



NASA Budget Process

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Note: Several of these slides are from presentations by NASA's Office of the Chief Financial Officer and by Doug Comstock, Director of Innovative Partnerships Program at NASA HQ. Modifications have been made to some of the slides, any errors in which are my responsibility.

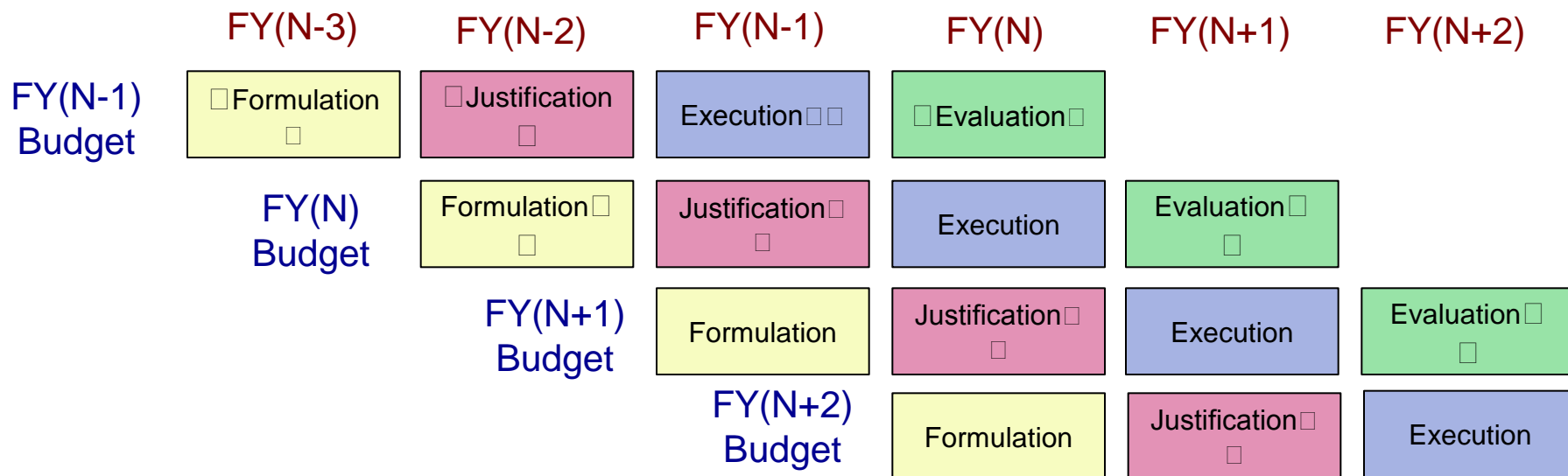


Budget Process: A Multi-Year Cycle

At various points during a single fiscal year FY(N), the Agency works different aspects of four budgets:

- Formulation of FY(N+2) budget
- Justification of FY(N+1) budget
- Execution of FY(N) budget
- Evaluation of FY(N-1) Agency performance

Activities in Fiscal Year





Process for FY(N) Budget

Nota bene: The Fiscal Year starts Oct. 1: thus, Nov CY(N-2) = Nov FY(N-1)

- White House/OMB provides high-level guidance to NASA: < Feb FY(N-2)
- Agency develops budget using input from Directorates and Centers: Feb-Sept FY(N-2)
- NASA budget request sent to the OMB: Sept FY(N-2)
- OMB revises and sends back to Agency (“passback”): Nov FY(N-1)
- The Agency can appeal the budget passback (“reclama”): Nov-Dec FY(N-1)
- President’s Budget is finalized and sent to Congress: Feb FY(N-1)
- House, Senate appropriations committees work on budget, conduct hearings
 - Budget Resolution
 - 302(b) Allocation, Sub-Allocations to Appropriations Subcommittees
 - Committee Markup
 - Floor Vote (full House, Senate)
 - Conference (final bill, report): due before Oct FY(N)
- Presidential Statements of Administration Policy (SAP’s) in response to appropriation language (before Conference)
- Final Conference bill goes to President for signature
- Agency Operating Plan sent to Congress for approval



The Budget Process for FY(N) as seen from the trenches in the Astrophysics Division (1/2)

