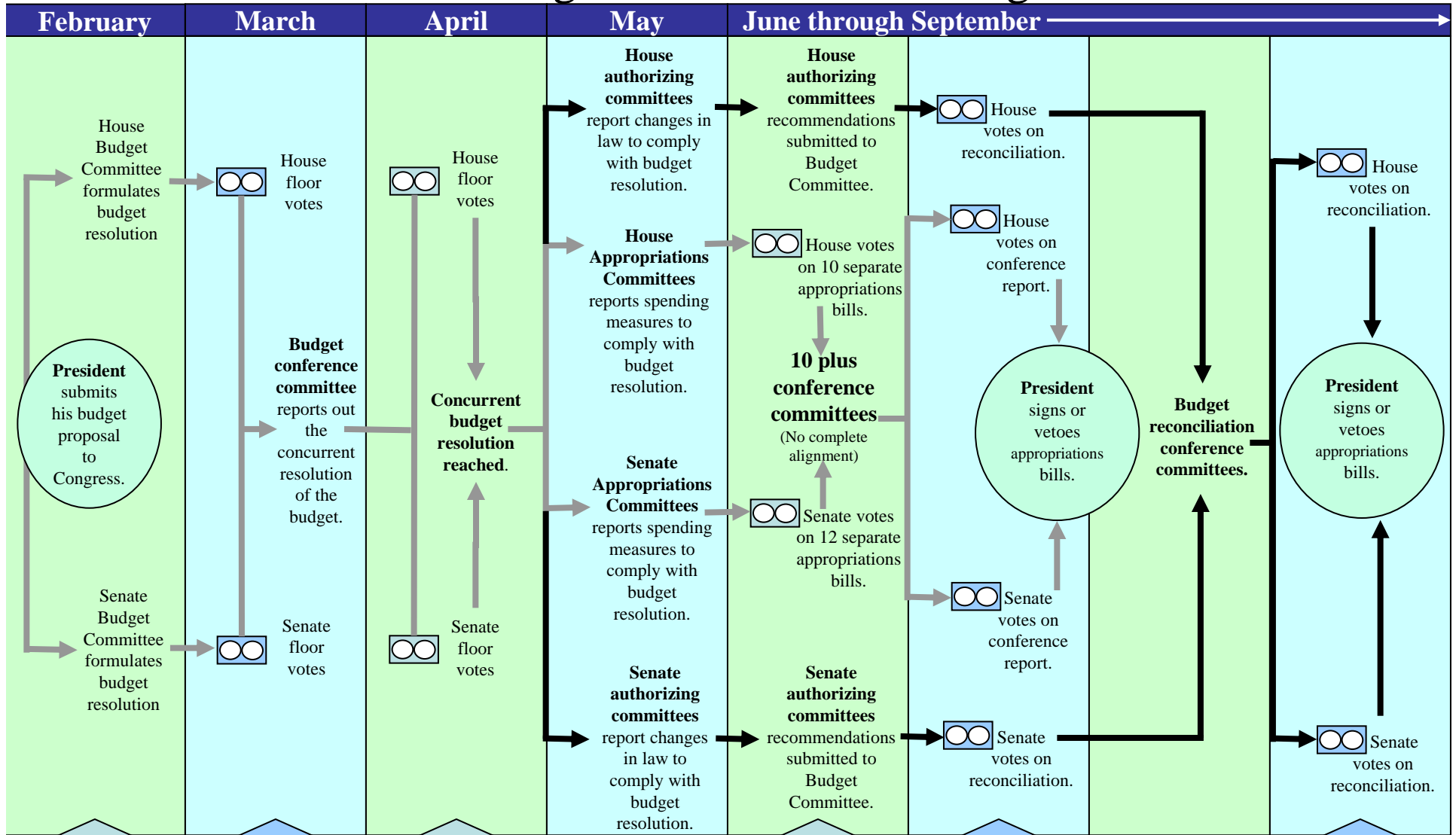




Federal Budget & Process

The Long Path to a Federal Budget



The president's budget is not binding and is considered the administration's proposal and request. With it comes volumes of information, including budget justifications from each agency that help Congress complete its own budget. The president's budget generally is submitted by the first Monday in February.

The House and Senate budget committees develop their own versions of a budget resolution. If the traditional schedule holds, both are developed by early April, and the leading budget committee members from both chambers develop a consensus agreement called a conference report that is typically adopted in April/May.

The two chambers arrive at a concurrent budget resolution, which is not formally a law and does not require the president's signature. However, the House and Senate have enforcement procedures to ensure directives are met. The budget resolution sets in motion legislation that, when enacted, has the force of law.

