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BUDGET RESPONSIBILITY AND EFFICIENCY ACT OF 2001

NOVEMBER 14, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. DREIER, from the Committee on Rules, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 981]

[Including cost estimate of the Congressional Budget Office]

The Committee on Rules, to whom was referred the bill (H.R. 981) to provide a biennial budget for the United States Government, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 6, line 13, strike "(as amended by section 3)".

Page 6, line 16, strike "(13)" and insert "(11)".

Page 10, line 21, insert "after 'May 15'" before the period.

Page 25, line 3, strike "(as amended by section 6(a) is further" and insert "is".

Page 25, line 6, strike "318." and insert "316.".

Page 26, line 1, strike "'(3) For" and insert "'(b) For" and strike "subsection" and insert "section".

Page 26, line 7, strike "317" and insert "315" and after line 8, strike "318." and insert "316.".

Page 26, line 14, strike "2004" and insert "2003".

Page 26, amend lines 16 and 17 to read as follows:

> (A) by striking "at least every three years" and all that follows thereafter and inserting "at least every 4 years, except that strategic plans submitted by September 30, 2003, shall be updated and revised by September 30, 2006."; and

Page 26, line 23, strike "2004" and insert "2003".

Page 28, line 18, insert "two" before "'years'".

Page 29, strike lines 1 through 7 and redesignate the succeeding subsections accordingly.

Page 29, line 11, strike "2004" and insert "2003".

Page 29, line 13, after "4 years" insert "except that strategic plans submitted by September 30, 2003, shall be updated and revised by September 30, 2006".

Page 29, line 14, insert "in subsection (b)," after "(3)".

Page 29, line 19, strike "2004" and insert "2003".

Page 32, line 16, strike "319." and insert "317.".

Page 33, line 4, strike "318" and insert "316" and after line 4, strike "319." and insert "317.".

Purpose of the Bill

The purpose of H.R. 981, the Budget Responsibility and Efficiency Act of 2001, is to: (1) increase Congressional control of the budget process by reducing the amount of time spent on budget matters while improving the quality of those deliberations; and (2) encourage longer time horizons in policy planning and greater stability in fiscal policy.

Summary of the Bill

H.R. 981 establishes a two-year budgeting and appropriations cycle and timetable, defining the budget biennium as the two consecutive fiscal years beginning October 1 of any odd-numbered year.

H.R. 981 requires the President to submit a two-year budget at the beginning of the first session of Congress. This budget would cover each year in the biennium and planning levels for the four out-years. In addition to submitting a Mid-Session Review by July 16 of each year, the President will also be required to also submit a Mid-Biennium Review on or before February 15 of each even numbered year (the second year of the biennium).

H.R. 981 requires Congress to enact two-year appropriations bills (which specify the amount of appropriations provided for each fiscal year) during the first session of each Congress. The bill provides a new point of order against appropriations bills, other than supplemental appropriations bills, that fail to cover two years.

Under H.R. 981, the second session of a Congress will be devoted to consideration of biennial or multi-year authorization bills and oversight of federal programs. The bill provides a majority point of order against authorization legislation that covers less than two years except those measures limited to temporary programs or activities lasting less than two years.

H.R. 981 modifies the Government Performance and Results Act (GPRA) to fit the government performance planning and reporting process into the two-year budget cycle to enhance oversight of federal programs.

The bill further allows the House and Senate to consider reconciliation legislation, if necessary, during this second session of a Congress.

BACKGROUND AND LEGISLATIVE HISTORY

The Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344) provides Congress with an overall framework for considering separate and revenue legislation. The primary purpose of this Act were to reassert the congressional role in budgeting, to add some centralizing influence to the Federal budget process, and to constrain the use of impoundments.

General agreement exists that the Congressional Budget Act has been successful at increasing the attention of Congress to the whole budget, reasserting the congressional role in budgeting and controlling impoundments, but the Act is now viewed as an overwhelming success in every respect. First, it has not brought the order and timeliness to congressional budget action for which advocates had hoped. Deadlines for enacting budget resolutions and the passing of appropriation bills have routinely been missed. Second, establishing the Budget Committees and a centralized decision-making process may have increased the level of budgetary conflict in the Congress. Authority and power were not significantly redistributed among committees and the leadership; rather new layers of responsibilities and procedures were added to those that already existed. The result has been to create a good deal of repetition where the same issue—for example, the fate of the B–2 bomber—can be debated three times (during consideration of the budget resolution, the defense authorization bill, and the defense appropriation bill).

TABLE 1.—HISTORY OF REGULAR AND CONTINUING APPROPRIATIONS, FY 1974–2001

Fiscal year	Regular appropriations bills enacted by the start of the fiscal year	Continuing resolutions enacted for the fiscal year
1974	3	7
1975	7	4
1976	2	3
1977	13	2
1978	9	3
1979	5	1
1980	3	2
1981	1	2
1982	0	5
1983	1	2
1984	4	4
1985	4	4
1986	0	5
1987	0	5
1988	0	5
1989	13	0
1990	1	3
1991	0	5
1992	3	4
1993	1	1
1994	2	3
1995	13	0
1996	0	5
1997	13	0
1998	1	6
1999	1	6
2000	4	7
2001	2	21

Sources: CRS Reports (98–800 GOV, 96–224 GOV, 94–799 GOV, and RL 30343).

During the 27-year history of the Budget Act, Congress has met the deadline for completion of a budget resolution only four times. Also since 1974, Congress has failed to complete action on the thirteen individual appropriation bills to fully fund the government before the start of the fiscal year for every year except three. In 1988, 1994 and 1996, the Congress barely made the fiscal year deadline. When action on regular appropriations bills is delayed, this requires Congress and the President to agree on a continuing resolution (CR) to provide interim funding the Federal government's operations until a specific date or until the enactment of the applicable regular appropriations acts. If the appropriations bills are not passed by the date specified in the CR, then another CR must be passed. The passage of multiple successive CR's in one appropriations cycle is not uncommon.

The annual rush to complete action on budget, authorizations and appropriations items not only produces a poor budget process, it also comes at the expense of careful deliberation on matters that are not related to the budget. During the 1993 Joint Committee on the Organization of Congress hearings, one theme predominated the review of Congress: Members of Congress are spread too thin to adequately carry their duties. Senator Byrd captured this problem by referring to the "fractured attention spans" of Senators. Congress rarely meets its deadlines, frequently debates the same issues again and again, and devotes more and more of its time to the budget process.

The annual process of developing budgets and justifications has also kept federal agencies on a perpetual budget cycle treadmill, leaving little time to step back and review the management and effectiveness of the programs they run. Executing an annual budget requires nearly three years of combined effort by the Congress and the Administration. The Federal government expends an enormous amount of effort to prepare, review, submit and ultimately legislate the budget.

THE BENEFITS OF BIENNIAL BUDGETING—REDUCING REPETITION

The current budget process is overly repetitive, inefficient and bureaucratic, and filled with time-consuming budget votes. Effective oversight gets crowded out.

Currently, Congress completes at least four separate budget processes annually following Presidential submission of the Administration's budget: (1) the concurrent budget resolution, (2) program authorizations, (3) budget reconciliation, and (4) consideration of thirteen individual appropriation bills. H.R. 981 would not eliminate any of these processes, but it would require their consideration biennial instead of annually. As Table 2 show, Congress devotes much of its time to budget-related measures, which because of their repetitive nature, have become confusing to the public. Between 1990 and 2000, x% of all roll call votes were budget-related.

TABLE 2.—HOUSE BUDGET-RELATED ROLL-CALL VOTES, BY TYPE OF MEASURE, CALENDAR YEARS 1990–2000

Measure	Calendar years—										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Appropriations [1]	112	105	138	176	113	292	147	155	124	156	178

TABLE 2.—HOUSE BUDGET-RELATED ROLL-CALL VOTES, BY TYPE OF MEASURE, CALENDAR YEARS 1990–2000—Continued

Measure	Calendar years—										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Authorization [2]	96	79	76	98	81	67	57	52	48	57	66
Tax [1]	0	1	17	0	2	15	9	3	11	9	35
Budget Resolution [1]	8	9	10	13	9	14	8	10	4	9	12
Reconciliation [1]	7	0	0	9	0	9	9	12	0	4	12
Debt Ceiling [1]	6	0	0	4	0	11	10	0	0	0	0
Miscellaneous [3]	5	3	12	11	19	30	4	6	9	9	9
Total Budget-Related Votes	234	197	253	311	224	438	244	238	196	244	312
Total Votes	536	444	488	615	507	885	455	640	547	611	603
Percentage Budget-Related Votes	44	44	52	51	44	49	54	37	36	40	52

Notes:
[1] Includes votes on amendments, motions to recommit, measures, and conference reports, as well as all procedural issues.
[2] Includes votes on amendments, motions to recommit, conference reports, and motions to instruct conferees. Excludes most procedural votes.
[3] Includes votes on amendments, motions to recommit, measures, conference reports, and motions to instruct conferees. Excludes most procedural votes. [''Miscellaneous'' covers votes not included in other categories, such as measures to change the budget process, override the President's line item veto, change revenues directly through tariff revisions, and reduce spending directly.]

Source: Congressional Quarterly Almanac 1990–1998 and 2000 and Congressional Quarterly Weekly Reports, 1999 (Washington, Congressional Quarterly, Inc.). Compiled by Congressional Research Service, Government and Finance Division.

Congress' annual struggle to complete the budget, authorization, and appropriations processes results in all three processes falling short. The solution is not to eliminate any one of these important functions. The solution is to do them less often.

Although the annual budget process is encumbered by missed deadlines, redundancies and waste, the Federal government can govern effectively under a biennial budget. A biennial budget dovetails with the two-year session of a Congress. Members of Congress already are personally aware of how such budgeting can be more efficient. Since 1990 for the Senate and 1995 for the House, committee funding has been provided in two-year funding bills. A survey of 50 federal agencies done by Senator Domenici found that thirty-seven agencies supported biennial budgeting. None opposed it. The agencies generally responded they could operate more efficiently under a biennial budget.

THE BENEFITS OF BIENNIAL BUDGETING—IMPROVING OVERSIGHT

The current overwhelming appropriations workload upsets the intended balance between the authorization and appropriations committees. Biennial budgeting would help restore the influence of the authorization process.

Congress has a clear constitutional responsibility to conduct oversight to improve the efficiency, economy, and effectiveness of governmental operations and programs. In *Watkins* v. *United States,* the Supreme Court described Congress' oversight power by stating that the "power of the Congress to conduct investigations is inherent in the legislative process. That power is broad." The Supreme Court also observed that "a legislative body cannot legislative wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change."

The fact is that the annual appropriations process is so time-consuming has led to neglect of the authorization process, where most programmatic oversight is conducted. As a result, large portions of the discretionary federal budget are left unauthorized each year.

The programs which receive taxpayer's dollars to function each year are not receiving the careful scrutiny that they should from the committees in Congress with the greatest expertise. Every year the Congressional Budget Office (CBO) generates a thick report identifying the programs that are operating without current authorization. In fiscal year 2001, $112 billion in appropriations were provided for 112 federal programs whose authorizations had expired.

H.R. 981 converts the annual budget and appropriations process to a biennial or two-year cycle. Biennial budgeting would divide each Congress into a budget year and an authorization year. In that second year, the legislative branch could more effectively use the authorization process to inspect, examine and review the executive branch and its agencies. Increased oversight will also contribute to more appropriate funding decisions in biennial appropriations bills and deliberative consideration of any necessary supplemental or recission legislation.

In its report to Congress, the Joint Committee on the Organization of Congress recommended that the Budget Committees "use the second year of each biennium to study issues with long-term budgetary and economic implications which would include holding hearings to receive testimony from committees of jurisdiction to identify problem areas and to report on the results of oversight; and by January 1 of each odd-numbered year, issuing a report to the Speaker which identifies the key issue facing the Congress in the next biennium." This provision is included in H.R. 981.

