105TH CONGRESS
1st Session

SENATE

REPORT
105–72

BIENNIAL BUDGETING AND APPROPRIATIONS ACT

R E P O R T

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

TOGETHER WITH

MINORITY VIEWS

TO ACCOMPANY

S. 261

TO PROVIDE FOR BIENNIAL BUDGET PROCESS AND A BIENNIAL APPROPRIATIONS PROCESS AND TO ENHANCE OVERSIGHT AND THE PERFORMANCE OF THE FEDERAL GOVERNMENT

SEPTEMBER 4 1997.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
39–010 WASHINGTON : 1997

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BIENNIAL BUDGETING AND APPROPRIATIONS ACT

SEPTEMBER 4, 1997.—Ordered to be printed

Mr. THOMPSON, from the Committee on Governmental Affairs, submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany S. 261]

The Committee on Governmental Affairs, to which was referred the bill (S. 261) to provide for a two-year Federal budget cycle, and for other purposes, having considered the same, reports favorably on the bill as amended in the nature of a substitute and recommends that the bill as amended do pass.

I. PURPOSE

The purpose of S. 261, the Biennial Budget and Appropriations Act, is to increase Congressional control of the budget process by reducing the amount of time spent on budget matters while improving the quality of those deliberations by providing time for long-term planning and careful oversight and to provide stability and coherence in the collection and disbursement of Federal funds by establishing a two-year Federal budget cycle.

II. SUMMARY OF S. 261

S. 261 converts the annual budget, appropriations, and authorization process to a biennial or two-year cycle. Under the bill, the timetable for the two years is as follows:

First year: Budget and appropriations

Requires the President to submit a two-year budget at the beginning of the first session of Congress. The President's budget would cover each year in the biennium and planning levels for the four

out-years. Converts the "Mid-session Review" into a "Mid-biennium Review." The President would submit his "Mid-biennium Review" at the beginning of the second year.

Requires Congress to adopt a two-year budget resolution and a two-year reconciliation bill (if necessary). Instead of enforcing the first fiscal year and the sum of the five years set out in the budget resolution, the bill provides that the budget resolution establish binding levels for each year in the biennium and the sum of the six-year period. The bill modifies the time frames in the Senate ten-year pay-as-you-go point of order to provide that legislation could not increase the deficit for the biennium, the sum of the first six years, and the sum of the last 4 years.

Requires Congress to enact a two-year appropriations bill during the first session of each Congress. The bill provides a new majority point of order against appropriations bills that fail to cover two years. This point of order would not apply to supplemental appropriations bills to fund unanticipated needs such as emergencies.

Makes budgeting and appropriating the priority for the first session of a Congress. The bill provides a majority point of order against consideration of authorization and revenue legislation until the completion of the biennial budget resolution, reconciliation legislation (if necessary) and the thirteen biennial appropriations bills. An exception is made for certain "must do" measures.

Second year: Authorization legislation and enhanced oversight

Devotes the second session of a Congress to consideration of biennial or multi-year authorization bills and oversight of federal programs. The bill provides a majority point of order against authorization and revenue legislation that cover less than two years except those measures limited to temporary programs or activities lasting less than two years.

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.

III. Need for Legislation

The current congressional budget process is rooted in the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, Title 2 of U.S. Code). While the 1974 reforms have enabled the Congress to participate more fully in the development of fiscal policy, the design of the current process has led to a situation in which repetitive votes on the budget consume a large percentage of the Congress' time. This has had two negative results: a decrease in the time available for systematic oversight of federal programs and delays in legislation necessary to fund the government. Since 1974, the Congress has consistently failed to complete action on the Federal budget before the start of the fiscal year. The failure to enact regular appropriation bills prior to the beginning of the fiscal year results in the need for the Congress and the President to agree on a continuing resolution to fund the Federal government's operations.

TABLE I.—APPROPRIATIONS, FISCAL YEARS 1974–97

	Regular appropriation bills enacted by the start of the fiscal year	Continuing resolution enacted for the fiscal year
Fiscal year:		
1974	3	2
1975	7	4
1976	2	3
1977	[1] 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	[2] 13	0
1990	1	3
1991	0	5
1992	3	4
1993	1	1
1994	2	3
1995	13	0
1996	0	5
1997	[1] 13	0

[1] While 13 bills were enacted, certain health programs were not funded and required a continuing resolution.
[2] Six bills were enacted on October 1.
[3] Six bills were enacted as one Omnibus bill on September 30. In effect, this omnibus bill served as a Continuing Resolution.

Sources.—Congressional Research Service (Reports 96–224 GOV and 94–799 GOV).

As Table 1 illustrates, only two times since the enactment of the Budget Act in 1974 has the Congress completed action on all 13 regular appropriations bills to fully fund the government by the beginning of the fiscal year. In addition, the Committee believes that the success in 1989 strengthens the case for a shift to biennial budgeting because it can be attributed in large part to the foundation laid by the Budget Summit Agreement between the Congressional leadership and the President which covered two years.

While policy disagreements between Congress and the Executive Branch have contributed to the budgetary delays evidenced in Table 1, the complexity of the congressional budget process is also a contributing factor. The Committee believes that a biennial budget cycle will greatly improve the budget process by reducing multiple decisions on individual budget items. This, in turn, would greatly increase the likelihood that deadlines will be met and provide stability to Federal activities. Providing agencies with this increased predictability is especially important at a time when Congress and the taxpayers are demanding that agencies provide strategic and annual performance plans and more systematically link resources to results. Additionally, for agencies which are downsizing, multi-year planning increases the probability that downsizing will be well managed and reduces the negative impact on the quality of those programs remaining.

The repetitive nature of budget votes and the amount of time consumed by them has also served to reduce the time available for

members to spend on systematic oversight of the design and implementation of federal programs. Such oversight has always been important, but a number of Members have suggested that the requirements of the Government Performance and Results Act and the pressure placed on resources by the need to achieve a balanced budget make oversight even more critical. Further, the kind of oversight needed requires the investment of Members' time to look below the surface and see what is really happening. Members need to consider whether and what legislative changes might be required to improve the functioning of federal programs or, when warranted, to discontinue them. This kind of time is in increasingly short supply.

In reporting S. 261, it is the Committee's view that while biennial budgeting will not solve all of the problems which have developed relating to the budget process, it will substantially improve the process, and will create a greater presumption in favor of carefully considered, timely decisions and of careful, systematic program oversight.

THE BUDGET ACT OF 1974

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 13 individual appropriation bills. This multi-layered approach to budgeting is further complicated by the addition of the Budget Enforcement Act.

S. 261 would not eliminate any of these processes, but it would require their consideration biennially instead of annually. S. 261 would divide the process into two separate stages over a two year Congress: (1) consideration of the concurrent budget resolution, reconciliation and all 13 individual two-year appropriation bills in the first year; and (2) consideration of multi-year authorizing legislation and program oversight in the second year.

As such, S. 261 builds upon the Budget Act of 1974. That Act completely overhauled the Congressional budget process, asserting the legislative branch's participation in the fiscal policy of the nation. Battles with President Nixon over the impoundment of funds in the early 1970's, combined with the lack of an institutional system for developing budget policy, prompted the Congress to enact these reforms.

The Budget Act established budget committees in the House and in the Senate, created the Congressional Budget Office to provide independent budget information and analysis to the Congress, and established a timetable for the consideration of the Federal budget and procedures for consideration of presidential rescissions and impoundments.

The 1974 reforms also established the concurrent budget resolution which serves as a blueprint for spending and tax policy for the next fiscal year—a statement of the Congress' fiscal policy and priorities. Prior to the Budget Act, Members of Congress expressed great frustration with congressional inability to determine the impact of individual appropriation bills within the framework of the entire Federal budget. The budget resolution satisfies this concern

by providing a means for Congress to formulate a fiscal blueprint, which is then used as a tool for measuring the impact of individual spending bills on the overall Federal budget.

The former Chairman and Ranking Republican member of the Senate Committee on Governmental Affairs, Senator William Roth, summarized the benefits and detriments of the Budget Act in testimony before the Committee on June 7, 1988:

> There's no question that the Budget Act of 1974 was a major improvement over what had been virtually uncontrollable and haphazard process. The 1974 Act provided the Congress with a mechanism to formulate and evaluate an overall fiscal strategy. It helped put individual appropriations bills into perspective regarding the entire budget. Yet, while it strengthened the Congress' hand in making budget decisions, it has weakened the ability of the Congress to get its work done efficiently and effectively.

While the 1974 reforms greatly enhanced the role of the Congress in forming national fiscal policy, the complexity of the budget process has contributed to missed deadlines and inefficient decision making. This problem has grown as the complexity of the process has grown. For example, in the original budget act reconciliation was not envisioned as a major part of the process. Then in 1980, Congress first used reconciliation to make major changes in the Federal budget. The reconciliation process directs the authorizing committees of the Congress to change existing entitlement and revenue laws for deficit reduction purposes, and is initiated through instructions in the budget resolution. Reconciliation has now become a regular part of the process: the Congress has considered a reconciliation measure eleven times over the sixteen years from 1981–1997.

