

The Struggle to Spend

The Appropriations Process in Congress, 1991-2009

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A classic question for legislators and scholars is whether Congress is performing its Constitutional role in governing this country. In recent years, this question has centered on a debate over the impact of divided government (Binder 1999, 2003; Coleman 1999; Kelly 1993; Mayhew 2005; Sinclair 2006; Taylor 1998; Thorson 1998) and filibustering (Chiou and Rothenberg 2003, 2006, 2009; Krehbiel 1998; Wawro and Schickler 2004, 2006) on the legislative process. This research has focused on the conditions under which Congress is more or less likely to produce major legislation, and the margins by which major legislation passes each chamber. A challenge for these scholars has been to define “major” legislation, the set of policy issues from which successful laws, and the relative significance of these laws (see especially Clinton and Lapinski 2006; Lapinski 2008). While measurement strategies vary, these scholars share a focus on Congress’s extraordinary efforts.

This paper provides a different perspective on Congressional performance: how well does Congress do its ordinary tasks? Specifically, I focus on the ability of Congress to pass its funding bills in accordance with the deadlines set by law.¹ Federal agencies rely on annual appropriations to pay salaries and operating costs, and to finance new investments; in 2009, these appropriations bills totaled \$2.1 trillion.² If Congress does not pass these bills by the beginning of the federal fiscal year, October 1, the typical backup plan is a short term “continuing resolution” that keeps agencies running at some prorated percentage of the previous year’s budget, but only until a formal appropriations bill is enacted.³ Thus appropriations bills can be considered “must-pass” legislation, but with a soft deadline.

The next section reviews recent research on Congressional performance and appropriations, then specifies possible explanations for delay in passing spending bills. I find that policy disagreement, obstruction targeted at appropriations bills, and the use of omnibus packages leads to delay in the legislative process.

Congressional Performance and Spending Bills

David Mayhew’s *Divided We Govern* ([1991]2005) threw cold water on the conventional wisdom of the early 1990s that divided party control of government led to legislative gridlock. Congress, Mayhew found, seems to pass as many important laws when one party held a majority in each chamber of Congress and the Presidency as when control of the three lawmaking institutions were divided. This finding sparked a torrent of follow-up research. Some works applied different methodology (Howell et. Al 2000), agenda control (Cox and McCubbins 2005; Taylor 1998) or the net direction of policy change (Cox and McCubbins 2005; Thorson 1998),

¹ One could also evaluate Congressional performance on other core functions like considering Presidential nominations, conducting oversight hearings, or deliberating.

² The remainder of the federal budget is automatic spending, e.g. interest payments and Social Security. Also, some programs that are typically considered “entitlements” are formally funded in appropriations bills, e.g. Medicare, veterans’ benefits, and farm subsidies.

³ On rare occasions like the infamous “budget shutdown” of 1995, Congress and the President fail to provide any funds for an agency. In these cases, agencies continue to perform their “essential” functions in the expectation that the impasse will be resolved and funds will be provided after the fact for any incurred expenses.

but most works sought to improve on the measurement of “major” legislation. Some sought a tighter definition of major legislation (Kelly 1993), advocated the study of legislation of varying levels of importance (Clinton and Lapinski 2006; Howell et. al 2000) or policy type (Lapinski 2008). In particular, scholars advocated comparing the rate of policy “success” to the set of problems and proposals on the public agenda (Binder 1999, 2003; Edwards, Barrett, and Peake 1997; Sinclair 2006). Finally, Keith Krehbiel’s *Pivotal Politics* (1998; see also Chiou and Rothenberg 2003, 2006; Koger 2010; Wawro and Schickler 2004, 2006) is intended to provide a theoretical foundation for the study of divided government, and explicitly incorporates the Senate filibuster as a central veto point in the modern legislative process.

A common theme of this research is that Congress functions well when it enacts major legislation relative to policy demands, although both concepts are difficult to measure. Major legislation is understood to be *variable* and *discretionary*; sometimes the Congress produces major laws and at other times it does not. An alternative approach to measuring Congressional performance is to measure how well it achieves its *mandatory obligations*. Every year, Congress has a number of recurring obligations: reauthorizing legislation that is due to expire (Hall 2004), approving executive and judicial nominations, conducting executive oversight hearings (Mayhew 2005).

