THE NASA BUDGET PROCESS

OVERVIEW

The act of formulating and resolving the NASA budget is a process which begins nearly 21 months before that year's budget is to begin. The planning timeline for the FY 1996 budget (which runs from October 1, 1995 to September 30, 1996) will help to illustrate the process, though each year brings new variations on how budget issues are resolved.

THE NASA BUDGET PROCESS: FY 1996

Planning for the FY 1996 budget begins in early 1994. At that time, managers in each of the program offices, including OMTPE, examine their strategic plans and other plans to start the process of building the FY 1996 budget. At the same time, project and management officials at each of NASA's Centers gauge the resource and program requirements of ongoing projects and those that they plan to propose. If the agency office has a strategic plan or long term vision, this planning at the HQ and Centers should be well coordinated, or at least philosophically consistent.

In spring 1994, each agency office is required to submit a spring preview to the agency comptroller's office. The spring preview is the first cut at the FY 1996 budget for each office, and is designed to surface significant resource requirements of both existing programs and proposed new initiatives. The Comptroller's office will often issue general guidelines for this activity. In past years, each office reviewed their budget proposal with agency senior management, gaining an important sense of their support for new initiatives; this has not been the case in recent years.

The responses to the spring preview are a major element in preparing the NASA budget later in the summer. During the summer, each HQ office will send out a budget call or "POP" to the Centers to gain estimates of required spending. In late July 1994, each HQ office is required to make a formal submission to the Comptroller's office outlining its spending plans for FY 1996, incorporating these Center inputs. To guide these submissions, the Comptroller's office will often issue overall spending guidelines. Office submissions are reviewed by the Comptroller's office and formally briefed by the Office AA to the Administrator or his deputy. After that, the budget will go through a series of iterations as agency management attempts to reconcile the office budget proposals with overall agency spending targets.

In early September/October 1994, NASA submits a formal budget proposal to the Office of Management and Budget (OMB) and makes presentations to OMB examiners later in the month. Once again, the budget undergoes numerous, and often substantial, iterations as the OMB works to reconcile the overall President's

budget for the government. During this time, there is an ongoing dialogue between OMB and the agency, most often involving the fate of large projects, new initiatives, or programs which draw significant Congressional interest. On the day before Thanksgiving 1994, OMB issues its "passback" to NASA, outlining its response to the NASA proposal. Agency officials generally have only a few days to respond to the OMB and to make any appeals (known as "reclamma") that they feel are necessary. Despite this deadline, discussions with OMB on significant program areas may continue well into December, and even as late as January 1995. During this time, the OMB works to put together the President's budget submission to Congress, including narratives provided by the departments and agencies describing and justifying their budget proposals. In February 1995, the President formally presents his FY 1996 budget to the Congress.

THE CONGRESSIONAL BUDGET PROCESS

Once the President's FY 1996 budget has been presented to the Congress, it will be formally introduced in each chamber by a Member or Members and referred to the appropriate Committees for action. Because all funding bills must originate in the House of Representatives, action on the proposal will begin there. During February and March 1995, the Budget Committees of both Houses debate the overall spending targets proposed by the President and eventually produce what they recommend as the appropriate level of spending for the government, broken down by type of activity ("functions"). Once these non-binding resolutions are approved, usually in March or April, both the House and Senate use the functional breakouts to develop the total amount that each chamber will make available to its funding (generally appropriations) committees for allocation to the subcommittees which oversee the actual spending levels for each agency and department budget. This allocation of funding authority to the subcommittees, called the "602(b) allocation," will take place sometime in spring 1995 - the process cannot proceed without it.

While this process is occurring, the budget is being presented to, discussed in, and considered by the relevant committees in each chamber. The NASA portion of the budget is overseen by four Committees, two in each chamber. In each chamber, there is an Authorization Committee and its subcommittee(s) and an Appropriations Committee and subcommittee. The Authorization Committees look at program content and policy issues and may set overall spending limits. The Appropriations Committees approve the actual spending levels for agency programs.

The Authorization Committees will generally hold the first hearings on the budget, usually in late February or early March 1995. The Authorization subcommittees in the House often hold hearings on specific portions of the agency budget (such as Mission to Planet Earth) during March and April. The House subcommittee will likely begin drafting an authorization bill (dealing almost exclusively with NASA) in the spring 1995, which will then be modified and

approved, sent to the full committee for their consideration and approval, and then sent to the floor for a final vote (probably early summer 1995). The Senate may pursue a similar process, though the number of hearings is likely to be smaller. The Senate subcommittee will generally wait for the House bill to be passed and then produce a bill showing their changes from the House version. This bill is not likely to make it to the Senate floor before the month-long Congressional recess in August 1995. If both chambers have approved a bill, they will be sent to a joint conference committee charged with resolving differences. In that case, a single bill will be recommended for passage by both the House and Senate, likely in fall 1995. In recent years, there have been several instances in which the Congress did not produce a final Authorization bill.

Meanwhile, the Appropriations subcommittees will each hold one hearing (generally lasting 1-3 days) during which they will discuss many of NASA's programs. The House hearing is generally held in March, with the Senate hearing in April or May. After the 602(b) allocation, probably in June, the House subcommittee will "mark up" a bill and send it to the full Appropriations Committee for action. Action on the bill by the whole House will likely be in July, after which the House bill will be referred to the Senate subcommittee, which usually produces a bill showing changes from the House version. The Senate 602(b) allocation will probably occur sometime during these deliberations. The Senate subcommittee may then mark up the bill before the August recess, but September 1995 is a more realistic date. As in the House, the bill will be considered by the full Committee and then on the Senate floor. Once both chambers have passed a version of the bill (probably late September 1995), it will be sent to a joint House-Senate conference committee (usually composed of members of the two chamber's subcommittees) to resolve differences. A single bill will then be sent back to both chambers for final approval. Once approved, the bill is sent to the President for signature.

If the President does not sign (or is not able to sign) the appropriations bill before October 1, 1995, the Congress will need to pass a "continuing resolution" which provides funds to NASA and the other agencies in the bill at some restricted level until a FY 1996 bill is signed.

