The background of the slide is a golden-yellow color with a dense, repeating pattern of various international currency symbols, including the dollar sign (\$), euro (€), yen (¥), and pound sterling (£). The symbols are rendered in a 3D, embossed style, creating a textured effect.

U.S. Environmental Protection Agency (EPA)

Budget Overview

Raven Austin
Comptroller
Region 9



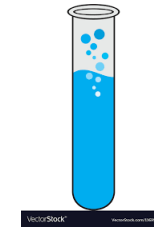
OVERVIEW OF FEDERAL BUDGET PROCESS

- What is the Budget?
- What is the President's Budget?
- Two Important Laws that Established the Federal Budget Process
 - Budget and Accounting of 1921
 - Budget and Impoundment Control Act of 1974

FEDERAL BUDGET– 2 PART

- **Generally divided into 2 parts:**

- 1) Budget Formulation
- 2) Budget Execution



- **Formulation** – Requesting funds, developing estimates and planning for future needs.

- The agency as a whole is formulating budgets for FY 2023 and beyond
- Disaster recovery normally involves asking supplemental budgets

- **Execution** - Correctly use monies that have been given (appropriated)

- We are executing the FY 2022 appropriation and prior year monies, which includes disaster relief and FY 2021 supplemental funds





OVERVIEW OF FEDERAL BUDGET PROCESS

- Office of Management and Budget (OMB)
 - Initiates the budget formulation process
- Region 9
 - Region 9 begins budget planning in July, normally completes budget proposal process to HQ by end of the first qtr of the new fiscal year
 - HQ submits entire agency budget to OMB
- President's Budget
 - **OMB** prepares the President's **budget** proposal to Congress
 - By law, submitted to Congress no later than first Monday in February



OVERVIEW OF FEDERAL BUDGET PROCESS

- Congress
 - **Reviews** the President's **budget** and **adopts** budget resolutions
 - Appropriations committees **distribute** the funding
 - Chambers **vote** on appropriations bill
 - The President **signs the bill into law**, the appropriations bill is **enacted**
 - The enacted budget includes funding for EPA which becomes our blueprint for budget activities during the fiscal year



Annual Appropriation Formulation & Execution Schedule

- The Federal Government begins formulating (planning for) annual budgets about a year and a half before the start of the relevant Fiscal Year
- Following slides show 2 representations of the Budget Formulation and Execution Schedule, assuming the process occurs in regular order, i.e., no CRs or lapses
 - 1) Chronological - showing each step-in succession
 - 2) Concurrently - displaying how these stages overlap

The Annual Federal Budget Formulation Process (Non-Transition Years)

Presidential and Congressional Processes

Presidential Process

Spring - December



Federal agencies submit budgets for review




December - 1st Monday in February




President submits budget request to Congress

Congressional Process
(Appropriations Process)