In particular, this paper focuses on the recurring constitutional obligation to “pay the Debts and provide for the common Defence and general Welfare of the United States.” Appropriations spending and appropriations committees have long commanded the attention of Congressional scholars (Fenno 1966). In particular, there has been much research on the magnitude of spending decisions (e.g. Anderson and Harbridge 2010; Wildavsky 1974) the outcome of budget decisions across agencies and time (Canes-Wrone 2006; Geiger 1994), the effects of budget reform (Ferejohn and Krehbiel 1987; Forgette and Saturno 1994) and the workings of the House and Senate Appropriations Committee (Adler 2000; Aldrich and Rohde 2000; Fenno 1966; Kiewiet and McCubbins 1991; Savage 1991).

There has been less work on the ability of Congress to enact appropriations bills in a timely fashion. This is a missed opportunity, since the appropriations process provides an unusually clean measure of Congressional effectiveness. We know exactly which bills must be passed: each executive agency is assigned to a specific Appropriations subcommittee (although jurisdictions change over time). And, each subcommittee has a fixed deadline: the beginning of the federal fiscal year, October 1. In practice, if that deadline is not met it is standard practice to pass a “continuing resolution” (CR) which extends funding for every agency that has not yet been funded by an appropriations bill; CRs extend funding for a specified time period, ranging from a single day to a few weeks, at some percentage of the previous year’s budget. On rare occasions like the infamous budget shutdown of 1995-6, Congress and the president fail to agree on either appropriations bills or a CR, in which case federal agencies continue to perform their essential functions in the expectations that the impasse will be resolved soon. The fact that

Congress's obligations are clear and its failures are transparent has made the appropriations process a benchmark for evaluating Congressional performance (e.g. Lilly 2010).

While there has been very little research on this topic, we do have the benefit of a recent paper by Woon and Anderson (n.d.). Wood and Anderson employ a bargaining framework to explain delay in the appropriations process and (like this paper) use survival analysis to explain why some bills are enacted faster than others. Below I will note differences in theoretical approach, coding and specification where appropriate, but as this paper matures its main contribution will be in the addition of bill-specific factors.

The Appropriations Process: A Theoretical Overview

The appropriations process is distinguished by the nature of the proposals and the status quo. By their nature, *appropriations bills are bundles of discrete proposals*. While the overall spending level for each bill is largely determined by the broader budget process (Forgette and Saturno 1994), legislators can still disagree over the allocation of funds across the different departments and agencies in each bill, and over any policy-related restrictions in each bill. Each agency and subheading is thus a distinct “dimension” in the bill, and each bill is best understood as a bundle of proposals on a collection of issues.

A simplified form of the appropriations process is that there are two agenda-setters and veto players (the House majority party and Senate majority party) and two additional *veto players* (adding the Senate minority party and president).⁴ The House and Senate majority must decide if they are interested in making proposals; if they do, a bill is enacted if all four agree on a proposal.

While the complexity of appropriations proposals may delay negotiations, it helps that *the status quo is unacceptable*. A deal must be made to avoid a government shutdown and to allow agencies to spend and make contracts with some certainty. Also, delay may be costly. Much of the cost is born by federal agencies in the form of uncertainty and drift, but this can feed back into legislators' preferences as interest groups, Presidents, and media note the effects of Congressional procrastination on governance. More directly, legislators may find that failure to pass appropriations bills during election years forces them to spend time in Washington, D.C. when they would prefer to be back in their states and districts. In particular, failure to pass bills pertaining to national security may make incumbents vulnerable to criticism.

Hypothesis 1: Congress and the President tend to pass appropriations bills earlier during election years

⁴ Our terminology is from Tsebelis 2002 “veto player” account rather than Krehbiel’s pivotal politics model. The veto player framework assumes a multi-dimensional policy and presumes some degree of disagreement, even between actors who seem to have similar preferences.

Hypothesis 2: Congress and the President tend to pass appropriations bills related to national security earlier

Why does delay nonetheless occur? Most obviously, the different veto players may disagree. Disagreement per se does not cause delay, since in theory they could still anticipate the eventual agreement and make their compromise at the beginning. But, legislators may face an audience cost from interest groups, lobbyists, and constituents for compromising too early, so there is an incentive for each actor to wait in hope that the other actors make/accept a better offer, or that events occur (say, rising gas prices) that shift other actors' preferences. So the greater the disagreement between actors, the greater the incentive to delay and the greater the costs of compromise, leading to delay.