NOTE: At most times during the year, OMTPE and NASA are involved with three different FY budgets. For example, in June 1994, implementation of the FY 1994 budget will be in its ninth month, consideration of the FY 1995 budget by Congress will be about halfway complete, and preparation of the FY 1996 budget will be moving into high gear.

NASA'S AUTHORIZING AND APPROPRIATING COMMITTEES

Authorization Committees. The Authorization Committees review NASA's budget and develop legislation that establishes the purpose and guidelines for the NASA program and which may set limits on how much can be spent and how long funds will be made available. These committees focus on the programmatic

content of the budget and on the significant policy issues associated with NASA activities (such as commercialization of space activities) and provide oversight of NASA's programs.

U.S. House of Representatives Committee on Science
Subcommittee on Space and Aeronautics
- Deals with all space aspects of NASA program (incl. MTPE)

U.S. Senate Committee on Commerce, Science, and Transportation
Subcommittee on Science, Technology, and Space
- Deals with all major NASA issues

Appropriations Committees. The Appropriations Committees in each chamber develop legislation which provides the actual spending levels for agency programs. Each committee consists of 13 subcommittees which cover nearly all aspects of the Federal Government. The NASA budget is part of the Subcommittee on Veteran's Affairs (VA), Housing and Urban Development (HUD), and Independent Agencies (IA), often referred to as the VA-HUD-IA Subcommittee. Along with NASA, the Departments of Veteran's Affairs and HUD, the Subcommittee's jurisdiction also includes the EPA, National Science Foundation, Federal Emergency Management Agency (FEMA), and a number of smaller agencies.

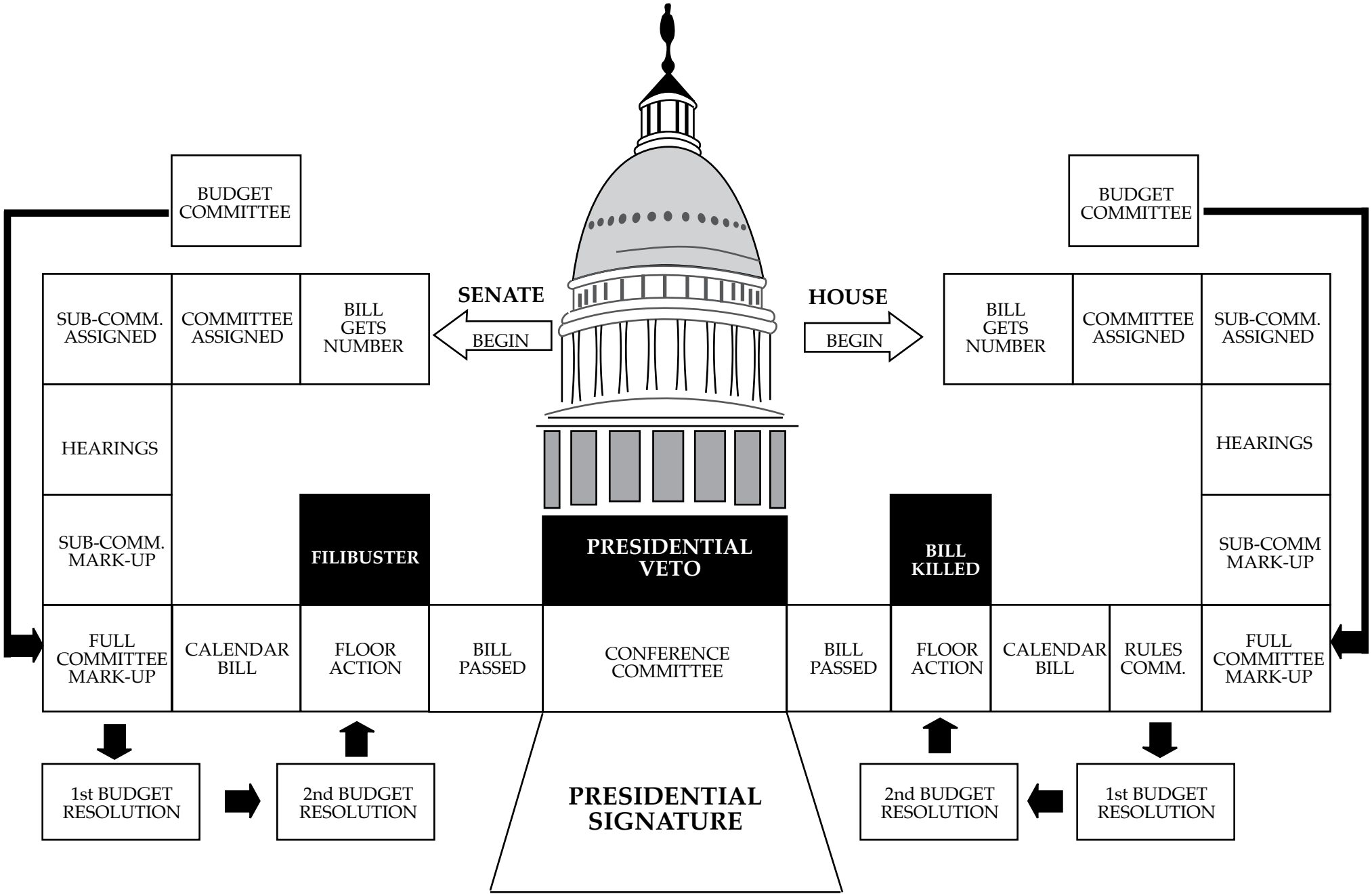
U.S. House of Representatives Committee on Appropriations
Subcommittee on VA-HUD-IA

