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FY2025 Appropriations Status: In Brief

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FY2025 Appropriations Status

Each year, Congress makes decisions about appropriations to provide discretionary funding for a broad range of government activities related to defense, transportation, education, the environment, homeland security, and community development. Congress typically provides such funds through the enactment of 12 regular appropriations bills but may also rely on temporary appropriations (continuing resolutions), as well as supplemental appropriations. This report tracks the development and consideration of such appropriations legislation for FY2025, as well as related measures and budgetary actions.

SUMMARY

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President's Budget Submission for FY2025

General Information

Each year, the President is required to submit a budget request to Congress that pertains to the upcoming fiscal year beginning October 1.² This submission is often viewed as the “kick off” of the annual appropriations process. The President's budget submission is a request to Congress that reflects the President's policy priorities and offers a set of recommendations regarding federal programs, projects, and activities funded through appropriations acts as well as any proposed changes to revenue and mandatory spending laws. While it is not binding on Congress, it does provide a consolidated look at the federal budget and a basis for comparison for congressional actions. The President is statutorily required to provide Congress with specific information, including (1) proposed federal spending and revenue levels for the next five fiscal years and (2) actual spending and revenue levels from the previous fiscal year.³

The President's budget request is coordinated by the Office of Management and Budget (OMB) through an interactive process with agencies that begins approximately 10 months before submission. The budget request is required to be submitted no later than the first Monday in February, but it is not uncommon for it to be submitted after this date.⁴ Once the formal request is submitted, individual agencies typically submit to Congress additional, more detailed, information, known as “budget justifications.”⁵

Following the initial submission, the President is required to send Congress an updated request by July 16 of the current fiscal year with revisions to prior estimates, referred to as the Mid-Session Review. In addition, the President may submit supplemental funding requests throughout the year.

Actions Pertaining to FY2025

The President's budget request for FY2025 was submitted on March 11, 2024.⁶ The delay was attributed, in part, to delays in enacting appropriations for FY2024. Discretionary funding for FY2024 was initially provided by a series of continuing resolutions P.L. 118-22 P.L. 118-35 P.L.

¹ For more information on the appropriations process generally, see CRS Report R47106, *The Appropriations Process: A Brief Overview*, by James V. Saturno and Megan S. Lynch.

² The requirement was first enacted in the Budget and Accounting Act of 1921 (P.L. 67-13) and is codified at Title 31, Section 1105, of the *U.S. Code*.

³ For more information, see CRS Report R47019, *The Executive Budget Process: An Overview*, by Dominick A. Fiorentino and Taylor N. Riccard.

⁴ For more information, see CRS Infographic IG10055, *Timing of the President's Budget Submission to Congress: FY2010-FY2025*, by Taylor N. Riccard.

⁵ CRS Report R47090, *Executive Agency Justification of the President's Budget: In Brief*, by Dominick A. Fiorentino.

⁶ The FY2025 budget request documents can be found at <https://www.whitehouse.gov/omb/budget/>.

118-40⁷ providing funding for specified agencies until March 9, 2024, and March 23, 2024, when full year appropriations were provided. It should therefore be noted that the President’s budget request and related agency budget justifications do not include enacted FY2024 funding levels. Instead, they use estimates for FY2024 derived from annualized estimates of funding provided under the continuing resolutions.

On May 22, 2024, the President submitted to Congress amendments to the FY2025 budget request,⁸ and on July 19, 2024, OMB submitted the Mid-Session Review.⁹

Setting a Topline Level for Appropriations

General Information

The Appropriations Committees of the House and Senate are tasked with developing appropriations legislation, and they have organized a system of 12 parallel subcommittees, each with responsibility for developing and managing the consideration of one regular appropriations act.

Congress has developed a formal process for granting the Appropriations Committees an overall “topline” spending limit, sometimes referred to as a 302(a) allocation.¹⁰ The allocation of discretionary spending to the Appropriations Committee essentially sets an enforceable ceiling on total appropriations. The Appropriations Committees subdivide the overall 302(a) amount among their subcommittees, effectively providing each subcommittee with its own ceiling, referred to as the 302(b) suballocations. The authority for making 302(b) suballocations belongs to the Appropriations Committees, which may later revise them. Such suballocations become effective (and enforceable) in a chamber once the Appropriations Committee in that chamber has reported them.

This formal process relies on the House and Senate agreeing on an annual budget resolution. The budget resolution does not become law—no money is spent or collected as a result of its adoption. Instead, once agreed to by both chambers in the exact same form, the budget resolution creates parameters that may be enforced through points of order, such as the Appropriations Committee’s 302(a) allocation.

Congress has adopted budget resolutions in nine of the past 20 fiscal years. Congress has therefore developed alternative methods for establishing an enforceable topline amount for the Appropriations Committees. These substitutes include “deeming resolutions,” which are deemed to serve in place of agreement on a budget resolution. Such mechanisms are not formally defined and have no specifically prescribed content. Instead, they denote the efforts of the House and Senate, often separately, to create budgetary limits. In addition to deeming resolutions, Congress may rely on discretionary spending limits set in statute.

⁷ The continuing resolutions were P.L. 118-15, , , and.

⁸ The amendments can be found at <https://www.whitehouse.gov/wp-content/uploads/2024/05/FY-2025-Budget-Amendment-Package.pdf>.