Hypothesis 3: Delay increases with preference disagreement between veto players

Two factors can influence the ability of the actors to reach an agreement. First, it may be easier to strike a bargain if Congress increases the overall budget for a bill. Extra money makes it easier to satisfy the diverse preferences actors may have across the distinct elements of an appropriations bill. Second, if legislators need to bundle appropriations bills into an omnibus package to guarantee bargains across bills, that may delay enactment as each bill must wait for the disputes over *every* bill to be resolved.

Hypothesis 4: Delay decreases with increases in spending for an appropriations bill

Hypothesis 5: Delay increases for bills included in an omnibus package

Last, there are factors in the broader legislative environment that may slow all legislation, including appropriations bills. In particular, appropriations bills may face obstruction in the Senate that slows progress on the bills. Distinctly, while the Senate filibuster had been institutionalized by the beginning of the period studied in this paper (Koger 2010), there is variation in the extent to which obstruction fights are played out on the Senate floor, with occasional high-stakes political contests between the majority and minority parties (Evans and Oleszek 2001). These contests may crowd out other bills competing for a limited pool of Senate time.

Hypothesis 6: Delay increases if a bill faces obstruction on the Senate floor.

Hypothesis 7: Delay increases with the number of cloture votes in the Senate.

Data and Methods

First, I collected data on each regular appropriations bill from 1991 to 2009, excluding supplemental appropriations and continuing resolutions, for a total of 240 bills. I collected these data, as well as budget data, from the *Congressional Quarterly Almanacs* from 1991 to 2007, and *Congressional Quarterly Weekly Report* from 2008 to the present. The dependent variable for

this paper is the number of days elapsed between the president's budget submission each year and the day each bill is signed into law. While the alignment of Appropriations subcommittees has evolved over time, Table 1 displays the alignments in place in FY 1992 (which lasted for several years) and FY 2010, after some revision over the last five years.

[INSERT TABLE 1 ABOUT HERE]

Overall, there are two trends in the appropriations process. First, over the last two decades there has been a general trend toward longer durations, as shown in Figure 1.

[FIGURE 1 ABOUT HERE]

Second, there is also a historical trend toward packaging appropriations bills into omnibus spending bills, or combining appropriations bills with a continuing resolution or separate policy proposals. This trend is illustrated in Figure 2, which shows the percentage of bills passed as free-standing "single" bills, as part of an omnibus package, or even cases when no bill passed and funding was continued throughout the year by a continuing resolution. During the George W. Bush presidency, for example, most bills passed as part of an omnibus in six out of eight years.

[FIGURE 2 ABOUT HERE]

Explanatory Variables

To explain the variation we observe over time and across bills, I use several variables corresponding to the hypotheses listed above.

- *Presidential Election Year* is a dichotomous variable coded "1" for 1992, 1996, 2000, 2004, and 2008.
- Dichotomous variables are included for bills pertaining to national security: *Defense*, *Military Construction*, *Homeland Security*, and *Military Construction and Veteran Affairs*.
- *Spending Increase* is the percentage change from the president's initial budget proposal to the final legislation. (based on tables from Congressional Quarterly)
- *Omnibus* is a dichotomous variable for bills included in an omnibus spending bill or combined with a continuing resolution or major policy proposal. (based on Congressional Quarterly summaries)
- *Cloture Votes/Year* is the number of roll call votes to invoke cloture (both successful and unsuccessful) in the calendar year during which each set of bills is being processed, e.g. all 2009 votes for the FY 2010 cycle.

- *Cloture Vote/Bill* is a dichotomous variable coded “1” if there was a cloture vote on a bill at any stage in its consideration in the Senate.⁵

Finally, *Disagreement* is a measure of policy differences between the four veto players. For convenience, I used 1st dimension Common-Space scores, but without the assumption that actors with “interior” ideal points can be ignored (as is the case in the pivotal politics model for actors with preferences between the pivots), nor that the rules diminish the role of actors with preferences more extreme than the veto or filibuster pivot. Instead, *Disagreement* is calculated as the sum of the absolute distance between the median members of the House majority party, Senate majority party, Senate minority party, and the President. Indirectly, this variable measures the effects of divided vs. united control of government, but also reflects the polarization of Congressional voting over time.