THE BENEFITS OF BIENNIAL BUDGETING—INCREASING STABILITY AND PREDICTABILITY IN FEDERAL FUNDING

A major source of budgetary uncertainty at the state level is the result of matters involving federal action. In addition, under the annual budget process, individuals and nonprofits receiving government benefits or paying government fees may not know from year to year exactly what level of resources will be available to them.

Biennial budgeting will provide more predictability for those served by federal funding and those who administer it. Under a biennial budget, states, localities and private organizations will become more efficient in the long-term planning and management of their programs due to more predictable federal funding streams. For those citizens who are served by federal programs, biennial budgeting will provide more predictability and peace of mind.

Biennial budgeting will strengthen fiscal management. Given the enactment of the Government Performance and Results Act, the Chief Financial Officers Act, the Government Management Reform Act, and the Information Technology Management Reform Act, a biennial budget process would be a logical next step in promoting long-term planning, and improving the efficiency of government and the use of taxpayer dollars.

Some charge that there is too much uncertainty to project for a two-year period. CBO's analyses indicate the opposite is true: most federal funding is predictable anyway. A CBO study indicates that only 5.6% of discretionary spending in FY 2001 ($36 billion of the $642 billion appropriated) required annual funding due to volatile spending patterns. Additionally, from 1997 to 1998 (the last time period for which data is currently available), 70% of the 872 discre-

tionary spending accounts changed less than 10%. Those few programs that do change (most of which relate to international or emergency activities) can be accommodated during the normal supplemental appropriations process.

STATE EXPERIENCE WITH BIENNIAL BUDGETING

Since 1980, four states have switched from an annual cycle to a biennial cycle or a partial biennial cycle. Currently, more than twenty states operate under biennial budgets, providing ample precedent for the two-year budget cycle. While significant differences exist between the Federal budget and state budgets, this Committee believes that the experience of states can provide valuable insights for the Federal government, including specific implementation strategies. The most important lesson from the states' experience with biennial budgeting is that the degree and nature of any power shift that occurs has more to do with the political culture of a state than with the actual nature of a state's budget process. In addition, a 1988 study conducted by Texas A&M University for the State government of Texas found that biennial budgeting did not result in increased micromanagement of programs by the legislatures but, the legislatures did retain a significant influence over the flow of funds throughout the state budget.

ADDITIONAL ISSUES

H.R. 981 does not shift power to the executive branch. Some changes will occur in the current roles played by both the executive and the legislative branches in the budget process. However, these changes will not result in massive shifts of power but rather will allow the legislative branch to more efficiently exercise its constitutional oversight responsibility. Congress will continue to decide, down to the account level, the exact amount of spending in every appropriation bill just as is done under current law. Under a biennial appropriations process, agencies would not be given a lump sum of money, even at the account level, to spend over a two-year period. Rather, Congress will appropriate a separate individual sum for each of the two fiscal years covered by the biennial appropriation bill. Additionally, the President will be able to spend only the amount that Congress has provided in each of those years and all of the current mechanisms and procedures for moving funds between accounts would remain in place. Also, Congress would still exercise its significant oversight and enforcement role through the reprogramming authority of the House and Senate Appropriations Committees. Finally, it should be remembered that biennial appropriations, like the current annual appropriations process, cover only one-third of the Federal budget, since two-thirds of the budget is considered mandatory spending and is not under Congress' annual control.

H.R. 981 will not lock Congress into policy decisions that will need to be changed as a result of changing circumstances.—Biennial budgeting does not mean that Congress and the President cannot appropriate money or modify previous appropriations during the second year. The supplemental appropriations process would still exist and would continue to be used. If biennial budgeting and appropriations were combined with a mechanism to budget in advance for emergencies and unintended contingencies, a biennial

budgeting process would be more than able to respond to these unpredictable situations.

H.R. 981 will not necessarily lead to an increase in the size and number of supplemental appropriations.—It is important to remember that supplemental appropriation bills will always be a part of the budget process. Supplemental appropriations bills are vehicles used by Congress and the President to reconcile the current fiscal year's budget with the nation's current needs and priorities. Whether biennial budgeting will increase or decrease the number of supplementals is an open question, but since there has been one or more every year since the adoption of the Budget Act in 1974 (see Table 3), everyone can agree that there will always be at least one supplemental.

TABLE 3.—SUPPLEMENTAL APPROPRIATIONS, FISCAL YEARS 1974–2001

[Dollars in millions]

Fiscal year	Number of supplemental bills	Amount of budget authority
1974	5	$14,796
1975	7	27,587
1976	5	24,636
1977	5	49,482
1978	8	8,219
1979	2	13,784
1980	5	19,575
1981	3	12,461
1982	4	21,020
1983	2	22,654
1984	4	16,357
1985	3	14,804
1986	3	8,191
1987	2	9,370
1988	2	1,310
1989	1	3,295
1990	2	2,039
1991	3	19,786
1992	1	2,806
1993	3	9,848
1994	2	7,822
1995	2	−9,847
1996	6	1,523
1997	1	1,670
1998	5	3,409
1999	.....	.....
2000	.....	.....
2001	.....	.....

Under biennial budgeting, instead of guaranteeing that Congress will consider 18 budget-related bills (13 appropriations bills, 1 budget resolution, and on average, 3 supplemental bills), Congress may only consider 3 bills in off-budgeted years. All supplemental bills in a biennial budgeting system will be subject to the same budgetary constraints that currently exist; while many argue that these constraints should be tighter, biennial budgeting in no way weakens the existing constraints of our budget laws. In fact, it could be argued that with a longer planning horizon we can meet enforcement targets every two years instead of year to year as with the current budget system. The bottom line is that the existing annual budget process does not always function the way in which it was intended. Similar problems will occur with biennial budgeting

but the opportunities for the process not to work as promised will be less frequent because we will be opening up the whole process half as much.

It is not difficult to budget two years in advance.—The Committee would note that under the current budget process, many advance projections already are done for a much longer period than just two years—most often for 5 or 10 years. According to the Office of Management and Budget, second year numbers and projections are not only as precise as those for the current fiscal year but they also serve as ceilings for the next year's budget requests. Both the President and the Congress are already required to prepare multi-year budgets.

Nothing in the biennial budget proposal (or in the existing annual process) states that Congress and the President cannot revisit a budgetary decision. Section 304 of the Budget Act currently allows for revisions to any already agreed to budget resolution when necessary. Biennial budgeting would in no way interfere with the use and availability of this fail-safe mechanism. In addition, the biennial budgeting process retains the ability to revisit prior budgetary decisions, to exercise corrective action to provide a great deal of budgetary enforcement in that, the budget situation would have to be universally recognized as a problem, in order to utilize the revision process.

Under H.R. 981, the Congressional Budget Office is required to provide quarterly reports to the Budget Committees comparing the assumptions of the levels of revenues and spending included in the budget resolution to reality. In addition, the Office of Management and Budget must provide regular six-month reports on the current state of the budget.

H.R. 981 will not reduce Congressional control over Federal agencies. The concern that Congress would relinquish control over Federal agencies assumes that the appropriations process is the only way in which Congress can exercise control over agencies. While use of the appropriations process to keep federal agencies in check is very important, it is only one of the ways Congress can oversee federal agencies' spending. Under our current process, the appropriations committees are treated as the first string of the team and the authorization committees as bench players.

The authorization committees must be integrated into the first team as both authorizers and appropriators play an important and distinct role in the budget process. If the authorization process is more vigorous and committees are more active in their programmatic oversight, Congress will play an even greater role in controlling not just the funding of agencies but their overall operations and policies as well.

More long term budget planning will result in more long term control over federal agencies, not only fiscally, but from a policy standpoint as well.

HISTORY OF BIENNIAL BUDGETING LEGISLATION

1974 (93rd Congress)—The Congressional Budget Act of 1974 required the Congressional Budget Office (CBO) to issue a report on the "feasibility and advisability" of budgeting and appropriating a full year in advance.

1977 (95th Congress)—In response to 1974 directive, CBO issued "Advance Budgeting: A Report to Congress." This included a study of two-year appropriations, and concluded that if "committees did not have to spend so much time each year on routine 'budgetary' matters, they would in fact have more time for their oversight work. * * *" A parallel report made in 1977 by the Office of Management and Budget, entitled "A Study of the Advisability of Submitting the President's Budget and Enacting Budget Authority in Advance of the Current Timetable," also advocated the concept of multi-year budgeting, on the grounds that, "Both the President and Congress will reap significantly greater benefits from multi year budgeting. * * *" Also in 1977, Representative Panetta introduced the first legislation to establish a biennial budget process. Panetta's legislation, the Biennial Budget Act, sought to create a two-year budget process devoted in the first year to oversight of Executive branch agencies.

1979 (96th Congress)—Representative Panetta again introduced a biennial budget bill. In the Senate, Senator Bumpers introduced a resolution directing a study of the feasibility of a biennial budget. No action was taken on either bill.

1981–82 (97th Congress)—Four bills (Ford, Roth, Cochran, and Quayle) to establish a biennial budget process were introduced in the Senate. Representative Panetta again sponsored a House bill. In 1981, biennial budgeting was discussed during Government Affairs Committee hearings on the Congressional Budget and Impoundment Act of 1974. Separate hearings on Senator Roth's biennial budget bill also were held by the Committee.

1983–84 (98th Congress)—Several biennial budget bills were again introduced. Governmental Affairs held hearings on Senator Roth's bill. Also in 1984, the Temporary Select Committee to Study the Senate Committee System recommended that a select committee be established to study the feasibility of biennial budgeting. No committee was formed.

1985–86 (99th Congress)—The FY 1986 Defense Authorization bill included an amendment proposed by Senator Nunn to, among other things, require the President to submit two-year budget proposals for the Defense Department. The provision was retained through conference, and the conferees expressed their belief that a biennial budget would "substantially improve DOD management and congressional oversight." They further indicated that it was preferable for all Federal spending to be under a two-year system. While DOD submits a two-year budget, Congress continues with the annual cycle—so the long-term planning benefit is still not realized.

1987–88 (100th Congress)—President Reagan and congressional leadership approved the Budget Summit Agreement, setting specific funding totals for domestic, international, and defense discretionary spending for FY 1988 and VY 1989. Longstanding supporters of biennial budgeting note that the "biennial character" of the summit agreement demonstrates that the time had come to move to a two-year budget cycle. The Balanced Budget and emergency Deficit Control Act of 1987 directed the appropriate congressional committees to develop a plan to experiment with multi-year authorization and appropriations.

1989–90 (101st Congress)—As Chairman of the Governmental Affairs Committee, Senator John Glenn held hearings and ordered favorable reported S. 29 (sponsored by Senators Ford, Roth and Domenici) providing for a two-year budget resolution and appropriations. The bill was not taken up by the full Senate.

1993–94 (103rd Congress)—Senators Boren and Domenici in 1994 introduced S. 1824 to implement the recommendations of the Joint Committee on the Organization of Congress, which included a provision to shift to a biennial budget cycle. The bill reported by the Rules Committee as an outgrowth of the Joint Committee's included the provision for biennial budget and appropriations. Senator Domenici offered the Joint Committee's legislative recommendations as an amendment to the District of Columbia Appropriations bill. Senator Byrd raised a point of order under section 306 of the Budget Act, and the Senate voted 58 to 41 in favor of the motion to waive the Budget Act with respect to consideration of the amendment. Since the motion did not gain the 60 votes necessary, the amendment failed.

1995–96 (104th Congress)—Four bills providing for a biennial cycle were introduced. In July 1996, Senator Fred Thompson, Chairman of the Financial Management and Accountability Subcommittee of the Governmental Affairs Committee, held a hearing on biennial budgeting. In September 1996, Senator Thompson introduced a biennial budget bill (S. 2049), emphasizing the need to provide Members of Congress with time for increased legislative oversight and time at home.

1997–1998 (105th Congress)—One bill, S. 261, was introduced by Senator Domenici on February 4, 1997. On February 13, 1997 the Budget Committee held a hearing on S. 261. On April 23, 1997 Senator Thompson held a full Governmental Affairs Committee Hearing on S. 261. On May 22, 1997, the Governmental Affairs Committee ordered to be reported S. 261, with an amendment in the nature of a substitute, and the bill was reported to the Senate on September 4, 1997. On October 6, 1997 the Senate Committee on Budget discharged S. 261 and it was placed on Senate Legislative Calendar under General Orders. No further action was taken.