U.S. Senate Committee on Appropriations
Subcommittee on VA-HUD-IA

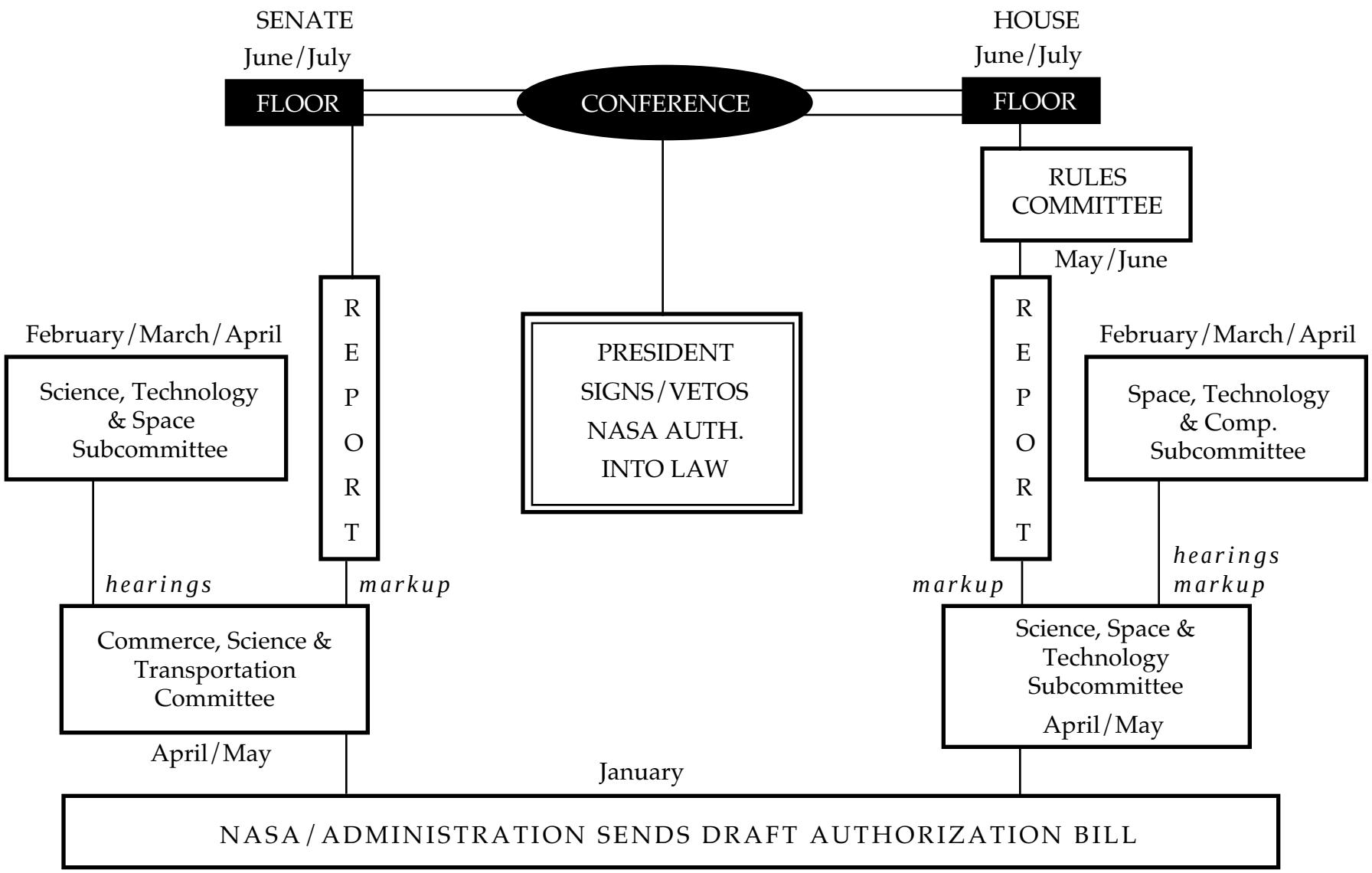
Budget Committees. The Budget Committees in each chamber debate the overall spending priorities and patterns of the government and formulate the annual budget resolution. The resolution sets guidelines for Congress to follow in considering appropriations bills, tax bills, and the reconciliation bill. The budget resolution does not provide funding or alter tax and entitlement law, and does not require the President's signature.

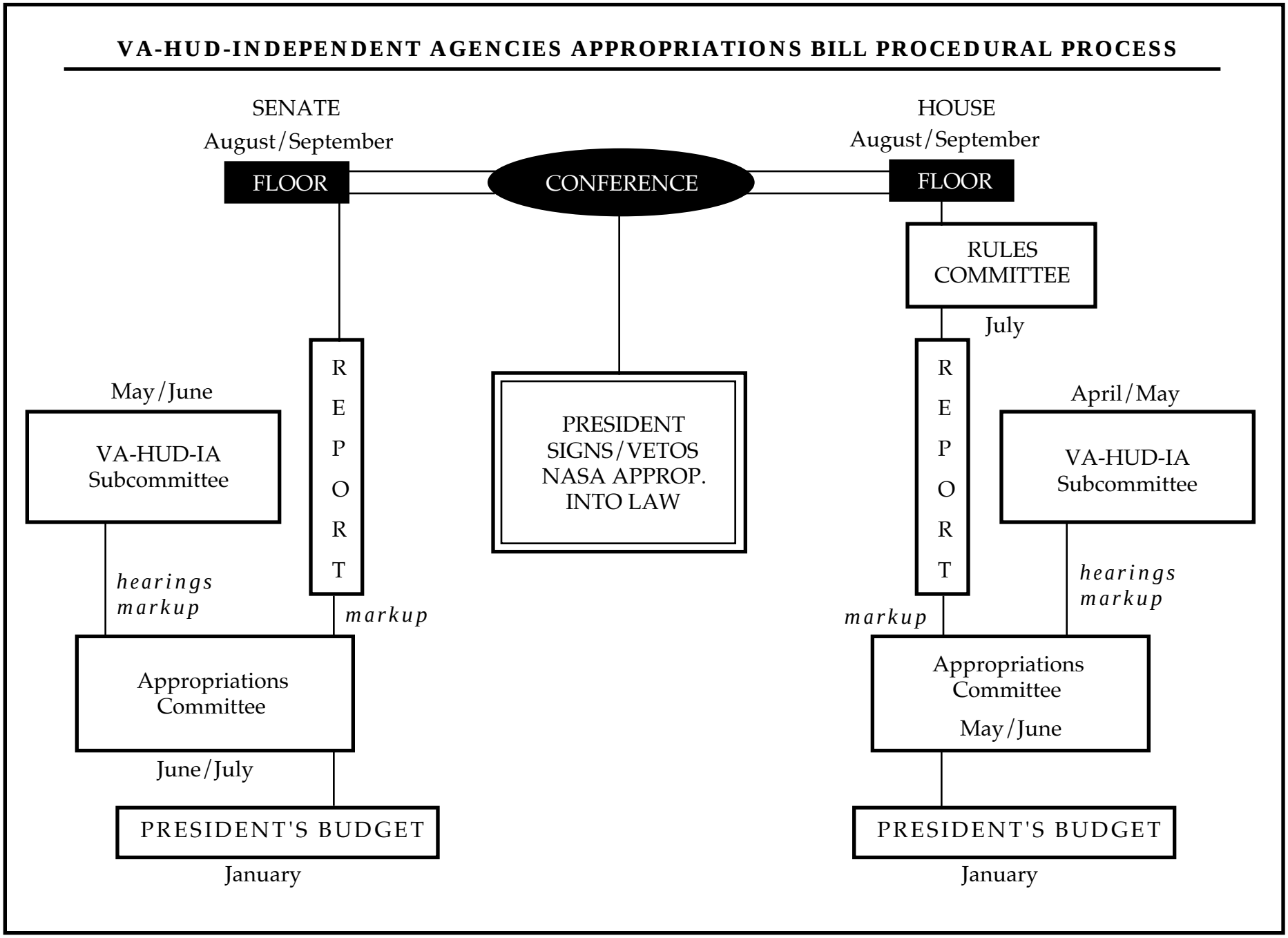
U.S. House of Representatives Committee on the Budget