Methods

Since the dependent variable is a duration and I expect the baseline hazard rate to vary over the course of the Congressional calendar (decreasing in August, increasing as Oct. 1 draws near), I use the Cox proportional hazard model to explain the time-to-completion for each bill. Like Woon and Anderson (n.d., 18), I note that many of these bills are finished simultaneously, so I use the exact discrete (partial) method to resolve these ties. I did this analysis in STATA 11.0.

Results

The results of the analysis are shown in Table 2. The coefficients in Table 2 are hazard ratios, which indicate whether an increase in the explanatory variable increases (>1) or decreases (<1) the hazard rate, i.e. the likelihood that the bill will be finished at a given point in time. Several of the key results are illustrated in Figure 3, which shows the overall hazard rate (Fig. 3a), effect of a Presidential election year (3b), omnibus package (3c), policy disagreement (3d), cloture vote/bill (3e), and cloture vote/year (3f).

[TABLE 2 ABOUT HERE]

[FIGURE 3 ABOUT HERE]

As expected, Congress is quicker to finish its bills during Presidential election years. Bills were *slower* to be signed into law as preference disagreement increased, and if they were incorporated into omnibus packages.

⁵ Both cloture variables are drawn from the Senate webpage’s reference desk, http://www.senate.gov/pagelayout/reference/cloture_motions/clotureCounts.htm.

Of the national security appropriations bills, only the military construction bill was especially swift to pass, a pattern that died out in 2005 when the military construction bill was paired with Veterans Administration funding. Spending increases did not seem to accelerate passage of bills, although legislators were typically restrained by budget rules from spending their way to agreement.

Particularly interesting is the effect of obstruction on appropriations bills. On the one hand, when it is necessary to vote on cloture on an appropriations bill the bill is likely to take much longer to complete. On the other hand, the overall level of obstruction in the Senate does not lead to appropriations bills becoming backed up behind other legislation. Indeed, once we control for whether there was a vote on an individual bill, the fact that there are lots of cloture votes on other issues but not an appropriations bill is a positive sign that the spending bill will be completed sooner rather than later.

Summary

This paper is an initial effort to understand the sources of delay in the federal appropriations process. This project, as it develops, will hopefully help measure how well Congress is coping with a paramount duty, and what factors influence how well Congress works. The preliminary results of this paper suggest that policy disagreement and (targeted) obstruction are major sources of delay. Interestingly, increasing funds in a bill (relative to the President's proposal) does not seem to influence the progress of legislation. Consistent with Woon and Anderson (n.d.), Congress passes its bills faster during Presidential election years.

There are several ways to improve upon this analysis. First, it would be good to identify a measure of disagreement that is more specific to budgetary disagreement, e.g. a measure based on National Taxpayer Union bill tally scores. Second, it would be interesting to test the effects of "pork" spending on the progress of appropriations bills, perhaps using a direct measure of targeted benefits. Third, while this paper deliberately deemphasizes the role of the appropriations committees in Congress, it would be worthwhile to test whether the composition of the committee affects its ability to report legislation and negotiate bicameral differences in a timely fashion.

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Table 1: Appropriations Subcommittees, Fiscal Years 1992 and 2010

FY 1992	FY 2010
Agriculture	Agriculture

Commerce, Justice, and State	Commerce, Justice, and Science
Defense	Defense
District of Columbia	Energy and Water
Energy and Water	Financial Services
Foreign Operations	Homeland Security
Interior	Interior and the Environment
Labor, Health and Education	Labor, Health and Education
Legislative Branch	Legislative Branch
Military Construction	Military Construction and Veteran Affairs
Transportation	State and Foreign Operations
Treasury-Postal	Transportation, Housing and Urban Development
VA-HUD-EPA-NASA	