February 15 - September

House review & budget resolution

Senate review & budget resolution

Conference committee budget resolution

12 House Appropriations subcommittee markups & votes

12 Senate Appropriations subcommittee markups & votes

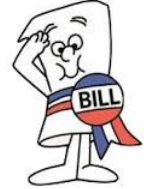
House Appropriations Committee markup

Senate Appropriations Committee markup

House floor vote



Senate floor vote

Conference Committee



Final Step


By October 1

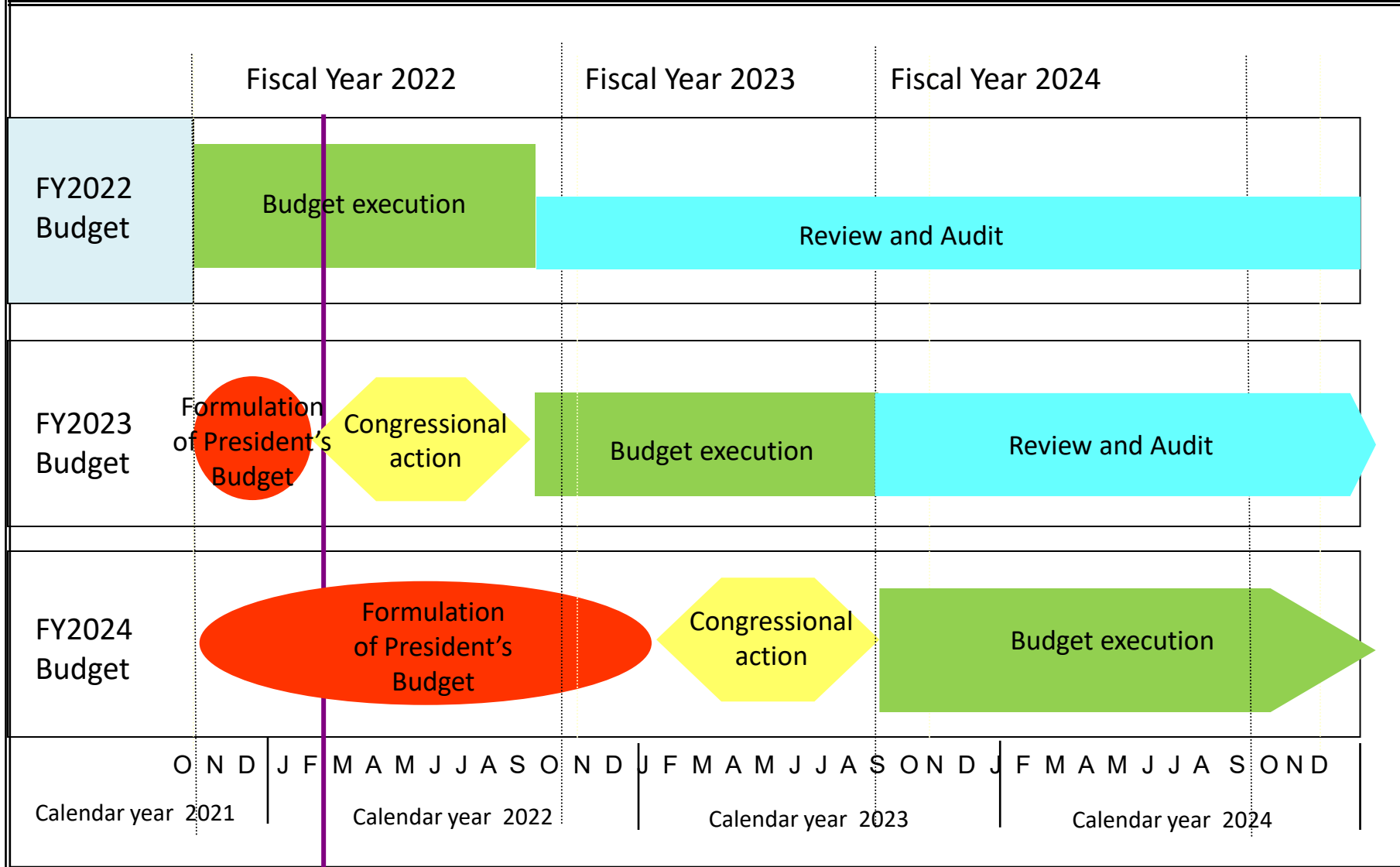
Veto

OR

Sign into law



Working on Three Budgets at One Time



Today

CURRENT STATUS

- Fiscal Year 2022
 - [Appropriation](#) –Enacted March 15th
 - Agency OpPlan approved by OMB on April 15th
 - OCFO allocated funds to Regions on April 19th
- Fiscal Year 2023
 - [President's Budget](#) sent to Congress on April 4, 2022
 - Request totaled \$11.881B
 - Administrator Regan testified before the Senate Environment and Public Works Committee on EPA's proposed FY 2023 budget on April 6, 2022



EPA's Overall Funding Sources

EPA organizations use dollars from different sources, many with different rules and requirements. We should be familiar with the rules for funding sources.

Regular Annual Appropriation

- Each year's annual appropriation contains detailed specific descriptions of how EPA may spend its funding.

Supplemental Appropriations

- For specific "emergency" needs, Congress appropriates money in addition to regular annual appropriations, mainly for large natural disasters like hurricanes or floods.

Reimbursables

- EPA performs work for another Federal Agency or State and is reimbursed through that Agency's funds. **Includes FEMA Mission Assignments.**

Settlements

- EPA received some monies through the Natural Resources Damages Assessments (NRDA) arising as a result of the Deep Water Horizon incident or in specific court settlements.

Trust Funds

- Superfund, OIL, and LUST, are EPA's main trust funds. Generally, Congress must also appropriate these funds before EPA can use them.

Fees

- Dollars collected in fees must be independently tracked and managed (it also might mean fee-funded employees don't stop working during shutdowns).

Special Accounts

- When EPA wins Superfund judgments or a responsible party settles, money may be reserved in special accounts to be used solely for the clean-up of that site.

