

Federal Legislative and Budget Process Webinar

Shawn Gremminger, MPP
Assistant Vice President, Legislative Affairs
NAPH



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Agenda

- Legislative Process
- Annual Budget Process (discretionary appropriations)
- Budget Reconciliation Process (changes to taxes and/or “Entitlements”)

Legislative Process

Step 1: Introduce Legislation

In Theory	In Reality
Member of Congress introduces legislation	Same
Chamber Clerk assigns bill number and refers legislation to relevant committees	Same

Major caveat: “Freestanding,” discrete, legislation rarely moves on its own. Most likely moved as a “rider” within a larger legislative “vehicle.”

Legislative Process

Step 2: Committee Consideration

In Theory	In Reality
Committee(s) hold hearings on the issue	Sometimes
Committee(s) mark-up (amend) legislation	Sometimes
Committee(s) pass legislation	Sometimes

For hospitals, committees of jurisdiction are: **House Energy and Commerce** (Medicaid, some Medicare and Public Health Service Act), **House Ways and Means** (some Medicare), **Senate Finance** (Medicaid and Medicare, **Senate HELP** (Public Health Service Act)

Legislative Process

Step 3: Floor Consideration

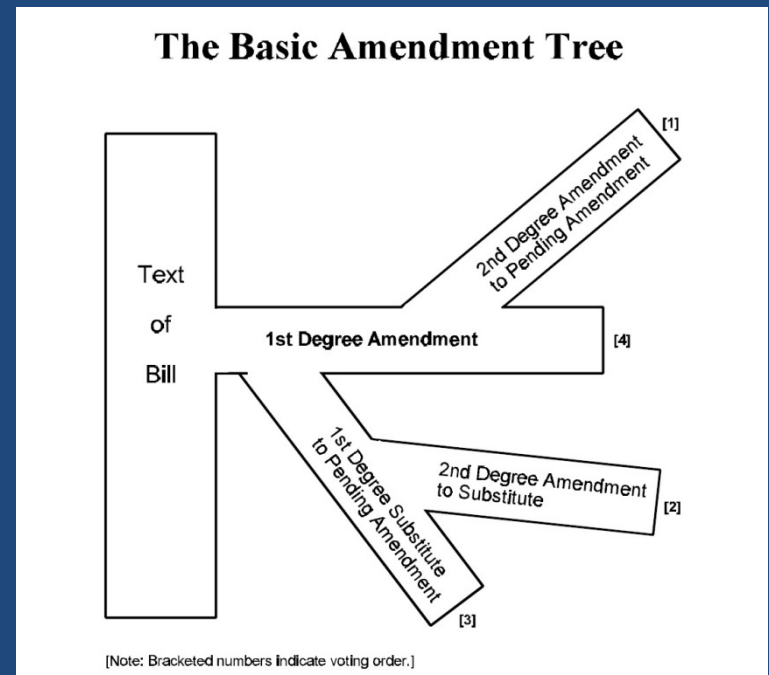
In Theory – House	In Reality – House	In Theory – Senate	In Reality - Senate
Rules Committee establishes rules for debate	Same	No comparable process in Senate	(n/a)
Limited Debate Period with open amendments	Often, House Rule substantially limits debate and amendments – a “closed rule.”	Open-ended debate period with open amendments	Party leaders may agree to limited debate / amendment rules
House passes legislation by simple majority	Same	Senate passes legislation by simple majority	Rarely. Most substantive bills are filibustered – requiring 60 votes to end debate and move to final passage.

Motion to recommit: motion sending bill back to committee. Usually used to kill legislation without having to vote against it.

Legislative Process

Step 3: Floor Consideration – Amendments

- Substitute Amendment – Effectively replaces underlying bill with new language
- Perfecting Amendment – Alters language in the underlying bill or adds new language
- 2nd Degree Amendment – An amendment to an amendment. Must be considered before consideration of the underlying amendment
- “Filling the Amendment Tree” – A method sometimes used by the Senate majority leader to limit all other amendments.



Legislative Process

Step 4: Resolving Differences

In Theory	In Reality
Conference Committee (equal number of members from House and Senate resolve differences between passed legislation)	Rarely.
“Ping Pong” (Legislation amended in either chamber, then sent to other chamber for consideration)	Most often.

Legislative Process

Step 5: Presidential Approval

- **President signs legislation** – becomes law and is assigned a public law number
- **President vetoes legislation** – veto may be overridden by 2/3 majority vote in both chambers.