1999–2000 (106th Congress)—During the 106th Congress, no less than four biennial budgeting bills were introduced in the House of Representatives. Each of these bills were referred to the Committee on Rules and the Committee on the Budget. In addition, 245 Members signed onto a sense of the House resolution (H. Res. 396) calling for the enactment of a biennial budget process in the second session of the 106th Congress. Accordingly, the Committee held a series of lengthy hearings to examine proposals from various Members of Congress, the Executive Branch, and outside experts on establishing a two-year budget and appropriations cycle in an effort to develop consensus legislation that would streamline the budget process, enhance programmatic oversight, strengthen the management of government programs and bureaucracies, and reform Congress. These hearings laid the groundwork for a bipartisan biennial budgeting amendment during floor consideration of H.R. 853, the Comprehensive Budget Process Reform Act. This amendment was narrowly defeated on May 16, 2000, by a record vote of 201 to 217. The House also defeated the broader bill, but by a much larger margin.

COMMITTEE CONSIDERATION

At the beginning of the 107th Congress, Representative Charles Bass of New Hampshire, a Member of the House Budget Committee, introduced H.R. 981, which was referred to the Committee on the Budget and in addition to the Committee on Rules and the Committee on Government Reform.

On July 25, 2001, the Rules Subcommittee on Legislative and Budget Process held a hearing on biennial budgeting. Mitchell E. Daniels, Jr., Director of the Office of Management and Budget, noted that "This idea [biennial budgeting] has had the support of at least two Administrations and Members of Congress from both parties. We should not spend a whole lot more time talking about the pros and cons * * *. Let's make this the year we finally act on this reform proposal".

The Committee heard testimony from the following Members of Congress: Representatives Charles F. Bass (R–NH), Bill Luther (D–MN), Bob Clement (D–TN) [testimony submitted for the record], Joe Barton (R–TX), David L. Hobson (R–OH), Joe Knollenberg (R–MI), David E. Price (D–NC), and James T. Walsh (R–NY).

On August 3, 2001, the Budget Committee reported a substitute version of H.R. 981 out of Committee by voice vote. The Budget Committee's version would create a Commission on Federal Budget Concepts to study the idea of biennial budgeting, among other things.

On November 1, 2001, the Rules Committee met in open session and ordered favorably reported the bill H.R. 981, with amendment, by voice vote, a quorum being present.

The bill was discharged from the House Committee on Government Reform on November 9, 2001, after its referral expired.

SECTION-BY-SECTION SUMMARY

Section 1. Findings

States the title of the legislation, the "Biennial Budgeting and Efficiency Act of 2001," and outlines nine congressional findings on the budget process and biennial budgeting.

Section 2. Revision of timetable

Amends section 300 of the Congressional Budget and Impoundment Control Act of 1974 to revise the timetable of the congressional budget process to reflect a biennial budget schedule. The first session of any Congress is primarily devoted to the consideration of the budget resolution, the regular appropriations bill, and any necessary reconciliation legislation. In general, the revised timetable is similar to the current timetable except that most of the milestones only apply to the first session of a Congress. The timetable is modified to extend the deadline for completion of the biennial budget resolution to May 15th. The revised timetable contains only three deadlines for the second session: (1) the President must submit a mid-biennium budget review to Congress by February 15th; (2) the Congressional Budget Office must submit its annual report to the Budget Committees of the House and the Senate no longer than six weeks after the President submits the budget review; and (3) Congress must complete action on bills and resolutions authorizing new budget authority for the succeeding bien-

nium by the last day of the session. This section also creates a new section 300(b) of the Budget Act that establishes a special timetable for the submission and consideration of a budget in the case of any first session of Congress that begins in any year during which the term of a President (except a President who succeeds himself) begins. Generally, the budget deadlines are extended by 6 weeks to give a new President more time to prepare and submit the budget.

Section 3. Amendments to the Congressional Budget and Impoundment Control Act of 1974

Section 3(a) amends section 2(2) of the Budget Act relating to the "Declaration of Purposes" of the Budget Act to account for the congressional determination biennially of the appropriate level of Federal revenues and expenditures.

Section 3(b)(1) amends the definition of a budget resolution in section 3(4) of the Budget Act to reflect its application to a biennium as opposed to a fiscal year.

Section 3(b)(2) amends section 3 of the Budget Act by adding a new paragraph (13) to define the term biennium as "the period of two consecutive fiscal years beginning on October 1 of any odd-numbered year."

Section 3(c) amends the Budget Act to make the budget resolution a biennial concurrent resolution on the budget.

Section 3(c)(1) amends section 301(a) of the Budget Act regarding the required contents of the budget resolution to conform its application to the biennium beginning on October 1 of each odd-numbered year and its consideration tothe biennial timetable for completion, which is by May 15 of each odd-numbered year.

Section 3(c)(2) amends section 301(b) of the Budget Act to ensure that the additional matters which may be included in the budget resolution apply to a biennium.

Section 3(c)(3) amends section 301(d) of the Budget Act to conform the submission of committee views and estimates to the Budget Committees to a biennial cycle.

Section 3(c)(4) amends section 301(d) of the Budget Act to conform the requirements of the Budget Committee's hearings on the budget and the Budget Committee's reporting of the budget resolution to a biennial schedule. The House Budget Committee would report a biennial budget resolution by April 1st of each odd-numbered year.

Section 3(c)(5) amends section 301(f) of the Budget Act relating to the achievement of goals for reducing unemployment to conform it to a biennial cycle.

Section 3(c)(6) amends section 301(g)(1) of the Budget Act to conform the provisions relating to the economic assumptions of the budget resolution to a biennial schedule.

Sections 3(c)(7) and (8) amend section 301 to make conforming changes to the section heading and the table of contents of the Budget Act.

Section 3(d) amends section 302(a) of the Budget Act, regarding committee allocations in the budget resolution, to require the conference report on a budget resolution to include an allocation of budget authority and outlays to each committee for each year in the biennium and the total of all fiscal years covered by the resolu-

tion as well as makes conforming change to subsections (f) and (g) of section 302 to reflect a biennial cycle and the biennial timetable.

Section 3(e)(1) amends section 303(a) of the Budget Act, which prohibits consideration of legislation, as reported, providing new budget authority, changes in revenues, or changes in the public debt for a fiscal year until the budget resolution for that year has been agreed to, to reflect the application of the budget resolution to a biennium.

Section 3(e)(2) amends section 303(b) of the Budget Act relating to the exceptions in the House of Representatives from the application of this point of order, to account for a biennial budget cycle. The application of these exceptions are also amended to reflect the special biennial timetable utilized during the first term of a new President.

Section 3(e)(3) amends section 303(c)(1) of the Budget Act to conform the application of this point of order in the Senate to a biennial budget cycle.

Section 3(f) amends section 304 of the Budget Act, regarding permissible revisions of budget resolutions, to conform to the biennial budget cycle. This subsection maintains current law which allows Congress to revise the budget resolution at any time during the biennium.

Section 3(g) amends section 305(a)(3) of the Budget Act, relating to the procedures for consideration of the budget resolution, to conform references to the budget resolution to account for its application to a biennium.

Section 3(h) amends section 307 of the Budget Act to conform the timetable for completing House Appropriations Committee action on regular appropriations bills by June 10 to a biennial cycle. This section also makes conforming amendments to reflect the special biennial timetable utilized during the first term of a new President.

Section 3(i) amends section 308 of the Budget Act to require the Congressional Budget Office to file quarterly budget reports with the House and Senate Budget Committees. These reports are to compare revenues, spending, and the deficit or surplus for the current fiscal year with the assumptions used in the congressional budget resolution. CBO is also required to make the reports available to other interested parties upon request. These reports will enable the Congress to compare actual budget results to earlier estimates. The frequent periodic reports by CBO on the progress of fiscal policy and economic developments since action on the budget resolution will inform the Congress about current status of the budget and its earlier underlying projections by using updated projections and actual budget figures to date. The reports can also serve to facilitate additional reconciliation legislation (between biennial budget resolutions) as necessary due to changes in the economy or policy emphasis.

Section 3(j) amends section 309 of the Budget Act to conform the timetable for completion of all House action on the regular appropriation bills before the House adjourns for more than three calendar days during the month of July. This section also makes conforming amendments to reflect the special biennial timetable utilized during the first term of a new President.

Section 3(k) amends section 310 of the Budget Act to conform the reconciliation process to a biennial budget cycle. It also strikes sub-

section (f) which currently prohibits the House from adjourning for more than 3 calendar days during the month of July until all required reconciliation legislation is completed. This is necessary to reflect the budget resolution's application to the biennium and the possibility of considering reconciliation legislation during the second session.

Sections 3(l)(1) and (2) amend section 311(a)(1) and (2) of the Budget Act respectively, to prohibit consideration in the House or Senate of any legislation that would cause the total levels of budget authority or total levels of outlays to be exceeded or that would cause the total level of revenues to be less than those levels set forth in the most recently agreed to budget resolution for either fiscal year of the biennium or for the total of each fiscal year in the biennium and the ensuing fiscal years for which allocations are provided in the budget resolution.

Section 3(l)(3) amends section 311(a)(3) of the Budget Act to conform the point of order in the Senate against any legislation that would cause a decrease in the Social Security levels set forth in the budget resolution for a biennial budget cycle.

Section 3(m) amends section 312(c) of the Budget Act to conform the Senate's maximum deficit amount point of order for a biennial budget cycle.

Section 4. Amendments to the Rules of the House of Representatives

Section 4(a) amends clause 4(a)(1)(A) of rule X of the Rules of the House of Representatives, relating to the required Appropriations Committee hearings on the President's budget submission, to conform to the biennial timetable.

Section 4(b) amends clause 4(a)(4) of rule X of the Rules of the House, relating to the suballocations of the Appropriations Committee, to conform to a biennial budget resolution.

Section 4(c) amends clause 4(b)(2) of rule X of the Rules of the House, relating to the Budget Committee's hearings on the budget, to conform to a biennial budget resolution.

Section 4(d) amends clause 4(b) of rule X of the Rules of the House to add a new subparagraph (7), to require the House Budget Committee to use the second session of each Congress to study issues with long-term budgetary and economic implications, including holding hearings and receiving testimony from committees of jurisdiction to identify problem areas and to report on the results of their oversight activities. The Budget Committee should issue to the Speaker by January 1 of each odd-numbered year a report identifying the key issues facing the Congress in the next biennium.

Section 4(e) amends clause 11(i) of rule X of the Rules of the House, relating to the duties of the Permanent Select Committee on Intelligence, to conform to a biennial cycle.

Section 4(f) amends clause 4(e) of rule X of the Rules of the House, relating to the duties of the standing committees of the House to maximize annual appropriations for the programs and actives within their jurisdictions, to establish a new preference of biennial appropriations.

Section 4(g) amends clause 4(f) of rule X of the Rules of the House, relating to the Budget Act responsibilities of the standing committees of the House, to conform to a biennial timetable.

Section 4(h) amends clause 3(d)(2)(A) of rule XIII of the Rules of the House, relating to committee cost estimates, to conform to a biennial timetable.

Section 4(i) amends clause 5(a)(1) of rule XIII of the Rules of the House, relating to privileged reports from the Appropriations Committee, to conform to a biennial timetable.

Section 5. Amendments to Title 31, United States Code

Section 5(a) amends section 1101 of Title 31 to define the term biennium as "the period of two consecutive fiscal years beginning on October 1 of any odd-numbered year." This is the same definition given such term in paragraph (11) of section 3 of the Budget Act.

Section 5(b)(1) amends section 1105 of Title 31 to require that on or before the first Monday in February of each odd-numbered year (or, if applicable, as provided by section 300(b) of the Budget Act), the President shall transmit to Congress, the budget for the biennium beginning on October 1 of such calendar year. The President must include a budget message and summary and supporting information with the budget submission.