U.S. Senate Committee on the Budget


BUDGET COMMITTEE
SUB-COMM. ASSIGNED
COMMITTEE ASSIGNED
BILL GETS NUMBER
SENATE
BEGIN
HOUSE
BEGIN
BILL GETS NUMBER
COMMITTEE ASSIGNED
SUB-COMM. ASSIGNED
BUDGET COMMITTEE
HEARINGS
HEARINGS
SUB-COMM. MARK-UP
FILIBUSTER
PRESIDENTIAL VETO
BILL KILLED
SUB-COMM MARK-UP
FULL COMMITTEE MARK-UP
CALENDAR BILL
FLOOR ACTION
BILL PASSED
CONFERENCE COMMITTEE
BILL PASSED
FLOOR ACTION
CALENDAR BILL
RULES COMM.
FULL COMMITTEE MARK-UP
1st BUDGET RESOLUTION
2nd BUDGET RESOLUTION
PRESIDENTIAL SIGNATURE
2nd BUDGET RESOLUTION
1st BUDGET RESOLUTION

NASA AUTHORIZATION BILL PROCEDURAL PROCESS




VA-HUD-INDEPENDENT AGENCIES APPROPRIATIONS BILL PROCEDURAL PROCESS
SENATE
August/September
FLOOR
CONFERENCE
HOUSE
August/September
FLOOR
RULES COMMITTEE
July
REPORT
PRESIDENT SIGNS/VETOS NASA APPROP. INTO LAW
REPORT
May/June
VA-HUD-IA Subcommittee
April/May
VA-HUD-IA Subcommittee
hearings
markup
markup
hearings
markup
markup
Appropriations Committee
Appropriations Committee
May/June
June/July
PRESIDENT'S BUDGET
PRESIDENT'S BUDGET
January
January

COMPLETED 25 STEPS FOR FY 94

December 10, 1993

HEARINGS

1 — PRES BUDGET

- Submitted 4/8/93
- $15.265B request for NASA overall
- $1,074.9M request for MTPE (of which $505.4M is for EOS)

2 — HSST

- Concern that EOS budget will double b/w now and FY 95
- Interest in using UAVs for Earth observation
- Support for acquiring data for policymaking

3 — SCST

- NASA not a priority for new Chm, Rockefeller
- MTPE barely mentioned at NASA posture hearing
- No MTPE-specific hearings held
- General support

4 — HAC

- Concern w/overall NASA cost overruns
- Maintain close oversight on MTPE costs

5 — SAC

- Mikulski strong supporter of MTPE
- Support moving forward w/EOS, rather than further restructuring

MARKUPS

6 — HSST SUBCMTE / **7 — HSST FULL**

- Full & Subcmte joint mkup
- $15.039B for NASA overall
- Chm's. mark added $10M to MTPE funding for CIESIN
- Hall amendment added $25M to MTPE for HRMSI
- Total MTPE funding $1,109.9M
  - Δ $5M to be used for UAVs
  - Δ $18M total authorized for CIESIN ($10M plus-up in Chm's. mark + $8M more authorized to be taken from original MTPE request)

8 — HAC HUD/VA/IA

- $14.471B for NASA overall
- $15M cut from MTPE to be taken at NASA's discretion
- MTPE funded at $1,059.9M

9 — HAC FULL

- $14.556B for NASA overall
- No change to MTPE funding
- $18M provided for CIESIN out of the New Technology Initatives line

FLOOR

14 — HOUSE AUTH

- $14.789 for NASA overall
- Hall-Calvert amend. to cap all NASA accounts (except Station) at 3.2% above FY 93 levels PASSED—cuts $264M from NASA overall (would cut $95.5M from request for MTPE, and $130.5M from committee's original authorization)
- Smith (MI) amendment to make remote sensing data avail. for agricultural management PASSED by voice vote

15 — HOUSE APPROP

- $14.519.4B for NASA overall
- No change to MTPE funding ($1,059.9M)

COMPLETED 25 STEPS FOR FY 94 (Cont'd.)