Figure 1: Mean and Median Duration by fiscal year, 1992-2010



Figure 3: Outcomes by fiscal year: single, omnibus, and continuing resolutions

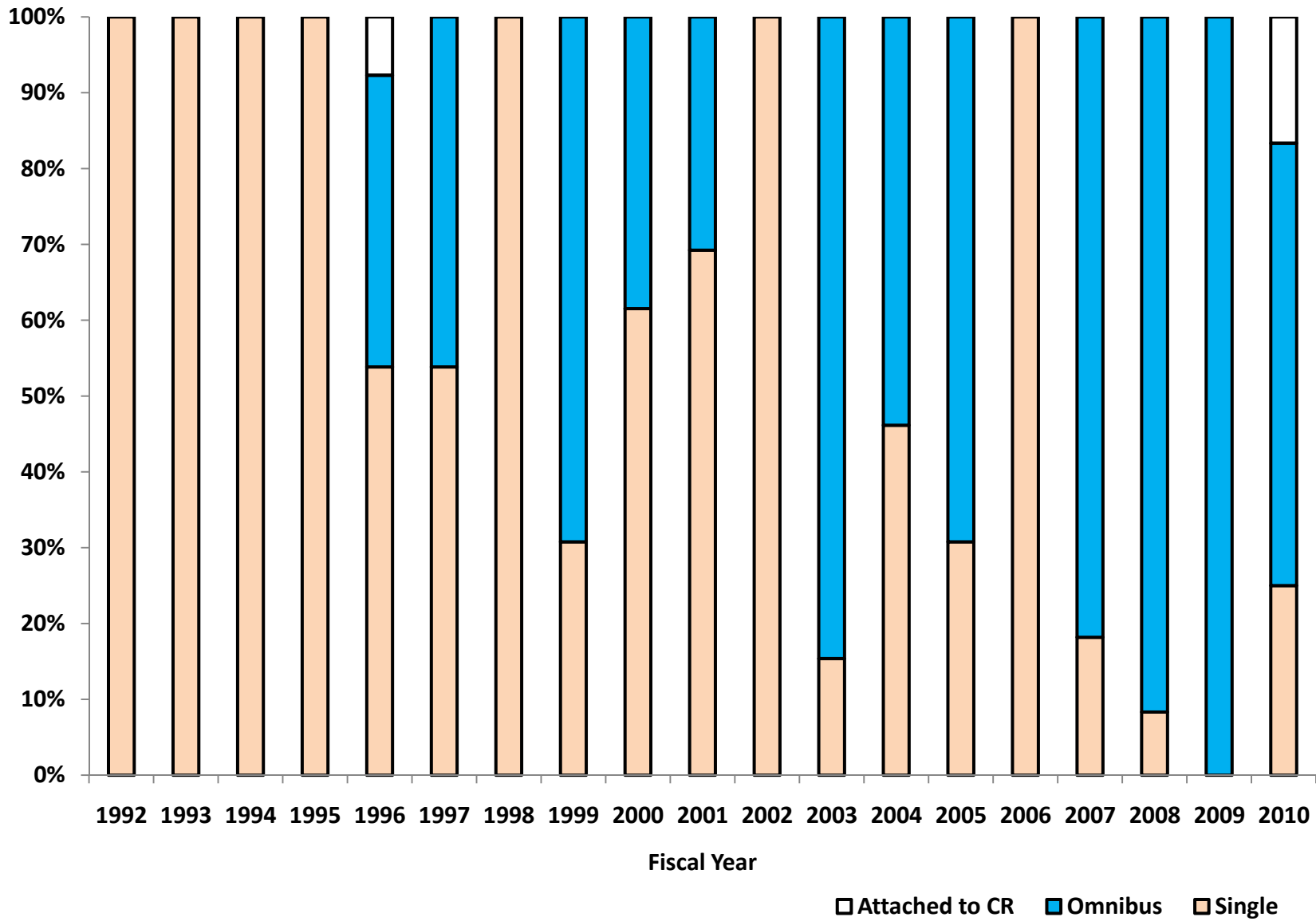
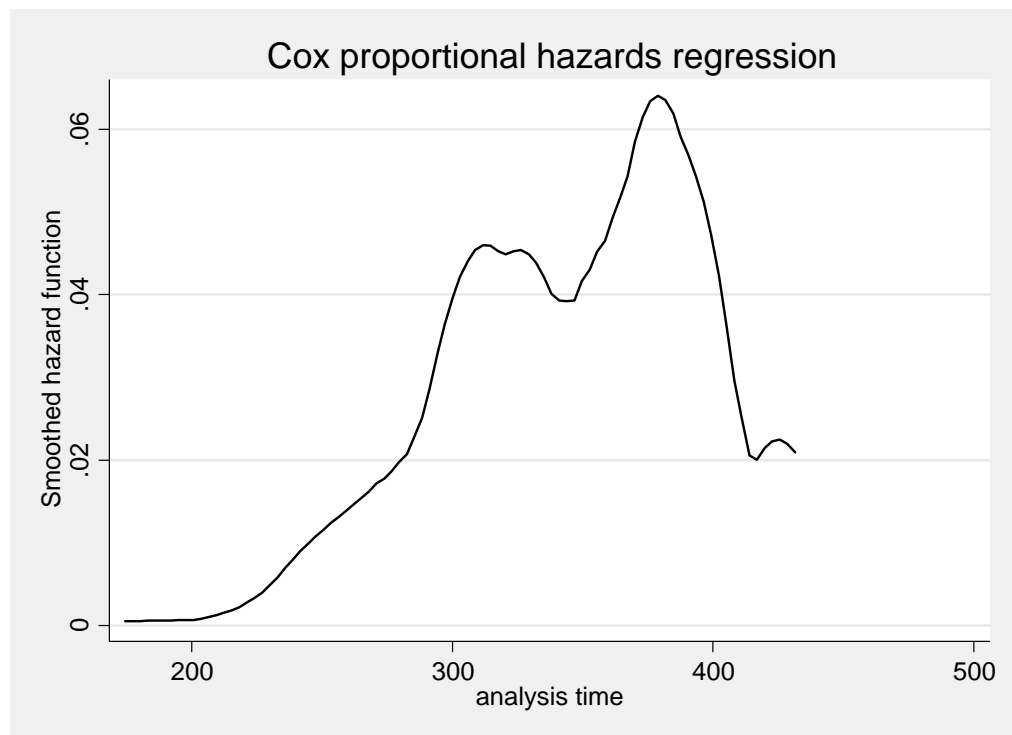