Rapidly escalating Federal budget deficits in the mid-1980's led Congress to add a fifth step to the budget process. In 1985, the Congress passed the Balanced Budget and Emergency Deficit Control Act, and in 1987, the Congress passed the Balanced Budget and Emergency Deficit Reduction Reaffirmation Act of 1987. These laws sought to establish procedures for enforcing maximum deficit amounts for fiscal years 1988 through 1993. In 1987, the Congress and the President added another, albeit non-statutory, layer of budget procedure—the summit. The Congress and the administration agreed to a two-year Budget Summit Agreement, which set enforceable spending and tax guidelines for fiscal year 1988 and 1989. The Budget Summit approach was also adopted during the start of the 101st Congress, but produced spending and tax guidelines for only one fiscal year.

In 1990 it was clear that achieving the fiscal year 1991 deficit targets would be nearly impossible. Again the President and the Congress turned to a Budget Summit. Out of this summit came both a deficit reduction package and a process for enforcing budget agreements—The Budget Enforcement Act of 1990 (BEA). The Budget Enforcement Act represented a shift from regulating the only effect of governmental actions to regulating the actions themselves. It contained real expenditure limits: a series of limits on annual appropriated spending enforceable by sequesters. Direct

spending (i.e. spending not regulated by the appropriations process) was governed by new pay-as-you-go rules. These required that the total of all new spending or tax legislation from authorizing committees could not increase the deficit. The Budget Enforcement Act also extended the time horizon of the budget process: coverage of the budget resolution was lengthened from 3 to 5 years and the basis of several enforcement points of order was expanded from one year to 5 fiscal years.

The original BEA set discretionary spending limits through 1995. These limits were extended in 1993 to go through 1998. The 1997 Bipartisan Budget agreement would further extend the limits to 2002.

BENEFITS OF BIENNIAL BUDGETING—REDUCING REPETITION

Although each step of the budget process was designed to make the allocation of Federal resources more efficient and effective, the combined result has been frequently missed budget deadlines and repetitive roll call votes on budget issues. The congressional response to the increasingly complex process has been to budget year round. Furthermore, these repetitive votes are extremely confusing to the public which seeks to understand the actions of their elected representatives.

While budget delays are frequently the consequence of policy differences between the Executive branch and Congress or between two Parties within the Congress, the ability of the Congress to execute a fiscal plan is unnecessarily slowed by the existing process. It is the Committee's view that two-year budgeting can be a successful tool to assist both the Congress and the Executive branch in more efficiently managing the budget.

At the June 7, 1988 Committee hearing, Comptroller General Charles Bowsher said:

> I do not think we can devise new procedures that will completely overcome the delays and inefficiencies of the current budget process. To a large extent, the difficulties our elected officials experience in reaching consensus on budget matters reflects underlying divisions and uncertainties in the American public about policy choices and priorities. Nevertheless, I think that there are changes that could help. To the extent that we can make the budget process and documents less complex and more understandable, we will have taken a step forward.

The Committee believes S. 261 could help achieve this. By dedicating an entire year to the authorization and oversight process, the Congress will have much more time to consider underlying authorizations carefully. Members should be free from congressional action on the budget, except for action on supplemental appropriation bills or revised concurrent resolutions, during the second session of each Congress, enabling them to focus on the work of the authorizing committees. On June 24, 1988, Senator Wendell Ford addressed this issue on the Senate floor:

> A two-year budget, with one session reserved specifically for oversight and authorizations, will give Congress the time to enact responsible spending proposals before the

> adoption of a budget resolution and appropriation bills. A two year cycle will give the executive branch and State and local governments two years to plan for the most efficient use of Federal dollars. * * * Congress simply needs more time to review existing spending programs to determine whether they should be modified, expanded, or replaced.

In 1993 both the House and Senate members of the Joint Committee on the Organization of Congress made similar arguments in recommending a shift to biennial budgeting. The report of the House members said, "The move to biennial budgeting will reduce the number of redundant budget-related votes during each Congress * * *." The report of the Senate members was as forceful:

> With biennial budgeting, the budget process should be less complicated, less repetitious, and instead be more understandable and meaningful. The Congress is now dominated by budget activity. But for all the time spent on the budget, Members complain that their votes are redundant and meaningless. And, it is a process the public cannot readily comprehend.

The Committee views as a principal benefit of biennial budgeting the reduction in the repetitive nature of the current budget process. Each year the Congress considers the budget resolution, annual authorizations, reconciliation, and appropriations. Lastly, the need to extend the public debt limit usually attracts other legislative and budget items.

Former Representative and ranking Republican member of the House Committee on the Budget James Rhodes testified at the June 7, 1988 Committee hearing that two year budgeting would reduce the repetitive nature of the current budget process:

> There is no reason to revisit each and every decision necessary to run a trillion dollar enterprise each and every year. Biennial budgets and biennial appropriations would provide a longer and more certain planning horizon. They should lead to increased efficiency in government. They certainly would help rationalize congressional decision-making. They should provide a better basis for evaluation of the effectiveness of Government services and programs. * * * (It) could improve substantially the quality of congressional oversight and might once again lead to a meaningful authorization process.

As Table 2 indicates, during the 1980's the percentage of budget related votes in the United States Senate increased dramatically over levels between 1955–1980. This increase can be tied to the increase in the number of layers in the budget process.

TABLE 2.—BUDGET RELATED ROLLCALL VOTES IN THE SENATE, 1955–96

	Budget related rollcall votes	Total rollcall votes	Budget related votes as a percent of total
Fiscal year:			
1955	33	87	38

TABLE 2.—BUDGET RELATED ROLLCALL VOTES IN THE SENATE, 1955–96—Continued

	Budget related rollcall votes	Total rollcall votes	Budget related votes as a percent of total
1960	86	207	42
1965	108	258	42
1970	189	418	45
1975	254	602	42
1980	280	531	53
1981	335	483	69
1982	286	465	62
1983	244	371	66
1984	164	275	60
1985	230	381	60
1986	189	354	53
1987	185	420	44
1988	124	379	33
1989	148	312	47
1990	123	326	38
1991	134	280	48
1992	162	270	60
1993	252	395	64
1994	165	329	50
1995	328	613	54
1996	222	306	73

Source.—Congressional Quarterly Almanacs, 1955–1996, and Congressional Quarterly Weekly Reports, 1987 and 1996.

In 1988, the Congress debated the level of defense spending five different times during consideration of the budget resolution, the defense authorization bill, defense appropriations, the revision in Gramm-Rudman-Hollings sequestration procedures, and the Budget Summit Agreement. Splitting the process over a two year period could reduce this repetition. S. 261 does not eliminate any of the processes as each serves a significant role in the Congress' deliberations. However, by making decisions once every two years instead of twice, the burden should be reduced.

Providing this extra time will also promote a smoother appropriations process, one which is more accountable to the American people. At the October 18, 1989 joint Governmental Affairs and Budget Committees hearing, Senator Roth testified:

> A two year budget would create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve congressional control over the Federal budget. Equally important, it would allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities.

BENEFITS OF BIENNIAL BUDGETING—IMPROVED OVERSIGHT

The Committee views one of the major benefits of reducing the number of repetitious budget-related votes will be the freeing up of time for systematic program oversight.

Senator Fred Thompson in his opening statement at the July 24, 1996, hearing commented:

> What a biennial budget can do is give us time for the important tasks that often get short shrift these days, such as conducting oversight and long-range planning, and spending more time at home. * * *

Program oversight was one of the benefits cited by both the House and Senate members of the Joint Committee on the Organization of the Congress in 1993. The report of the Senate members proposed that "In even-numbered years, Congress should consider substantive legislative proposals, conduct meaningful oversight, monitor and evaluate legislation. * * *" They noted further that "although a great deal of time is spent on the budget, little time is spent in long-term planning, overseeing programs, and finding waste and abuse. In short, the Congress spends too much time on budgetary issues that do not matter and not enough time on those that do." A 2-year cycle, they argued could permit Members to "spend more time overseeing programs to make certain that taxpayer money is spent wisely."

The House report linked the biennial cycle to its recommendation for a formal oversight schedule and plan by each committee.

Members of the Committee noted that they—and their colleagues—feel there is inadequate time available for serious examination of how federal programs function and how policy is implemented. Congress and the President have put in place a legislative framework—the Government Performance and Results Act—requiring strategic plans and annual performance plans and reports. Congress must have the time to be involved actively in the development of strategic plans and in oversight of the plans for this Act to offer the American people the kind of government they deserve.

BENEFITS OF BIENNIAL BUDGETING—GREATER STABILITY AND PREDICTABILITY IN FEDERAL FUNDING

The Committee believes that by providing funds for a two year period, recipients of these funds will be better able to plan and administer their funds. Senator Pete Domenici, as Chairman of the Budget Committee, stated in a December 8, 1996, *Washington Post* editorial:

> By moving to a two-year budget and appropriations cycle, Congress can inject stability in a sometimes chaotic system, strengthen congressional oversight and watchdog functions, improve the efficiency of government agencies and—finally, it is hoped—increase the public's confidence that the achievement of a balanced budget has been done intelligently, deliberatively and fairly.

Mr. Richard Helm, then the Comptroller of the Department of Defense, testified at the June 7, 1988 Committee hearing on the Defense Department's experience with biennial budgeting. Mr. Helm highlighted the management benefits of biennial budgeting, especially for procurement, "for being able to give program managers their funding up front so that they can pursue, in the most efficient fashion, the best type of defense procurement management that we should all expect for taxpayers money." The annual process, Mr. Helm testified, is inefficient from the managers' perspective because of the delays in obligating funds.

