UNRIG THE RULES

EXPLAINER

CONGRESSIONAL PROGRESSIVE CAUCUS CENTER

Continuing Resolutions Aren't Enough: Our Communities Can't Wait

Last updated February 7, 2022

Each fiscal year (FY),[1] Congress passes appropriations bills to fund the government. The appropriations bills fund the discretionary portions of the federal budget, such as education, defense, and housing, among others. Before passing these bills, Congress must come to agreement on the overall spending level for the fiscal year, often referred to the "topline" spending level, and determine how to allocate that funding among the various agencies and programs.

While the fiscal year ends on September 30, Congress often fails to pass all 12 annual appropriations bills before that deadline. In those instances, Congress has to pass a continuing resolution (CR), an interim stopgap spending bill, to keep the government running at current spending levels. Otherwise, the U.S. experiences a federal government shutdown.

Currently, the government will exhaust federal funding on February 18, 2022, when the existing CR will expire. Before that deadline, Congress may consider passing a short-term or long-term CR to keep the government open past February 18. While a short-term CR would allow Congress extra weeks to reach an agreement on funding the government for the rest of the fiscal year, a full-year CR through October 1 would result in adopting funding levels enacted under the Trump administration and would remove an opportunity for Congress to increase long-stagnant spending for federal programs.

Why Continuing Resolutions are Used

The government is funded by 12 appropriations bills covering different federal agencies. Appropriations legislation is generated in the House and Senate Appropriations Committees, which are comprised of subcommittees corresponding to those 12 bills (e.g., the Defense Subcommittee drafts the Department of Defense appropriations bill). When unable to reach an agreement on one or more appropriations bills to enact new levels of funding for a given fiscal year, Congress may pass a continuing appropriations act, more commonly referred to as a continuing resolution, or CR.[2] CRs can cover all government spending or specific agencies, last for different lengths of time, and generally continue the existing level of spending from the previous fiscal year. Historically, Congress has enacted one or more CRs in all but three of the 44 fiscal years since FY1977.

---

[1] The federal government's fiscal year runs from October 1 of one calendar year through September 30 of the next.

[2] For more on the appropriations process, read the FY22 Appropriations Explainer.

A CR does not necessarily have significant negative ramifications for federal programs, as they can be used on a short-term basis—sometimes just a matter of days—to give appropriators more time to finalize full-year appropriations bills that boost federal spending on key priorities. However, longer-term CRs prevent the government from updating spending levels to meet current needs. After Senate Democratic appropriators released nine of the 12 proposed FY22 appropriations bills in November 2021, Senate Appropriations Committee Chair Patrick Leahy (D-VT) noted in a letter that locking in the previous year's spending levels for another calendar year would leave critical priorities underfunded, particularly as the U.S. continues to respond to the COVID-19 pandemic. He wrote:

> Our domestic priorities will also suffer under a continuing resolution. The FY 2022 Senate bills include historic increases to care for and educate our Nation's children, combat climate change, build and renovate affordable housing, improve our infrastructure, and continue to combat the pandemic. None of these increases will occur under a full-year CR. We will be forced to operate at last year's levels in a country that has been transformed by a global pandemic.

Budget Control Act and the Trump Budget

This year marks the first year since 2012 that appropriations will not be subject to discretionary spending caps under the Budget Control Act (BCA) of 2011 and subsequent budget agreements. With the end of BCA, Congressional Democrats have proposed substantial increases for domestic spending priorities. According to the Center for Budget and Policy Priorities, the House-passed FY2022 appropriations bills would represent a 28 percent increase for programs supporting low-income families and individuals than the previous year's fiscal allocation[3]:

Low-Income NDD[4] funding	2021, Enacted (billions)	2022, House (billions)	$ increase, 2021-2022 (billions)	% increase, 2021-2022
Education	45.4	68.6	23.3	51.3%
Housing	55.1	62.4	7.4	13.4%
Health	13.7	17.1	3.4	25.1%
Social services	13.1	15.5	2.4	18.4%
Jobs and	5.8	6.7	0.9	15.0%

