

[COMMITTEE PRINT]

JOINT EXPLANATORY STATEMENT OF  
THE COMMITTEE OF CONFERENCE  
ON H.R. 7130

---

COMMITTEE ON THE BUDGET  
HOUSE OF REPRESENTATIVES  
NINETY-THIRD CONGRESS  
SECOND SESSION



Printed for the use of the Committee on the Budget

---

U.S. GOVERNMENT PRINTING OFFICE

44-121 O

WASHINGTON : 1975

H262-2

**COMMITTEE ON THE BUDGET**

**AL ULLMAN, Oregon, *Chairman***

**JAMIE L. WHITTEN, Mississippi**

**RICHARD BOLLING, Missouri**

**THOMAS P. O'NEILL, Jr., Massachusetts**

**MARTHA W. GRIFFITHS, Michigan**

**JIM WRIGHT, Texas**

**THOMAS L. ASHLEY, Ohio**

**ROBERT N. GIAIMO, Connecticut**

**NEAL SMITH, Iowa**

**JAMES A. BURKE, Massachusetts**

**JAMES G. O'HARA, Michigan**

**ROBERT L. LEGGETT, California**

**BROCK ADAMS, Washington**

**PARREN J. MITCHELL, Maryland**

**JOHN J. RHODES, Arizona**

**ELFORD A. CEDERBERG, Michigan**

**JOEL T. BROYHILL, Virginia**

**ROBERT H. MICHEL, Illinois**

**DELBERT L. LATTA, Ohio**

**HERMAN T. SCHNEEBELI, Pennsylvania**

**JAMES T. BROYHILL, North Carolina**

**DEL CLAWSON, California**

**JAMES F. HASTINGS, New York**

**WALTER KRAVITZ, *Executive Director***

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

### SECTION 1. SHORT TITLE

The House bill provided that this act may be cited as the "Budget and Impoundment Control Act of 1973." The short title of the Senate amendment was the "Congressional Budget Act of 1974."

The conference substitute provides that the Act may be cited as the "Congressional Budget and Impoundment Control Act of 1974." The conference substitute also provides that Titles I through IX of this act may be cited as the "Congressional Budget Act of 1974" and Title X as the "Impoundment Control Act of 1974."

### SECTION 2. DECLARATION OF PURPOSES

The House bill did not contain a statement of purposes. The Senate amendment declared as the purposes of the legislation: the establishment of national goals and priorities; the annual determination of appropriate levels of revenues and expenditures; assuring the most effective use of Federal revenues; and assuring effective control of the budget process. The Senate amendment also stated various means of accomplishing these purposes.

The conference substitute declares that it is essential to: assure congressional budget control; provide for the congressional determination of the appropriate level of Federal revenues and expenditures; provide a system of impoundment control; establish national budget priorities; and provide for the furnishing of information to Congress by the executive branch.

### SECTION 3. DEFINITIONS

The House bill provided definitions of "budget outlays", "budget authority" and "concurrent resolution on the budget." The Senate amendment also defined these terms but excluded insured or guaranteed loans from the definition of budget authority. The Senate amendment also defined "tax expenditures", "tax expenditures budget", and "appropriation Act", and it provided that for purposes of the congressional budget process, the House members of the Joint Committee on Atomic Energy are to be deemed a committee of the House and the Senate members a committee of the Senate.

The conference substitute incorporates the House definition of "concurrent resolution on the budget" and the Senate definition of all other items. The Senate definition of "tax expenditures" has been simplified although no change in meaning is intended. The managers intend that the definition of "budget outlays" and "budget authority" for purposes of the congressional budget process be the same as that used for the executive budget and that any item which is excluded by law from the executive budget may be excluded from any specification of budget outlays or budget authority in the congressional budget process.