The Johns Hopkins Foreign Policy Institute and The Center for Strategic and International Studies completed a joint study in 1989 entitled, "Making Defense Reform Work," which strongly endorsed the concept of two year budgeting. This study highlighted the no-

tion that a two-year process would not only improve management of the nation's defense spending, but efficiencies would apply to all aspects of Federal spending:

> The substantive arguments for two-year budgets are compelling. The longer term focus could help to force hard choices; it is too easy to defer difficult choices when the field of view is limited to a single year. One year budgets contribute to the excessive focus in both the Pentagon and the Congress on the near term. With every program up for review every year, it is little wonder that few people in either branch take long term planning seriously. A biennial budget also would impart greater stability to the defense program; there simply is too much turmoil in government programs when every item in the budget can be adjusted every year. And the burden of annual budgets on both branches of government is too great, for domestic programs as well as defense programs. An annual budget process leaves too little time in either branch for serious policy planning and evaluation, and defending each year's budget.

The study suggests that the Federal budget process be structured along the lines set forth in S. 261, with budget activity concentrated in the first session of each Congress and oversight activities in the second session. The Committee believes that oversight and authorization activities should be viewed as a continuum across sessions of Congress in order to promote the most efficient use of Federal spending.

Senator Wendell Ford testified at the October 18, 1989 hearing that two year budgeting "is a management tool for Congress to use to make our work on the deficit and federal budget more efficient and effective." The Committee notes the Senate Committee on Rules successful experiment with two year budgeting for Senate Committees. Senator Ford, the Chairman of the Committee on Rules when this reform was first implemented, expressed his continued enthusiasm for the shift in Senate Committee budget authorizations from an annual to biennial basis during the October 18 hearing.

The report of the Senate members of the Joint Committee on the Organization of Congress noted this point in their support for biennial budgeting:

> Two-year cycles will also permit executive branch agencies to plan for the longer term, a failure of the current system. * * * The 2-year funding cycle gives agencies degree of certainty in policy planning that they have never had, and will minimize the constant budget planning process that has accompanied the 2-year appropriations cycle.

Senator Collins, who heard testimony at the April 23, 1997 Committee on S. 261, stated:

> A Federal Biennial Budget would eliminate much of the procedural repetition and give the executive branch more time to manage and Congress more time to conduct effective oversight of Federal agencies.

The Director of the Office of Management and Budget, Franklin D. Raines, testified at that hearing regarding the many potential benefits of S. 261. He noted that:

> Biennial budgeting also makes it possible for the Executive Branch and Congress to better utilize time and resources. * * * Even if biennial budgeting generated a greater need for supplementals, the total expenditure of time and resources on budgeting probably still would decline. * * * By concentrating budget decisions in the first year of each biennium, biennial budgeting also could free up time for more congressional oversight and agency management activities. * * * I would expect that a biennial cycle would free up some time in the second year for program managers to increase their efforts on management and long-range planning.

Two-year appropriations bills offer those depending on federal funds—both federal agencies and, increasingly, activities run by state and local governments—a longer planning horizon. If agencies know their funding for two years rather than for a single year, they can plan better; and they can make more efficient use of resources. For an agency that is downsizing, a two-year time period can reduce the disruption to both personnel and taxpayers who deal with that agency. For a state or local government seeking to create well-designed programs, even a two-year time period may seem too short; but it is infinitely preferable to a single year. Indeed, for both federal agencies and other levels of government the improvement could be even greater since the Committee belies the appropriate comparison is between a one-year appropriation enacted late and biennial appropriations enacted timely.

As Director of the Office of Management and Budget, Franklin Raines, said before the Committee on April 23, 1997:

> One of the more compelling advantages of biennial appropriations is that it could provide greater stability and predictability for those served and involved in Federal Government programs, such as individuals receiving Federal benefits or State and non-profits receiving Federal grants.

1987 BUDGET SUMMIT AGREEMENT PROVIDED TEST OF TWO YEAR BUDGETING

The two year Budget Summit Agreement between President Reagan and the Congressional leadership on November 20, 1987 provides the compelling evidence that substantial improvements are possible in the budget process. The Budget Summit Agreement set forth the spending and tax guidelines for a two year period. This included funding levels for defense and domestic discretionary categories and international affairs programs.

These overall totals helped the Congress move briskly with enactment of individual appropriation bills for fiscal year 1989. The House of Representatives completed initial action on all thirteen appropriations bills by June 30. This was the first time since 1960 that the House finished this stage of the process prior to June 30, and in 1960 the fiscal year started July 1. The Senate followed this

action and all thirteen individual appropriation bills were enacted by the start of fiscal year 1989—for the first time in more than a decade.

During the June 7, 1988 Committee hearing, Senators Ford, Roth, Nickles, and Domenici all noted the value of the Budget Summit Agreement for laying the foundation of a multi-year budget and helping expedite fiscal year 1989 appropriation bills. Senator Nickles said:

> It was the Budget Summit Agreement last year (1987) that technically gave us our first two year budget. We now find ourselves nearly on schedule with the budget process. This is due to the fact that we arrived at set spending levels a year in advance.

In response to a question from former Chairman Glenn during the June 7, 1988 Committee hearing, then Office of Management and Budget (OMB) Director James Miller III responded that the experience of the Budget Summit Agreement demonstrated that the Federal government and Congress are capable of "putting together a two-year budget and carry through reasonably on it. I think this is something we should emulate."

The former Chairman of the Senate Committee on Armed Services, Senator Sam Nunn, and the former ranking Republican member, Senator John Warner, praised the Budget Summit Agreement in the transmittal of their Committee's views and estimates to the Committee on the Budget for the Fiscal Year 1989 Concurrent Resolution on the Budget, "* * * we would like to note that last fall's Deficit Reduction Agreement is an excellent example of the benefits of a two year budget cycle. Because of this Agreement, we start this year with a consensus on the overall level of National Defense spending for the next fiscal year. This agreement will allow the authorization and appropriations processes to proceed in a more orderly and timely fashion this year.

SUPPORT FOR THE BIENNIAL BUDGET PROPOSAL

The Committee believes that a biennial budget would create greater opportunities for careful consideration of authorizations underlying appropriations bills and would help Congress operate more effectively. At the June 7, 1988 Committee hearing, Senator Ford testified:

> Biennial budgeting is not a panacea for our Federal budgetary problems. But it is a tool which can make the Federal government operate more efficiently and allow Congress the time to make considered and informed budgetary decisions. Biennial budgeting will provide greater funding stability and certainty for our elected counterparts in state and local governments and for the numerous beneficiaries of Federal funds.

The first biennial budgeting bill was introduced in 1977 by then–Congressman Leon Panetta. When Mr. Panetta became OMB Director in 1993 he retained his support for biennial budgeting.

President Bush, in the fiscal year 1991 Budget also recommended biennial budgeting as a reform of the budget process. "If

the budget process could cover two years instead of one, there would be large saving of congressional time and better opportunities for improved program management in the executive branch." While the President's budget endorsed two year appropriations, it suggested that a reform that stopped short of biennial appropriations could still be useful.

As noted above, biennial budgeting was again recommended in 1993 by both the House and Senate members of the Joint Committee on the Organization of Congress and by the Vice President's National Performance Review.

Senator Domenici urging the shift to biennial budgeting in his 1996 Washington Post article, "Make It A Two-Year Budget," stated:

> We should begin by abandoning the outmoded and disorderly annual budget and appropriations process and move to biennial budgeting and appropriating to stabilize our budget decisions. This is the most important reform we can adopt to improve the process, provide for oversight and careful deliberation, and make us more accountable to the American people.

In addition to the congressional and executive branch support, numerous state officials have urged the federal government to shift to a biennial budget cycle.

STATE EXPERIENCE WITH BIENNIAL BUDGETING

Although there are significant differences between State budgets and that of the Federal government, the Committee still believes that an examination of state experiences could prove useful.

In her opening statement on the April 23, 1997 Committee hearing on S. 261, Senator Collins addressed the States use of biennial budgeting by stating:

> Many State Governments, including my own State of Maine, use a 2-year budget very successfully. As a former cabinet member in Maine, I speak from direct experience in working in a 2-year budget cycle. It is far more efficient, far more cost effective than our current Federal budget process.

On July 15, 1987 the General Accounting Office published a survey of biennial budgeting trends, practices, and experiences in the 50 states. The data were updated in later GAO testimony in 1996 and 1997. Eight states have biennial legislatures and hence of necessity biennial appropriations cycles. Of the 42 states with annual legislative cycles, 12 have biennial budget cycles and 27 have annual ones. Three states describe their budget cycles as "mixed" in which the budget is divided into two categories: that for which budgeting is annual and that for which it is biennial. These states placed agencies with relatively predictable needs on a biennial cycle and those with more volatility on an annual cycle. The Committee believes that a major contributor to volatility perceived by the states is the federal government's annual cycle.

In the last three decades, 11 states switched from biennial to annual and three from annual to biennial. One state switched from

biennial to annual and back to biennial. Then–Comptroller General Bowsher testified at the June 7, 1990 Committee hearing that one of the factors contributing to the states' shift to annual budgeting was the annual Federal process.