[3] David Reich and Richard Kogan, "House Appropriations Bills Provide Very Substantial Increases in Programs for Low- and Moderate-Income Families," CBPP, January 24, 2022, https://www.cbpp.org/research/federal-budget/house-appropriations-bills-provide-very-substantial-increases-in-programs

[4] NDD = non-defense discretionary programs.

training				
Nutrition	5.2	6.2	1.0	20.2%
Other	14.4	18.8	4.3	30.0%
TOTAL	**152.7**	**195.4**	**42.7**	**28.0%**

Enacting a full-year CR would zero-out these proposed increases and instead lock in FY2021 spending levels for the remainder of the fiscal year—funding levels that were determined under President Trump.[5] In fact, keeping funding flat through a full-year CR may actually *reduce* previously enacted levels of spending at the expense of working people, on account of inflation. For example, according to CBPP, inflation-adjusted regular funding in 2021 for NDD programs other than veterans' medical care is 3 percent *lower* than it was 11 years ago. Therefore, by keeping funding flat and accounting for inflation, there could actually be a net *decrease* in spending for non-military programs if Congress opts for a full-year CR, a critical step in the wrong direction.

Implications of Delaying Appropriations

States and localities that rely on federal funding to carry out projects and programs in their jurisdictions often have difficulty planning and budgeting for an upcoming fiscal year when there is uncertainty regarding the fiscal support that will be provided by the federal government. For example, the Infrastructure Investment and Jobs Act (IIJA), which was signed into law by President Biden in November 2021, would provide $550 billion in new federal funding for infrastructure over five years. However, while the IIJA authorized this spending, Congress still needs to appropriate the funding through the appropriations process to deliver the critically needed fiscal support to localities.

As a result of Congressional inaction on an FY22 spending bill, much of the new funding included in the IIJA cannot be disbursed. For example, as part of the IIJA, the Federal Railroad Association (FRA) is slated to receive an additional $66 billion over the next five years. However, without approval of an FY22 spending bill, the FRA is unable to hire additional staff to oversee the usage of the funding, which could delay disbursement.[6]

[5] For more on President Trump's proposed FY21 budget, read President's Budget for FY 2021
[6] Duncan, I., & Romm, T. (2022, January 29). *Infrastructure programs on hold until Congress passes budget to fund them*. The Washington Post. https://www.washingtonpost.com/transportation/2022/01/29/infrastructure-climate-goals-delay/

The lack of an FY22 spending bill not only has practical implications for the federal budget, but also affects the health and safety of all Americans. While thankfully no one lost their life, the recent collapse of a bridge in Pittsburgh highlighted the need to disburse additional funding as rapidly and equitably as possible to repair crumbling roads and bridges and to prevent future tragedies.

The appropriations process also has implications for efforts to combat climate change. On January 20, 2022, numerous environmental groups sent a letter to House and Senate appropriators opposing a full-year CR and reiterating the need for an FY22 spending bill that increases funding for responding to the climate crisis. They wrote:

> In lieu of regular appropriations, a full-year continuing resolution would do irreparable harm to our health and environment. Funding for environmental agencies has stagnated or even declined over the past decade under the draconian spending caps of the Budget Control Act, with many programs struggling to even keep pace with inflation despite increasingly dire circumstances of the worsening climate and biodiversity crises. A yearlong stopgap bill would perpetuate these shortfalls and extend damaging policy provisions at a moment when we cannot afford to wait. Such a bill would fail to address the momentous issues we face with the urgency they demand.

Conclusion

Appropriations bills are a critical opportunity for Congress to meet the needs of the moment, and that is especially true this year as families grapple with the ongoing effects of the pandemic.

After a decade of statutory austerity due to the Budget Control Act, Congress now has the opportunity to increase spending to the levels necessary to adequately fund agencies and programs that provide critical relief and services to working families. However, locking in Trump-era level spending by enacting a full-year CR would be a step in the wrong direction for our communities and for working people across the country.