MARKUPS (Cont'd)

10 — SCST SUBCMTE

- Traditionally does not hold markup

11 — SCST FULL

- SCST did not mark up a NASA Auth bill in FY 94

12 — SAC HUD/VA/IA

- $14.6 B for NASA overall
- MTPE funded at $1,081.8 M
  - Δ no funds for data purchase or CIESIN
  - Δ -$3.1 M from research ops
  - Δ +$10 M for EOSDIS program reserves

13 — SAC FULL

- Mirrored Subcommittee mark

FLOOR (Cont'd)

16 — SENATE AUTH

- No action taken; Senate did not complete NASA Auth bill for FY 94

17 — SENATE APPROP

- Mikulski en bloc amendment:
  - Δ +$5M for CIESIN
  - Δ Caps MTPE in FY94 at $1,086.8 M

CONFERENCE

18 — AUTH

- No Auth. conf. held in FY 94

19 — APPROP

- $14.589 for NASA
- $1,079.3 M for MTPE, with the following changes to the request:
  +$7M for EOSDIS reserves
  - $2M from EOS-AM
  +$13M from CIESIN (leaves $5M)
  - $20M from data purchase
  - $3.1 M from MTPE ROS
  - $5M from LANDSAT
  +$2.5M for ACTS

FINAL PASSAGE

AUTH

20 — HOUSE

21 — SENATE

- No NASA Auth bill completed for FY 94

APPROP

22 — HOUSE

23 — SENATE

- MTPE unchanged ($1,079.3 M)
- Amendment to terminate ASRM accepted
- Overall NASA remains at $14.589

SIGNATURE/VETO

24 — AUTH PUBLIC LAW

- No NASA Auth bill completed for FY 94

25 — APPROP PUBLIC LAW

- Signed 10/30/93 (P.L. 103-124)

EOS/EOSDIS/MTPE
FINAL FY 94 FUNDING TRACK
($ IN MILLIONS)

December 10, 1993

NASA AUTHORIZATION	FY93 APPROP	CLINTON BUDGET REQUEST 4/8/93	SPACE SUBCMTE 6/9/93	HSST FULL CMTE 6/9/93	HOUSE FLOOR 6/14/93 7/29/93	ST&S SUBCMTE	SCST FULL CMTE	SENATE FLOOR	CONFERENCE
EOS	308.4	322.7	322.7	322.7	**				
EOSDIS	82.6	182.7	182.7	182.7	**				
EOS TOTAL	391.0	505.4	505.4	505.4	**				
MTPE TOTAL	1,207.1	1,074.9	1,109.9*	1109.9*	979.4**				
NASA TOTAL	14,892	15,265	15,039	15,039	14,789	***	***	***	***

* $3.5M above the President's request ($25M for HRMSI, $10M for CIECIN). CIESIN was authorized an additional $8M to be taken from MTPE funding. $5M was also authorized to be used from MTPE funding for unmanned aircraft vehicles.

** The Hall-Calvert amendment, capping all NASA accounts except Space Station at 3.2% above FY93 levels, would result in a $95.5M cut from the request for MTPE, and a $130.5M cut from the original HSST authorization for MTPE. NASA would have discretion to move money within accounts, so total EOS funding is TBD.

*** No action was taken on the FY 94 NASA authorization Bill in the Senate; therefore, there was also no conference held in FY 94.

NASA AUTHORIZATION	FY93 APPROP	CLINTON BUDGET REQUEST 4/8/93	HAC VA/HUD/IA 5/27/93	HAC FULL CMTE 6/22/93	HOUSE FLOOR 6/28/93	SAC VA/HUD/IA 9/8/93	SAC FULL CMTE 9/9/93	SENATE FLOOR 9/22/93	CONFERENCE 10/1/93
EOS	308.4	322.7							320.7
EOSDIS	82.6	182.7							189.7
EOS TOTAL	391.0	505.4							510.4
MTPE TOTAL	1,207.1	1,074.9	1,059.9*	1,059.9*	1,097.9**	1,081.8***	1,081.8***	1,086.8****	1,079.3*****
NASA TOTAL	14,316	15,265	14,471	14,556	14,552	14,618.5	14,618.5	14,628.5	14,588.9

* $15M general reduction to MTPE, to be taken at NASA's descretion. EOS funding not specifically broken out.

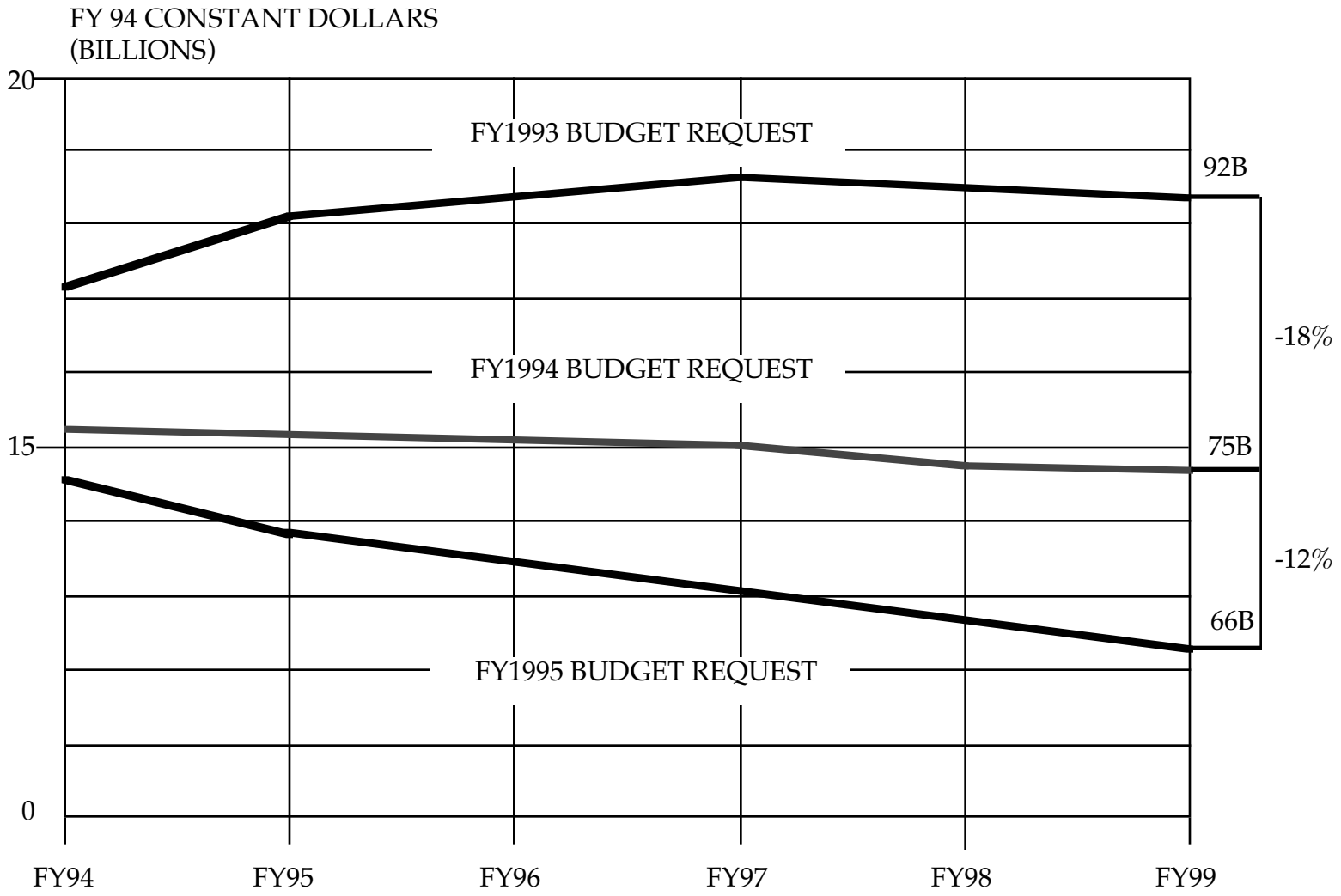
** Amended budget submitted before floor action included $18M for CIECIN & $20M for Earth Science data purchase, to be included in MTPE budget (amended request for MTPE was $1,112.9M). The increase from HAC Full to House floor reflects the addition of $18M for CIESIN and $20M for data purchase.