Senator Richard Finan, President Pro Tem of the Ohio Senate, testified biennial budgeting has worked well: budgets are completed on time; staff and members have time to do other things; and "agencies are in a better position to plan." In addition, Senator Finan noted that shifting the Federal government to a biennial budget cycle would be helpful to the states. As he explained, "As you know, Congress is very involved in our spending in our State programs and when you take things like Medicaid and AFDC which can get to 40 percent of our budget, just imagine, after we have done a biennial budget, if you vary 1 percent or 2 percent on those kinds of numbers, you can be a disaster to us in that second year of the budgeting process. It would be extremely helpful to us to have a biennial budget here in Washington, D.C."

John Keel, Director of the Texas Legislative Budget Board, echoed Senator Finan's statements. He noted that a two-year budget cycle increases planning stability and certainty not only for state agencies but also for other governmental jurisdictions. In addition, he felt that it permitted the state to "more effectively monitor * * * expenditures and * * * more effectively assess the performance of agencies and programs."

ADDITIONAL ISSUES

A number of issues with regard to biennial budgeting have been raised during the Committee's consideration. These issues include: (1) whether biennial budgeting would lead to greater use of supplemental spending; (2) whether the uncertainty of economic projections would make it very difficult to budget two years in advance; (3) how the Congress would respond to new national needs or emergencies; (4) the timing of authorizations in a biennial budget; and (5) the transition to biennial budgeting.

First, concern was expressed about the impact of biennial budgeting in creating an incentive for more supplemental appropriations. In particular, some noted that the stability and predictability of funding cited as a major benefit of biennial appropriations would be lessened if major adjustments became routine in the "off years." As Table 3 indicates, the Congress already enacts at least one supplemental each fiscal year. In 1978, the Congress enacted nine supplemental appropriations. In 1989, the Congress enacted three.

TABLE 3.—SUPPLEMENTAL APPROPRIATIONS, FISCAL YEARS 1974–96

[Dollar amounts in millions]

	Number of supplemental bills	Amount of budget authority
Fiscal year:		
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

TABLE 3.—SUPPLEMENTAL APPROPRIATIONS, FISCAL YEARS 1974–96—Continued

[Dollar amounts in millions]

	Number of supplemental bills	Amount of budget authority
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	0	

Source.—U.S. Congress, Senate, Appropriations, Budget Estimates, Etc., S Doc., 94th Cong., 2nd sess.—103rd Cong., 1st sess., prepared by Senate and House Appropriations Committees, (Washington: GPO, 1976–1993); House Appropriations Committee data, 1994–1996.

The Committee believes that it would be easier to consider several supplementals annually than to go through the entire budget process as the Congress does currently. By retaining the enforcement mechanisms set forth in the Budget Enforcement Act as amended (commonly referred to as BEA), the Congress can assure that supplementals do not break budget discipline. The Committee believes that supplementals should and can continue to be seen as exceptions considered when changes in condition warrant a change in spending decisions. While it is possible that in the early years some agencies may seek changes in the funding provided in the biennial appropriation bill, the Committee believes that the attitude of the OMB and the Congress can prevent such attempts from becoming routine. In addition, all decisions would still have to comply with the spending limits established in the BEA.

Second, concern was expressed about the uncertainty of economic assumptions which would be required for two years in advance instead of one. Several witnesses noted the problems in forecasting economic performance, and the dependence of the current process on accurate assumptions.

However, the Committee noted that the Congressional Budget Office and the Office of Management and Budget currently project economic assumptions for the budget year and the following five years. Further, the Committee notes that nothing in this legislation prevents consideration of a revised budget resolution if the changes in the underlying economic assumptions are great enough to demand it. The budget process will be neither more nor less dependent on accurate forecasting under biennial budgeting. This is especially the case since the enactment of binding discretionary spending limits for a multi-year period already binds the appropriations process.

Third, concern was also expressed regarding the need for congressional flexibility to react to emergencies like Hurricane Andrew in 1992 and the 1997 floods in North Dakota or to the rise of new issues. The Committee believes that S. 261 should have no impact

on the ability of the Congress to deal with emergencies—which, even under the current annual cycle require mid-cycle adjustments. Although the Committee believes that the benefits of a biennial cycle will be the greatest if mid-cycle adjustments are the exception rather than the rule, S. 261 does not limit the Congress' ability either to respond to emergencies or to make adjustments were Congress believes a new issue demands a mid-cycle reallocation of funds.

Fourth, concern was expressed about the timing of authorizations and appropriations in a two year budget process. Some experts have suggested that authorizations should be in the first session of the Congress, with the budget resolution and appropriation bills in the second session of each Congress. At the June 7, 1988 Committee hearing, Senator Ford testified that this approach would "have meant that a newly elected Congress and a newly elected President would have to wait a full year before they could start to work their will on the budget." The Joint Committee on the Organization of Congress accepted this argument—also made by other observers including the General Accounting Office—and recommended that each Congress appropriate in its first year. Even though building that kind of learning period into the process has its desirable aspects, we concluded, that it was unrealistic and opted for budgeting in the first session.

Fifth, concern was expressed about effective date of the legislation, and the transition to biennial budgeting. Under the provisions of S. 261, biennial budgeting will be phased in. Effective October 1, 1998 authorizations would have to cover at least two years. The first two-year budget resolution and appropriations bills would cover the biennium with Fiscal Year 2000—beginning October 1, 1999. The Committee notes that in recent fiscal years, excluding the Department of Defense, less than five percent of all Federal spending has been authorized on an annual basis. Including the Department of Defense, roughly 20 to 25 percent of all Federal spending has been authorized on an annual basis. However, considering the Committee on Armed Services willingness to move to a two year authorization under certain conditions, the Committee notes that Congress has the capacity to authorize most programs on a multi-year basis. Since a large percentage of Federal spending is already authorized on other than an annual basis, the Committee concludes that the transition to multi-year authorizations for the entire government would not constitute an undue burden on either Congress or the Executive.

IV. Legislative History of Biennial Budgeting

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 multiyear 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 Governmental 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.

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 maintained, and the conferees for the bill 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 to 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 FY 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 favorably reported S. 29 (sponsored by Senators Ford, Roth and Do-

menici) 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 58–41 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.

V. Legislative History of S. 261

1997 (105th Congress)

Senator Domenici introduced S. 261 on February 4, 1997. The bill provides for a two-year budget and appropriations process. There were 25 original cosponsors.

February 13, 1997.—Budget Committee

Senator Domenici chaired a Budget Committee hearing on the issue.

Although it was cut short, testimony was received from:

(1) Senators Thomas and Ford, as sponsors and proponents;

(2) the National Conference of State Legislatures, addressing the state experience,

(3) the Congressional Research Service, giving an overview of the institutional impact on the internal operations of Congress and the relationship between the executive and legislative branches, and

(4) the Ford Motor Company, which cited the advantages of multi-year funding for federal research investments in science and technology.

April 23, 1997.—Governmental Affairs Committee Hearing

The hearing chaired by Senator Thompson on Wednesday, April 23, was designed to focus specifically on S. 261. There were two panels:

Panel I

Frank Raines, OMB Director, on behalf of the Administration. The Clinton Administration supports biennial budgeting which was

recommended in the report of the Vice President's National Performance Review (NPR). The two previous Clinton OMB Directors, Leon Panetta and Alice Rivlin, both supported biennial budgeting. During the Carter Administration then-Congressman Panetta had been the first to introduce legislation establishing a biennial budget process.

Panel II

The second panel consisted of three witnesses:

(1) Charles Whalen, Cornell University, who had recently published an article on biennial budgeting and lessons from the states.

(2) Susan Irving, GAO, who summarized previous testimony on state experiences and other issues regarding congressional oversight and the appropriations process specifically a section of the original bill dealing with GAO and how S. 261 as drafted interacts with the Government Performance and Results Act.

(3) Louis Fisher, CRS, who discussed advantages and disadvantages for Congress as an institution.

(4) CBO provided a written statement updating its earlier testimony on biennial budgeting.

(5) The Senior Executives Association submitted a written statement on behalf of senior and career federal executives in support of biennial budgeting, believing it would save both time and money, as well as provide benefits in long-range planning.

OMB Director Raines supported S. 261, with the exception of some substantive changes that it would make to the Government Performance and Results Act (the Results Act). He commended the bill for making biennial budgeting comprehensive, stating that for biennial budgeting to work, it must cover each phase of the budget process—the President's budget, the congressional budget resolution, and appropriations. He expressed his belief that biennial budgeting gives us some interesting possibilities for improving the efficiency and effectiveness of the Federal government. He indicated that a change to biennial budgeting would allow OMB to devote more time to budget execution, financial accounting, and performance reporting.

Dr. Whalen supported S. 261 and cited state experience with biennial budgeting as indicating that there can be significant benefits if the practice were adopted at the federal level. In his view, three advantages would result from a biennial budget and appropriations cycle—(1) it would streamline the budget process, (2) enable federal officials to make policies more effective, and (3) promote economic stability.

Dr. Irving noted that the decision to change the entire budget process to a biennial one is fundamentally a decision about the nature of congressional oversight. Biennial appropriations would be neither the end of congressional control nor the solution to many budget problems. Whether a biennial cycle would reduce congressional workload and increase time for oversight is unclear. Many policy issues present themselves in a budget context. While pleased to see so much thought go into the integration of the Government Performance and Results Act into the process, Dr. Irving did agree

with Director Raines regarding substantive changes to the Results Act at this time. She also agreed with the Chairman that the provision in S. 261 regarding GAO assistance with authorizations and oversight was unnecessary since GAO would and did provide such assistance under its existing authorities.

