



Advance Appropriations, Forward Funding, and Advance Funding

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November 22, 2010

Congressional Research Service

7-5700

www.crs.gov

RS20441

Appropriations acts generally make budget authority (or BA)¹ available for use (or obligation) at the start of the fiscal year covered by the act. For example, the FY2010 appropriations acts generally made budget authority available on October 1, 2009.² Sometimes appropriations bills provide a different date for specified budget authority within the act to become first available so that the funding cycle does not coincide with the fiscal year generally covered by the act. There are three types of this kind of budget authority: advance appropriations, forward funding, and advance funding.

Advance Appropriations

Advance appropriations means that budget authority will become available one or more fiscal years after the fiscal year covered by the act. An FY2010 appropriations act, for example, provided specific funds for certain activities that were not available until October 1, 2010—the start of FY2011. The act also provided funds for specific activities that will not be available until the start of FY2012.

For purposes of enforcement, appropriations are generally *scored*³ in the fiscal year the funds first become available. Therefore, an advance appropriation (and resulting outlays) for FY2011 that was provided in an FY2010 appropriations act would be included for calculating total budget authority and outlays for FY2011, but not FY2010. The budget authority and outlays would not be included in calculations to determine if the appropriations act violated FY2010 spending ceilings established under the Congressional Budget and Impoundment Control Act of 1974⁴ or additional spending ceilings associated with the annual budget resolution.⁵ During times of budgetary constraint, therefore, advance appropriations may be used to provide spending that would be counted against future, rather than current, limits.

In response to concern about this, Congress typically includes in the annual budget resolution a total spending ceiling for most advance appropriations and identifies those accounts that may be funded through advance appropriations. The budget resolutions provide for similar Senate and House enforcement mechanisms during floor consideration of appropriations measures.⁶

¹ *Budget authority* is the authority provided by federal law to incur financial obligations that will result in immediate or future expenditures (or outlays) involving federal funds. Examples of financial obligations are entering into a contract to build a submarine or purchase supplies.

² The principle applies even in cases in which all the regular appropriations bills are not enacted by October 1.

³ Scoring refers to estimates of budget authority, outlays, revenues, and deficit levels resulting from congressional budgetary action. These estimates are usually prepared by the Congressional Budget Office and Office of Management and Budget and compare congressional action to targets and ceilings, such as budget resolution spending ceilings.

⁴ 2 U.S.C. 621-645; P.L. 93-344, as amended. In particular, section 311 establishes a point of order against spending that breaches the total spending level established in the budget resolution, and section 302 establishes a point of order against spending that would breach a committee's spending allocation. Section 303 of the Congressional Budget Act exempts certain advanced appropriations from the prohibition against considering spending legislation until after Congress has agreed to the budget resolution for the fiscal year. For more information on Congressional Budget Act points of order, see CRS Report 97-684, *The Congressional Appropriations Process: An Introduction*, by Sandy Streeter, and CRS Report 97-865, *Points of Order in the Congressional Budget Process*, by James V. Saturno.

⁵ For example, see section 401 of S.Con.Res. 13 (111th Cong.) established a point of order in the Senate against discretionary spending in excess of specified levels for FY2009 and FY2010.

⁶ For an example, see sections 402 and 424 of S.Con.Res. 13 (111th Cong.), Concurrent Resolution on the Budget for Fiscal Year 2010.

Forward Funding

Forward funding is a term that applies to budget authority that generally becomes available for obligation in the last quarter of the fiscal year of the appropriations act and whose availability continues the following fiscal year. Forward funding in an FY2010 appropriations act may have provided that the budget authority for specified activities would not become available until July 1, 2010, and remain available through FY2011.

This budget authority is scored in the fiscal year in which it first becomes available. Budget authority in an FY2010 appropriations act would be included in the FY2010 calculations. Since forward funding generally becomes available near the end of the fiscal year, the Office of Management and Budget (OMB) and Congressional Budget Office (CBO) may estimate⁷ that most of the outlays will occur in subsequent fiscal years. Such forward funding outlays would not be scored for the first fiscal year, but would be scored for subsequent fiscal years in which they are projected to occur.

Advance Funding

Advance funding is budget authority authorizing obligations late in the fiscal year, if needed. However, unless used, the budget authority is charged to the succeeding fiscal year. Advance funding is contingency funding for a few programs that require federal payments in which the funds are borrowed from the succeeding fiscal year.

Advance funding is used to fund benefit payments that are difficult to predict, such as unemployment compensation. An appropriations act would provide a specific amount of budget authority, but would also state that, if needed, an agency may obligate additional funds to meet benefit needs. If advance funding is used, budget authority for that fiscal year is increased by the amount obligated and budget authority for the succeeding fiscal year is reduced by that amount.

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⁷ Outlay estimates are used in scoring appropriations measures and in calculating the federal deficit. Information on actual outlays is not available until the fiscal year is completed. OMB and CBO provide outlay estimates for each appropriation based on historical patterns.