## TITLE I. HOUSE AND SENATE BUDGET COMMITTEES

### SECTION 101. HOUSE COMMITTEE ON THE BUDGET

The House bill provided for a 23-member committee: five from the Ways and Means Committee; five from the Appropriations Committee; eleven from other standing committees; and one member each from the majority and minority leadership. Selection of Budget Committee members would have been without regard to seniority and no member could serve more than two (plus a portion) of any five consecutive congresses. The House version vested the Budget Committee with authority to meet, hold hearings, and issue subpoenas. The duties of the House Budget Committee would have been to report concurrent resolutions on the budget setting forth those matters required by the bill, and to make continuing studies of the effects of existing and proposed legislation on budget outlays.

The conference substitute is substantially the same as the provision in the House bill, except that the duties of the House Budget Committee are set forth in conformity with Titles III and IV of the bill. The House Budget Committee also is charged with the duty of overseeing the operation of the Congressional Budget Office and evaluating studies of tax expenditures.

### SECTION 102. SENATE COMMITTEE ON THE BUDGET

The Senate amendment provided for a 15-member standing committee to be selected in the same manner as other standing committees of the Senate. Members of the Budget Committee could hold two other major committee posts until January 1977; thereafter, they would be allowed one other major committee assignment. The duties of the Senate Budget Committee were specified as the reporting of concurrent resolutions and other matters required by the legislation, the study of the effects of existing and proposed legislation on budget outlays and the evaluation of tax expenditure studies, and the oversight of the Congressional Office of the Budget. All meetings and hearings of the Senate Budget Committee would have been open to the public except those which a majority of the committee members vote to close because of one or more of the reasons set forth in this legislation.

The conference substitute is the same as the Senate amendment, except that certain conforming modifications are made in the jurisdiction and duties of the Senate Budget Committee. The House and Senate Budget Committees are given parallel and identical jurisdiction and duties in the conference substitute.

## TITLE II. CONGRESSIONAL BUDGET OFFICE

### SECTION 201(a). ESTABLISHMENT OF OFFICE AND DIRECTOR

The House bill provided for a Legislative Budget Office to serve as the staff for the new House and Senate Budget Committees and to give assistance to other committees and Members. The Office would have been headed by a Director appointed without regard to political affiliation by the Speaker of the House upon the recommendation of the House Budget Committee. The compensation of the Director would have been at level III of the executive schedule. The Senate bill provided for a Congressional Office of the Budget to serve all committees and Members (but with priority to the Budget, Appropriations, Ways and Means, and Finance Committees). The Director and Deputy Director of the Office would have been appointed without regard to political affiliation by the Speaker and President pro tem after consultation with the Budget Committees and approval by the House and Senate. The Director and Deputy would have had a six-year term and could be removed by either House or Senate. The Director's compensation would have been the same as that of the Secretary of the Senate and the Deputy's would have been equal to the highest allowable for an administrative assistant to a Senator.

The conference substitute establishes a Congressional Budget Office headed by a Director who shall appoint a Deputy Director. Appointment of the Director is to be by the Speaker and the President pro tem after considering recommendations from the House and Senate Budget Committees. The managers on the part of the Senate expect that the President Pro Tem of the Senate would carry out his responsibilities under this section after consultation with the Majority and Minority Leaders of the Senate. The appointment shall be without regard to political affiliation and compensation is to be at level III of the executive schedule, with the Deputy's salary set at level IV. The Director is to have a four year term of office and he may be removed by either the House or Senate.

### SECTION 201 (b) AND (c). PERSONNEL, EXPERTS, AND CONSULTANTS

The House bill provided that the appointment of personnel by the Legislative Budget Director was to be with the approval of the chairmen of the House and Senate Budget Committees and that personnel would be deemed as employees of the House for purposes of pay and other benefits. The Legislative Budget Office would be authorized to obtain the services of experts and consultants. The Senate amendment authorized the Director of the Congressional Office of the Budget to hire personnel who would be considered Senate employees for pay and other matters. The Director also was authorized to procure the services of experts and consultants.