Dr. Fisher commented on the bill's likely effect on the operations of the Congress and the relationship between the executive and legislative branches. He expressed concern that it might lead to a further loss of the congressional power of the purse and a decline in legislative control that would result by giving the executive branch a longer leash with two years of money. In his view, biennial budgeting might permit the Congress to more closely oversee the activities of the executive branch, but he was concerned regarding the loss of oversight through annual appropriations. He thought that biennial budgeting would bring modest workload relief to the Congress and create a new set of problems. He suggesting undertaking biennial budgeting on a pilot basis, in carefully selected areas, before deciding on full-scale implementation.

CBO's written statement for the record noted that most spending and revenues flow from permanent law or cover multi-year periods. Thus, biennial budgeting would be more significant for its effect on the cycle of budget action than for its effect on the duration of budget laws. The CBO statement said that the Committee should weigh the potential gains from more time for planning, program evaluation, and oversight against a potential loss of budget control and accountability. It further noted that S. 261's specific procedures to maintain separate budgetary and nonbudgetary congressional sessions would make the legislative and budget process more rigid.

VI. Committee Action

On May 22, 1997 the Committee held a business meeting at which S. 261, the Biennial Budgeting and Appropriations Act, was considered. Chairman Thompson offered an amendment in the nature of a substitute, which was approved by voice vote.

Senator Durbin offered three amendments to S. 261 as amended. The first amendment would have retained the annual appropriations cycle in the budget process. The amendment failed on a roll call vote of 4 Yeas (Cochran, Akaka, Durbin, and Cleland) and 11 Nays (Collins, Brownback, Domenici by proxy, Nickles, Specter, Smith, Bennett, Glenn, Levin, Lieberman, and Thompson).

Senator Durbin's second amendment would have provided for a joint resolution on the budget that required the President's signature, rather than a concurrent resolution. The amendment failed on a roll call vote of 3 Yeas (Akaka, Durbin, and Cleland) and 12 Nays (Collins, Brownback, Domenici by proxy, Cochran, Nickles, Specter, Smith, Bennett, Glenn, Levin, Lieberman, and Thompson).

Senator Durbin's third amendment would have created a new point of order precluding final action on the regular Legislative Branch appropriations bill if all other appropriations bills for the fiscal year have not already been enacted into law. After some discussion, Senator Durbin withdrew the amendment.

With no other amendments being offered, Chairman Thompson moved adoption of S. 261 as amended. The bill was ordered favor-

ably reported by a vote of 13 Yeas (Collins, Brownback, Cochran, Nickles, Specter, Glenn, Levin, Lieberman, Akaka, Cleland, Thompson, Smith, and Bennett) and 1 Nay (Durbin). Senator Domenici voted Aye by proxy.

VII. Section-by-Section Analysis

Section 1 states the title of the legislation—the "Biennial Budgeting and Appropriations Act".

Section 2 amends section 300 of the Congressional Budget and Impoundment Control Act of 1974 to revise the timetable to reflect a biennial budget process. 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 budget resolution to May 15th and to extend the deadline for completion of reconciliation legislation to August 1st. The revised timetable contains two milestones in the second session: a February 15th reporting requirement for the CBO annual report on the budget and an end-of-session deadline for completion of action on authorization legislation. This section also amends the timetable to provide a special schedule in years a new President is elected. Generally, deadlines are extended by 6 weeks to give a new President more time to prepare and submit his budget.

Section 3 includes most of the other amendments made to the Congressional Budget and Impoundment Control Act.

Section 3(a) amends section 2 of the Act to make a conforming change to the statement of the purposes of the Act. Section 3(b) adds a definition for "biennium" and makes a conforming change to the definition of "concurrent resolution on the budget."

Section 3(c) amends section 301 to require the Congress to complete action on a biennial budget resolution by May 15th of each odd-numbered year; to require the budget resolution to cover the biennium, and each of the ensuing four years; to make conforming changes regarding requirements for hearings and reports on budgets; to make other conforming changes to the section; and, to make conforming changes to the section heading and the table of contents of the Act.

Section 3(d) amends section 302 of the Budget Act, regarding committee allocations, to require the joint explanatory statement accompanying the conference report on a budget resolution to include for the Senate an allocation of budget authority and outlays to each committee for each year in the biennium and the total of the biennium and the four succeeding fiscal years. This subsection also makes conforming changes to section 302(f).

Section 3(e) amends section 303 of the Budget Act, regarding the point of order against spending and revenue legislation affecting future fiscal years, to make a conforming change to provide that such legislation cannot be considered until the budget resolution for a biennium is adopted. This subsection also drops an exception to this point of order in the Senate for appropriations measures providing an advance appropriation for the two fiscal years following the budget year.

Section 3(f) makes conforming changes to section 304 of the Budget Act, regarding revisions of budget resolutions. Maintains

current law that allows Congress to revise the budget resolution at any time.

Section 3(g) amends section 305 to make a conforming change regarding a reference to the budget resolution.

Section 3 (h) and (i) amend sections 307 and 309 to make conforming changes regarding the deadlines for completion of appropriations bills.

Section 3(j) amends section 310 to make conforming changes regarding reconciliation.

Section 3(k) would conform section 311 of the Act to the biennial budget process. Section 311 currently makes legislation subject to a point of order if it would cause total new budget authority or total budget outlays to exceed levels agreed to in the most recent budget resolution. As amended, Section 311 would authorize a point of order if pertinent budget levels were exceeded in either fiscal year in the biennium.

Section 3(l) amends section 401(b)(2) to make a conforming change regarding the referral of certain entitlement legislation to the Appropriations Committee.

Section 3(m) amends section 603 to make a conforming change regarding automatic allocations to the House Appropriations Committee if the budget resolution is not adopted by a certain date.

Section 4 amends the Senate pay-as-you-go point of order to conform to a biennial cycle.

Section 5 amends the relevant sections of Title 31 of the U.S. Code regarding materials the President's budget submission and related documents.

Section 5(a) amends section 1101 to add a definition of "biennium."

Section 5(b) amends section 1105 to require the President to submit the budget by the first Monday of February for every odd-numbered year (except when the schedule in section 300(b) of the Budget Act applies) Section 5(b) also amends a number of requirements in section 1105 to conform the President's budget to a biennial budget. Among these changes, the President's budget would have to propose levels for each fiscal year in the biennium and projections for the four succeeding years.

Section 5(c) amends section 1105(b), regarding estimated expenditures and proposed appropriations for the legislative and judicial branches, to require the submittal of these proposals to the President before October 16th of even-numbered years.

Subsections (d) and (e) of section 5 make conforming changes to section 1105 regarding the President's recommendations if there is a proposed deficit or surplus and capital investment analyses.

Section 5(f) amends section 1106 to change the requirements regarding the President's "Mid-session Review." Current law requires the President to submit the Mid-session Review before July 16 of each year. Section 5(f) requires the President to submit a "Mid-biennium Review" before February 15 of each even-numbered year. With this modification, the President will submit his biennial budget at the beginning of each odd-numbered year and provide updated information on the budget at the beginning of each even-numbered year.

Section 5(g) amends section 1109 to make conforming changes to require the President to submit current services estimates for the upcoming biennium and to require the Joint Economic Committee to submit an economic evaluation to the Budget Committee as part of its views and estimates report. This subsection also makes two technical corrections to require the President to submit the current services information with his budget submission and to require the Joint Economic Committee to submit its economic evaluation within 6 weeks of the President's budget submission.

Section 5(h) makes amendments to section 1110 regarding year ahead requests on authorization legislation to require the President to submit requests for authorization legislation by March 31st of even-numbered years.

Section 6 amends section 105 of Title I of the U.S. Code regarding the form and style of appropriations Acts to require that they cover two years.

Section 7 adds a new section 314 to the Budget Act that establishes two new points of order in the Congress against authorization legislation. The first point of order prohibits consideration of authorization legislation that covers less than 2 years except for temporary activities. The second point order prohibits consideration of authorization or revenue legislation until the Congress has completed action on the biennial budget resolution, biennial appropriations bills, and all reconciliation bills. These two points of order do not apply to appropriations measures, reconciliation bills, privileged matters, or matters considered in Executive Session such as treaties, or nominations. This point of order can be waived by a simple majority.

Section 8 amends the Government and Performance and Results Act of 1993 (GPRA) to incorporate GPRA into the biennial budget cycle.

The Government Performance and Results Act of 1993 (GPRA) 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.

GPRA requires federal agencies to consult with congressional committees as they develop their strategic plans and to submit the first strategic plans to the Office of Management and Budget and to the Congress, by September 30 of this year; the plans are to cover at least 6 years (i.e., the current year plus 5 years into the future) and be updated at least every three years. Annual performance plans delineating agency goals in objective and measurable form are to cover each program activity described annually in the agencies' budget requests, with the first of these plans due in February 1998 with the fiscal year 1999 budget. GPRA also requires the President to include a performance plan for the entire government, beginning with the fiscal year 1999 budget. Finally, the first annual performance report, comparing actual performance for fiscal year 1999 to the performance goals stated in the annual plan, are to be submitted by March 2000.

Section 8(a) amends section 306 of title 5 to require agencies to prepare strategic plans, beginning no later than September 30,

2000, which cover the year of submission plus six years, and requires that the plans be updated at least every four years.