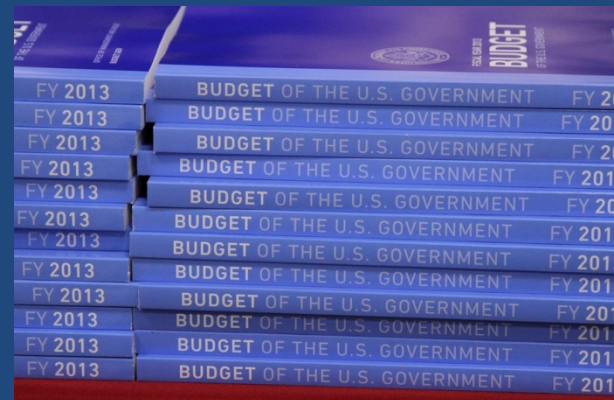
Annual Budget Process

Background

- Federal budget process established by Congressional Budget Act of 1974 (CBA)
 - Stipulates an Oct. 1-Sept. 30 Fiscal Year
 - Requires Congress to pass annual “Budget Resolution” setting aggregate limits on spending and revenue targets

Step 1: President's Budget Request

Note: President's budget must include funding for discretionary programs. It may include changes to entitlements and taxation.



Annual Budget Process

Step 2: Budget Committees Write Budget Resolutions

In Theory	In Reality
House and Senate Budget Committees hold hearings, then write competing budget resolutions.	Sometimes. In recent years, the Senate Budget Committee has not bothered to write a budget resolution.

The most important aspect of a budget resolution is the establishment of “302(a) allocations” which guide the Appropriations Committee on the aggregate level of federal discretionary spending. Budget resolutions may also include “reconciliation instructions” (more on that later).

Annual Budget Process

Step 3: Chamber Consideration of Budget Resolutions

In Theory	In Reality
House and Senate each pass their respective Budget Resolutions	Sometimes. Senate has often failed to pass a resolution, despite it being one of the few bills not subject to a filibuster.
Conference Committee resolves differences	Rarely. Usually, each chamber simply moves forward with the rest of the budget process under its own resolution's figures.
House and Senate pass final budget resolution by April 15	Rarely. The last time Congress passed a final budget resolution was for Fiscal Year 2010.

Because it is a concurrent resolution and is used explicitly to set future congressional action, the president does not sign the budget resolution.

Annual Budget Process

Step 4: Appropriations Process

In Theory	In Reality
House and Senate Appropriations Committees Assign 302(b) budget allocations to Subcommittees	Usually.
Subcommittees draft and pass individual bills appropriating money for the programs under their jurisdiction	Sometimes. The Labor-H bill is the largest appropriations bill and the most difficult to pass.
Individual appropriations bills are passed on the floor of respective chambers	Very Rarely. The last time an individual Labor-H bill was enacted was for FY 2006. More often, individual bills are combined into an “Omnibus Appropriations Bill.”

There are 12 Appropriations Subcommittees in each chamber. Chairs of these subcommittees are colloquially referred to as “Cardinals.” The subcommittee we focus on is the Subcommittee on Labor, Health and Human Services, Education and Related Agencies (known colloquially as “Labor-H”).

Annual Budget Process

The Continuing Resolution (CR)

- The most common tool in the broken appropriations process
- In general, continues funding at current levels for each program for a defined period.
- Some exceptions / changes are made, but difficult to get in.
- A bill with many changes is sometimes called a “CRomnibus” (cross between CR and Omnibus).

Budget Reconciliation

History

- Process established by the CBA
- So far, 23 Reconciliation bills have been enacted
- Originally designed to speed deficit reducing legislation, but has been used to increase budget deficits (Bush Tax Cuts) and to amend the Affordable Care Act
- “Byrd Rule” instituted in 1985 (more on that later)

Budget Reconciliation

Step 1: Reconciliation Instructions

- House and/or Senate Budget Resolution issues “Reconciliation Instructions” to respective Committees of Jurisdiction.
 - Requires committee(s) to mark-up budget saving legislation equal to an amount stipulated under the instruction.
- While legal, Senate balks at House-only reconciliation instructions

Budget Reconciliation

Step 2: Committee Passage of Reconciliation Bill(s)

- Achieved under regular committee order
- Reconciliation Bills discharged by committees may be combined before floor debate

Budget Reconciliation

Step 3: Floor Consideration (House)

- Special reconciliation rule defines debate terms
- In reality, the process is similar to regular legislation under a “closed rule.”

Budget Reconciliation

Step 3: Floor Consideration (Senate)

- Special reconciliation rule defines debate terms
 - Most importantly, reconciliation rules limit the length of debate and **BAN FILIBUSTERS**
- After a limited debate, the chamber moves immediately to final passage, requiring a simple majority

Budget Reconciliation

Step 3: Floor Consideration (Senate) – Byrd Rule

- Established to limit reconciliation bills to only issues relating to taxes and spending.
- Extraneous matter may be struck using a point of order, requiring a 3/5 (60 vote) majority to overcome.
- Extraneous matter defined using 6-point test – largely used to strike provisions which do not directly affect taxes or entitlement spending.

Questions and Discussion



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