The conference substitute authorizes the Director to hire, set the pay, and prescribe the duties of the personnel of the Congressional Budget Office without regard to political affiliation. For purposes of pay and employment benefits, such personnel are to be regarded as House employees. The Director also is authorized to procure the temporary services of experts and consultants by contract or employment.

### SECTION 201 (d) AND (e). RELATIONSHIP TO EXECUTIVE BRANCH AND CONGRESSIONAL AGENCIES

The House bill provided that the Legislative Budget Office may utilize the services, information, and facilities of government departments. It further authorized the Legislative Budget Director, with the approval of the chairman of either the House or Senate Budget Committee, to obtain information directly from any executive agency and it directed such agencies to furnish any information so requested. The Senate amendment authorized the Congressional Office of the Budget Director to secure from executive agencies any information whose disclosure is not specifically prohibited by law. It also authorized the Congressional Office of the Budget to utilize with their consent the services, facilities, or personnel of executive agencies. The Senate amendment instructed the Congressional Office of the Budget to cooperate with and secure information and services from the General Accounting Office, the Library of Congress, and the Office of Technology Assessment.

The conference substitute authorizes the Budget Office to obtain information and data from executive and regulatory agencies, other than material whose disclosure would violate law. The Budget Office also may enter into agreements with such agencies to utilize their personnel, services, or facilities, with or without reimbursement. The Budget Office is directed to coordinate its activities with the General Accounting Office, the Library of Congress, and the Office of Technology Assessment, is authorized to obtain information developed by these agencies and with their consent to utilize their services, personnel, and facilities.

The managers intend that the establishment and operation of the Congressional Budget Office be implemented in a manner that will utilize most effectively the resources and capabilities available in existing congressional agencies. While the managers strongly endorse the need for a specialized Budget Office, they anticipate that this Office will not needlessly duplicate the work of other congressional agencies and that where appropriate it will use the resources of the other agencies. Toward this end, the managers expect that the Congressional Budget Office will develop cooperative working relationships with the General Accounting Office, the Library of Congress, and the Office of Technology Assessment. These relationships shall include the efficient utilization of staff, procedures for sharing budget-relevant information, and for coordinated assistance to congressional committees and Members. The managers further expect that the Congressional Budget Office shall make appropriate use of information and resources developed by executive agencies. The managers expect that the growth and development of the Budget Office will be consonant with the requirements of the congressional budget process and with the needs of committees and Members for assistance.

### SECTION 201(f). AUTHORIZATION OF APPROPRIATIONS

Both the House and Senate versions authorized the appropriation of funds for the budget office to carry out its duties and functions. The House bill provided that until funds are first appropriated, the expenses of the Budget Office are to be paid from the contingent fund

of the House of Representatives; the Senate amendment provided for such payment from the contingent fund of the Senate.

The conference substitute provides a permanent authorization of appropriations for the Congressional Budget Office, with payment of the expenses of the Office from the contingent fund of the Senate (for a period of not more than 12 months after the Director is appointed) until funds are first appropriated. The managers are of the view that the expeditious establishment of the Congressional Budget Office is vital to the efficacy of the congressional budget process. Congress must be adequately prepared to meet the important budget responsibilities specified in this legislation. Toward this end, the managers urge that there be no delay in the organization of the Congressional Budget Office and that essential funding be made available in a timely manner.

#### SECTION 202 (a), (b), (c), AND (d). ASSISTANCE TO COMMITTEES AND MEMBERS

The House bill anticipated that the Legislative Budget Office would function as the joint staff of the two Budget Committees and that it would furnish only available information and related technical assistance to other committees and Members. The Senate amendment anticipated that each Budget Committee would have staff of its own and that the Congressional Office of the Budget would render assistance to all committees and Members in accord with a prescribed order of priority: (1) the Budget, Appropriations, Ways and Means, and Finance Committees; (2) other committees; and (3) Members.