Section 8(b) amends section 1105(a)(28) of title 31 to require the President's budget to include a biennial government wide performance plan beginning with fiscal year 2000.

Subsection 8(c) amends section 1115 of title 31, to conform required performance plans to a biennial period and to require that the plans cover each program activity of both years of the biennial budget submission.

Subsection 8(d) amends section 9703 of title 31, regarding managerial accountability and flexibility waivers, to conform that section to the biennial budget process. Under this amendment, waivers of "procedural requirements or controls" shall be for a two-year period.

Subsection 8(e) amends section 1119 of title 31, to require that the Director of the Office of Management and Budget include in his report regarding performance budgeting pilot projects authorized under GPRA the feasibility of including a performance budget as part of a biennial budget process.

Subsection 8(f) amends section 2802 of title 39, to require the Postal Service to prepare strategic plans, beginning no later than September 30, 2000, which cover the year of submission plus six years, and requires that the plans be updated at least every four years. This amendment is comparable to the amendment made to section 306 of title 5 by section 8(a) of the bill.

Section 8(g) amends section 2803 of title 39 to require that the Postal Service prepare performance plans for a biennial period.

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 plans or reports to the Budget Committee as part of their views and estimates report.

Section 8(i) provides that the amendments in section 8 shall take effect on March 31, 1998.

Section 9 amends the Budget Act to add a new section 315 that provides a majority point of order against consideration in any odd-numbered year of a regular appropriations bill that fails to fund both years of the biennium except for temporary activities. This point of order does not apply to supplementals or continuing resolutions.

Section 10 requires OMB to conduct a study within 180 days of enactment of the feasibility of converting the fiscal year to a two year period.

Section 11 provides an effective date for the Act and a transition period. Subsection (a) generally provides that the Act takes effect on January 1, 1998. Section 11(b) provides a transition year to the biennial cycle by requiring the authorizing committees to start consideration of two-year authorization legislation in 1998.

VIII. Regulatory Impact of Legislation

Paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill evaluate "the

regulatory impact which would be incurred in carrying out this bill."

The enactment of this legislation will not have significant regulatory impact.

IX. Cost Estimate of the Legislation

U.S. Congress,
Congressional Budget Office,
Washington DC, June 3, 1997.

Hon. Fred D. Thompson,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for S. 261, the Biennial Budgeting and Appropriations Act.

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

Sincerely,

June E. O'Neil, *Director.*

Enclosure.

Congressional Budget Office Cost Estimate

S. 261—Biennial Budgeting and Appropriations Act

Summary: CBO estimates that shifting the federal budgetary and appropriations process from an annual to a biennial cycle, as required by S. 261, would not result in any significant cost or savings to the federal government. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. S. 261 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would have no impact on state, local or tribal governments.

Description of the bill's major provisions: Under S. 261, the Congress and the President would act on budgetary matters every other year. The first session of each Congress would be devoted to budgetary actions—the President's budget, the budget resolution, and appropriation and reconciliation acts—under a schedule that parallels the current annual timetable. The second session would generally be reserved for nonbudgetary activities, including planning, oversight, and authorizing legislation, and for any needed adjustments in budget laws enacted in the first session or in earlier years. CBO and the Office of Management and Budget would be required to prepare reports of updated budget estimates during this second session.

A biennium composed of two separate fiscal years would become the standard fiscal period. The fiscal biennium would begin on October 1 each odd-numbered year, and end on September 30 two years later. The first beinnium would begin October 1, 1999 (the start of fiscal year 2000). Budgets would cover two-year periods. The President's budget and the Congressional budget resolution would cover three successive bienniums (a six-year period), and regular appropriation acts would be required to provide funds for

a full biennium. Various rules and procedures in the Senate and the House would be established to enforce the biennial budget process. S. 261 also would conform the Government Performance and Results Act of 1993 to the two-year budget cycle.

In many respects, the proposed budget process would not differ significantly from current practice. The President now prepares multiyear revenue and spending estimates in his annual budget. The current budget resolution includes recommended levels for fiscal years through 2002. Further, most revenue and spending law is permanent and would not be affected by any changes that S. 261 would trigger in the annual appropriations process. Relative to current law and practices, it is the annual appropriation process—in which lawmakers both act on and provide funds one year at a time—that biennial budgeting would affect most significantly.

Estimated cost to the Federal Government: Biennial budgeting has the potential to streamline the budget process, thereby freeing up time for the Congress to conduct oversight reviews of programs and for executive branch agencies to focus more on long-range planning and program management. Over time, some funds now spent to pay for staff and other resources used to prepare an annual budget might decrease by moving to a biennial cycle. Initially, however, S. 261 would likely increase federal costs. In fiscal year 2000, preparing precise budget estimates for two years instead of one would probably necessitate an increase in agency effort. Although the first year of the biennium would be expected to continue to consume the larger portion of the workload associated with budget preparation, costs in the first year of the biennium should decline somewhat after 2000.

In the second year of the biennium, Congressional and federal agencies would continue to monitor, and in some cases, revise budgetary estimates and requests in order to respond to changes in the economy and to fund emergencies and other unanticipated events. Based on a recent study analyzing the experience in states with biennial budgeting, concrete estimates of time savings in the second year are hard to substantiate. CBO is unable to quantify the precise budgetary impact of adopting biennial budgeting at the federal level, but we expect that any such impact would not be significant.

CBO assumes that enacting S. 261 would not change the period of availability or the amount of appropriated funds. Under current law, annual appropriations already include multiple-year or no-year funding for about two-thirds of the accounts within the jurisdiction of the appropriations committees. In some cases, advance appropriations are made available. If the Congress were to change its procedures to allow agencies to use funds not spent in the first year of the biennium in the second year, total spending could increase, and the timing of outlays could shift. However, we have no basis for assuming that the Congress would change the period of time for which funds would be made available to agencies under the biennial budgeting process. If discretionary spending caps are extended as assumed in the budget resolution for fiscal year 1998 (currently under consideration by the Congress), such controls would effectively limit the total of any such spending, regardless of the year in which the authority was provided.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 261 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no impact on state, local, or tribal governments.

Estimate prepared by: Mary Maginniss.

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

X. Minority Views of Senator Durbin

To the extent that this bill would replace the present annual appropriations cycle with a biennial process, I must respectfully state my objections.

This bill aims to reduce the amount of time spent on the budget process and provide more time for evaluation and review of Federal agency program performance. The budget process is complex and time-consuming, and it is important that we scrutinize Federal programs to ensure that they are effective and that Federal funds are being spent properly.

Yet, by limiting the frequency of the appropriations process, this measure would sacrifice one of the most valuable oversight mechanisms we have available.

There is no more effective way to focus the attention of Federal program administrators than to have their budgets at stake. Requiring agencies to justify and defend their programs and budgets every year is a critical element of our effort to evaluate how Federal programs are functioning and how funds are expended. Under the existing annual structure, if agency expenditures are inconsistent with Congressional intent, Congress can address the situation within the year in the next appropriation. Under biennial appropriations, Congress would frequently have to do without its strongest tool.

Why would we want to diminish our authority to control spending? Curtailing the amount and frequency of oversight by appropriators directly contradicts one of the declared objectives of this bill—to increase opportunities for agency oversight.

The ultimate oversight is the power of the purse. To restrain and weaken that process under the guise of expanding oversight misapprehends the critical role that appropriations committees play in oversight. Cutting back on that control of spending, in my estimation, would be a serious mistake.

Some proponents suggest that a biennial appropriations process would offer greater flexibility in fund availability. Congress already has and routinely exercises its authority to provide multi-year money or advance money where the program cycle requires or where it is sensible to do so. Use of this authority is demonstrated in a host of program accounts, including Title I and other education programs, the Corporation for Public Broadcasting, the Low Income Home Energy Assistance Program, State grants for Medicaid, and various defense procurement programs. The fact that Congress currently accommodates needs in this way, and could broaden its use of that authority where appropriate, underscores that it is not necessary to change the decision cycle in order to change how long money is available.

Even under an annual appropriations system, making precise projections about agency needs is difficult. Under the current an-

nual cycle, the formulation of the President's budget begins 15 to 18 months prior to the beginning of the fiscal year for which funding decisions will be made. In its Economic and Budget Outlook: Fiscal Years 1998–2007, the Congressional Budget Office compares actual budget totals and the first budget resolution estimates. The discrepancies between these figures clearly illustrate how, even on an annual basis, projections of outlays, revenues, and estimates can miss the mark.

Since the time lag between initial forecasts and actual budget execution creates difficulties even in an annual environment, it is hard to conceive how extending the budget lead time to 27 or 30 months would enhance the reliability or quality of the estimates, improve the capacity of the executive branch to foresee future needs, or eliminate unanticipated funding requirements. Increased difficulty in forecasting was a primary reason several States gave for switching from biennial to annual budget cycles. The federal government is not immune from this problem.

Advocates suggest that biennial appropriations could provide agencies with greater stability and certainty about the level of available resources. However, as OMB Director Franklin Raines noted in his testimony, the potential for that stability is dependent on whether second year appropriations remain unchanged by supplemental bills.

Many proponents of comprehensive biennial budgeting acknowledge that an increase in supplementals can be expected under a biennial environment. Given that supplemental spending bills have already become almost routine under the present appropriations process, it appears clear that we would ultimately be engaged in appropriation decisions annually even if Congress adopted a biennial appropriations process. However, the supplemental bills would become more elaborate and comprehensive, and the "biennial" nature of the appropriations cycle would be, for all practical purposes, one in name only.