TABLE 2: Cox Event History Model Results

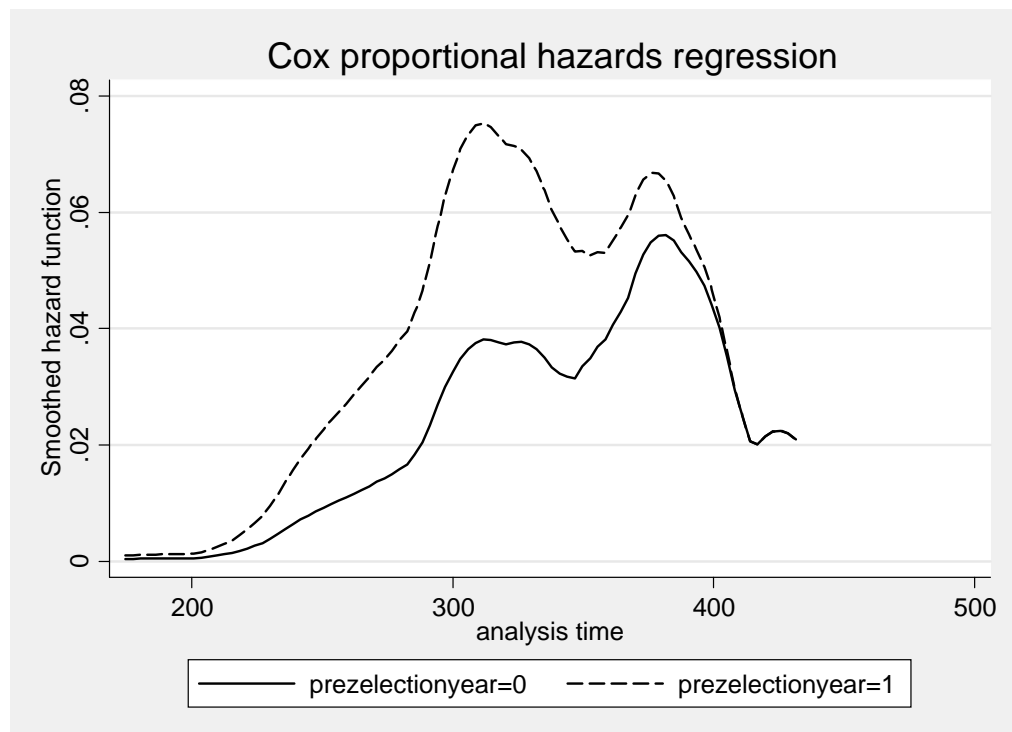
	Hazard Ratio	s.e.	z	P> z
Presidential Election Year	2.519	0.476	4.89	0
Military Committees				
<i>Military Construction</i>	1.915	0.583	2.13	0.033
<i>Homeland Security</i>	0.951	0.447	-0.11	0.915
<i>Defense</i>	0.982	0.265	-0.07	0.947
<i>Military Construction and Veteran Affairs</i>	1.039	0.499	0.08	0.937
Spending Increase	1.006	0.006	0.96	0.337
Omnibus	0.094	0.024	-9.33	0
Cloture Votes/Year	1.027	0.010	2.62	0.009
Cloture Vote/Bill	0.552	0.102	-3.23	0.001
Disagreement	0.330	0.074	-4.93	0