*** +$10M for EOSDIS reserves; -$3.1M MTPE ROS cut; -$18M CIESIN; -$20M data purchase

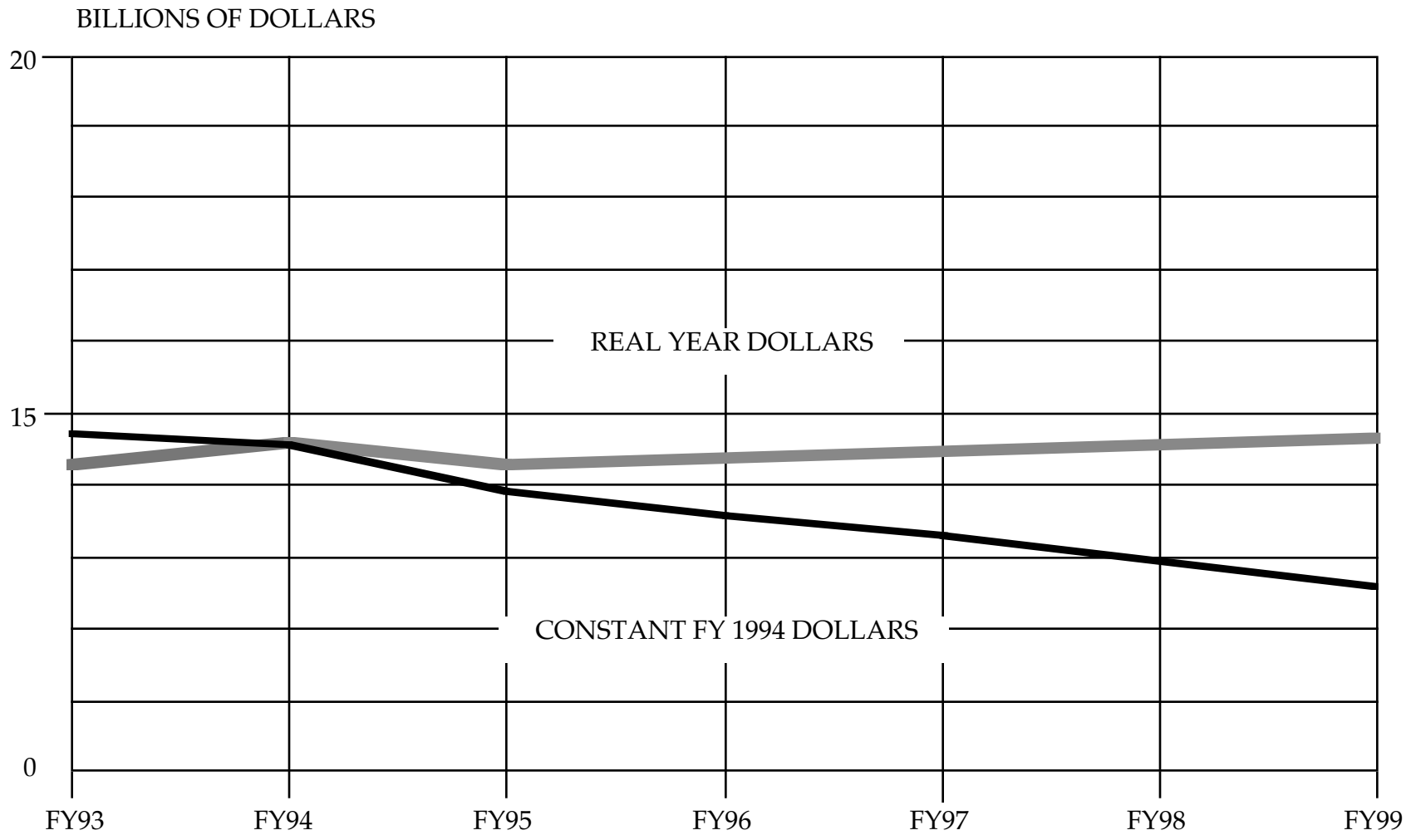
**** + $5M for CIESIN

***** + $7M for EOSDIS reserves; - $2M from EOS-AM; - $13M from CIESIN (leaves $5M); - $20M from data purchase; - $3.1M from MTPE ROS; - $5M from LANDSAT; and + $2.5M for ACTS