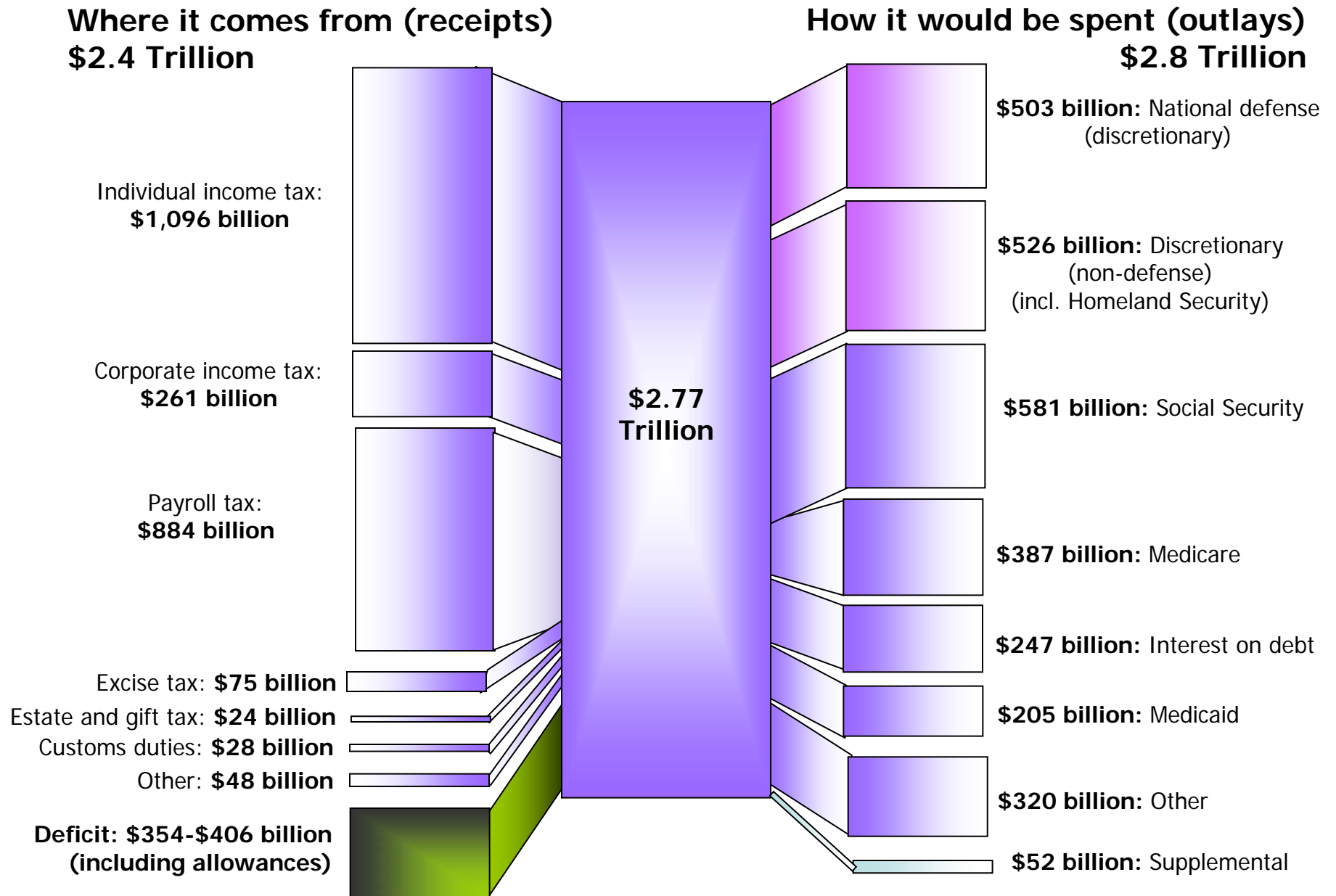
Appropriations bills cover the discretionary portion of the budget and don't affect mandated benefit programs such as Social Security and Medicare. Two or more of the appropriations measures can be lumped into a single omnibus appropriations bill. All of the bills must be signed by the president to become law.

Another portion of the funds goes to authorizing committees for entitlements and other mandatory spending. To change these amounts, laws must be rewritten and voted on in reconciliation legislation, which requires presidential signature to become law.

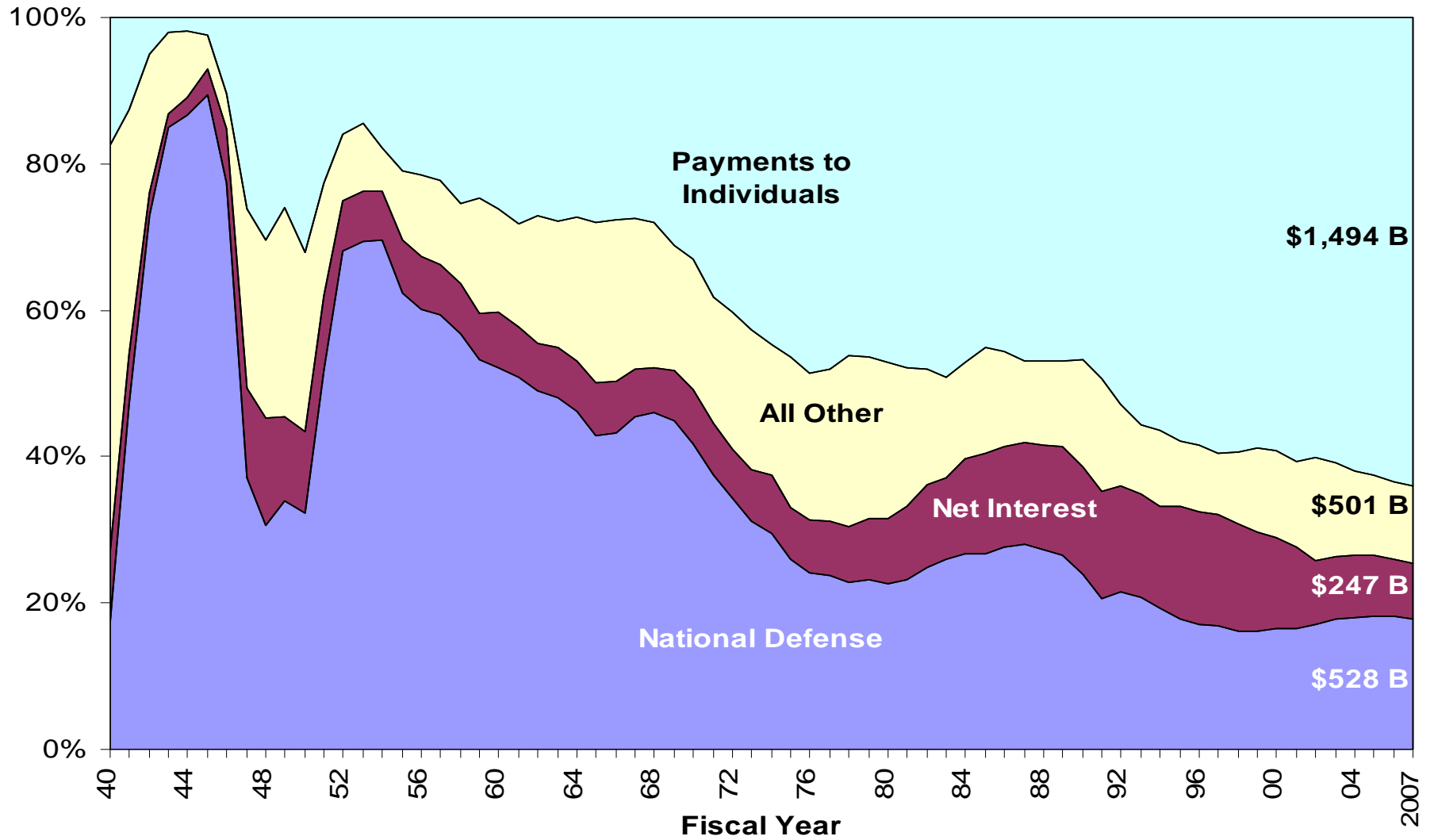
If all 13 appropriations bills aren't signed by Oct. 1, the start of the new fiscal year, Congress may pass a continuing resolution to fill the gap. If Congress fails to pass the resolution or the president vetoes it, nonessential activities in government are shut down until appropriations for them are enacted.