Figure 3 Hazard Rates for Key Variables

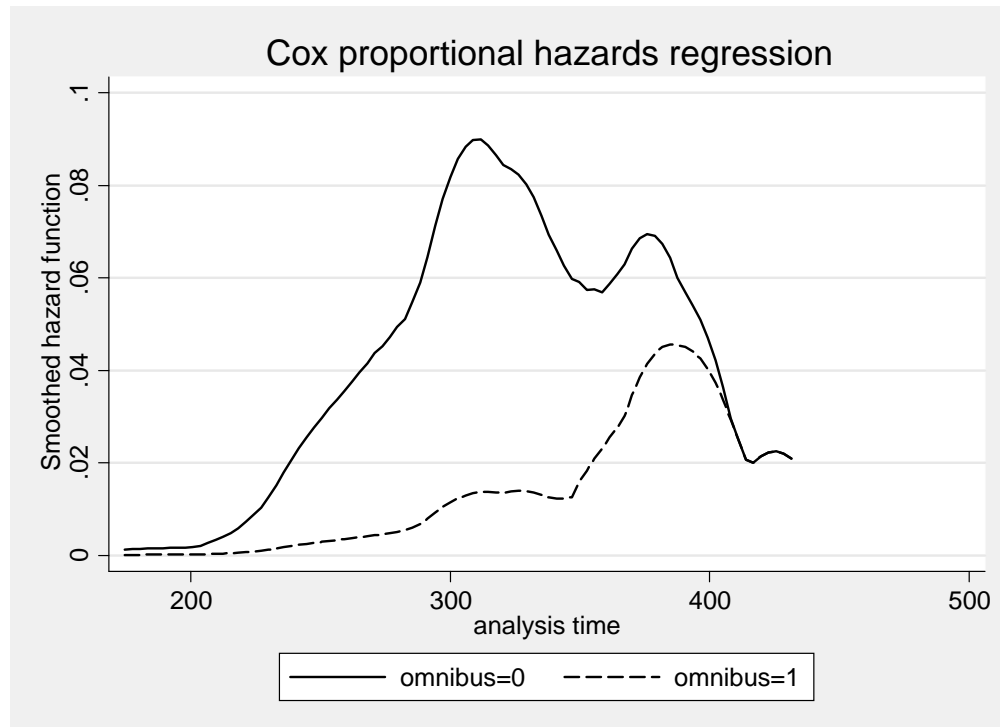
3a) baseline hazard rate



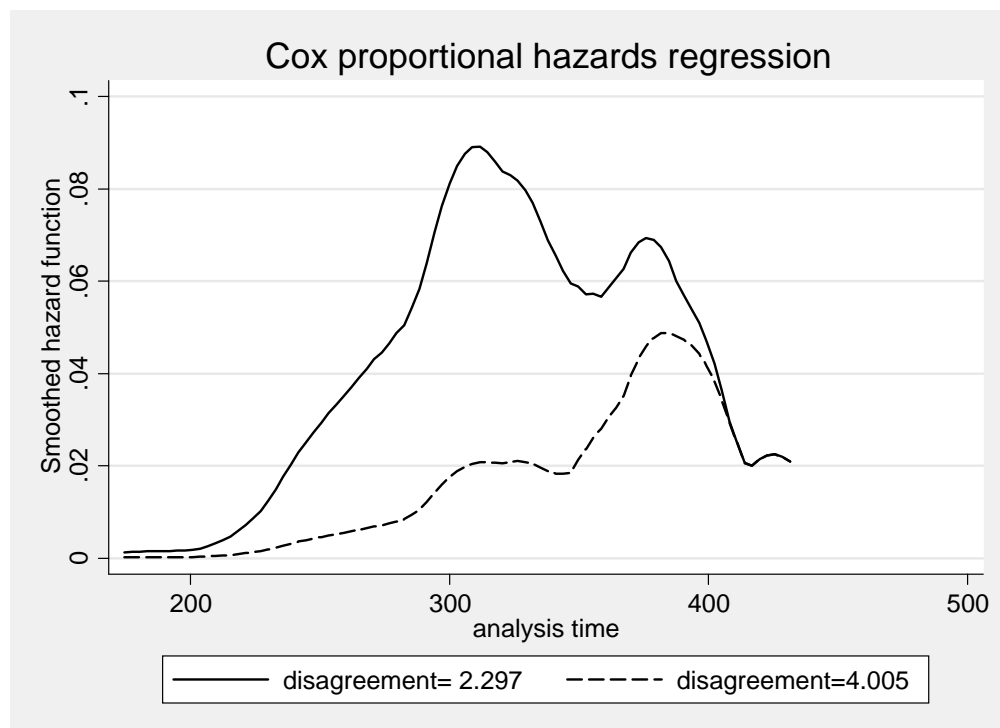
3b) Presidential Election Years



3c) Effect of including bills an omnibus package