- Astrophysics Division (ApD) receives allocation from Agency for its FY(N) budget: Jan FY(N-2)
- ApD gives mission projects guidelines for their budget submittal; “overguides” allow projects to request increase in budget: Feb FY(N-2)
- Projects present work plan to ApD, arguments for budget increase: Apr FY(N-2)
- Program Scientists and Executives make project funding recommendations to Division Director (DD): May FY(N-2)
- DD works with ApD Budget Analyst to produce preliminary FY11 budget: May FY(N-2)
- DD presents ApD budget to SMD Associate Administrator (AA) and budget office: May FY(N-2)
- AA assembles and prioritizes divisional budget inputs to produce SMD budget for the Administrator’s Office: May FY(N-2)



The Budget Process for FY(N) as seen from the trenches in the Astrophysics Division (2/2)

- Agency-level decision/trades directed to SMD, ApD: June-Aug FY(N-2)
- Agency submits budget to OMB: Sept FY(N-2)
- OMB gives “passback” to Agency: Nov FY(N-1)
- Agency may request modifications (“reclama”): Nov-Dec FY(N-1)
- Presidential budget request issued: Feb FY(N-1). Those beneath DD level do not see budget before its formal issuance.
- SMD Performance Plan establishes annual metrics to evaluate fiscal year’s progress; mandated by Government Performance and Results Act (1993).
- Congressional Budget Justification Book delivered to Congress
- Congress enacts budget
- Agency Operating Plan to Congress required after budget enactment; revisions periodically submitted to Congress by Agency to adjust enacted budgets.



Legislative Process - Authorization

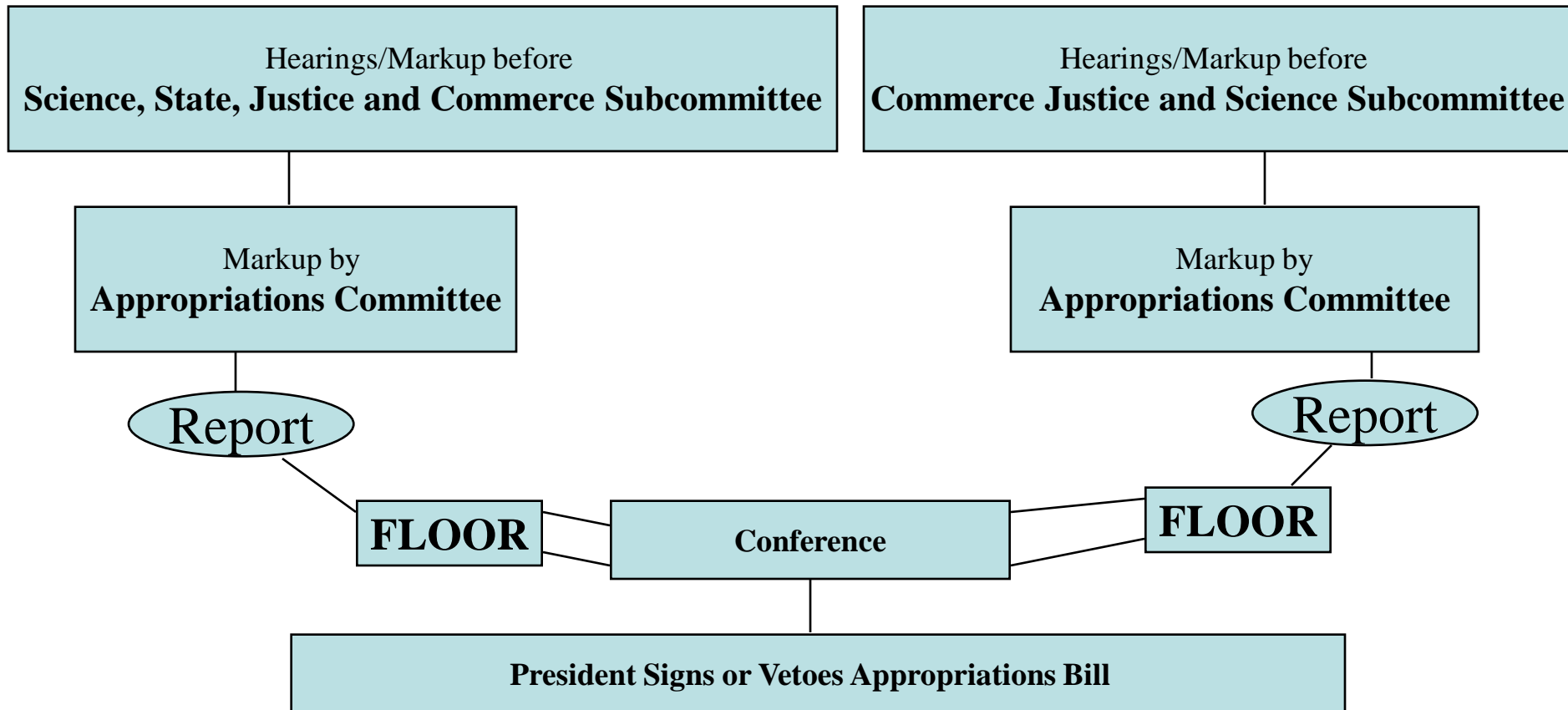
- Authorization laws have two basic purposes:
 - Establish, continue or modify federal programs
 - Prerequisite under House and Senate rules (sometimes statute) for Congress to appropriate budget authority for programs
- Authorizations should precede the Appropriations process
- Authorization committees provide Congressional oversight of agency programs and plans
- Bills often include limits on the amount that can be appropriated for the program / agency
- Some programs / agencies are authorized annually, others for a specified number of years, or even indefinitely.
- Congress may enact appropriations for a program / agency even though there is no specific authorization for it (waive rules)