I am skeptical that a shift to biennial appropriations would actually reduce the time and attention Congress would need to devote to spending decisions. In fact, it is possible that the appropriations process would become more contentious and protracted as Congress fought over what programs should be cut—despite their biennial appropriation—to offset unanticipated spending increases needed in the so-called "off-year."

Finally, it is not necessary to abandon annual appropriations in order to invigorate the authorizing committees and help them engage in more focused and deliberative oversight. Retaining annual appropriations will not interfere with more intensive oversight by the authorizing committees. In fact, the oversight function will be more effective if the regular annual appropriations process remains available to accommodate the needs identified through enhanced oversight by authorizing committees.

Biennial budgeting may have its merits, but those merits do not extend to the appropriations process. I hope my colleagues will recognize the distinctions, and leave the annual appropriations process intact.

DICK DURBIN.

XI. Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, 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 with no change proposed is shown in roman):

Congressional Budget and Impoundment Control Act of 1974

SHORT TITLES; TABLE OF CONTENTS

SEC. 1(a). * * *
(b) Table of Contents.—

* * * * * * *

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

* * * * * * *

SEC. 314. Authorizations of appropriations.
SEC. 315. Consideration of two year appropriations 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—

* * * * * * *

(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.

* * * * * * *

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.
[February 25	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 Sixth 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.*
Within 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	*Congress completes action on biennial appropriation bills.*
August 1	*House completes action on reconciliation legislation.*
October 1	*Biennium begins.*

Second Session

On or before:	*Action to be completed:*
February 15	*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 immediately following a leap year and 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.*
July 1	*Biennial appropriation bills may be considered in the House.*
July 20	*House Appropriations Committee reports last biennial appropriation bill.*

[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 planning levels for each of the two ensuing fiscal years**]** *and the appropriate levels for each of the 4 ensuing fiscal years,* for the following—

(1) totals of new budget authority, budget outlays, direct loan obligations, and primary loan guarantee commitments;

(2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

(3) the surplus or deficit in the budget;

(4) new budget authority, budget outlays, direct loan obligations, and primary loan guarantee commitments for each major functional category, based on allocations of the total levels set forth pursuant to paragraph (1);

(5) the public debt;

(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.

The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.

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

(1) set forth, if required by subsection (f), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved;

(2) include reconciliation directives described in section 310;

(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);

* * * * * * *

(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))* 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.—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.* The report accompanying such concurrent resolution shall include, but not be limited to—

* * * * * * *

(6) projections (not limited to the following), for the period of [five fiscal years beginning with such fiscal year] *six fiscal years beginning with the first fiscal year of such biennium,* of the estimated levels of total budget outlays and total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

* * * * * * *

(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 para-

graph (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.

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COMMITTEE ALLOCATIONS

SEC. 302. (a) ALLOCATION OF TOTALS.—

(1) For the House of Representatives, the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated allocation, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of total budget outlays, total new budget authority, and total entitlement authority among each committee of the House of Representatives which has jurisdiction over laws, bills and resolutions providing such new budget authority, or such entitlement authority. The allocation shall, for each committee, divide new budget authority, and entitlement authority between amounts provided or required by law on the date of such conference report (mandatory or uncontrollable amounts), and amounts not so provided or required (discretionary or controllable amounts), and shall make the same division for estimated outlays that would result from such new budget authority.

[(2) For the Senate, the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated allocation, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of social security outlays for the fiscal year of the resolution and for each of the 4 succeeding fiscal years, total budget outlays and total new budget authority among each committee of the Senate which has jurisdiction over bills and resolutions providing such new budget authority.]

(2)(A) For the Senate, the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated allocation of the appropriate levels of total new budget authority, total outlays, and social security outlays, based upon the concurrent resolution as recommended in the conference report, to each committee of the Senate which has jurisdiction over bills and resolutions providing budget authority.

(B) For all committees except the Committee on Appropriations, the allocations under subparagraph (A) shall include the appropriate levels of budget authority, outlays, and social security outlays for each fiscal year in the biennium and the total of the biennium and the 4 succeeding fiscal years.

(C) For the Committee on Appropriations, the allocation under subparagraph (a) shall include the appropriate levels of budget authority, outlays, and social security outlays for each fiscal year in the biennium.

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(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], it shall not be in order in the House of Representatives to consider any bill, joint resolution, or amendment providing new budget authority [for such fiscal year] or new entitlement authority [effective during such fiscal year], or any conference report on any such bill or joint resolution, if—

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

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

(C) the enactment of such bill or resolution in the form recommended in such conference report,

would cause the appropriate allocation made pursuant to subsection (b) [for such fiscal year] of new discretionary budget authority or new entitlement authority to be exceeded.

(2) IN THE SENATE.—[At any time after the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a) for a fiscal year, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report, that provides for budget outlays, new budget authority, or new spending authority (as defined in section 401(c)(2)) in excess of (A) the appropriate allocation of such outlays or authority reported under subsection (a), or (B) the appropriate allocation (if any) of such outlays or authority reported under subsection (b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year or provides for social security outlays in excess of the appropriate allocation of social security outlays under subsection (a) for the fiscal year of the resolution or for the total of that year and the 4 succeeding fiscal years.] *At any time after Congress has completed action on a concurrent resolution on the budget required to be reported under section 301(a), it shall not be in order to consider any bill, joint resolution, amendment, motion, or conference report, that provides new budget authority, outlays, new spending authority (as defined in section 401(c)(2)), or social security outlays in excess of allocations made pursuant to subsection (a) and (b).* [Subparagraph (A)] *The requirement of this paragraph to comply with allocations made pursuant to section 302(a)* shall not apply to any bill, resolution, amendment, mo-

tion, or conference report that is within the jurisdiction of the Committee on Appropriations. In applying this paragraph—

* * * * * * *

CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY, OR CHANGES IN REVENUES OR THE PUBLIC DEBT LIMIT IS CONSIDERED

SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report as reported to the House or Senate which provides—

(1) new budget authority for a fiscal year;

(2) an increase or decrease in revenues to become effective during a fiscal year;

(3) an increase or decrease in the public debt limit to become effective during a fiscal year;

(4) new entitlement authority to become effective during a fiscal year;

(5) in the Senate only, new spending authority (as defined in section 401(c)(2)) for a fiscal year; or

(6) in the Senate only, outlays,

until the concurrent resolution on the budget for such **[**fiscal year**]** *biennium* (or, in the Senate, a concurrent resolution on the budget covering such fiscal year) has been agreed to pursuant to section 301.

(b) EXCEPTIONS.—**[**(1)**]** In the House of Representatives, subsection (a) does not apply to any bill or resolution—

[(A)**]** *(1)* providing new budget authority which first becomes available in a fiscal year following **[**the fiscal year**]** *biennium* to which the concurrent resolution applies; or

[(B)**]** *(2)* increasing or decreasing revenues which first become effective in a fiscal year following **[**the fiscal year**]** *biennium* to which the concurrent resolution applies.

After May 15 of **[**any calendar year**]** *any odd-numbered calendar year (or, if applicable, as provided by section 300(b)),* subsection (a) does not apply in the House of Representatives to any general appropriation bill, or amendment thereto, which provides new budget authority for the fiscal year beginning in such calendar year.

[(2) In the Senate, subsection (a) does not apply to any bill or resolution making advance appropriations for the fiscal year to which the concurrent resolution applies and the two succeeding fiscal years.**]**

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PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTION ON THE BUDGET

SEC. 304. (a) IN GENERAL.—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.*

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PROVISIONS RELATING TO CONSIDERATION OF CONCURRENT RESOLUTION ON THE BUDGET

SEC. 305. (a) * * *

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(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, the Committee on Appropriations of the House of Representatives shall report annual 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.*

* * * * * * *

HOUSE APPROVAL OF REGULAR APPROPRIATIONS BILLS

SEC. 309. 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 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;*

(B) budget authority initially provided for prior fiscal years;

(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;

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NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

SEC. 311. (a)(1) LEGISLATION SUBJECT TO POINT OF ORDER.—Except as provided by subsection (b), 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 either the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority for [such fiscal year] *either fiscal year in such biennium,* providing new entitlement authority effective [during such fiscal year] *during either fiscal year in such biennium,* or reducing [revenues for such fiscal year] *revenues for a fiscal year, if*—

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

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

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

would cause the appropriate level of total new budget authority or total budget outlays set forth in the most recently agreed to concurrent resolution on the [budget for such fiscal year] *budget for either fiscal year in such biennium* to be exceeded, or would cause revenues to be less than the appropriate level of total revenues set forth in such concurrent resolution except in the case that a declaration of war by the Congress is in effect.

(2)(A) After the Congress has completed action on a concurrent resolution on the budget, it shall not be in order in the Senate to consider any bill, resolution, amendment, motion, or conference report that would cause the appropriate level of total new budget authority or total budget outlays or social security outlays set forth [for the first] *for either* fiscal year in the most recently agreed to concurrent resolution on the budget [covering such fiscal year] *covering the biennium* to be exceeded, or would cause revenues to be less than the appropriate level of total revenues (or social security revenues to be less than the appropriate level of social security revenues) set forth for [the first fiscal year covered] *either fiscal year in the biennium* covered by the resolution and for the period including [the first fiscal year plus] *the biennium plus* the following 4 fiscal years in such concurrent resolution.