Spending America's Income

Broad revenue and spending categories in President Bush's fiscal 2007 budget:



Percentage Composition of Federal Government Outlays



	1940	1971	2007
Current \$	\$9.5B	\$210.2B	\$2,770B



NSF Budget Division: Mission

Managing the budget process at NSF:

- Justifications: that represent and communicate NSF's mission, goals, and priorities.
- Implementation and Execution: that reflect the intent of the Foundation, the Administration, and the Congress.
- Performance Assessments: that ensure the effectiveness of NSF's programs.
- *Quality analysis in support of all of the above.*

Budget “Customers”

INTERNAL

- Office of the Director
- National Science Board
- Directorates/Offices
- Office of Legislative &

EXTERNAL

- Office of Management & Budget (White House)
- Congress
- Public



NSF Budget Division: Major Responsibilities

- Annual Budget Submissions to OMB and Congress
- Annual Performance and Accountability Report
- Materials for Congressional Hearings
- Long-Range Planning Materials for NSB, O/D
- Special Analysis for COVs, NSF-wide activities
- Review of major documents (Clearance)
- Budget Execution (with DFM)
- Enterprise Information System (EIS)
- Budget Internet Information System (BIIS)
- Input to OMB budget database (MAX)
- Advisory Committee for GPRA Performance Assessment (AC/GPA)
- APIC GPRA Working Group
- PART Activities
- Verification & Validation of GPRA/PART Goals

Federal Budget Process

- **Guidance issued to agencies in the Spring (OMB/OSTP)**
- **NSF develops OMB Request during the Summer**
- **Agency requests submitted to OMB in September**
- **NSF/OMB negotiate throughout Fall**
- **Federal Budget submitted to Congress in early February**
- **Congressional appropriations process throughout the Spring-Summer**
- **New fiscal year begins October 1**
- **April - September: Agencies managing 3 budgets: e.g. during calendar 2004: planning for FY 2006, tracking & negotiating FY 2005, implementing & managing FY 2004**