Legislative Process - Appropriations Bill

HOUSE

SENATE





Appropriation Process

- Provides budget authority to agencies (how much and for what)
- Desired Appropriation receipt is October 1
- Allows an agency to incur obligations
- Originates in the House of Representatives
- A point of order can be raised on an appropriations bill containing funding for a program that is not authorized
- Appropriation definitions
 - Appropriation Bill: establishes funding to be used for a specific purpose
 - Omnibus Bill: single bill covering various agencies or changes
 - Continuing Resolutions: interim appropriation that provides funding to allow operations to continue on October 1 if appropriations have not been approved
 - Level of spending equal to lower of: (1) Presidents Request, (2) Last years appropriation level, (3) Congress conference action
 - Earmarks: funding set aside for a specific purpose, use or recipient
- Congress and OMB use outlay models to project when obligation authority (budget) will result in cash being disbursed from the Treasury, to determine budget allocations for Agencies. This defines the size of the annual deficit, and drives the annual budget allocation to the Agencies.



Continuing Resolutions

- Provide stop-gap funding for agencies that have not received a regular appropriation by the start of the FY
- Continuing resolutions are enacted in the form of a joint resolution.
- Have the same legal effect as a regular appropriation
- Limited in duration, scope and financing; no two CRs are alike:
 - Funding period specified; available until appropriation passed or time expired
 - Funds must be obligated before end of CR period.
 - Existing and ongoing work only; no new initiatives or program accelerations allowed
 - Funded by formula; lesser of House, Senate or ongoing rate

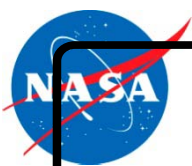


Legislative Key Players

111th Congress

Conference

Authorizations		Appropriations	
House	Senate	House	Senate
Committee on Science and Technology Chair- Bart Gorton (D-TN) (Chuck Atkins) Ranking Minority –Ralph Hall (R-TX) (Leslie Gilbert)	Committee on Commerce, Science & Transportation Chair – J.D. Rockefeller (D-WV) (Ellen Doneski) Ranking Minority – Kay Bailey Hutchison (R-TX) (Christine Kurth)	Committee on Appropriations Chair - David Obey (D-WI) (Beverly Pheto) Ranking Minority - Jerry Lewis (R-CA) (Jeff Shockey)	Committee on Appropriations Chair – Daniel Inouye (D-HI) (Charles Houy) Ranking Minority -Thad Cochran (R-MS) (Bruce Evans)
Subcommittee on Space & Aeronautics Chair- Gabrielle Giffords (D-AZ) (Richard Obermann) Ranking Minority - Pete Olson(R-TX) (J.T. Jezierski)	Subcommittee on Science and Space Chair- Bill Nelson (D-FL) (Chan Lieu) Ranking Minority – David Vitter (R-LA) (Jeff Bingham)	Subcommittee on Commerce, Justice, Science & Related Agencies Chair – Alan Mollohan (D-WV) (John Blazey) Ranking Minority - Frank Wolf (R-VA) (Mike Ringler)	Subcommittee on Commerce, Justice, Science and Related Agencies Chair –Barbara Mikulski (D-MD) (Gabrielle Batkin) Ranking Minority - Richard Shelby (R-AL) (Art Cameron)



ANNUAL PPBE PHASES AND STEPS