(b) EXCEPTION IN THE HOUSE OF REPRESENTATIVES.—Subsection (a) shall not apply in the House of Representatives to any bill, resolution, or amendment which provides new budget authority or new entitlement authority effective during such fiscal year, or to any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report,

would not cause the appropriate allocation of new discretionary budget authority or new entitlement authority made pursuant to section 302(a) for [such fiscal year] *either fiscal year in such biennium,* for the committee within whose jurisdiction such bill, resolution, or amendment falls, to be exceeded.

* * * * * * *

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 314. (a) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider—

(1) any bill, joint resolution, amendment, motion, or conference report that authorizes appropriations for a period of less than 2 fiscal years, unless the program, project, or activity for which the appropriations are authorized will require no further appropriations and will be completed or terminated after the appropriations have been expended; and

(2) in any odd-numbered year, any authorization or revenue bill or joint resolution until Congress completes action on the biennial budget resolution, all regular biennial appropriations bills, and all reconciliation bills.

(b) APPLICABILITY.—In the Senate, subsection (a) shall not apply to—

(1) any measure that is privileged for consideration pursuant to a rule or statute;

(2) any matter considered in Executive Session; or

(3) an appropriations measure or reconciliation bill.

CONSIDERATION OF TWO-YEAR APPROPRIATIONS BILLS

SEC. 315. It shall not be in order in the House of Representatives or the Senate in any odd-numbered year to consider any regular bill providing new budget authority or a limitation on obligations under the jurisdiction of any of the subcommittees of the Committees 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 1 year and will be completed or terminated after the amount provided has been expended.

TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

SEC. 401. (a) * * *

* * * * * * *

(b)(1) * * *

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(2) If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new spending authority described in subsection (c)(2)(C) which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new

budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget [for such fiscal year] *for the biennium in which such fiscal year occurs,* such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within 15 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations of either House fails to report a bill or resolution referred to it under this paragraph within such 15-day period, the committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

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TITLE VI—BUDGET AGREEMENT ENFORCEMENT PROVISIONS

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SEC. 603. CONSIDERATION OF LEGISLATION BEFORE ADOPTION OF BUDGET RESOLUTION FOR THAT FISCAL YEAR

SEC. 603. (a) ADJUSTING SECTION ALLOCATION OF DISCRETIONARY SPENDING.—If a concurrent resolution on the budget is not adopted by April 15, *(or if section 300(b) applies by June 15th)*, the chairman of the Committee on the Budget of the House of Representatives shall submit to the House, as soon as practicable, a section 602(a) allocation to the Committee on Appropriations consistent with the discretionary spending limits contained in the most recent budget submitted by the President under section 1105(a) of title 31, United States Code. Such allocation shall include the full allowance specified under section 251(b)(2)(E)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

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HOUSE CONCURRENT RESOLUTION 67—ONE HUNDRED FOURTH CONGRESS

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SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.—(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection the term "applicable time period" means any one of the three following periods:

[(A) The first year covered by the most recently adopted concurrent resolution on the budget.

[(B) The period of the first five fiscal years covered by the most recently adopted concurrent resolution on the budget.

[(C) The period of the five fiscal years following the first five fiscal years covered in the most recently adopted concurrent resolution on the budget.]

(A) The period of the biennium covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first six fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the four fiscal years following the first six fiscal years covered by the most recently adopted concurrent resolution on the budget.

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UNITED STATES CODE

TITLE 31, MONEY AND FINANCE

Subtitle II—The Budget Process

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

§ 1101. Definitions

In this chapter—

* * * * * * *

(3) "biennium" has the meaning given to such term in paragraph (11) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).

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§ 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:] *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 Sixth 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) information on activities and functions of the Government.

(2) when practicable, information on costs and achievements of Government programs.

(3) other desirable classifications of information.

(4) a reconciliation of the summary information on expenditures with proposed appropriations.

(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) laws in effect when the budget is submitted; and

(B) proposals in the budget to increase revenues.

(7) appropriations, expenditures, and receipts of the Government in the prior fiscal year.

(8) estimated expenditures and receipts, and appropriations and proposed appropriations, of the Government for the current fiscal year.

(9) balanced statements of the—

(A) condition of the Treasury at the end of the prior fiscal year;

(B) estimated condition of the Treasury at the end of the current fiscal year; and

(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.

(10) essential information about the debt of the Government.

(11) other financial information the President decides is desirable to explain in practicable detail the financial condition of the Government.

(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

(B) the estimated appropriation required because of the proposal for each of the [4 fiscal years after that year] *4 fiscal years immediately following the second fiscal year in such biennium* that the proposal will be in effect.

(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.*

(15) a separate statement on each of the items referred to in section 301(a) (1)–(5) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a) (1)–(5)).

(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 having 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.

(20) an analysis and explanation of the differences between each amount compared under clauses (18) and (19) of this subsection.

(21) a horizontal budget showing—

(A) the programs for meteorology and of the National Climate Program established under section 5 of the National Climate Program Act (15 U.S.C. 2904);

(B) specific aspects of the program of, and appropriations for, each agency; and

(C) estimated goals and financial requirements.

(22) a statement of budget authority, proposed budget authority, budget outlays, and proposed budget outlays, and descriptive information in terms of—

(A) a detailed structure of national needs that refers to the missions and programs of agencies (as defined in section 101 of this title); and

(B) the missions and basic programs.

(23) separate appropriation accounts for appropriations under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.).

(24) recommendations on the return of Government capital to the Treasury by a mixed-ownership corporation (as defined

in section 9101(2) of this title) that the President decides are desirable.

(25) a separate appropriation account for appropriations for each Office of Inspector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.

(26) a separate statement of the amount of appropriations requested for the Office of National Drug Control Policy and each program of the National Drug Control Program.

(27) a separate statement of the amount of appropriations requested for the Office of Federal Financial Management.

(28) [beginning with] *for* fiscal year 1999, a Federal Government performance plan, *and beginning with fiscal year 2000, a biennial Federal Government performance plan* for the overall budget as provided for under section 1115.

(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in that Trust Fund.

(30) an analysis displaying, by agency, proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 5 of the Federal Workforce Restructuring Act of 1994.

(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] *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 *or current biennium, as the case may be,* available for expenditure in the fiscal year for which the budget is submitted, are less than the estimated expenditures for [that year] *that period*. 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.

(d) When the President submits a budget or supporting information about a budget, the President shall include a statement on all changes about the current fiscal year that were made before the budget or information was submitted.

(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—

* * * * * * *

§ 1106. Supplemental budget estimates and changes

(a) [Before July 16 of each year,] *Before February 15 of each even-numbered year,* the President shall submit to Congress a supplemental 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) substantial changes in or reappraisals of estimates of expenditures and receipts;

(B) substantial obligations imposed on the budget after its submission;

(C) current information on matters referred to in sections 1105(a) (8) and (9) (B) and (C) of this title; and

(D) additional information the President decides is advisable to provide Congress with complete and current information about the budget and current estimates of the functions, obligations, requirements, and financial condition of the United States Government[.]*; and*

(2) for the [4 fiscal years following the fiscal year] *four 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[;].

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

(b) Before [July 16 of each year] *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] *February 15 of each even-numbered year* may be included in the information submitted under subsection (a)(1) of this section.

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§ 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 shall also 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] *biennium (beginning on or after October 1, 1999)* 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.

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§ 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*;

(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (b);

(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

(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 a 2-year period 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) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

(2) is properly classified pursuant to such Executive order.

(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

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

* * * * * * *

(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

* * * * * * *

§ 1119. Pilot projects for performance budgeting

(a) * * *

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(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting pilot projects which shall—

(1) assess the feasibility and advisability of including a performance budget as part of the [annual] *biennial* budget submitted under section 1105;

(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, and 9703 of this title, and this section.

(e) After receipt of the report required under subsection (d), the Congress may specify that a performance budget be submitted as part of the [annual] *biennial* budget submitted under section 1105.

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UNITED STATES CODE

TITLE 31, MONEY AND FINANCE

Subtitle VI—Miscellaneous

CHAPTER 97—MISCELLANEOUS

§ 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.

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(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.

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TITLE 39, UNITED STATES CODE

POSTAL SERVICE

CHAPTER 28, STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

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§ 2802. Strategic Plans

(a) No later than [September 30, 1997] *September 30, 2000* the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain—

* * * * * * *

(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, and shall be updated and revised [at least every three years] *at least every 4 years.*

(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, 1997 meeting the requirements of subsection (a).*

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§ 2303. Performance plans

(a) The Postal Service shall prepare [an annual] *a* 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—

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TITLE 1, UNITED STATES CODE

CHAPTER 2—ACTS AND RESOLUTIONS; FORMALITIES OF ENACTMENT; REPEALS; SEALING OF INSTRUMENTS

* * * * * * *

[§ 105. Title of appropriations 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)).

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UNITED STATES CODE

TITLE 5, GOVERNMENT ORGANIZATION AND EMPLOYEES

PART I—THE AGENCIES GENERALLY

CHAPTER 3—POWERS

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§ 306. Strategic plans

(a) No later than [September 30, 1997] *September 30, 2000,* 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—

* * * * * * *

(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, and shall be updated and revised [at least every three years] *at least every 4 years.*

(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, 1997 meeting the requirements of subsection (a).*

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