Section 5(b)(2) amends section 1105(a)(5) of Title 31 to conform the required contents of the budget submission with respect to expenditures to account for a biennial budget cycle.

Section 5(b)(3) amends section 1105(a)(6) of Title 31 to conform the required contents of the budget submission with respect to receipts to account for a biennial budget cycle.

Section 5(b)(4) amends section 1105(a)(9)(C) of Title 31 to conform the required contents of the budget submission with respect to balance statements to account for a biennial budget cycle.

Section 5(b)(5) amends section 1105(a)(12) of Title 31 to conform the required contents of the budget submission with respect to government functions and activities to account for a biennial budget cycle.

Section 5(b)(6) amends section 1105(a)(13) of Title 31 to conform the required contents of the budget submission with respect to allowances to account for a biennial budget cycle.

Section 5(b)(7) amends section 1105(a)(14) of Title 31 to conform the required contents of the budget submission with respect to allowances for unanticipated and uncontrollable expenditures to account for a biennial budget cycle.

Section 5(b)(8) amends section 1105(a)(16) of Title 31 to conform the required contents of the budget submission with respect to tax expenditures to account for a biennial budget cycle.

Section 5(b)(9) amends section 1105(a)(17) of Title 31 to conform the required contents of the budget submission with respect to estimates for future fiscal years to account for a biennial budget cycle.

Section 5(b)(10) amends section 1105(a)(18) of Title 31 to conform the required contents of the budget submission with respect to prior year outlays to account for a biennial budget cycle.

Section 5(b)(11) amends section 1105(a)(19) of Title 31 to conform the required contents of the budget submission with respect to prior year receipts to account for a biennial budget cycle.

Section 5(c) amends section 1105(b) of Title 31, regarding estimated expenditures and proposed appropriations for the legislative

and judicial branches, to required the submission of these proposals to the President by October 16th of even-number years.

Section 5(d) amends section 1105(c) of Title 31, regarding the President's recommendations if there is a proposed deficit or surplus, to conform to a biennial budget cycle.

Section 5(e) amends section 1105(e)(1) of Title 31, regarding capital investment analyses, to conform to a biennial budget cycle.

Sections 5(f)(1) and (2) amend section 1106(a) and (b) of Title 31 respectively, relating to the President's submission of supplemental budget estimates and changes, ton conform to a biennial budget cycle. The President is still rerquired to submit a Mid-Session Review of the budget by July 16 of each year as well as will now be required to also submit a Mid-Biennium Review on or before February 15 of each even numbered year.

Section 5(g)(1) amends section 1109(a) of Title 31, regarding the President's submission of current program and activity estimates, to conform to a biennial budget cycle and require its submission with the overall budget submission for each odd-numbered year as required by section 1105.

Section 5(g)(2) amends section 1109(b) of Title 31, regarding the Joint Economic Committee's analysis of the President's current program and activity estimates, to require the Joint Economic Committee to submit an economic evaluation of such estimates to the Budget Committee as part of its views and estimates within 6 weeks of the President's budget submission for each odd-numbered year.

Section 5(h) amends section 1110 of Title 31, regarding advance requests for authorization legislation to require the President to submit requests for authorization legislation by March 31st of even-numbered years.

Section 6. Two-year appropriations; title and style of appropriations acts

Section 6 amends section 105 of Title I of the U.S. Code to conform the statutory style and definition of appropriations Acts to require that they cover each of two fiscal years of a biennium.

Section 7. Multi-year authorizations

Section 7(a) amends Title III of the Budget Act by adding a new section 318 that establishes a new point of order in the House and Senate against the consideration of any bill, joint resolution, amendment, motion or conference report that does contains a specific authorization of appropriations for any purpose for less than each fiscal year in one or more bienniums. This prohibition does not apply to an authorization of appropriations for a single fiscal year for any program, project or activity if the measure (defined as a bill, joint resolution, amendment, motion or conference report) containing that authorization includes a provision expressly stating the following: "Congress finds that no authorization of appropriation will be required for [Insert name of applicable program, project, or activity] for any subsequent fiscal year." It further defines a specific authorization of appropriations as an authorization for the enactment of an amount of appropriations or amounts not to exceed an amount of appropriations (whether stated as a sum

certain, as a limit, or as such sums as may be necessary) for any purpose for a fiscal year.

Section 8. Government strategic and performance plans on a biennial basis

Section 8 amends the Government and Performance and Results Act of 1993 (the Results Act) to incorporate GPRA into the biennial budget cycle. The Results Act requires federal agencies to develop strategic plans, performance plans, and performance reports. Strategic plans set out the agencies' missions and general goals. Performance plans lay out the specific quantifiable goals and measures. Performance reports compare actual performance with the goals of past performance plans. The Results Act currently requires federal agencies to consult with congressional committees as they develop their strategic plans. The Results Act requires all federal agencies to submit their strategic and performance plans to the Office of Management and Budget, along with their budget submissions, by September 30 of each year. Finally, the Results Act requires the President to include a performance plan for the entire government.

Sections 8(a) through (g) amend section 306 of title 5, sections 1105, 1119 and 9703 of title 31, and sections 2802 and 2803 of title 39 requires agencies to prepare strategic and performance plans every two years, in conjunction with the President's development of a biennial budget. In addition, these amendments make other changes to conform strategic and performance plans to a biennial budget cycle.

Section 8(h) amends section 301(d) of the Budget Act to require Congressional committees to review the strategic plans, performance plans, and performance reports of agencies in their jurisdiction. Committees may then provide their views on the agency's plans or reports as part of their views and estimates on the President's budget submitted to the Budget Committees.

Section 8(i) provides that the amendments by this section shall take effect on March 1, 2005.

Section 9. Biennial appropriations bills

Section 9(a)(1) amends clause 2(a) of House Rule XXI to provide that in the House of Representatives an appropriation may not be reported in a general appropriation bill (other than a supplemental appropriation bill), and may not be in order as an amendment thereto, unless it provides a new budget authority or establishes a level of obligations under contract authority for each fiscal year of a biennium. It further provides that this prohibition shall not apply with respect to an appropriation for a single fiscal year for any program, project, or activity if the bill or amendment thereto containing that appropriation includes a provision expressly stating the following: Congress finds that no additional funding beyond one fiscal year will be required and the [Insert name of applicable program, project, or activity] will be completed or terminated after the amount provided has been expended. The subparagraph is further amended to provide that such a statement shall not constitute legislating on an appropriation bill if it is included with an appropriation for a single fiscal year for any program, project, or activity.

Section 9(a)(2) amends clause 5(b)(1) of House Rule XXII to apply similar prohibitions against appropriation conference reports.

Section 9(b)(1) amends Title III of the Congressional Budget Act of 1974 to add a new section 319 to create a point of order in the Senate against consideration in any odd-numbered year of any regular appropriation bill providing new budget authority or a limitation on obligations under the jurisdiction of the Committee on Appropriations for only the first fiscal year of a biennium, unless the program, project, or activity for which the new budget authority or obligation limitation is provided will require no additional authority beyond one year and will be completed or terminated after the amount provided has been expended.

Section 9(b)(2) amends section 1(b) of the Budget Act to conform the table of contents of the Budget Act to account for this new section 319.

Section 10. Assistance by Federal agencies to standing committees of the House of Representatives and the Senate

Section 10(a) requires the head of each Federal agency under the jurisdiction of a standing committee to provide to the committee those studies, information, analyses, reports, and assistance as may be requested by the chairman and ranking minority member of the committee.

Section 10(b) requires the head of each Federal agency to furnish to such committee documentation containing information received, compiled, or maintained by the agency as part of the operation or administration of a program, or specifically compiled pursuant to a request in support of a review of a program, as may be requested by the chairman and ranking minority member of such committee.

Section 10(c) requires that, within 30 days after the receipt of a request from a chairman and ranking minority member of a standing committee having jurisdiction over a program being reviewed, the Comptroller General furnish to the committee summaries of any audits or reviews of such program the Comptroller General has completed during the preceding six years.

Section 10(d) reaffirms the role of the Comptroller General, the Director of the Congressional Research Service, and the Director of the Congressional Budget Office to furnish (consistent with established protocols) to each standing committee of the House and Senate such information, studies, analyses, and reports as the chairman and ranking minority member may request to assist the committee in conducting reviews and studies of programs under its jurisdiction.

Section 11. Report on two-year fiscal period

Requires that, not later than 180 days after the enactment of this Act, the Director of OMB shall determine the impact of changing the definition of a fiscal year and the budget process based on that definition to a 2 year fiscal period with a biennial budget process based on the 2 year period, and shall report his findings to the Committee on Budget in the House and Senate and the Committee on Rules in the House.

Section 12. Special transition period for the 107th Congress

Section 12(a) requires the President to include in the FY 2004 budget submission an identification of the budget accounts for which an appropriation should be made for each fiscal year of the FY 2004–2005 biennium and any necessary budget authority that should be provided for each such fiscal year for those identified budget account.

Section 12(b) requires the Appropriations Committees of each House to review the President's recommendations and include an assessment of those recommendations and any recommendations of their own in the committee's overall views and estimates on the President's budget which they are required to submit to their respective Budget Committees.

Section 12(c)(1) requires the Budget Committees of each House to review the recommendations of both the President and the Appropriations Committees with respect to those budget accounts that should be funded for the biennium.

Section 12(c)(2) requires the report of the Committee on the Budget of each House and the joint explanatory statement of the managers accompanying the budget resolution for FY 2004 to include an allocation to the Appropriations Committees for FY 2005 from which the Appropriations Committee can fund certain accounts in the FY 2004 appropriation bills for each of the fiscal years in the FY 2004–2005 biennium.

Section 12(c)(3) requires the report of the Committee on the Budget of each House and the joint explanatory statement of the managers accompanying the budget resolution for FY 2004 to include the assumptions upon which the allocation to the Appropriations Committees for FY 2005 is made.

Section 12(d)(1) directs the GAO to work with the Committees of Congress during the first session of 108th Congress to develop plans to transition program authorizations to a multi-year schedule.

Section 12(d)(2) requires GAO to continue to provide assistance to the Congress with respect to programmatic oversight and in particular to assist committees in designing and conforming programmatic oversight procedures for the Fiscal Year 2005–2006 biennium.

Section 12(e) provides for a CBO report to Congress (before January 15, 2004) listing all those programs and activities that were funded during FY 2004 with no authorization and all those programs and activities whose authorizations will expire during that fiscal year, FY 2005 and FY 2006.

Section 12(f) requires the President's budget submission for FY 2005 to include an evaluation of an recommendations regarding the transitional biennial budget process for the fiscal year 2004–2005 biennium.

Section 12(g) requires CBO to issue a report on or before March 31, 2004 include an evaluation of an recommendations regarding the transitional biennial budget process for the fiscal year 2004–2005 biennium.

Section 13. Effective date

Except as provided by sections 8, 11 and 12, the Act is effective January 1, 2005, and applicable to budget, authorization and ap-

propriations legislation for the biennium beginning with fiscal year 2006.

MATTERS REQUIRED UNDER THE RULES OF THE HOUSE

COMMITTEE VOTE

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter, the total number of votes for and against, and the names of the Members voting for and against. No rollcall votes were requested during consideration of H.R. 981.

COMMITTEE COST ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 981. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act. An estimate prepared by the Congressional Budget Office is included below.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 7, 2001.

Hon. DAVID DREIER,
Chairman, Committee on Rules,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 981, the Budget Responsibility and Efficiency Act of 2001.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sandy Davis.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 981—Budget Responsibility and Efficiency Act of 2001

H.R. 981 would amend the Congressional Budget and Impoundment Control Act of 1974, Title 5 of the U.S. Code, other laws, and the Rules of the House of Representatives to establish a biennial budget cycle for the federal government. The bill would revise the budget timetable, change the number of years covered by certain budget legislation, and make conforming changes in various budget rules and procedures, but would not directly affect spending or receipts. Thus, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 981 would establish a two-year budgeting and appropriations cycle. A biennium, defined in the bill as a period of two consecutive fiscal years beginning on October 1 of each odd-numbered year, would become the standard fiscal period. The President's budget and the Congressional budget resolution would be conformed to a biennial framework, appropriation acts would be required to provide new budget authority for each fiscal year in the upcoming biennium, and authorization laws would be required to cover two or more fiscal years.