⁹ See OMB, *Budget of the U.S. Government: Mid-Session Review, Fiscal Year 2025*, https://www.whitehouse.gov/wp-content/uploads/2024/07/msr_fy2025.pdf.

¹⁰ The terms *302(a) allocations* and *302(b) suballocations* are references to sections of the Congressional Budget Act of 1974 that establish these requirements. For more on setting a topline amount and the allocation process, see CRS Insight IN12353, *Discretionary Spending: Setting a Topline Amount for FY2025 Appropriations*, by James V. Saturno and Megan S. Lynch; and CRS Report R47388, *Enforceable Spending Allocations in the Congressional Budget Process: 302(a)s and 302(b)s*, by Drew C. Aherne.

Actions Pertaining to FY2025

The House Budget Committee reported a budget resolution for FY2025 (H.Con.Res. 117) in June 2024, but it has not yet been considered on the House floor. In the Senate, no action has occurred on a budget resolution for FY2025. There is no budget resolution, therefore, to give the Appropriations Committees an enforceable 302(a) allocation.

Statutory limits on discretionary spending are in effect for FY2025, however, that were established as part of the Fiscal Responsibility Act of 2023 (FRA; P.L. 118-5). The FRA established limits on defense discretionary (all discretionary spending under budget function 050) and nondefense discretionary (all other discretionary spending) for FY2024 and FY2025.

If discretionary appropriations are enacted that exceed these statutory limits for the fiscal year, a sequester would be triggered making across-the-board reductions of nonexempt spending within the applicable category (defense and/or nondefense) to eliminate the excess spending. Such a sequester order would be issued by the President within 15 calendar days after the end of a session of Congress.

Certain categories of spending are effectively exempt from limits under the FRA, as has been the case with previously enacted discretionary spending limits. Spending designated as an emergency requirement would effectively be exempt up to any amount, while funding for certain purposes—such as program integrity initiatives, disaster funding, and reemployment services—would effectively be exempt up to specified amounts.

Table I. FRA Discretionary Limits on Budget Authority, FY2024-FY2025

In Billions of Nominal Dollars

Fiscal Year	Defense Discretionary	Nondefense Discretionary
FY2024	\$886.35	\$703.65
FY2025	\$895.21	\$710.69

Source: Fiscal Responsibility Act (P.L. 118-5).

The FRA included a provision directing the chair of the Senate Budget Committee to file in the *Congressional Record* a 302(a) allocation to the Senate Appropriations Committee not later than May 15, 2024. This was published in the Senate on May 14, 2024.¹¹ The Senate Appropriations Committee reported its full set of 302(b) suballocations on July 11, 2024 (S.Rept. 118-190). The Senate Appropriations Committee subsequently revised its 302(b) suballocations on July 24 (S.Rept. 118-197) and July 31 (S.Rept. 118-203).

The FRA did not include a similar provision directing the filing of a formal 302(a) allocation for the House. In May 2024, however, the House Appropriations Committee voted to approve draft (“interim”) suballocations for all 12 subcommittees.¹² In July 2024, the House Appropriations

¹¹ “Budget Enforcement Levels,” *Congressional Record*, daily edition, vol. 170, no. 83 (May 14, 2024), pp. S3679-S3670.

¹² The House Appropriations Committee suballocations were not formally reported but were published by the committee at <https://appropriations.house.gov/events/markups/full-committee-markup-fiscal-year-2025-military-construction-veterans-affairs-and>.

Committee revised those suballocations.¹³ The draft “interim” allocations are consistent with the topline levels established by the FRA for defense and nondefense.

Appropriations Committee Action

General Information

During the initial stages of the annual appropriations process, each subcommittee will typically analyze the President’s annual budget request and agency spending justifications for the upcoming fiscal year, hold hearings with testimony from agency officials supporting their budget justifications, solicit the input of other Members who do not serve on the Appropriations Committees, and draft and mark up regular appropriations bills (as well as draft a written report to accompany the bill).

Actions Pertaining to FY2025

The House Appropriations Committee began holding budget hearings in March, and between May and June, the subcommittees reported all 12 bills to the full Appropriations Committee. By July 10, the House Appropriations Committee reported all 12 appropriations bills.

The Senate Appropriations Committee began holding budget hearings in April. While the subcommittees did not formally vote to send bills to the full committee, the Senate Appropriations Committee reported 11 of the 12 appropriations bills by August 1. (The committee did not report the Homeland Security Appropriations bill.)

Floor Action

Actions Pertaining to FY2025

The full House passed five of the 12 FY2025 appropriations bills by the end of July. On June 5, 2024, the House passed the Military Construction, Veterans Affairs, and Related Agencies appropriations bill (H.R. 8580). On June 28 2024, the House passed the defense appropriations bill (H.R. 8774), the Homeland Security appropriations bill (H.R. 8752), and the State Department and Foreign Operations appropriations bill (H.R. 8771). On July 24, the House passed the Interior and Environment appropriations bill (H.R. 8998). On July 11, the Legislative Branch appropriations bill (H.R. 8772) was considered but failed to pass the House.

The full Senate has not considered FY2025 appropriations legislation.

¹³ Published at <https://appropriations.house.gov/events/markups/full-committee-markup-fiscal-year-2025-labor-health-and-human-services-and-education>.

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