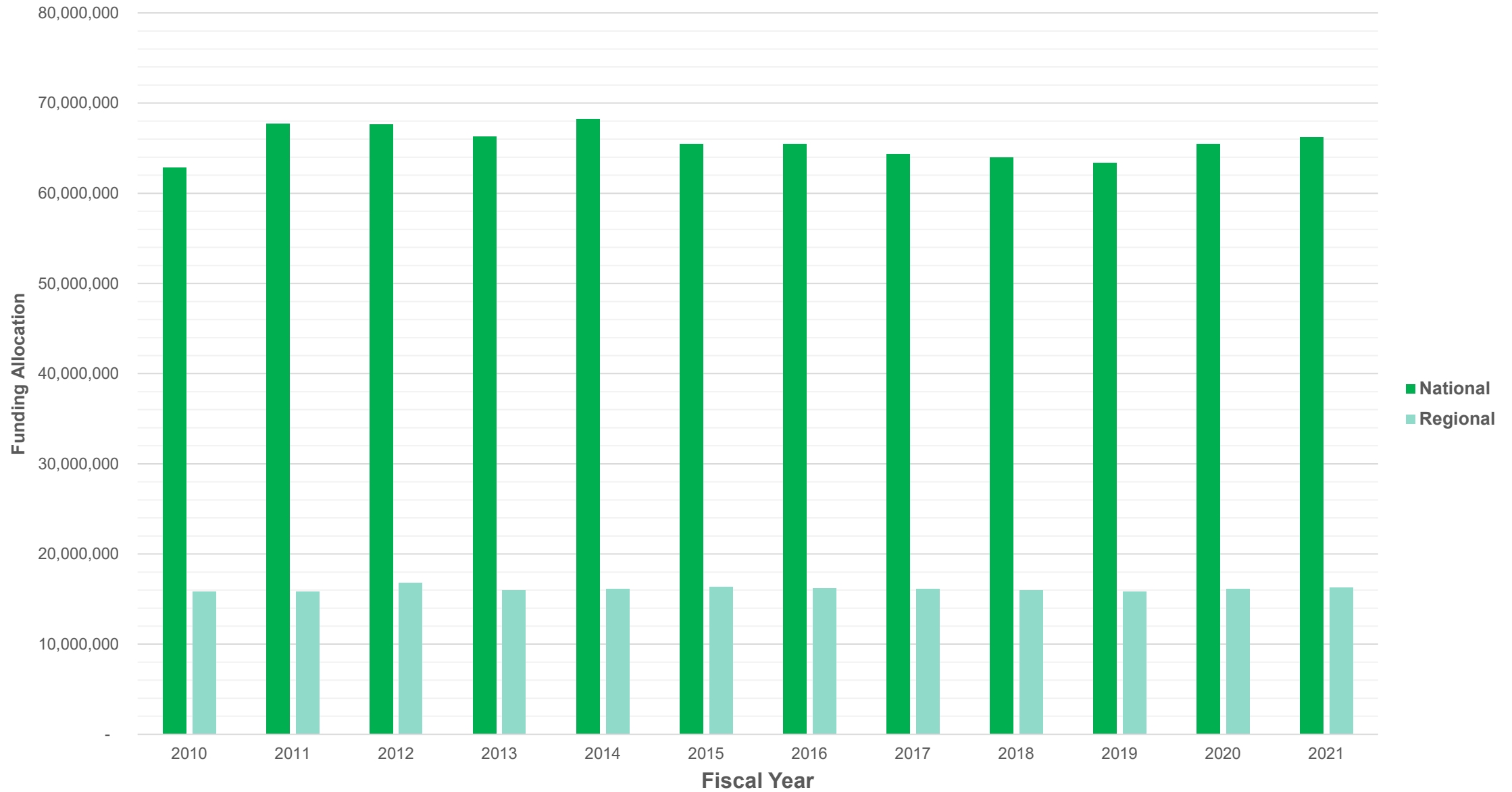
Federal Spending Terms

Each step of the funding process and who does it

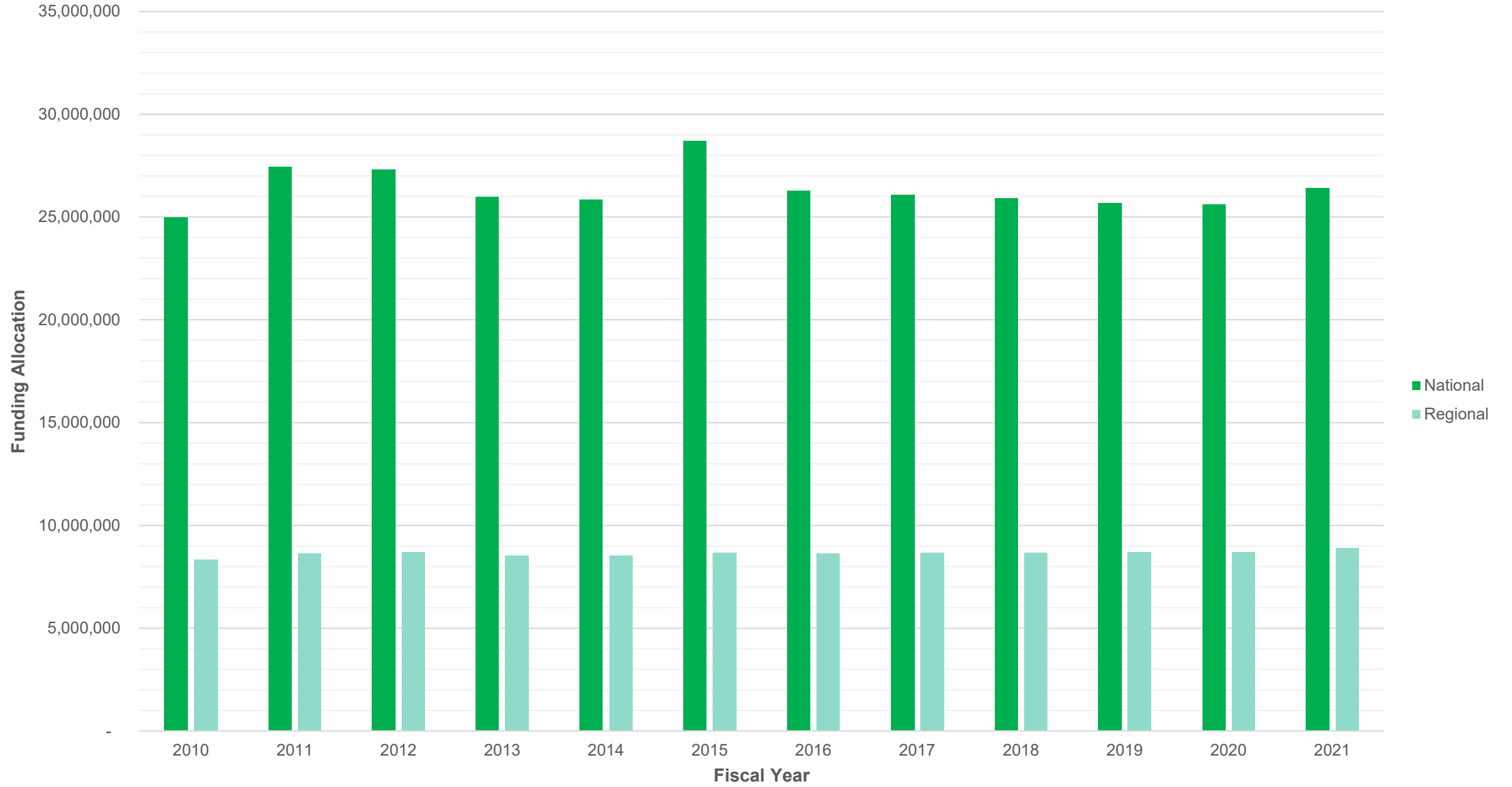
- **Appropriation (Congress)** – Congress passes a bill giving specific organizations permission to spend a certain amount of money for a particular purpose for a particular period of time
- **Apportionment (OMB)** – OMB, on behalf of the Executive Branch, allows Agencies to use specified amounts of appropriated dollars in Federal financial systems for particular programs (It violates the Anti-deficiency Act to use dollars without an apportionment.)
- **Allocation or Allowance (Agency)** – EPA allocates or provides an allowance to particular parts of the Agency (NPMs and Regions or portions thereof)
 - EPA designates **Allowance Holders** – who receive the allocation and then they can commit, obligate and outlay their portions of the EPA's budget
- **Commitment (Allowance Holder)** – An administrative reservation of funds for a particular purpose in anticipation of their obligation
- **Obligation (Allowance Holder)** – A definite legal liability of the government to pay money for goods and services ordered or received. E.g. the award of a grant or contract.
 - **Recording an Obligation** – Formally recording the obligation in a Federal financial system (Compass for EPA) to satisfy (recognize) the government's liability
- **Expenditure, Liquidation, Disbursements, Outlays (Normally accounting)** – EPA pays the bill. EPA expends, disburses or outlays the funds
 - Accounting distinction is when a resource is expended, when it actually sends cash – it is disbursed or outlaid. Accruals to account for the difference
- **Remaining Balances** (what is left) is generally: “un” + the basic budget term,
 - e.g. Un + obligated = un-obligated, however un-outlaid is normally called “unliquidated”