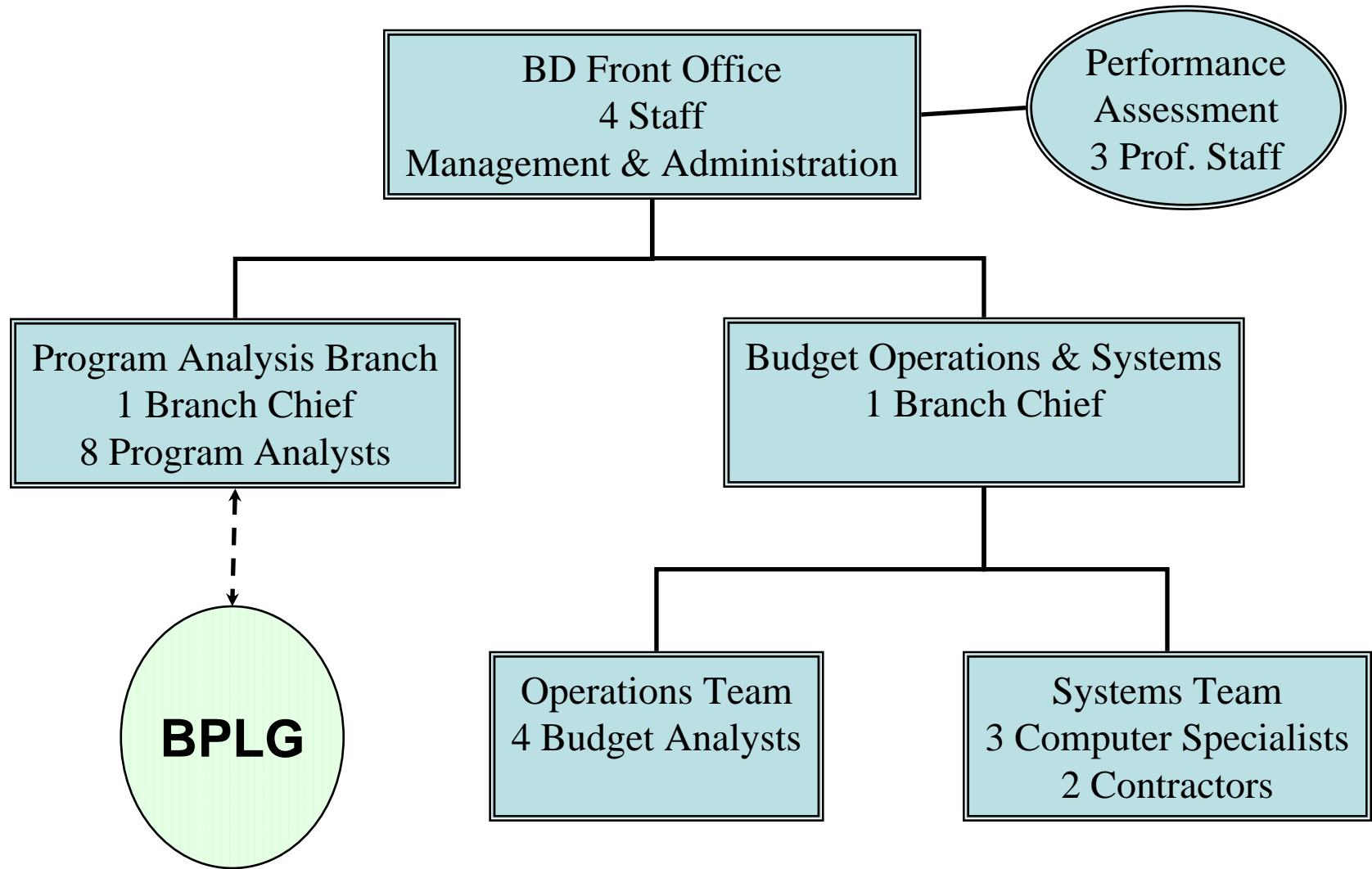
NSF Budget Formulation

- **OMB/OSTP guidance for both dollars and programs**
- **Budget Division develops schedule, guidance, formats**
- **NSF directorates/offices develop alternative scenarios (e.g. 85%, 100%, 110% of guidance level)**
- **Budget Division reviews & edits directorate submissions, adds analysis & recommendations, looks for themes & new programs**
- **Budget discussed by senior management and NSB - some reallocations**
- **Iterative process**

NSF Budget Execution

- **Develop Current Plan based on final appropriation**
- **Allocate operating budgets in EIS to detailed levels based on Current Plan**
- **Review & approve transfers**
- **Review program announcements**
- **Track & manage interdisciplinary program funds**
- **Provide periodic status of funds**
- **Support BFA processes**