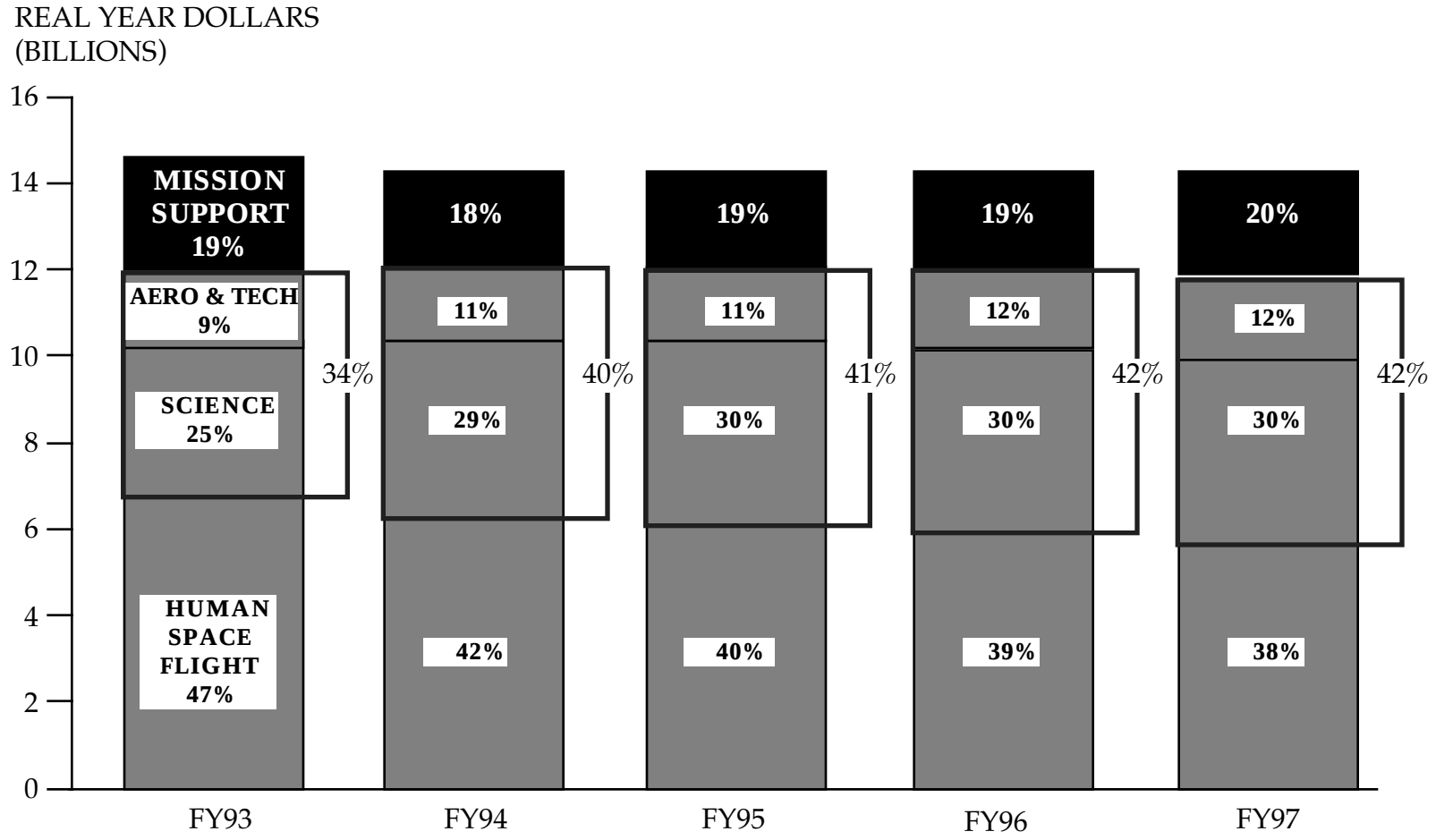
FY 1995 PRESIDENT'S BUDGET
(NASA BUDGET)



FY 1995 PRESIDENT'S BUDGET
(NASA BUDGET)