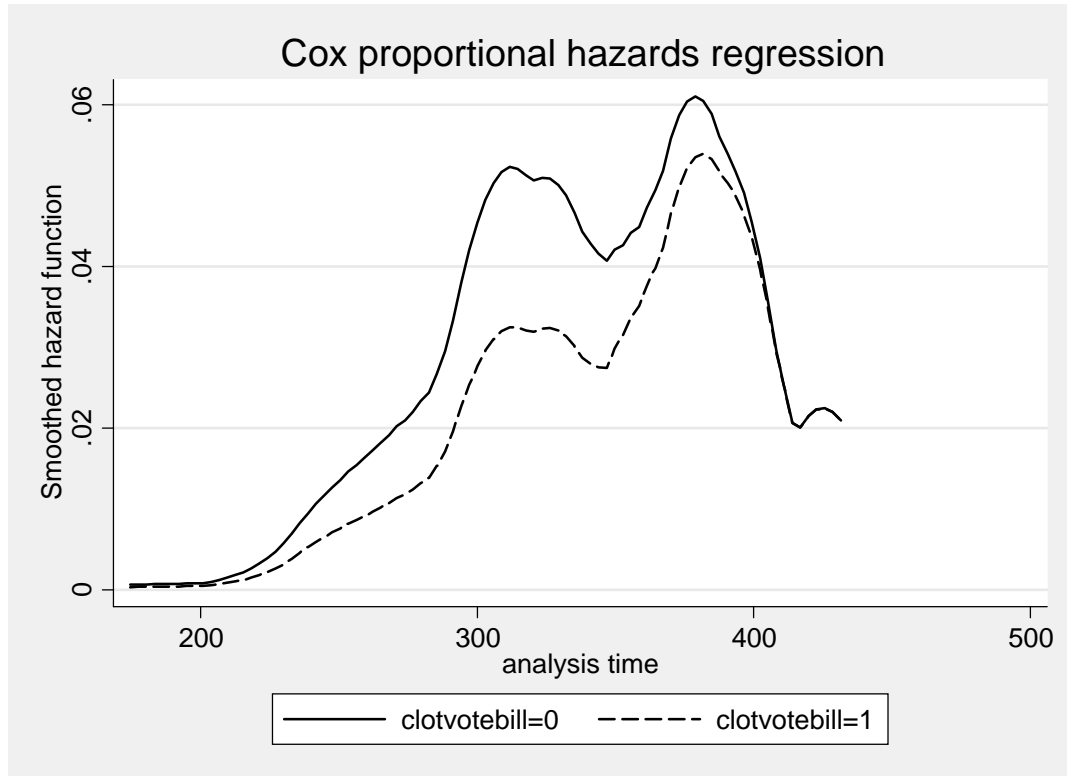


3d) Effect of policy disagreement



This figure compares the lowest and highest values of policy disagreement.

3e) Effect of a cloture vote on an appropriations bill



3f) Effect of cloture votes/year on appropriations bills