NSF Budget Division: Staffing

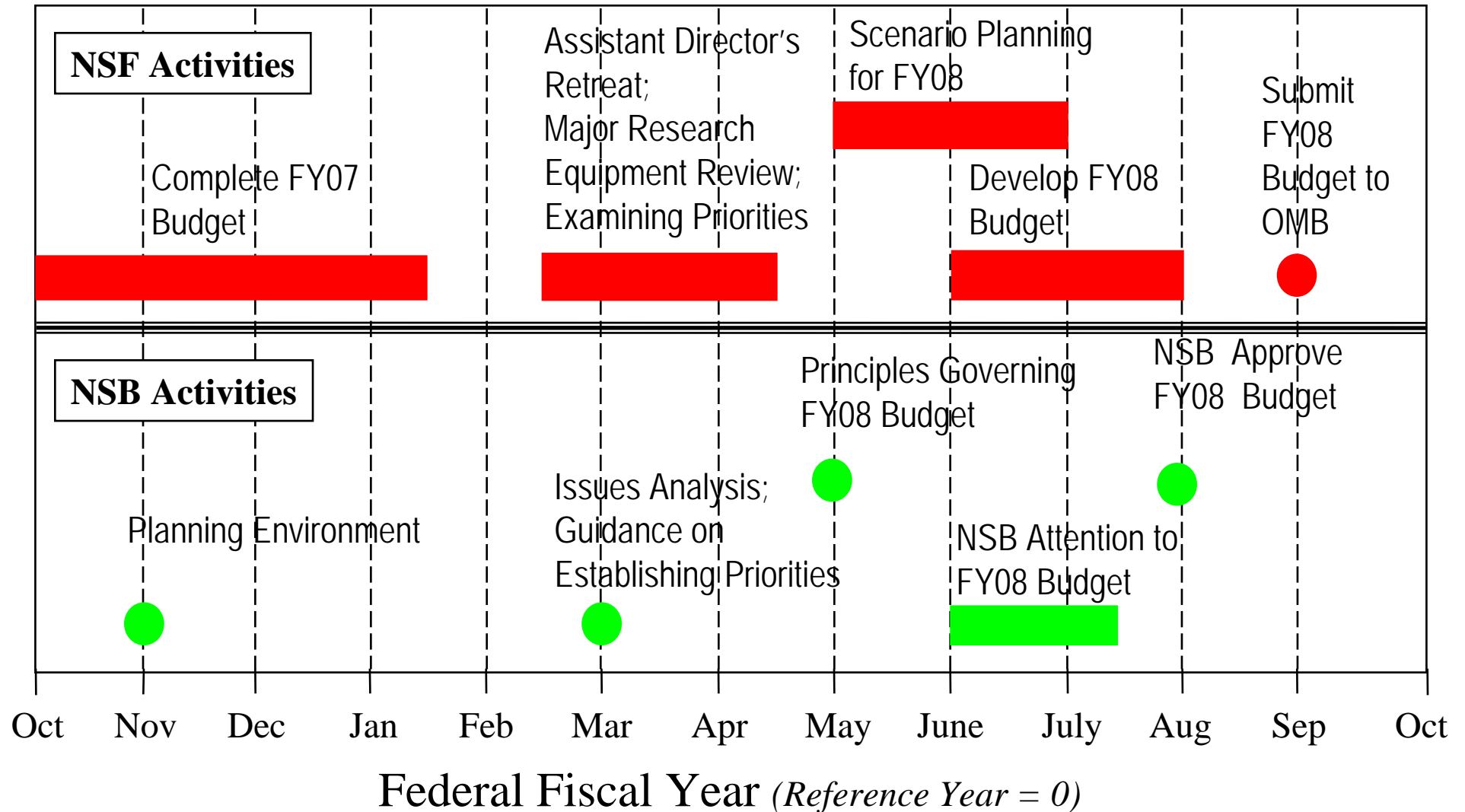




NSF's Budget Process



Budget Formulation and Planning Cycle

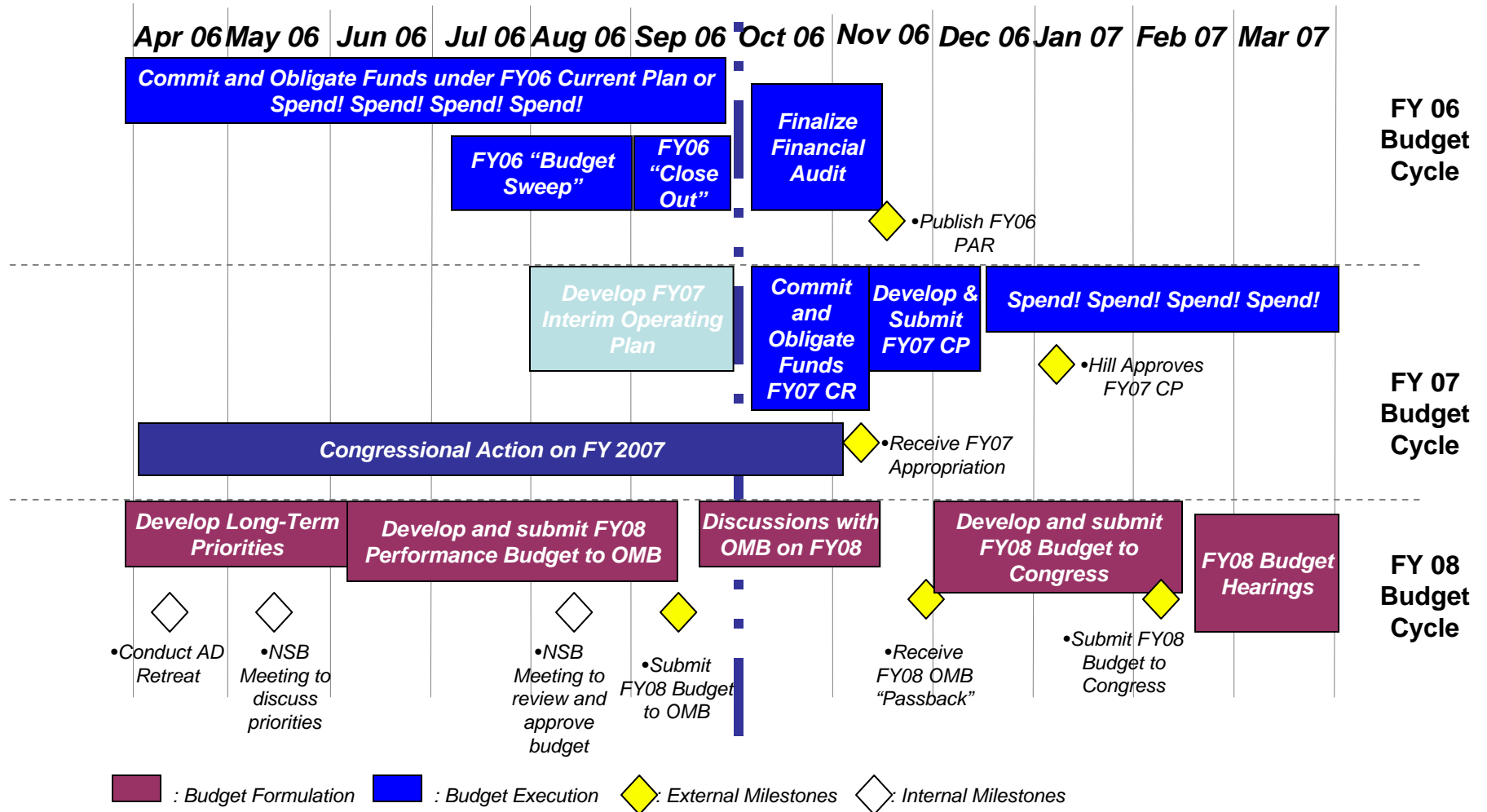