Budget Trends

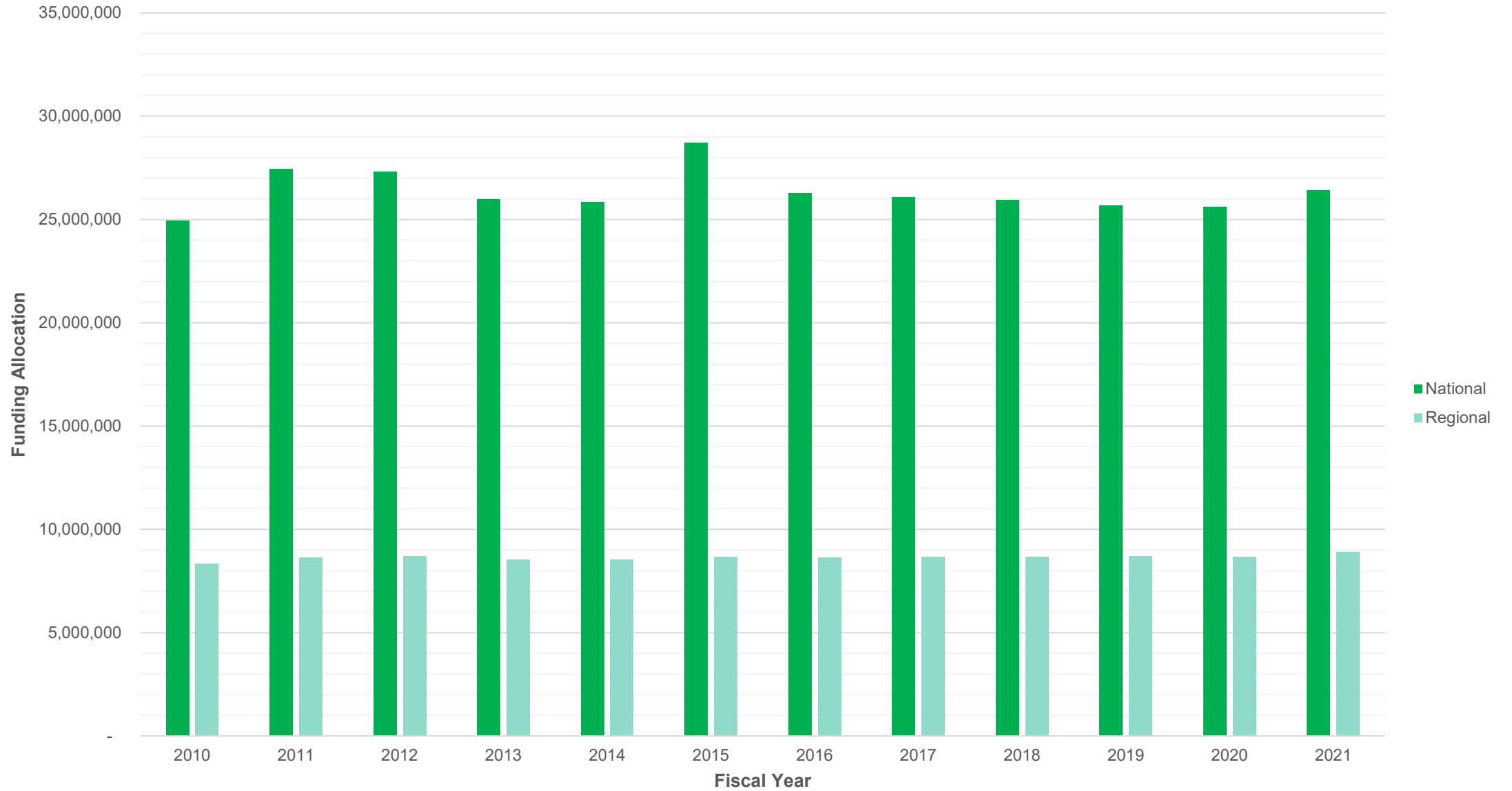
General Assistance Program (GAP)