The budget timetable would be changed to a biennial cycle. Most major budgetary actions—the President's budget submission, Congressional action on the budget resolution, and the enactment of appropriation and reconciliation legislation—would generally occur in the first session of each Congress under a schedule that parallels the current annual timetable. If the first session followed a year in which a new President was elected, the bill would establish a revised budget timetable allowing more time for the President and the Congress to develop their respective budget plans. The second session generally would be reserved for authorization bills and oversight by Congressional committees.

The bill also would conform reporting requirements under the Government Performance and Results Act to the new two-year budget cycle, and would require federal agencies to provide Congressional committees with additional information, as requested, on the programs within the committee's jurisdiction. The CBO Director would be required to submit quarterly budget reports comparing actual spending and revenue amounts for the current fiscal year with the estimates for that year.

H.R. 981 would establish a special transition period, during which the biennial budget cycle would be phased in over the 2004–2005 biennium. The bill would require the Director of the Office of Management and Budget, within six months of its enactment, to evaluate the impact of the change to a biennial budget cycle. It would also require the President, in his budget for fiscal year 2005, and the CBO Director, in a separate report due by March 31, 2004, to evaluate and make recommendations regarding the transitional biennial budget process for 2004–2005. The biennial budget process would take effect fully on January 1, 2005, for the biennium that begins with fiscal year 2006.

The CBO staff contact for this estimate is Sandy Davis. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 18, which grants Congress the general legislative power to make all laws necessary and proper for carrying into execution the enumerated powers of Congress.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution that includes any Federal mandate to include specific information about such

mandates. The Committee states that H.R. 981 does not include any Federal mandate.

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution to include a committee statement on the extent to which the bill or joint resolution is intended to preempt state or local law. The Committee states that H.R. 981 is not intended to preempt any state or local law.

OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

GENERAL PERFORMANCE GOALS

In accordance with clause (3)(c)(4) of House Rule XIII, the goal of H.R. 981 is to improve the management of Federal resources by enhancing Congressional oversight of Federal agencies and program by reducing the time spent budgeting and appropriating funds; reduce time spent by Federal agencies preparing and justifying their annual budgets; and create a more stable and predictable federal budget environment that allows state and local governments to better plan their own budgets.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CONGRESSIONAL BUDGET ACT OF 1974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLES; TABLE OF CONTENTS

SECTION 1. (a) * * *

(b) TABLE OF CONTENTS.—

Sec. 1. Short titles; table of contents.

TITLE III—CONGRESSIONAL BUDGET PROCESS

Sec. 300. Timetable.
Sec. 301. [Annual] *Biennial* adoption of concurrent resolution on the budget.

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Sec. 316. Multiyear authorizations of appropriations.
Sec. 317. Consideration of biennial appropriation bills.

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DECLARATION OF PURPOSES

SEC. 2. The Congress declares that it is essential—

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination [each year] *biennially* of the appropriate level of Federal revenues and expenditures;

* * * * * * *

DEFINITIONS

SEC. 3. IN GENERAL.—For purposes of this Act—

(1) * * *

* * * * * * *

(4) The term "concurrent resolution on the budget" means—

(A) a concurrent resolution setting forth the congressional budget for the United States Government for a [fiscal year] *biennium* as provided in section 301; and

(B) any other concurrent resolution revising the congressional budget for the United States Government for a [fiscal year] *biennium* as described in section 304.

* * * * * * *

(11) The term "biennium" means the period of 2 consecutive fiscal years beginning on October 1 of any odd-numbered year.

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TITLE III—CONGRESSIONAL BUDGET PROCESS

* * * * * * *

[TIMETABLE

[SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

[On or before:	Action to be completed:
First Monday in February	President submits his budget.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after President submits budget.	Committees submit views and estimates to Budget Committees.
April 1	Senate Budget Committee reports concurrent resolution on the budget.
April 15	Congress completes action on concurrent resolution on the budget.
May 15	Annual appropriation bills 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 appropriation bills.
October 1	Fiscal year begins.]

TIMETABLE

SEC. 300. (a) IN GENERAL.—Except as provided by subsection (b), the timetable with respect to the congressional budget process for any Congress (beginning with the One Hundred Ninth Congress) is as follows:

First Session

On or before:	***Action to be completed:***
First Monday in February	*President submits budget recommendations.*
February 15	*Congressional Budget Office submits report to Budget Committees.*
Not later than 6 weeks after budget submission.	*Committees submit views and estimates to Budget Committees.*
April 1	*Budget Committees report concurrent resolution on the biennial budget.*
May 15	*Congress completes action on concurrent resolution on the biennial budget.*
May 15	*Biennial appropriation bills may be considered in the House.*
June 10	*House Appropriations Committee reports last biennial appropriation bill.*
June 30	*House completes action on biennial appropriation bills.*
October 1	*Biennium begins.*

Second Session

On or before:	***Action to be completed:***
February 15	*President submits budget review.*
Not later than 6 weeks after President submits budget review.	*Congressional Budget Office submits report to Budget Committees.*
The last day of the session	*Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium.*

(b) SPECIAL RULE.—In the case of any first session of Congress that begins in any year during which the term of a President (except a President who succeeds himself) begins, the following dates shall supersede those set forth in subsection (a):

First Session

On or before:	***Action to be completed:***
First Monday in April	*President submits budget recommendations.*
April 20	*Committees submit views and estimates to Budget Committees.*
May 15	*Budget Committees report concurrent resolution on the biennial budget.*
June 1	*Congress completes action on concurrent resolution on the biennial budget.*
June 1	*Biennial appropriation bills may be considered in the House.*
July 1	*House Appropriations Committee reports last biennial appropriation bill.*
July 20	*House completes action on biennial appropriation bills.*
October 1	*Biennium begins.*

[ANNUAL**]** *BIENNIAL* ADOPTION OF CONCURRENT RESOLUTION ON THE BUDGET

SEC. 301. (a) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—On or before **[**April 15 of each year**]** *May 15 of each odd-numbered year*, the Congress shall complete action on a concurrent resolution on the budget for **[**the fiscal year beginning on October

1 of such year] *the biennium beginning on October 1 of such year*. The concurrent resolution shall set forth appropriate levels for [the fiscal year beginning on October 1 of such year] *each fiscal year in such period* and for at least each of the 4 ensuing fiscal years for the following—

(1) * * *

* * * * * * *

(6) For purposes of Senate enforcement under this title, outlays of the old-age, survivors, and disability insurance program established under title II of the Social Security Act [for the fiscal year] *for each fiscal year in the biennium* of the resolution and for each of the 4 succeeding fiscal years; and

(7) For purposes of Senate enforcement under this title, revenues of the old-age, survivors, and disability insurance program established under title II of the Social Security Act (and the related provisions of the Internal Revenue Code of 1986) [for the fiscal year] *for each fiscal year in the biennium* of the resolution and for each of the 4 succeeding fiscal years.

(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The concurrent resolution on the budget may—

(1) * * *

* * * * * * *

(3) require a procedure under which all or certain bills or resolutions providing new budget authority or new entitlement authority [for such fiscal year] *for either fiscal year in such biennium* shall not be enrolled until the Congress has completed action on any reconciliation bill or reconciliation resolution or both required by such concurrent resolution to be reported in accordance with section 310(b);

* * * * * * *

(7) set forth procedures in the Senate whereby committee allocations, aggregates, and other levels can be revised for legislation if that legislation would not increase the deficit, or would not increase the deficit when taken with other legislation enacted after the adoption of the resolution, [for the first fiscal year] *for each fiscal year in the biennium* or the total period of fiscal years covered by the resolution;

* * * * * * *

(d) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—Within 6 weeks after the President submits a budget under section 1105(a) of title 31, United States Code *(or, if applicable, as provided by section 300(b))*, or at such time as may be requested by the Committee on the Budget, each committee of the House of Representatives having legislative jurisdiction shall submit to the Committee on the Budget of the House and each committee of the Senate having legislative jurisdiction shall submit to the Committee on the Budget of the Senate its views and estimates (as determined by the committee making such submission) with respect to all matters set forth in subsections (a) and (b) which relate to matters within the jurisdiction or functions of such committee. The Joint Economic Committee shall submit to the Committees on the Budget of both Houses its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of

the House of Representatives or the Senate may submit to the Committee on the Budget of its House, and any joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsections (a) and (b) which relate to matters within its jurisdiction or functions. Any Committee of the House of Representatives or the Senate that anticipates that the committee will consider any proposed legislation establishing, amending, or reauthorizing any Federal program likely to have a significant budgetary impact on any State, local, or tribal government, or likely to have a significant financial impact on the private sector, including any legislative proposal submitted by the executive branch likely to have such a budgetary or financial impact, shall include its views and estimates on that proposal to the Committee on the Budget of the applicable House. *Each committee of the Senate or the House of Representatives shall review the strategic plans, performance plans, and performance reports, required under section 306 of title 5, United States Code, and sections 1115 and 1116 of title 31, United States Code, of all agencies under the jurisdiction of the committee. Each committee may provide its views on such plans or reports to the Committee on the Budget of the applicable House.*

(e) HEARINGS AND REPORT.—

(1) IN GENERAL.—In developing the concurrent resolution on the budget referred to in subsection (a) for each [fiscal year] *biennium*, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. Each of the recommendations as to short-term and medium-term goal set forth in the report submitted by the members of the Joint Economic Committee under subsection (d) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, including its views on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending. *On or before April 1 of each odd-numbered year (or, if applicable, as provided by section 300(b)), the Committee on the Budget of each House shall report to its House the concurrent resolution on the budget referred to in subsection (a) for the biennium beginning on October 1 of that year.*

* * * * * * *

(f) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

(1) If, pursuant to section 4(c) of the Employment Act of 1946, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the concurrent resolution on the budget for the [fiscal year] *biennium* beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or in its most recent action pursuant to this paragraph, the concurrent resolution on the budget for the [fiscal year] *biennium* beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

* * * * * * *

(g) ECONOMIC ASSUMPTIONS.—

(1) It shall not be in order in the Senate to consider any concurrent resolution on the budget [for a fiscal year] *for a biennium*, or any amendment thereto, or any conference report thereon, that sets forth amounts and levels that are determined on the basis of more than one set of economic and technical assumptions.

* * * * * * *

COMMITTEE ALLOCATIONS

SEC. 302. (a) COMMITTEE SPENDING ALLOCATIONS.—

(1) ALLOCATION AMONG COMMITTEES.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an allocation, consistent with the resolution recommended in the conference report, of the levels [for the first fiscal year of the resolution,] *for each fiscal year in the biennium,* for at least each of the ensuing 4 fiscal years, and a total [for that period of fiscal years] *for all fiscal years covered by the resolution* (except in the case of the Committee on Appropriations only [for the fiscal year of that resolution] *for each fiscal year in the biennium*) of—

(A) total new budget authority; and

(B) total outlays;

among each committee of the House of Representatives or the Senate that has jurisdiction over legislation providing or creating such amounts.

* * * * * * *

(f) LEGISLATION SUBJECT TO POINT OF ORDER.—

(1) IN THE HOUSE OF REPRESENTATIVES.—After the Congress has completed action on a concurrent resolution on the budget [for a fiscal year] *for a biennium*, it shall not be in order in the House of Representatives to consider any bill, joint resolution, or amendment providing new budget authority for any fiscal year, or any conference report on any such bill or joint resolution, if—

(A) * * *

* * * * * * *

would cause the applicable allocation of new budget authority made under subsection (a) or (b) for the [first fiscal year] *either fiscal year of the biennium* or the total of fiscal years to be exceeded.

