

Budgetary Process 12-9.01-P

OUTLINE the budgetary process from Resource Proposal development through budget allocation, including timeline.

Budgetary Process

The budget formulation process is launched with the preparation of estimated Coast Guard funding requirements. The process is part of the operating administration of the Department of Homeland Security (DHS).

Budget formulation begins with the consideration of strategic plans, operational and supports requirements, planning inputs, and external influences. In essence, the process consists of the following steps:

- **Guidance is issued.**

The Chief of Staff issues budget build guidance to:

- ▶ Kick-off the budget build process
- ▶ Provide direction to Headquarters Programs as they begin developing resource proposals (RPs) for consideration in the upcoming budget year submission

- **The budget is developed and submitted for approval.**

The Assistant Commandant for Planning, Resources & Procurement (CG-8), with assistance from the Resource Group and Investment Board, develops the Coast Guard's budget.

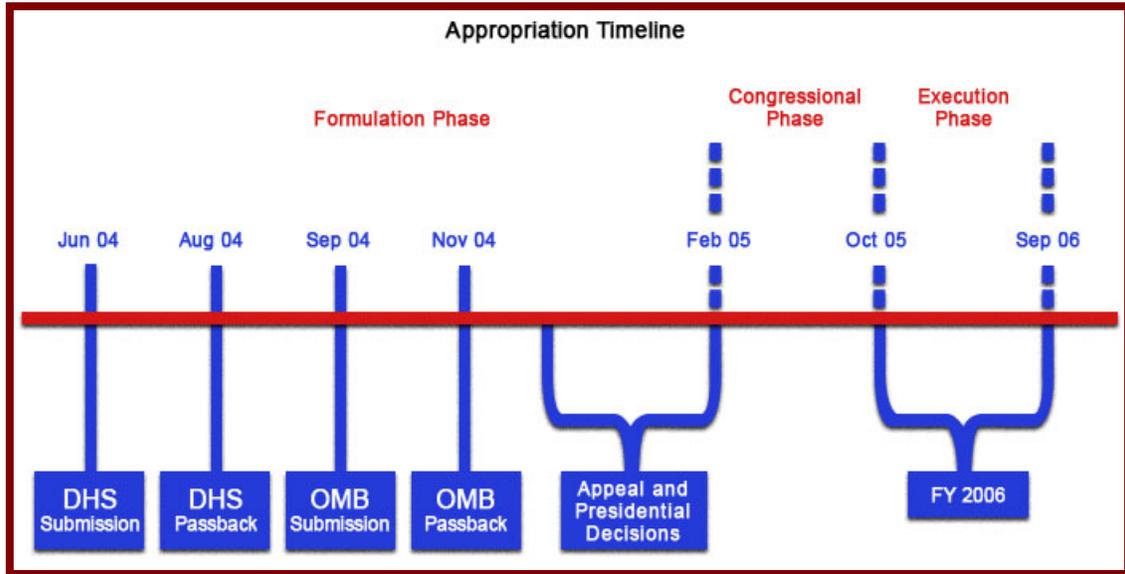
The completed budget is submitted for approval to the Chief of Staff and ultimately the Commandant for internal approval.

- **An internal CG-approved budget is submitted to DHS and ultimately Congress.**

The Commandant then submits the Coast Guard's budget to DHS, the Office of Management and Budget (OMB), and ultimately Congress via the President's budget submission.

