

## BUDGET 101: AUTHORIZATION VS APPROPRIATIONS

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Appropriations newcomers and veterans alike get confused over the difference between authorizations and appropriations. Our brief summary here intends to clear the air.

The "bible" on appropriations law, *Principles of Federal Appropriations Law*, defines the difference this way: Authorizing legislation is that "which authorizes the appropriation of funds to implement" laws that create agencies, programs or government functions. It does not give a government agency permission to cut a check or enter into a contract. Rather, its purpose is to set parameters for government agencies/programs.

According to *Principles...*, there is no general requirement, either constitutional or statutory, that an appropriation act be preceded by specific authorization. However, statutory requirements for authorizations do exist in a number of specific situations. And both House and Senate rules allow objections to lie against appropriations for programs not previously authorized.

An appropriations act, on the other hand, confers budget authority on federal agencies to incur obligations. What makes the issue confusing is the common etymological stem, "authori.." In the context of appropriations law, authorization and budget authority refer to two different things. In brief: Authorizing legislation sets policies and funding limits for agencies/programs. Appropriations legislation is what a department or agency needs before it can cut a check or sign a contract.

In theory, authorizing legislation is taken up in the authorizing committees of Congress; the two Appropriations Committees consider appropriations bills. By and large, appropriations bills are passed annually, authorizing legislation is set for two or more years. Some major exceptions are:

- So-called permanent appropriations - usually legislation that lets an agency retain and spend offsetting receipts.
- The defense authorization - which in recent times has been an annual process.

One of the dynamics of the appropriations process concerns the interaction between the authorizing and appropriations committees. There are celebrated instances where appropriators contradict the intent of the authorizing committee, as in 1999's denial of F-22 aircraft funding by the House Appropriations Committee. Indeed, there is a temptation for appropriators to fill the gap with policy riders where there is no underlying authorization bill.