Resource Allocation Timeline

FY 2006

FY 2007

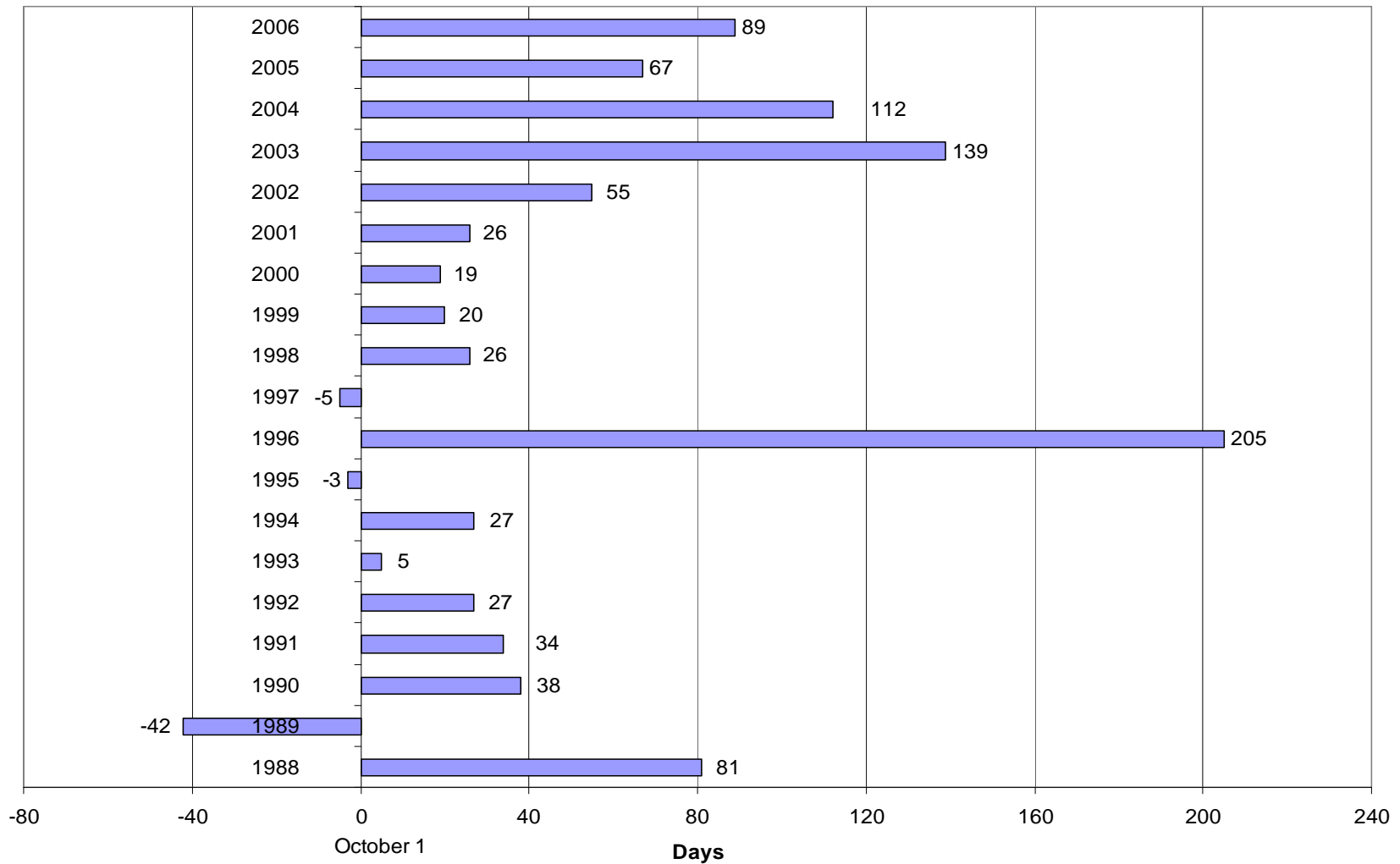


Note: Timing of internal deadlines and appropriations fluctuates from year-to-year