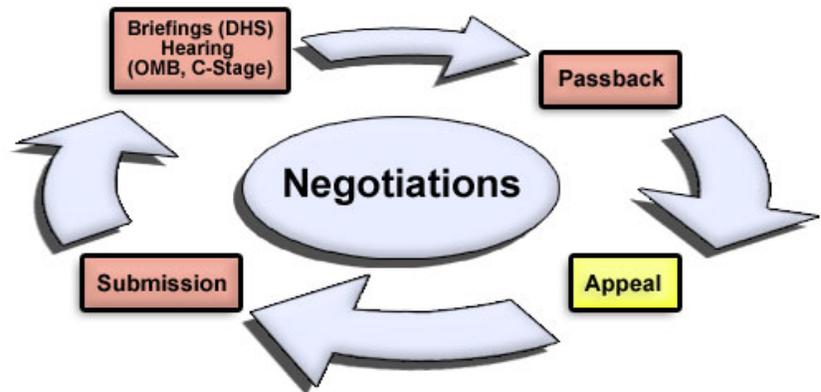
Budgetary Process
(continued)

An appropriation timeline is depicted below.



Once the budget build is completed, it is sent through a series of submissions, hearings, passbacks, negotiations, and appeals. These submissions begin with the DHS, go through OMB, and finally to Congress.

Each year the Coast Guard must request funding from Congress. These requests do not go unchallenged.



The Commandant may appeal the decisions contained in DHS passback. Once the appeal is filed and the final funding determination is received, changes are made and the budget is submitted to OMB.

***Budgetary Process
(continued)***

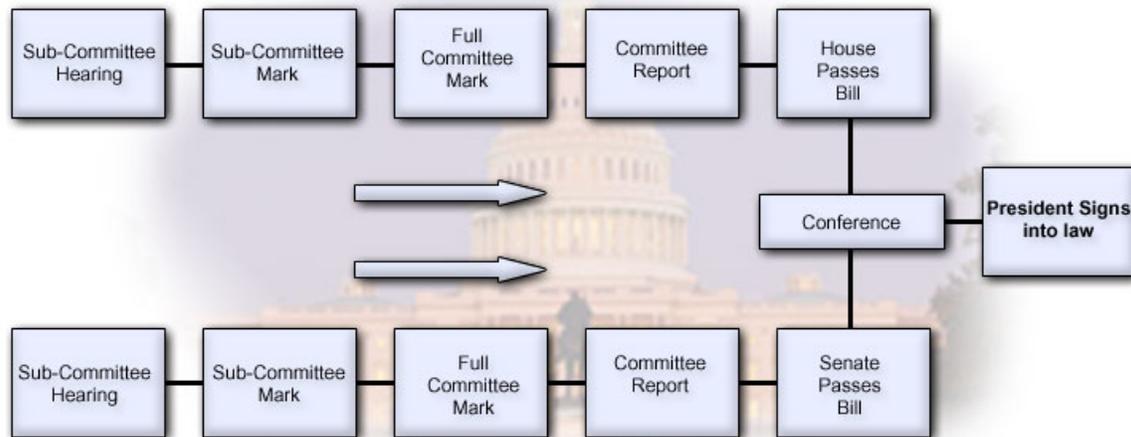
As part of the OMB Stage budget, the Commandant and other senior Coast Guard officials personally brief OMB officials on the merits of our request. This process is normally referred to as the OMB “hearing.”

The subsequent appeal and passback process is repeated. After an appeal is filed and the final funding determinations are received, changes are made and the budget is sent to Congress via the President’s budget submission.

The House of Representatives and Senate Full Appropriations Committees and the applicable Appropriations Subcommittees review the President’s budget, hold hearings, and draft appropriations bills.

Differences in the appropriations bills passed by the House and Senate are resolved at conference. The House and Senate then pass the Conference Report and the resulting appropriations bill is forwarded to the President.

The President has the option to veto the entire bill or enact the bill into law. The graph below summarizes the Congressional appropriations process.



NOTE: All budget material is confidential information until the President delivers the President’s Budget to Congress.

The Coast Guard’s fiscal year begins October 1st each year. Prior to the beginning of each fiscal year, many months of preparation go into the budget formulation process. This is essentially a continuous effort, with a gradual change in focus from broad program to specific line-item requests. Building a fiscal year’s budget begins 27 months in advance of that fiscal year.

**Budgetary Process
(continued)**

The chart below illustrates the eight stages in the budget build/execution process and where the FY04, FY05, and FY06 budgets are in the process. As depicted, planning has already begun for FY06.