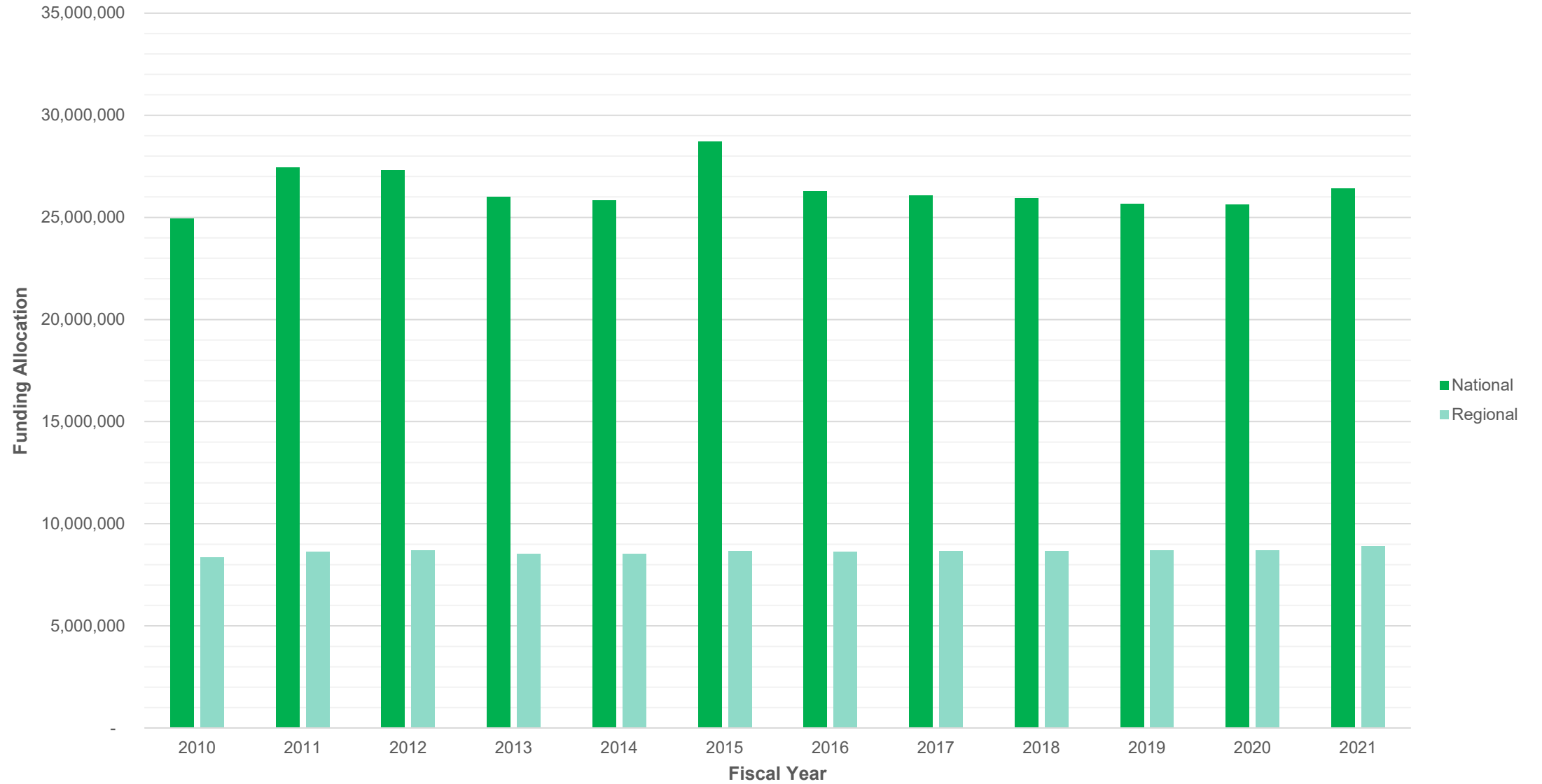
Clean Water Act 106



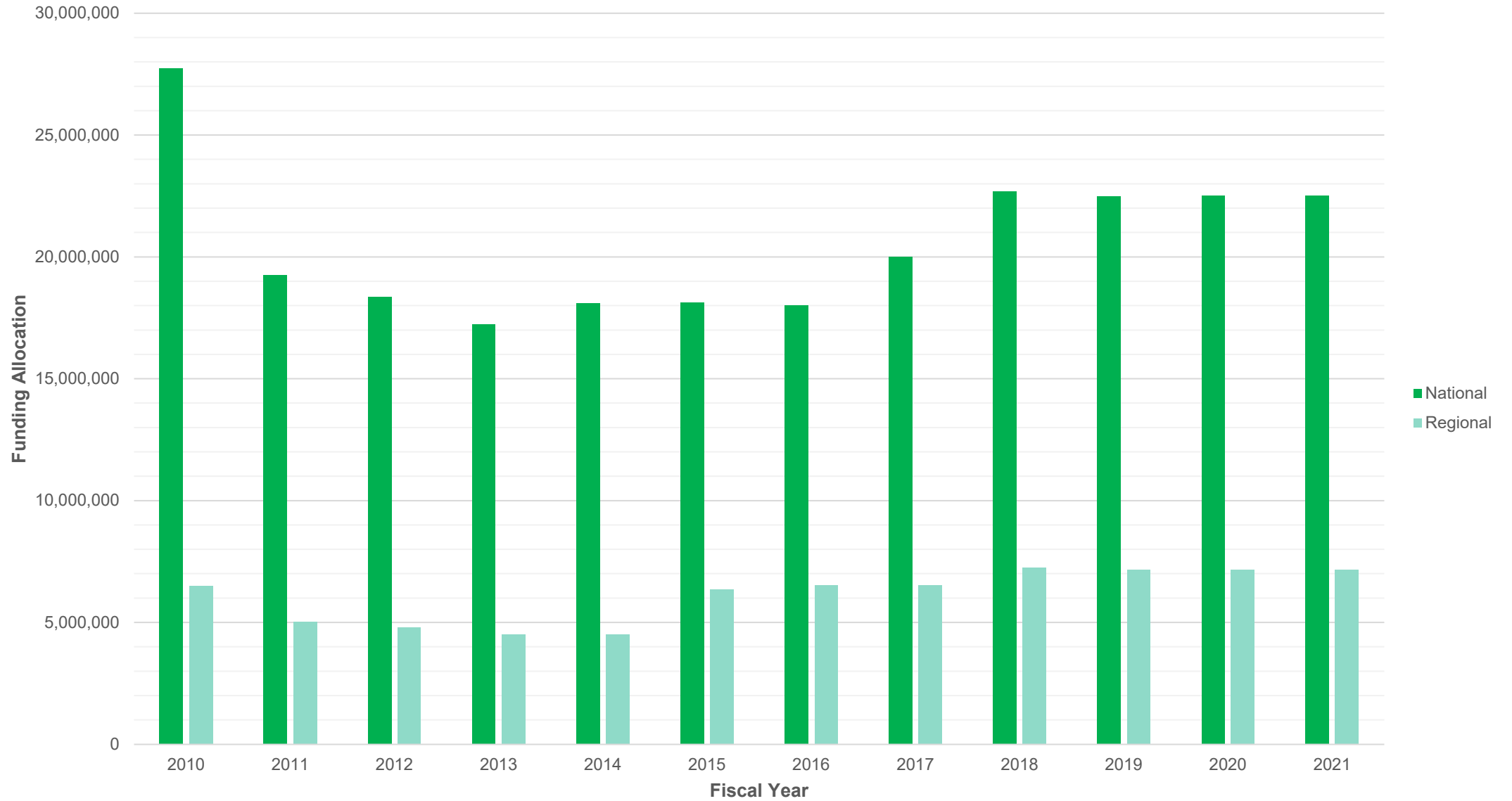