(2) IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause—

(A) in the case of any committee except the Committee on Appropriations, the applicable allocation of new budget authority or outlays under subsection (a) for the [first fiscal year or the total of fiscal years] *each fiscal year of the biennium or the total of all fiscal years covered by the resolution* to be exceeded; or

* * * * * * *

(g) PAY-AS-YOU-GO EXCEPTION IN THE HOUSE.—

(1) IN GENERAL.—(A) Subsection (f)(1) and, after [April] *May* 15, section 303(a) shall not apply to any bill or joint resolution, as reported, amendment thereto, or conference report thereon if, for each fiscal year covered by the most recently agreed to concurrent resolution on the budget—

(i) * * *

* * * * * * *

CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE BUDGET-RELATED LEGISLATION IS CONSIDERED

SEC. 303. (a) IN GENERAL.—Until the concurrent resolution on the budget [for a fiscal year] *for a biennium* has been agreed to, it shall not be in order in the House of Representatives, with respect to [the first fiscal year] *each fiscal year of the biennium* covered by that resolution, or the Senate, with respect to any fiscal year covered by that resolution, to consider any bill or joint resolution, amendment or motion thereto, or conference report thereon that—

(1) * * *

* * * * * * *

(b) EXCEPTIONS IN THE HOUSE.—In the House of Representatives, subsection (a) does not apply—

(1)(A) to any bill or joint resolution, as reported, providing advance discretionary new budget authority that first becomes available for the first or second fiscal year after [the budget year] *the biennium*; or

(B) to any bill or joint resolution, as reported, first increasing or decreasing revenues in a fiscal year following [the fiscal year] *the biennium* to which the concurrent resolution applies;

(2) after May 15 *(or June 1 whenever section 300(b) is applicable)*, to any general appropriation bill or amendment thereto; or

* * * * * * *

(c) APPLICATION TO APPROPRIATION MEASURES IN THE SENATE.—

(1) IN GENERAL.—Until the concurrent resolution on the budget for a [fiscal year] *biennium* has been agreed to and an allocation has been made to the Committee on Appropriations

of the Senate under section 302(a) for that year, it shall not be in order in the Senate to consider any appropriation bill or joint resolution, amendment or motion thereto, or conference report thereon for [that year] *each fiscal year of that biennium* or any subsequent year.

* * * * * * *

PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET

SEC. 304. At any time after the concurrent resolution on the budget for a [fiscal year] *biennium* has been agreed to pursuant to section 301, and before the end of such [fiscal year] *biennium*, the two Houses may adopt a concurrent resolution on the budget which revises or reaffirms the concurrent resolution on the budget [for such fiscal year] most recently agreed to *for such biennium*.

PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET

SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.—

(1) * * *

* * * * * * *

(3) Following the presentation of opening statements on the concurrent resolution on the budget for a [fiscal year] *biennium* by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

* * * * * * *

HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BY JUNE 10

SEC. 307. On or before June 10 of [each year] *each odd-numbered year (or, if applicable, as provided by section 300(b), July 1)*, the Committee on Appropriations of the House of Representatives shall report [annual] *biennial* appropriation bills providing new budget authority under the jurisdiction of all of its subcommittees for the [fiscal year] *biennium* which begins on October 1 of [that year] *each odd-numbered year*.

REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

SEC. 308. (a) * * *

* * * * * * *

(d) QUARTERLY BUDGET REPORTS.—The Director of the Congressional Budget Office shall, as soon as practicable after the completion of each quarter of the fiscal year, prepare an analysis comparing revenues, spending, and the deficit or surplus for the current fiscal year to assumptions included in the congressional budget resolution. In preparing this report, the Director of the Congressional Budget Office shall combine actual budget figures to date with projected revenue and spending for the balance of the fiscal year. The Director of the Congressional Budget Office shall include any other

information in this report that it deems useful for a full understanding of the current fiscal position of the Federal Government. The reports mandated by this subsection shall be transmitted by the Director to the Senate and House Committees on the Budget, and the Congressional Budget Office shall make such reports available to any interested party upon request.

HOUSE APPROVAL OF REGULAR APPROPRIATION BILLS

SEC. 309. [It] *Except whenever section 300(b) is applicable, it* shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period of more than three calendar days during the month of July *of any odd-numbered calendar year* until the House of Representatives has approved [annual] *biennial* appropriation bills providing new budget authority under the jurisdiction of all the subcommittees of the Committee on Appropriations for the [fiscal year] *biennium* beginning on October 1 of such year. For purposes of this section, the chairman of the Committee on Appropriations of the House of Representatives shall periodically advise the Speaker as to changes in jurisdiction among its various subcommittees.

RECONCILIATION

SEC. 310. (a) INCLUSION OF RECONCILIATION DIRECTIVES IN CONCURRENT RESOLUTIONS ON THE BUDGET.—A concurrent resolution on the budget for [any fiscal year] *any biennium*, to the extent necessary to effectuate the provisions and requirements of such resolution, shall—

(1) specify the total amount by which—

(A) new budget authority for [such fiscal year] *any fiscal year covered by such resolution*;

* * * * * * *

(C) new entitlement authority which is to become effective during [such fiscal year] *any fiscal year covered by such resolution*; and

(D) credit authority for [such fiscal year] *any fiscal year covered by such resolution*,

contained in laws, bills, and resolutions within the jurisdiction of a committee is to be changed and direct that committee to determine and recommend changes to accomplish a change of such total amount;

* * * * * * *

[(f) COMPLETION OF RECONCILIATION PROCESS.—It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period of more than three calendar days during the month of July until the House of Representatives has completed action on the reconciliation legislation for the fiscal year beginning on October 1 of the calendar year to which the adjournment resolution pertains, if reconciliation legislation is required to be reported by the concurrent resolution on the budget for such fiscal year.]

[(g)] *(f)* LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.—Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursu-

ant to a concurrent resolution on the budget agreed to under section 301 or 304, or a joint resolution pursuant to section 258C of the Balanced Budget and Emergency Deficit Control Act of 1985, or any amendment thereto or conference report thereon, that contains recommendations with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

BUDGET-RELATED LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

SEC. 311. (a) ENFORCEMENT OF BUDGET AGGREGATES.—

(1) IN THE HOUSE OF REPRESENTATIVES.—Except as provided by subsection (c), after the Congress has completed action on a concurrent resolution on the budget [for a fiscal year] *for a biennium*, it shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority or reducing revenues, if—

(A) the enactment of that bill or resolution as reported;

(B) the adoption and enactment of that amendment; or

(C) the enactment of that bill or resolution in the form recommended in that conference report;

would cause the level of total new budget authority or total outlays set forth in the applicable concurrent resolution on the budget for [the first fiscal year] *either fiscal year of the biennium* to be exceeded, or would cause revenues to be less than the level of total revenues set forth in that concurrent resolution for [the first fiscal year] *either fiscal year of the biennium* or for the total of [that first fiscal year] *each fiscal year in the biennium* and the ensuing fiscal years for which allocations are provided under section 302(a), except when a declaration of war by the Congress is in effect.

(2) IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that—

(A) would cause the level of total new budget authority or total outlays set forth [for the first fiscal year] *for either fiscal year of the biennium* in the applicable resolution to be exceeded; or

(B) would cause revenues to be less than the level of total revenues set forth for [that first fiscal year] *each fiscal year in the biennium* or for the total of [that first fiscal year and the ensuing fiscal years] *all fiscal years* in the applicable resolution for which allocations are provided under section 302(a).

(3) ENFORCEMENT OF SOCIAL SECURITY LEVELS IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in social security surpluses or an increase in social security deficits relative to the levels set forth in the applicable resolution [for the first fiscal year] *each fiscal year in the biennium* or for the total of [that fiscal year and

the ensuing fiscal years] *all fiscal years* for which allocations are provided under section 302(a).

* * * * * * *

DETERMINATIONS AND POINTS OF ORDER

SEC. 312. (a) * * *

* * * * * * *

(c) MAXIMUM DEFICIT AMOUNT POINT OF ORDER IN THE SENATE.—It shall not be in order in the Senate to consider any concurrent resolution on the budget [for a fiscal year] *for a biennium*, or to consider any amendment to that concurrent resolution, or to consider a conference report on that concurrent resolution, if—

(1) the level of total outlays for the [first fiscal year] *either fiscal year in the biennium* set forth in that concurrent resolution or conference report exceeds; or

(2) the adoption of that amendment would result in a level of total outlays for [that fiscal year] *either fiscal year in the biennium* that exceeds;

the recommended level of Federal revenues for [that fiscal year] *the applicable fiscal year*, by an amount that is greater than the maximum deficit amount, if any, specified in the Balanced Budget and Emergency Deficit Control Act of 1985 for that fiscal year.

* * * * * * *

MULTIYEAR AUTHORIZATIONS OF APPROPRIATIONS

SEC. 316. (a) POINT OF ORDER.—(1)(A) It shall not be in order in the House of Representatives or the Senate to consider any measure that contains a specific authorization of appropriations for any purpose unless the measure includes such a specific authorization of appropriations for that purpose for not less than each fiscal year in one or more bienniums.

(B) For purposes of this paragraph, a specific authorization of appropriations is an authorization for the enactment of an amount of appropriations or amounts not to exceed an amount of appropriations (whether stated as a sum certain, as a limit, or as such sums as may be necessary) for any purpose for a fiscal year.

(2) Paragraph (1) does not apply with respect to an authorization of appropriations for a single fiscal year for any program, project, or activity if the measure containing that authorization includes a provision expressly stating the following: "Congress finds that no authorization of appropriation will be required for [Insert name of applicable program, project, or activity] for any subsequent fiscal year.".

(b) For purposes of this section, the term "measure" means a bill, joint resolution, amendment, motion, or conference report.

CONSIDERATION OF BIENNIAL APPROPRIATION BILLS

SEC. 317. It shall not be in order in the Senate in any odd-numbered year to consider any regular appropriation bill providing new budget authority or a limitation on obligations under the jurisdiction of the Committee on Appropriations for only the first fiscal year of a biennium, unless the program, project, or activity for which the new budget authority or obligation limitation is provided will re-

quire no additional authority beyond one year and will be completed or terminated after the amount provided has been expended.

* * * * * * *

RULES OF THE HOUSE OF REPRESENTATIVES, 107TH CONGRESS

* * * * * * *

RULE X.

ORGANIZATION OF COMMITTEES.

* * * * * * *

Additional functions of committees

4. (a)(1)(A) The Committee on Appropriations shall, within 30 days after the transmittal of the Budget to Congress each *odd-numbered* year, hold hearings on the Budget as a whole with particular reference to—

(i) * * *

* * * * * * *

(4) In the manner provided by section 302 of the Congressional Budget Act of 1974, the Committee on Appropriations (after consulting with the Committee on Appropriations of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such concurrent resolution, and promptly report the subdivisions to the House as soon as practicable after a concurrent resolution on the budget for a **[**fiscal year**]** *biennium* is agreed to.

(b) The Committee on the Budget shall—

(1) * * *

(2) hold hearings and receive testimony from Members, Senators, Delegates, the Resident Commissioner, and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as it considers desirable in developing concurrent resolutions on the budget for **[**each fiscal year**]** *the biennium*;

* * * * * * *

(5) study on a continuing basis proposals designed to improve and facilitate the congressional budget process, and report to the House from time to time the results of such studies, together with its recommendations; **[**and**]**

(6) request and evaluate continuing studies of tax expenditures, devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and report the results of such studies to the House on a recurring basis**[**.**]***; and*

(7) use the second session of each Congress to study issues with long-term budgetary and economic implications, which would include—

(A) hold hearings to receive testimony from committees of jurisdiction to identify problem areas and to report on the results of oversight; and

(B) by January 1 of each odd-numbered year, issuing a report to the Speaker which identifies the key issues facing the Congress in the next biennium.

(e)(1) Each standing committee shall, in its consideration of all public bills and public joint resolutions within its jurisdiction, ensure that appropriations for continuing programs and activities of the Federal Government and the government of the District of Columbia will be made [annually] *biennially* to the maximum extent feasible and consistent with the nature, requirement, and objective of the programs and activities involved. In this subparagraph programs and activities of the Federal Government and the government of the District of Columbia includes programs and activities of any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or of the government of the District of Columbia.