	Develop Forecast Stage	DHS Stage	OMB Stage	C-Stage	Enacted Budget	Op Stage	Apportion	Execution
FY04								
FY05								
FY06								

Forecast Stage

The *Forecast Stage* is a six-month period that commences approximately 27 months prior to the start of that fiscal year.

Planning inputs such as CG Strategic Plan, COMDT’s Direction, and future needs influence the budget building process. These inputs provide the overarching service-wide guidance, direction, and priorities for the budget build, including program requirements and capabilities required to meet CG needs.

One mechanism employed in the budget building process is the Resource Proposal (RP). RPs are business cases generated by HQ program managers to request funding for new initiatives or assets. Program managers generate RPs based on known performance gaps, Area Resource Recommendations (ARRs), Area Strategic Assessments, etc.

RPs for an upcoming budget year are submitted by HQ programs for consideration by the Resource Group approximately 22 months prior to the start of that fiscal year.

DHS Stage

The *DHS Stage* involves the preparation and presentation of the Coast Guard’s initial submission of its detailed budget requirements to DHS.

This stage usually comes to an end by mid-to-late August (approximately 15 months prior to the start of that fiscal year) with receipt of DHS “passback.” It is finalized and submitted to Office of Management and Budgets (OMB) by early September. The Commandant may choose to appeal the DHS passback level.

OMB Stage

The *OMB Stage* involves preparation and presentation of the approved funding request levels resulting from DHS stage. This stage usually begins in early September and ends in late December when OMB makes final funding determinations.

C-Stage

The *Congressional Stage* (C-Stage) commences immediately following OMB funding determinations and involves preparation and presentation of the President's budget request to Congress.

This document, delivered to Congress on the first Monday of February (8 months prior to the fiscal year), normally contains much more detailed exhibits and tabular presentations than the two previous stages.

The subsequent Congressional hearings, reviews, and briefs are usually completed in the February-May time frame with a goal to enact the appropriation act by 1-Oct (start of fiscal year).

Enacted Budget

An enacted budget is a budget that has been signed by Congress and delivered for disbursal.

OPSTAGE

The *Operating Stage* or OPSTAGE refers to the entire budget execution phase...from the time the appropriation is enacted through September of the following year. Once the budget has been enacted, a formalized plan of how the monies will be spent must be drafted and formalized.

Most people in the Coast Guard primarily deal with the OPSTAGE. During OPSTAGE, Coast Guard program managers may request to reallocate appropriated funding for any unforeseen emergent non-recurring items that have arisen since the budget was initially formulated.

Apportion Stage

Annually, Congress forwards the Appropriations Bill to the President, funding the various agencies of the government, for signature. Even after the President signs the bill, these funds are not available (for obligation) until the Office of Management and Budget (OMB) completes the apportionment process.

This applies to all funds appropriated, as well as, anticipated reimbursements and receipts to Coast Guard appropriation accounts. The Chief of the Office of Resource Management (CG-83) is the Coast Guard apportionment coordinator.

Execution Stage

Execution is the actual distribution of money to Coast Guard Headquarters programs and Area commands as outlined in the spend plans approved during OPSTAGE.

***Congressional
Budget Process***

The Congressional Budget Process is outlined in 2 U.S.C. § 631. The timetable with respect to the Congressional Budget Process for any fiscal year is shown here.

On or Before	Action to be Completed
First Monday in February	President submits budget.
February 15	Congressional Budget Office Submits report to Budget Committees.
April 1	Committees submit view and estimates to Budget Committees.
April 15	Congress completes action on concurrent resolutions on the budget.
May 15	Annual appropriations bill may be considered in the House.
June 10	House Appropriations Committee reports last annual appropriation bill.
June 15	Congress completes action on reconciliation legislation.
June 30	House completes action on annual appropriations bills.
October 1	Fiscal Year begins.