Clean Water Act 319



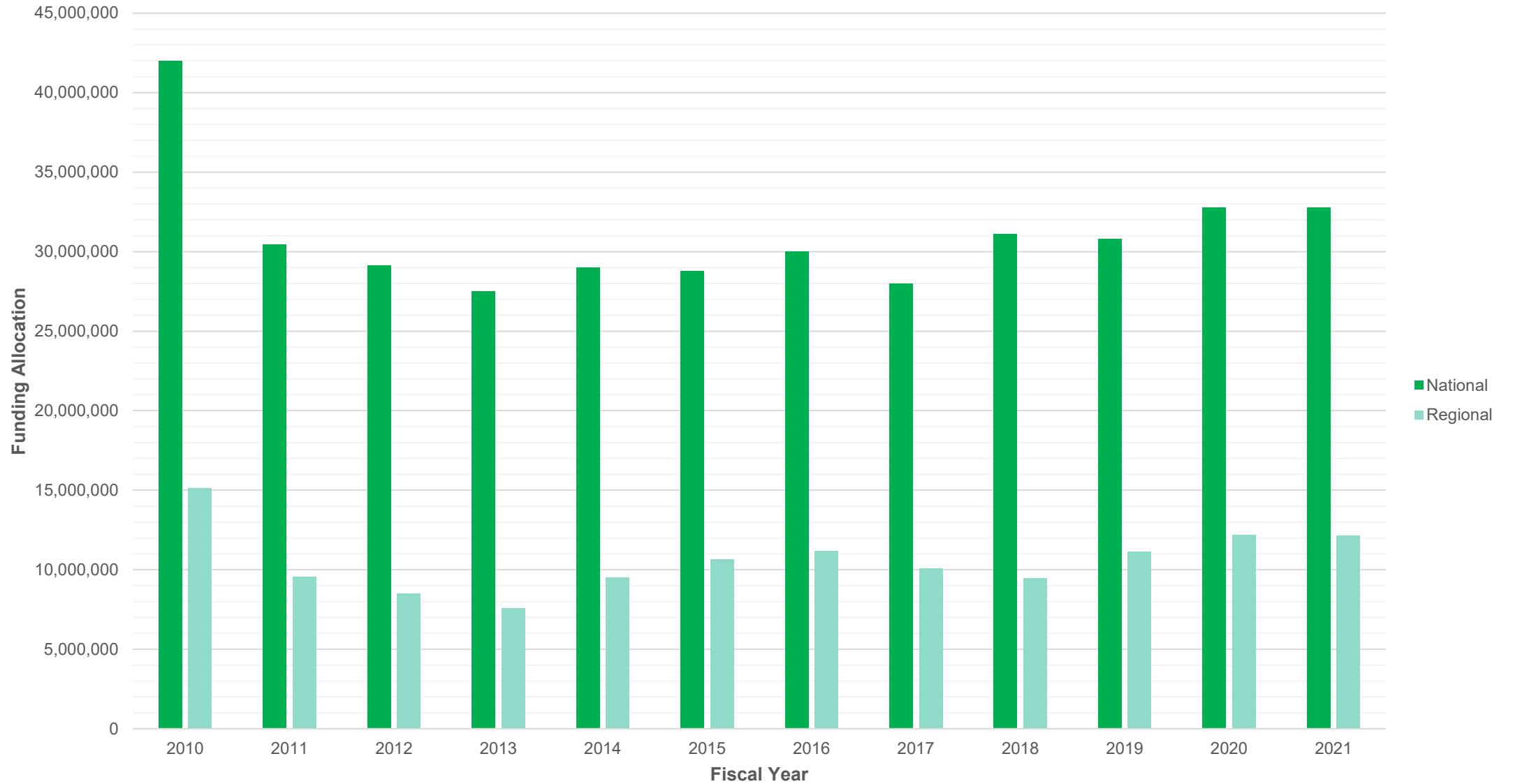
CWA 104(b)3 - Wetlands



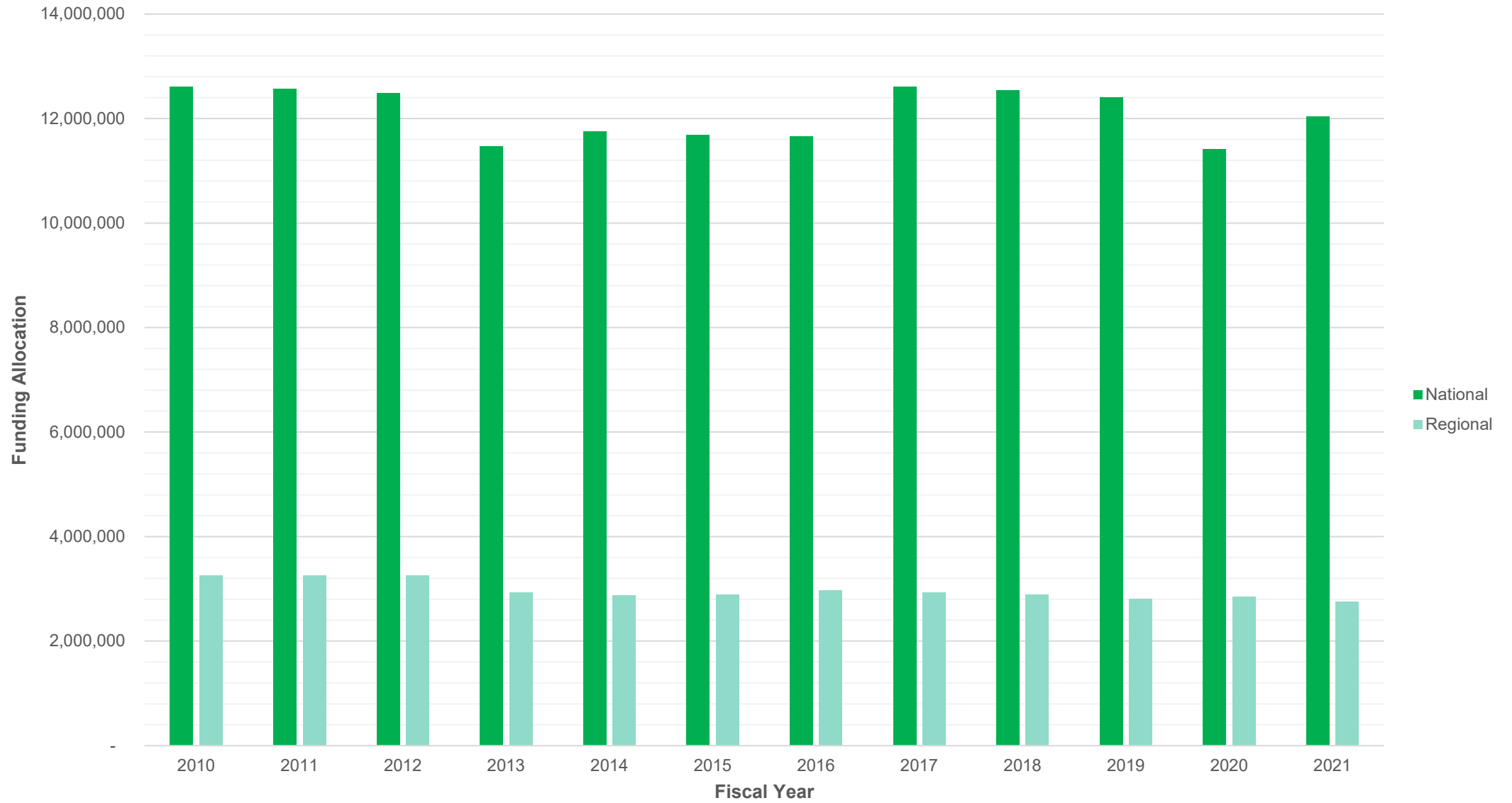
Drinking Water Tribal Set-Aside



Clean Water Tribal Set-Aside



Clean Air Act (CAA)





QUESTIONS?