(2) Each standing committee shall review from time to time each continuing program within its jurisdiction for which appropriations are not made [annually] *biennially* to ascertain whether the program should be modified to provide for [annual] *biennial* appropriations.

Budget Act responsibilities

(f)(1) Each standing committee shall submit to the Committee on the Budget not later than six weeks after the President submits his budget *during each odd-numbered year*, or at such time as the Committee on the Budget may request—

(A) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing [fiscal year] *biennium* that are within its jurisdiction or functions; and

(B) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction that it intends to be effective during [that fiscal year] *each fiscal year in such ensuing biennium*.

* * * * * * *

Permanent Select Committee on Intelligence

11. (a) * * *

* * * * * * *

(i) Subject to the Rules of the House, funds may not be appropriated for a fiscal year, with the exception of a bill or joint resolution continuing appropriations, or an amendment thereto, or a conference report thereon, to, or for use of, a department or agency of the United States to carry out any of the following activities, unless the funds shall previously have been authorized by a bill or joint resolution passed by the House [during the same or preceding fiscal year] to carry out such activity for such fiscal year:

(1) * * *

* * * * * * *

RULE XIII.

CALENDARS AND COMMITTEE REPORTS.

* * * * * * *

Content of reports

3. (a) * * *

* * * * * * *

(d) Each report of a committee on a public bill or public joint resolution shall contain the following:

(1) * * *

(2)(A) An estimate by the committee of the costs that would be incurred in carrying out the bill or joint resolution in the fiscal year in which it is reported and in each of the [five] *six* fiscal years following that fiscal year (or for the authorized duration of any program authorized by the bill or joint resolution if less than [five] *six* years);

* * * * * * *

Privileged reports, generally

5. (a) The following committees shall have leave to report at any time on the following matters, respectively:

(1) The Committee on Appropriations, on general appropriation bills and on joint resolutions continuing appropriations for a [fiscal year after September 15 in the preceding fiscal year] *biennium after September 15 of the year in which such biennium begins*.

* * * * * * *

RULE XXI.

* * * * * * *

RESTRICTIONS ON CERTAIN BILLS.

General appropriation bills and amendments

2. (a)(1) * * *

* * * * * * *

(3)(A) Except as provided by subdivision (B), an appropriation may not be reported in a general appropriation bill (other than a supplemental appropriation bill), and may not be in order as an amendment thereto, unless it provides new budget authority or establishes a level of obligations under contract authority for each fiscal year of a biennium.

(B) Subdivision (A) does not apply with respect to an appropriation for a single fiscal year for any program, project, or activity if the bill or amendment thereto containing that appropriation includes a provision expressly stating the following: "Congress finds that no additional funding beyond one fiscal year will be required and the [Insert name of applicable program, project, or activity] will be completed or terminated after the amount provided has been expended.".

(C) For purposes of paragraph (b), the statement set forth in subdivision (B) with respect to an appropriation for a single fiscal year for any program, project, or activity may be included in a general appropriation bill or amendment thereto.

* * * * * * *

RULE XXII.

HOUSE AND SENATE RELATIONS.

* * * * * * *

5. (a) * * *

(b) The managers on the part of the House may not agree to a Senate amendment described in paragraph (a) that—

(1) would violate clause 2(a)(1) [or (c)] *or (3) or 2(c)* of rule XXI if originating in the House; or

* * * * * * *

TITLE 31, UNITED STATES CODE

* * * * * * *

SUBTITLE II—THE BUDGET PROCESS

* * * * * * *

CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION

§ 1101. Definitions

In this chapter—

(1) * * *

* * * * * * *

(3) "biennium" has the meaning given to such term in paragraph (13) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(13)).

* * * * * * *

§ 1105. Budget contents and submission to Congress

[(a) On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information. The President shall include in each budget the following:]

(a) On or before the first Monday in February of each odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974), beginning with the One Hundred Ninth Congress, the President shall transmit to the Congress, the budget for the biennium beginning on October 1 of such calendar year. The budget transmitted under this subsection shall include a budget message and summary and supporting information. The President shall include in each budget the following:

(1) * * *

* * * * * * *

(5) except as provided in subsection (b) of this section, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in [the fiscal year for which the budget is submitted and the 4 fiscal years

after that year] *each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years*.

(6) estimated receipts of the Government in [the fiscal year for which the budget is submitted and the 4 fiscal years after that year] *each fiscal year in the biennium for which the budget is submitted and in the succeeding 4 years* under—

(A) * * *

* * * * * * *

(9) balanced statements of the—

(A) * * *

* * * * * * *

(C) estimated condition of the Treasury at the end of [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted if financial proposals in the budget are adopted.

* * * * * * *

(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted; and

* * * * * * *

(13) an allowance for additional estimated expenditures and proposed appropriations for [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted.

(14) an allowance for unanticipated uncontrollable expenditures for [that year] *each fiscal year in the biennium for which the budget is submitted*.

* * * * * * *

(16) the level of tax expenditures under existing law in the tax expenditures budget (as defined in section 3(a)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 622(a)(3)) for [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted, considering projected economic factors and changes in the existing levels based on proposals in the budget.

(17) information on estimates of appropriations for [the fiscal year following the fiscal year] *each fiscal year in the biennium following the biennium* for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for [that following fiscal year] *each such fiscal year* when the appropriations are authorized to be included in an appropriation law for the [fiscal year before the fiscal year] *biennium before the biennium* in which the appropriation is to be available for obligation.

(18) a comparison of the total amount of budget outlays for [the prior fiscal year,] *each of the 2 most recently completed fiscal years,* estimated in the budget submitted [for that year] *with respect to those fiscal years*, for each major program hav-

ing relatively uncontrollable outlays with the total amount of outlays for that program [in that year] *in those fiscal years*.

(19) a comparison of the total amount of receipts for [the prior fiscal year] *each of the 2 most recently completed fiscal years*, estimated in the budget submitted [for that year] *with respect to those fiscal years*, with receipts received [in that year] *in those fiscal years*, and for each major source of receipts, a comparison of the amount of receipts estimated in that budget with the amount of receipts from that source [in that year] *in those fiscal years*.

* * * * * * *

(28) [beginning with fiscal year 1999, a] *beginning with fiscal year 2006, a biennial* Federal Government performance plan for the overall budget as provided for under section 1115.

(b) Estimated expenditures and proposed appropriations for the legislative branch and the judicial branch to be included in each budget under subsection (a)(5) of this section shall be submitted to the President before October 16 of [each year] *each even-numbered year* and included in the budget by the President without change.

* * * * * * *

(c) The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for [the fiscal year for] *each fiscal year in the biennium for* which the budget is submitted (under laws in effect when the budget is submitted) and the estimated amounts in the Treasury at the end of the current fiscal year available for expenditure in [the fiscal year for] *each fiscal year of the biennium, as the case may be,* which the budget is submitted, are less than the estimated expenditures for [that year] *for each year of the biennium*. The President shall make recommendations required by the public interest when the estimated receipts and estimated amounts in the Treasury are more than the estimated expenditures.

* * * * * * *

(e)(1) The President shall submit with materials related to each budget transmitted under subsection (a) on or after January 1, 1985, an analysis for the [ensuing fiscal year] *biennium to which such budget relates* that shall identify requested appropriations or new obligational authority and outlays for each major program that may be classified as a public civilian capital investment program and for each major program that may be classified as a military capital investment program, and shall contain summaries of the total amount of such appropriations or new obligational authority and outlays for public civilian capital investment programs and summaries of the total amount of such appropriations or new obligational authority and outlays for military capital investment programs. In addition, the analysis under this paragraph shall contain—

(A) * * *

* * * * * * *

§ 1106. Supplemental budget estimates and changes

(a) Before July 16 of each year *and before February 15 of each even numbered-year*, the President shall submit to Congress a sup-

plemental summary of the budget for the [fiscal year] *biennium* for which the budget is submitted under section 1105(a) of this title. The summary shall include—

(1) for [that fiscal year] *each fiscal year in such biennium*—

(A) * * *

* * * * * * *

(2) for the [4 fiscal years following the fiscal year] *4 fiscal years following the biennium* for which the budget is submitted, information on estimated expenditures for programs authorized to continue in future years, or that are considered mandatory, under law; and

(3) for future fiscal years, information on estimated expenditures of balances carried over from the [fiscal year] *biennium* for which the budget is submitted.

(b) Before July 16 of each year *and before February 15 of each even numbered-year*, the President shall submit to Congress a statement of changes in budget authority requested, estimated budget outlays, and estimated receipts for [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted (including prior changes proposed for the executive branch of the Government) that the President decides are necessary and appropriate based on current information. The statement shall include the effect of those changes on the information submitted under section 1105(a)(1)–(14) and (b) of this title and shall include supporting information as practicable. The statement submitted before July 16 may be included in the information submitted under subsection (a)(1) of this section.

* * * * * * *

§ 1109. Current programs and activities estimates

(a) [On or before the first Monday after January 3 of each year (on or before February 5 in 1986)] *At the same time the budget required by section 1105 is submitted for a biennium*, the President shall submit to both Houses of Congress the estimated budget outlays and proposed budget authority that would be included in the budget for [the following fiscal year] *each fiscal year of such period* if programs and activities of the United States Government were carried on during that year at the same level as the current fiscal year without a change in policy. The President shall state the estimated budget outlays and proposed budget authority by function and subfunction under the classifications in the budget summary table under the heading "Budget Authority and Outlays by Function and Agency", by major programs in each function, and by agency. The President also shall include a statement of the economic and program assumptions on which those budget outlays and budget authority are based, including inflation, real economic growth, and unemployment rates, program caseloads, and pay increases.

(b) The Joint Economic Committee shall review the estimated budget outlays and proposed budget authority and submit an economic evaluation of the budget outlays and budget authority to the Committees on the Budget of both Houses before [March 1 of each year] *within 6 weeks of the President's budget submission for each*

odd-numbered year (or, if applicable, as provided by section 300(b) of the Congressional Budget Act of 1974).

§ 1110. Year-ahead requests for authorizing legislation

A request to enact legislation authorizing new budget authority to continue a program or activity for a fiscal year shall be submitted to Congress before [May 16] *March 31* of the [year before the year in which the fiscal year begins] *calendar year preceding the calendar year in which the biennium begins*. If a new program or activity will continue for more than one year, the request must be submitted for at least the first and 2d fiscal years.

* * * * * * *

§ 1115. Performance plans

(a) In carrying out the provisions of [section 1105(a)(29)] *section 1105(a)(28)*, the Director of the Office of Management and Budget shall require each agency to prepare [an annual] *a biennial* performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

(1) establish performance goals to define the level of performance to be achieved by a program activity *for both years 1 and 2 of the biennial plan*;

* * * * * * *

(5) provide a basis for comparing actual program results with the established performance goals; [and]

(6) describe the means to be used to verify and validate measured values[.]*; and*

(7) cover each fiscal year of the biennium beginning with the first fiscal year of the next biennial budget cycle.

* * * * * * *

(d) An agency may submit with its [annual] *biennial* performance plan an appendix covering any portion of the plan that—

(1) * * *

* * * * * * *

(f) For purposes of this section and sections 1116 through 1119, and sections 9703 and 9704 the term—

(1) * * *

* * * * * * *

(6) "program activity" means a specific activity or project as listed in the program and financing schedules of the [annual] *biennial* budget of the United States Government; and

* * * * * * *

SUBTITLE VI—MISCELLANEOUS

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CHAPTER 97—MISCELLANEOUS

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§ 9703. Managerial accountability and flexibility

(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each [annual] budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under [section 1105(a)(29)] *section 1105(a)(28)*, the Director of the Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

* * * * * * *

(e) A waiver shall be in effect for [one or] two years as specified by the Director of the Office of Management and Budget in approving the waiver. A waiver may be renewed for [a subsequent year] *for a subsequent 2-year period*. After a waiver has been in effect for [three] *four* consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.

* * * * * * *

SECTION 105 OF TITLE 1, UNITED STATES CODE

[§ 105. Title of appropriation Acts

[The style and title of all Acts making appropriations for the support of Government shall be as follows: "An Act making appropriations (here insert the object) for the year ending September 30 (here insert the calendar year).".]