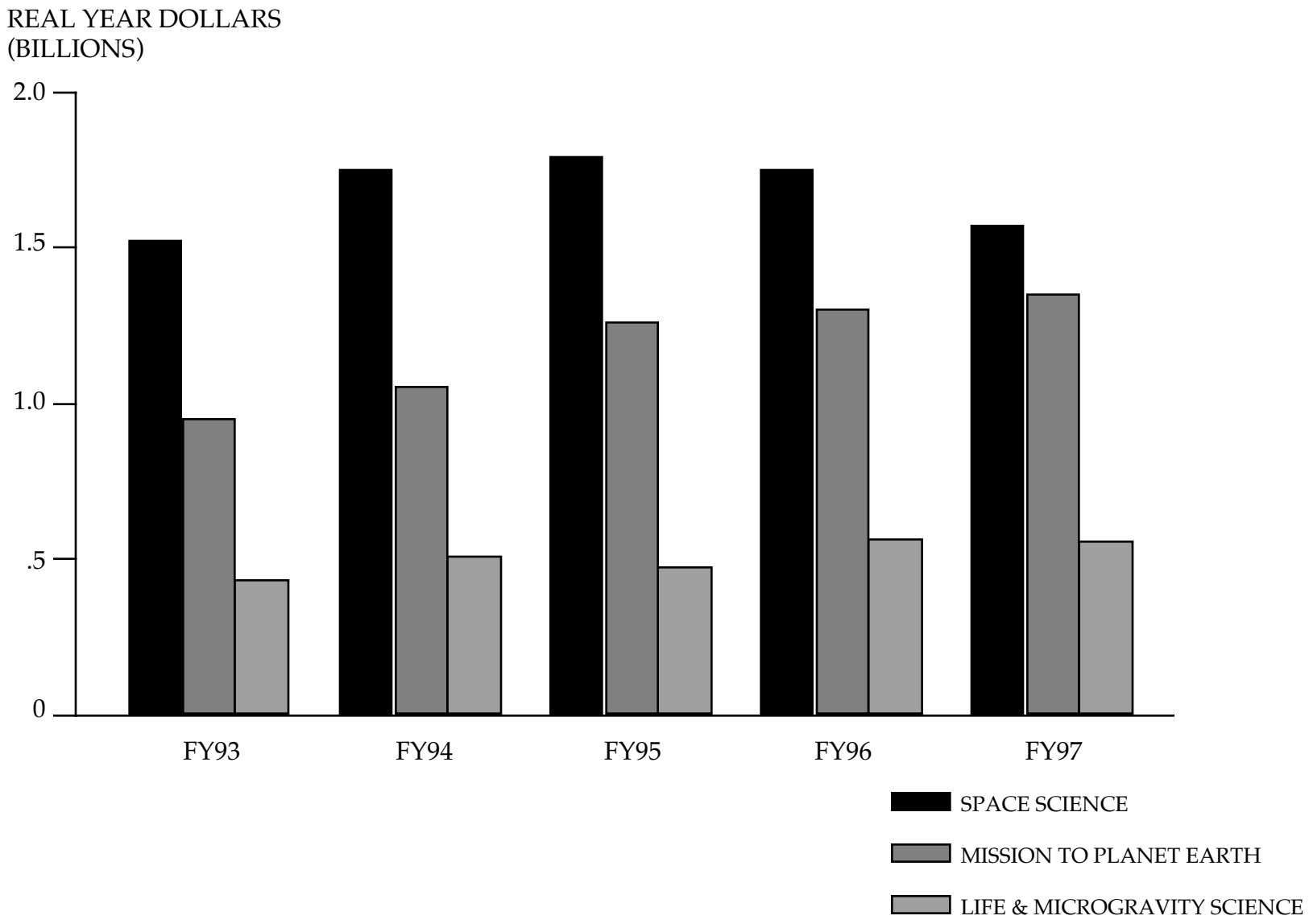


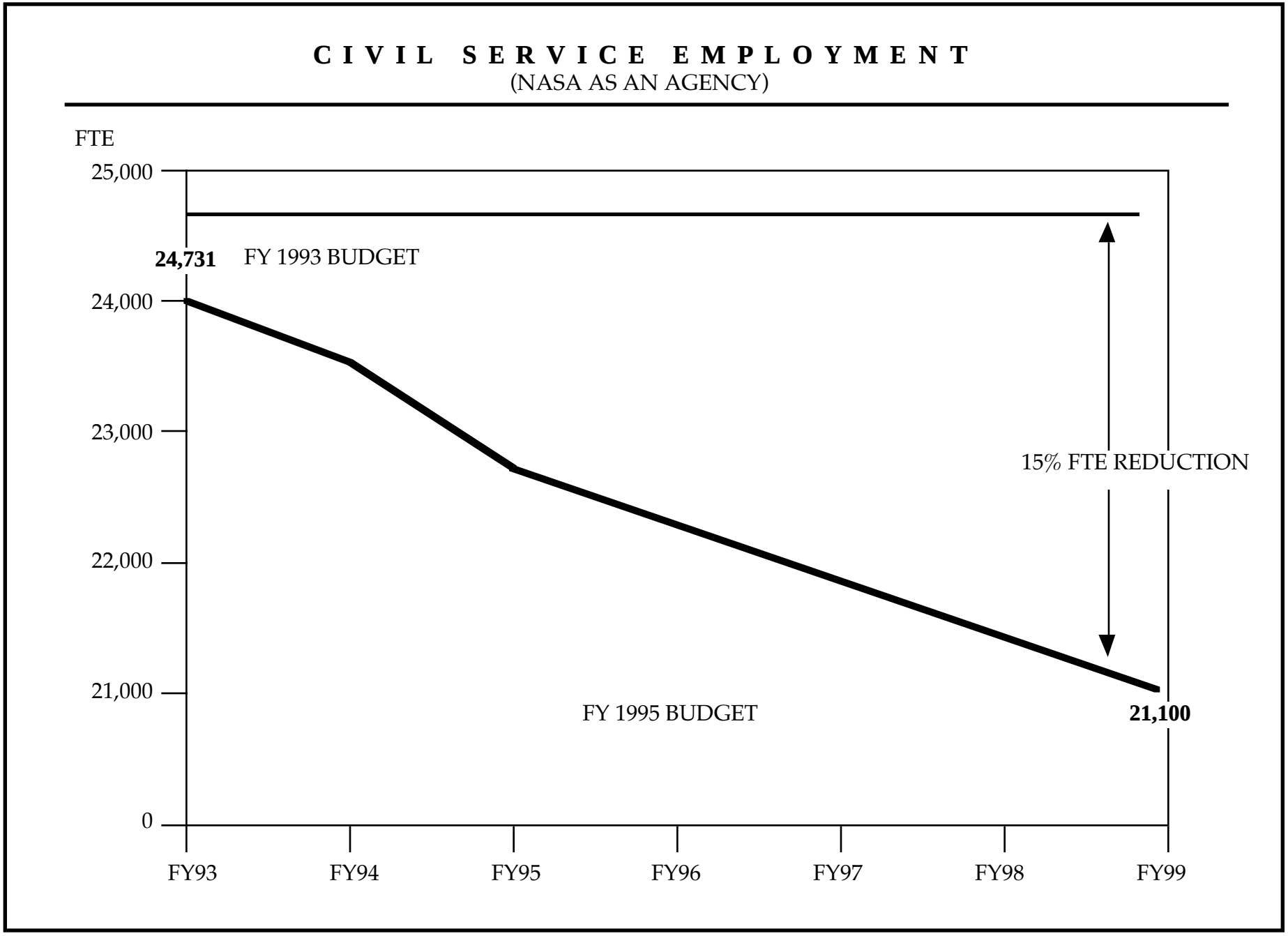
FY 1995 PRESIDENT'S BUDGET
(NASA AS AN AGENCY)



	FY93	FY94	FY95	FY96	FY97
SCIENCE PROGRAMS	20%	22%	24%	24%	23%
SCIENCE SUPPORT (LAUNCH, COMMUNICATIONS)	5%	7%	6%	6%	7%

S C I E N C E
(NASA-WIDE)




CIVIL SERVICE EMPLOYMENT
(NASA AS AN AGENCY)
FTE
25,000
24,000
23,000
22,000
21,000
0
24,731
FY 1993 BUDGET
15% FTE REDUCTION
FY 1995 BUDGET
21,100
FY93
FY94
FY95
FY96
FY97
FY98
FY99