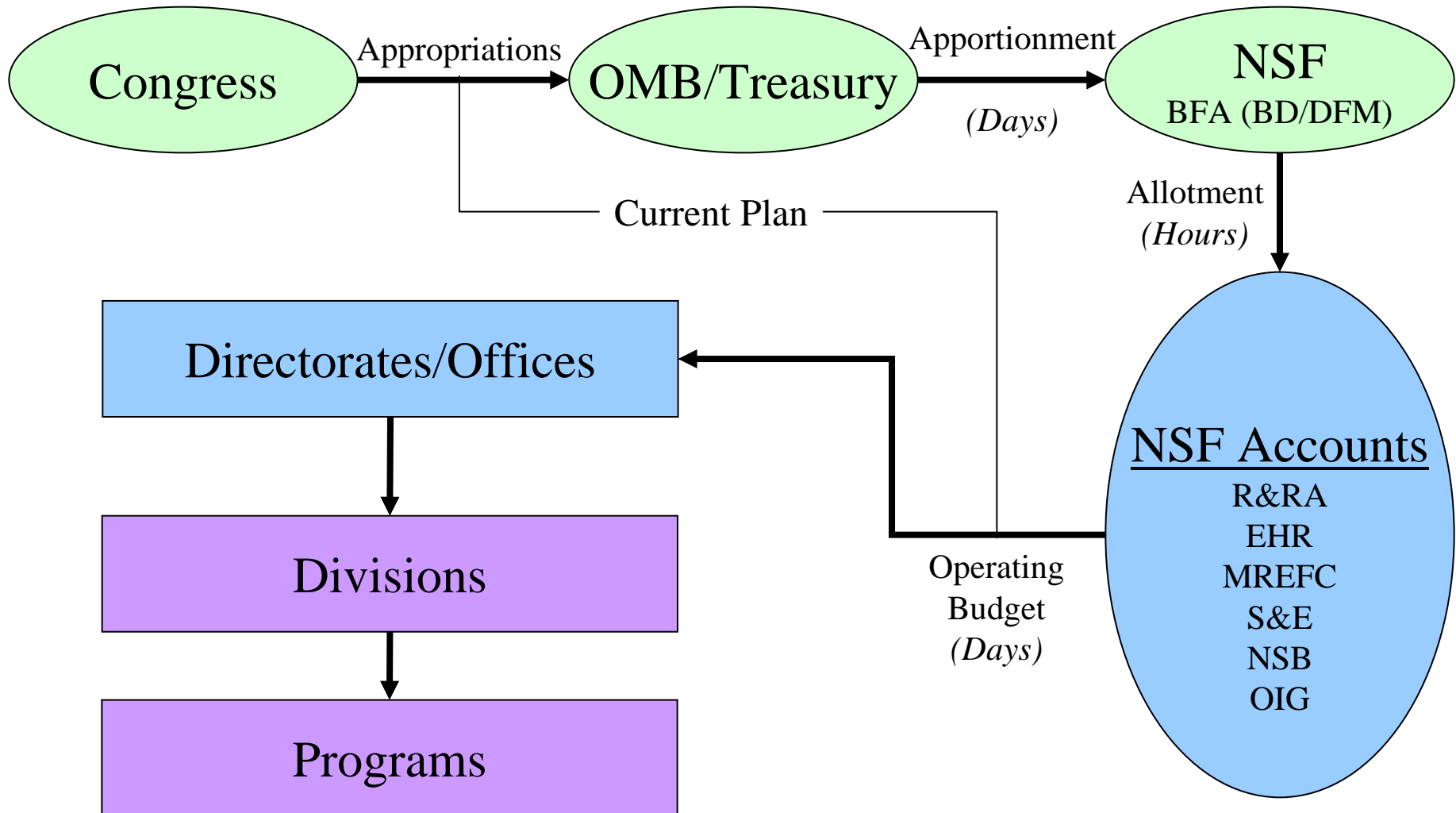
Appropriations Drift

NSF Appropriations Dates versus Start of Federal Fiscal Year - Oct. 1



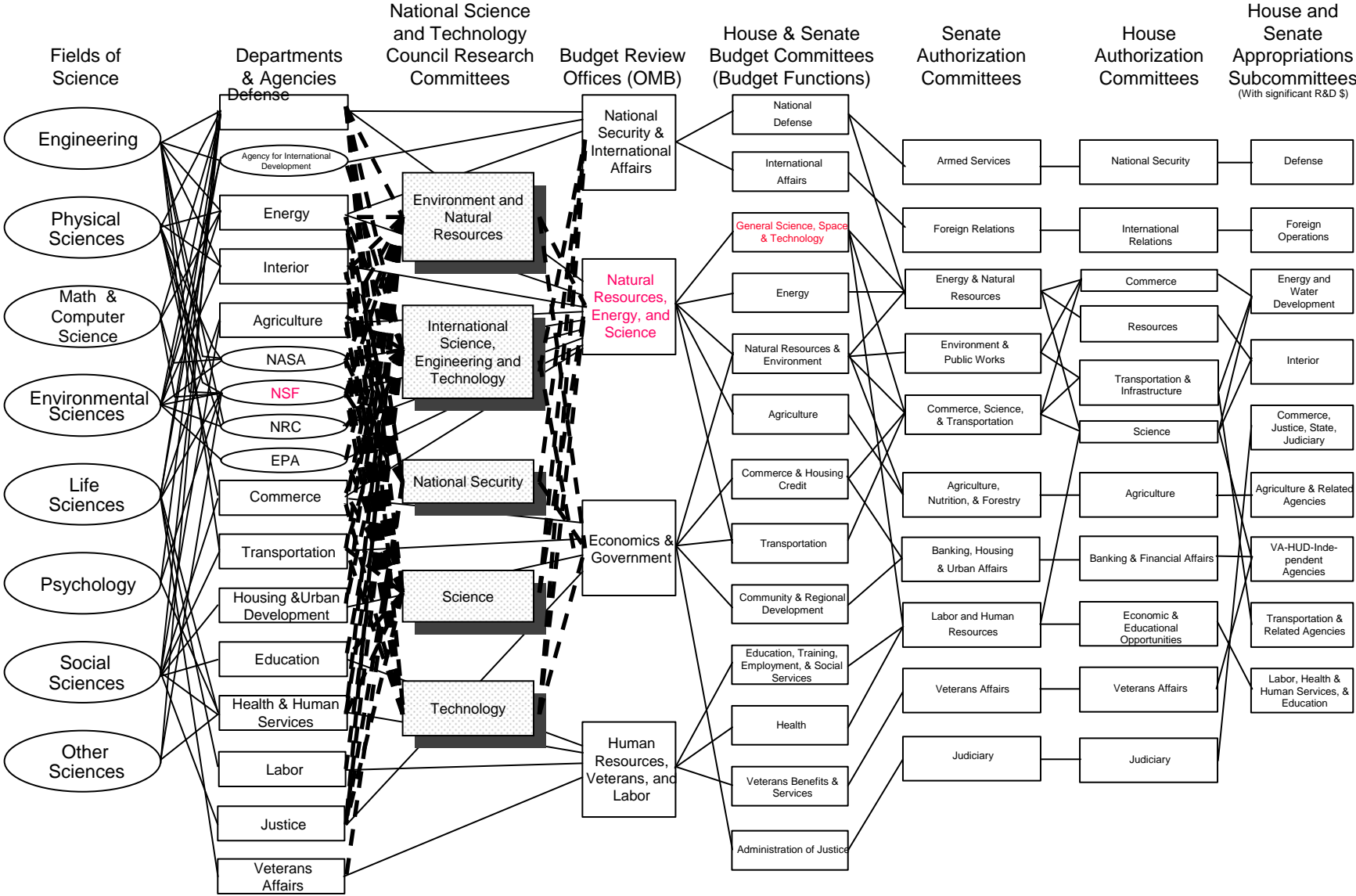


How the Money Flows to Your Office



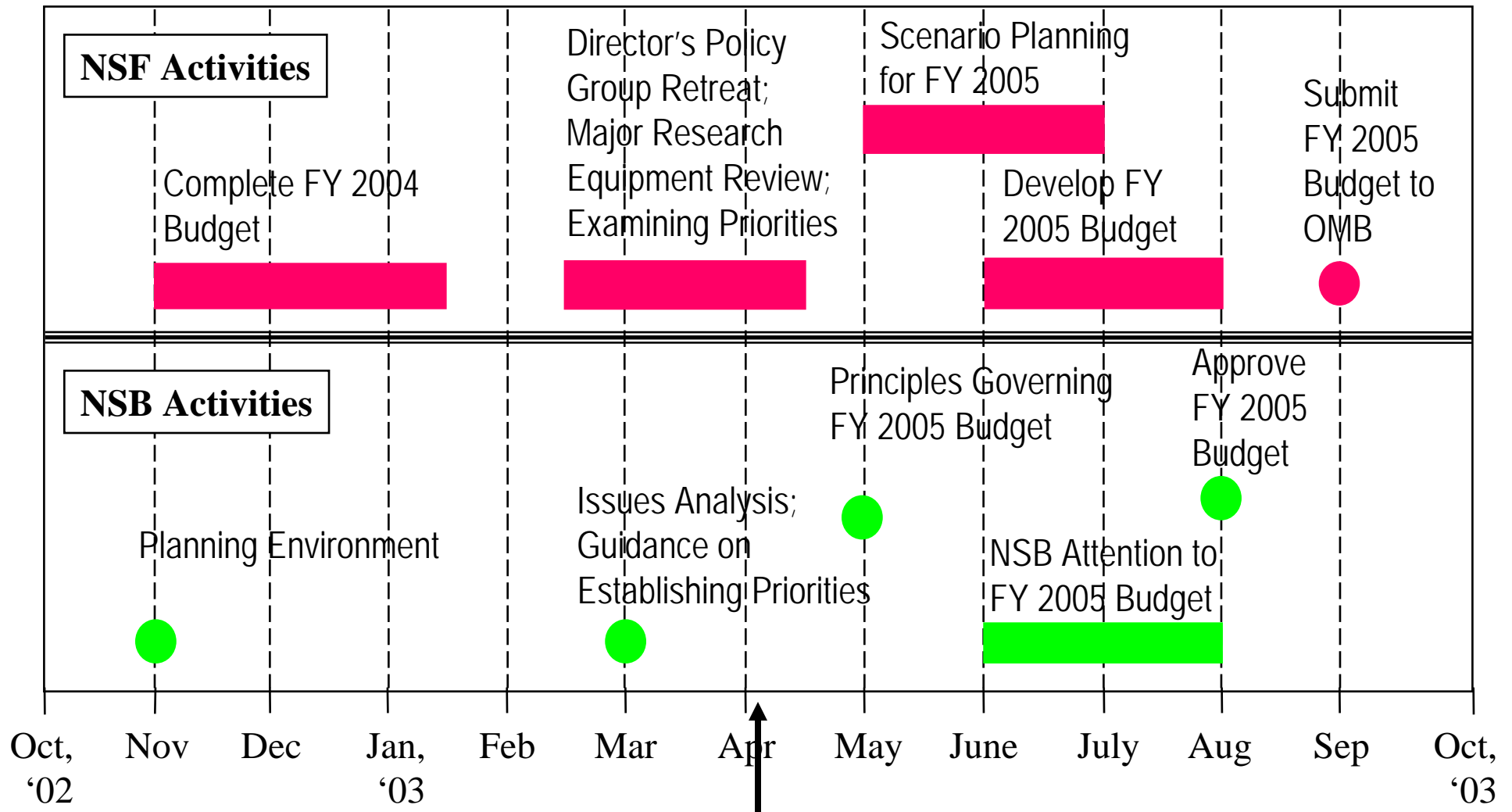
Development of the Federal R&D Budget

Showing Fields of Science and Executive and Legislative Decision Units
 Connecting lines indicate location of agency budget decisions, but not decision sequences.

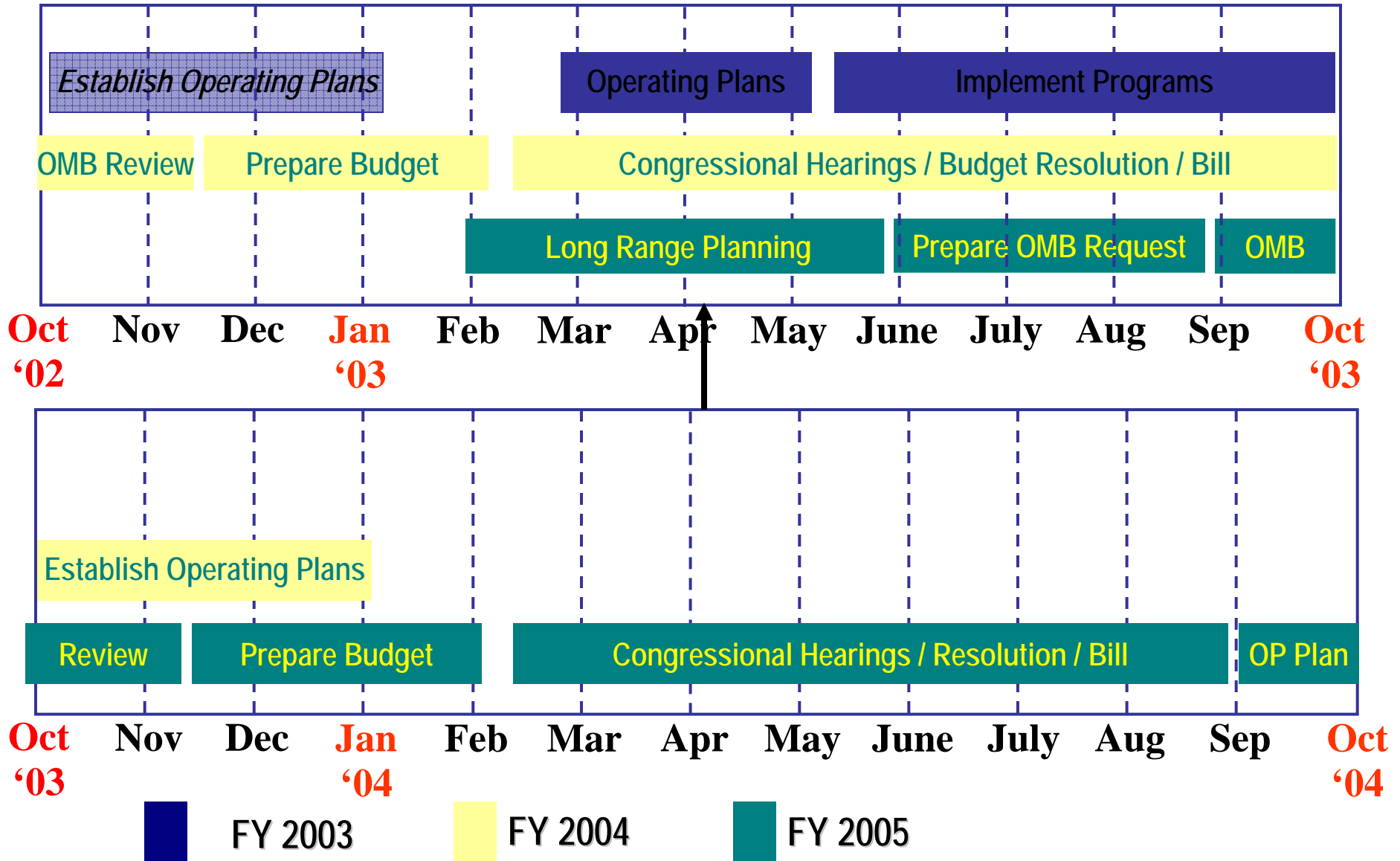




NSF Budget and Planning Cycle



Budget and Planning Cycle



Key Budget Planning Tasks

Get Information

- › Keep informed
- › Identify opportunities
- › Assess performance
- › Obtain policy guidance



Process Information

- › Develop options
- › Build scenarios
- › Establish priorities
- › Make decisions



Communicate Information

- › Prepare request
- › Justify request
- › Build consensus and support

Input to Planning Process

	Internal	External
Needs/Opportunities	<ul style="list-style-type: none"> Directorates Priority Area Working Groups Staff Meetings & Retreats Program Annual Reports 	<ul style="list-style-type: none"> Advisory Committees Workshops/Studies/Reports Proposals/Visits/Meetings Other Agencies
Strategic Direction and Policy	<ul style="list-style-type: none"> NSB SMIG/ADs Strategic Plan 	<ul style="list-style-type: none"> OMB OSTP/NSTC Congress
Performance Evaluation	<ul style="list-style-type: none"> GPRA Documents Annual Reports Evaluations and Assessments 	<ul style="list-style-type: none"> COVs Advisory Committees Indicators/Benchmarking