§ 105. Title and style of appropriations Acts

(a) The style and title of all Acts making appropriations for the support of the Government shall be as follows: "An Act making appropriations (here insert the object) for each fiscal year in the biennium of fiscal years (here insert the fiscal years of the biennium).".

(b) All Acts making regular appropriations for the support of the Government shall be enacted for a biennium and shall specify the amount of appropriations provided for each fiscal year in such period.

(c) For purposes of this section, the term "biennium" has the same meaning as in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).

SECTION 306 OF TITLE 5, UNITED STATES CODE

§ 306. Strategic plans

(a) No later than September 30, [1997] *2003*, the head of each agency shall submit to the Director of the Office of Management

and Budget and to the Congress a strategic plan for program activities. Such plan shall contain—

(1) * * *

* * * * * * *

(b) The strategic plan shall cover a period of not less than [five years forward] *six years forward* from the fiscal year in which it is submitted. The strategic plan shall be updated and revised [at least every three years, except that the strategic plan for the Department of Defense shall be updated and revised at least every four years.] *at least every 4 years, except that strategic plans submitted by September 30, 2003, shall be updated and revised by September 30, 2006.*

(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section *including a strategic plan submitted by September 30, 2003, meeting the requirements of subsection (a).*

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TITLE 39, UNITED STATES CODE

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PART III—MODERNIZATION AND FISCAL ADMINISTRATION

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CHAPTER 28—STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

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§ 2802. Strategic plans

(a) No later than September 30, [1997] *2003*, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain—

(1) * * *

* * * * * * *

(b) The strategic plan shall cover a period of not less than [five] *six* years forward from the fiscal year in which it is submitted, and shall be updated and revised [at least every three years] *at least every 4 years except that strategic plans submitted by September 30, 2003, shall be updated and revised by September 30, 2006.*

(c) The performance plan required under section 2803 shall be consistent with the Postal Service's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section *including a strategic plan submitted by September 30, 2003, meeting the requirements of subsection (a).*

* * * * * * *

§ 2803. Performance plans

(a) The Postal Service shall prepare [an annual] *a biennial* performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(g) of this title. Such plan shall—

(1) establish performance goals to define the level of performance to be achieved by a program activity *for both years 1 and 2 of the biennial plan*;

* * * * * * *

(5) provide a basis for comparing actual program results with the established performance goals; [and]

(6) describe the means to be used to verify and validate measured values[.]*; and*

(7) cover each fiscal year of the biennium beginning with the first fiscal year of the next biennial budget cycle.

* * * * * * *

DISSENTING VIEWS

The Rules Committee has, over at least the past 25 years, examined the federal budget process time and again in what now seems to be a biennial ritual. During that time, many, both in and outside the Congress have complained that the existing budget process does not work, yet no major overhaul of the fundamental process has ever been enacted. The Congress has tinkered around the edges, has enacted major limits on spending and overspending, but has never successfully fashioned a complete package of reforms that has met the approval of both houses. Yet, during those years and in spite of the complaints about the inefficiencies of the system, the work of the Congress has gone on as required by the Constitution and the 1974 Congressional Budget Act. Budgets have been enacted, committees have conducted oversight, and appropriations bills have been sent to the President.

The Congressional Budget and Impoundment Act of 1974 itself came about as a result of what was then an increasingly inefficient process that ceded too much spending decision-making authority to the Executive. The Act was envisioned as a means to enable the Congress to more efficiently make budget decisions by requiring the timely enactment of authorizations for federal programs, passage of a budget resolution which would outline the spending priorities for the coming year based on those authorizations, and enactment of appropriations acts which would fund them. The Act was also designed to take back control of the Constitutionally-mandated power of the purse responsibilities of the Congress by requiring that the Executive submit to Congress, for its approval, any proposed rescission of spending authority.

The Act did not, and could not, anticipate the economic and budgetary rollercoaster of the 1980's, nor could it anticipate the change in the political dynamics that took place during those years. The first change in the 1974 Act came about as a result of the soaring deficits of the early 1980's and the desire of the Congress to gain a measure of control over its spending. The Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) changed the process by establishing deficit targets for six fiscal years beginning in FY 1986 and created a new budget tool known as sequestration. Sequestration was designed to cut spending across-the-board when total spending exceeded those deficit targets set in law. Gramm-Rudman Hollings did not, however, make other major procedural changes in the budget process and it kept in place the annual process of appropriating funds for the government. Ultimately, the Congress, working with the Executive in two succeeding Administrations, made budgetary choices and decisions that led to the reappearance of budget surpluses which, until this summer, seemed to stretch far into the future.

The notion of changing the current budget and appropriations process from an annual cycle to a biennial cycle is not new and, in fact, the first proposal to move to a two-year cycle was introduced in 1977. Since then, over 60 proposals to move to biennial budgeting have been introduced. In the 106th Congress, an amendment offered by the Chairman of this Committee to wide-ranging budget process reform bill failed by only 16 votes. It is obvious many Members of Congress genuinely feel that a two-year budget cycle is preferable to the current process. Biennial budgeting, in their view, would reduce the amount of time dedicated to making budget decisions which would result in an increase in the amount of time dedicated to oversight of the programs those budgets fund. They argue that a biennial budget would lead to better management of federal programs because time would be freed on the Congressional calendar for the consideration of authorization legislation. Supporters of biennial budgeting claim it is a more efficient and less cumbersome process, that it would result in a more thoughtful decision-making process, and that it would force Congress to be more careful in its spending habits. We agree that these goals are worthy, but disagree that a two-year cycle would ensure they would be met.

In fact, we believe a two-year budget cycle would seriously undermine the ability of the Congress to control federal spending. We submit that to operate under a biennial budget is to operate under a budget framework that depends upon an endless series of supplemental spending bills. Those supplemental bills might or might not adhere to a spending framework adopted one or two years before and thus pose a threat to any sort of fiscal discipline that proponents of this budget scheme say would be enhanced in a two-year cycle. This, we believe, is good reason for fiscal conservatives to oppose this scheme. We can envision that two-year appropriations will have to build in additional spending in anticipation of unforeseen future events, yet those funds will more than likely not sufficiently cover the myriad of events that could occur over a two year period. Experience and academic research conform our common sense intuition: states with biennial budgets invariably spend more (per capita per year) than do states with annual budgets. A lot can happen in two years and we submit it would be far better to plan 12 months out rather 24 or 28 months out.

In addition, we believe biennial budgeting would, in fact, diminish rather than enhance the oversight of federal programs. During the round of budget process reform hearings in early 2000, GAO Associate Director Susan Irving testified before this Committee and said, "A two-year appropriation cycle would change—and could lessen—congressional influence over program and spending matters, since the process would afford fewer scheduled opportunities to affect agency programs and budgets." We concur that biennial budgeting would weaken rather than strengthen Congressional control over the administration of federal programs because agencies and departments would not be subjected to an annual accounting on the Hill. We would like to remind this Committee of an argument in support of this position made to the Committee during those hearings. Rep. Dave Obey (D–WI), who serves this institution as the Ranking Member of the Committee on Appropriations and who has some experience dealing with Executive branch agencies

and department personnel, both political and career, said on February 19, 2000:

> The fact that proponents of this legislation have not placed in perspective is that there are numerous agencies in this government that are not even responsive to their own appointed leadership. They are even less responsive to departmental management or the White House and still less responsive to the Congress and this proposition will make matters worse. The healthiest single event that occurs in this town each year is the annual budget review. It is the one moment in time when many senior program managers are confronted with the possibility that they were not ordained by God to set government policies on their own. Removing this requirement will affect not only our ability to ensure that laws are fully and faithfully executed, it also diminishes the ability of House Members to effectively represent and advocate for their constituents.

We heartily concur with proponents of biennial budgeting that committees other than the Appropriations Committee must strive to fully examine the programs under their jurisdiction in order to hold the Executive accountable. But we do not understand how giving the Executive branch a biennial pass on answering questions posed to them by the very committees who write their checks will ensure that the programs and activities administered by the selfsame Executive are "fully and faithfully executed." Again, we submit a lot can happen in two years and that the Congress has a Constitutional responsibility to ask questions about money, management, and administration on a regular, ongoing basis.

There is nothing in either law or in the process that hinders the ability of the committees of the Congress to conduct oversight during any one Session of a Congress. Nor is there really any procedural reason why authorization legislation cannot move through the system in a timely manner. What stands in the way of the conduct of these activities has been, and will most likely continue to be, a political problem rather than a procedural problem. Authorizations are not enacted because agreement cannot be reached about their scope and content, not because there isn't time on the floor. In fact, this Committee often limits debate and amendments in order to assure that the House can meet a two and one half day a week legislative schedule. There may have been limited oversight of federal programs but we propose that it has been because committee chairs have been too busy pursuing ideological agendas to focus attention on the work that should fall within the purview of their committees. It is a lack of political will rather than procedural roadblocks that has kept the Congress from meeting its responsibilities in this area. We cannot agree that moving to a two-year budget cycle will give the Congress any more political will to resolve these issues than it has now.

We would like to return to the point that a lot can happen in two years that no one, not even with the collective wisdom of Congress, can safely predict. In fact, a lot can happen in a day. If the tragic and horrific events of September 11 do not point to how dangerous it can be to make plans two years in advance, then perhaps the dis-

appearing surpluses of September 10 might bolster our argument. Formulating a budget for the programs and activities of the federal government up to 28 months before the beginning of a fiscal year seems to defy logic. As we have seen, decisions can be outdated in a moment. How this Congress could have anticipated the need 28 months ago to help rebuild the southern end of Manhattan amidst a recession defies reason. How the Congress could have foreseen in May that the Federal Reserve would be cutting interest rates to 2 percent in order to stave off the worst effects of an economic slowdown complicated by a war of indeterminate scope and determination is also impossible to comprehend.

On Monday, October 29, the Director of the Office of Management and Budget, Mitch Daniels, issued a statement in which he said "Circumstances have changed radically." The statement was issued in response to OMB's finding that the total surplus for Fiscal Year 2001 is more than $30 billion less than what was predicted on September 26 and less than half the estimate made when the Administration released its budget last Spring. Yes indeed, circumstances have changed radically. We believe it is the role and responsibility of the Congress to be able to respond to such dramatic changes in an effective and expeditious manner that does not shortchange the Nation's pressing needs as well as its long-term priorities. We strongly believe it is critical that the Congress be able to respond to the crisis at hand, a crisis none of us ever wanted, much less ever anticipated. In September, shortly after the attacks on the World Trade Center and the Pentagon, this Congress passed a $40 billion supplemental to provide the money needed to immediately respond to the crisis. It is impossible to predict what further funding will be required to help rebuild the shattered lives created by that attack, nor is it possible to predict what will be required to provide our military with the funds needed to conduct the war that has ensued from the attack or to ensure that our bridges, airports, seaports and harbors, information systems, and health systems and citizens are safe and can be protected from an enemy operating in the shadows.

It seems only logical to us that next Spring the Congress must fashion a new budget resolution that takes into account the long-term effects of September 11, the fact that the U.S. economy is in a recession, and the fact that there are still pressing needs in our country that need to be addressed. We are at a loss to explain how the Congress might have done this a year ago. It is clear that a budget prepared two and a half years ago could not have anticipated the events of September 11 or our response to them. But that is also true of a budget prepared two and a half months ago. The real issue is the difficulty of preparing a two year budget after September 11.

The concept of biennial budgeting has been examined at some length over any number of years, yet we have seen no really convincing argument that would change our view that a wholesale change to biennial budgeting is a prudent course of action. We see the current proposal as a proposal to effect change for the sake of change rather than furthering a responsible budget framework. We see the current proposal as one that has little regard for the complex problems facing this nation as we go to war against terrorism,

as we seek to protect the American public from dangers on our own shores, and as we do this in the midst of a recessionary economy. For the reasons enumerated above, as well as in previous dissenting views filed in preceding committee reports, we urge the defeat of this proposal.

MARTIN FROST.
LOUISE SLAUGHTER.
ALCEE L. HASTINGS.

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