The conference substitute provides that it shall be the duty of the Congressional Budget Office to provide each Budget Committee information with respect to all matters within its jurisdiction and to assign personnel at their request on a temporary basis. The managers recognize that the House and Senate Budget Committees may be expected to establish staffs of their own including experts and consultants in accord with the rules of their respective Houses. Nevertheless, the managers believe that the functioning of the Budget Committees is so essential to the congressional process that their work must command first claim on the time and resources of the Budget Office. Accordingly, it is made the duty and function of the Budget Office to furnish information and assign personnel for all matters relating to the congressional budget process.

The managers believe that very high priority must be accorded those other standing committees whose work and jurisdiction are most closely related to the budget process. These committees are the Appropriations Committees of the House and the Senate, the House Ways and Means Committee, and the Senate Finance Committee. At the request of any of these committees, the Budget Office shall furnish budget-related information and may detail personnel for a limited time.

The managers expect that the Budget Office will furnish information to any other committee, including certain information prepared for the Budget, Appropriations, or tax committees and, to the extent practicable, additional related information. The Budget Office at its discretion may temporarily assign personnel to other

committees. The managers understand that all standing committees will be involved in the congressional budget process, and they therefore anticipate that necessary assistance must be forthcoming from the Budget Office. But such assistance must not interfere with priority service to the several budget-related committees.

On request, Members shall be supplied certain information previously prepared for the Budget, Appropriations, and tax committees with respect to budget matters and any available, related information. The managers believe that Members are entitled to obtain the basic budget studies and compilations made by the Budget Office. It is vital that Members have available timely and comprehensive information when they consider legislation and resolutions relating to budget policy. However, in the allocation of the specialized resources of the Budget Office, priority must be given to the Budget, Appropriations, and tax committees.

#### SECTION 202(e). THE JOINT COMMITTEE ON REDUCTION OF FEDERAL EXPENDITURES

The Senate amendment provided for the termination of the Joint Committee on Reduction of Federal Expenditures and the transfer of its functions to the Congressional Budget Office.

The conference substitute provides for the termination of the Joint Committee and the transfer of its functions to the Budget Office. This transfer is timed to the appointment of the Director of the Budget Office, so that it will start with a core of experienced technicians and analysts who can perform the scorekeeping functions of the congressional budget process.

#### SECTION 202(f). REPORT TO BUDGET COMMITTEES

The Senate amendment provided for an annual report to Congress by the Congressional Office of the Budget with respect to alternative budget levels including budget authority, outlays, revenues, and tax expenditures. The Senate amendment also called for an annual report to Congress on national goals and priorities, discussing the goals and priorities reflected in the budget and the effect of the budget on national growth and development.

The conference substitute provides for a report by the Congressional Budget Office to the Budget Committees by April 1 of each year. This report is to address fiscal policy and national budget priorities. The report shall discuss alternative budget levels for the next fiscal year as well as alternative allocations of budget authority and outlays and examine the possible effects of such alternative allocations on national growth and development. Additional reports on fiscal policy and national budget policy may be submitted from time to time as appropriate.

The managers look to these reports as a major resource for the Budget Committees in their formulation of concurrent resolutions on the budget. For this reason, the reports are to be submitted directly to the Budget Committees and are timed to coincide with preparation of the first budget resolution. The managers also believe that the annual determinations relating to the budget offer the most relevant context for the discussion of national budget priorities and they therefore regard the annual report as the appropriate occasion for the



submission of staff analyses on national budget priorities to the Budget Committees.

#### SECTION 202(f). USE OF COMPUTERS AND OTHER TECHNIQUES

The Senate amendment authorized the Director to equip the Budget Office, upon approval by the Senate Committee on Rules and Administration and the Committee on House Administration, with computer capability, to obtain the services of computer experts and consultants, and to develop budgetary evaluation techniques.

The conference substitute is substantially the same as the Senate provision. The aim of the approval requirement is to ensure the coordination of congressional computer facilities so that such facilities will be developed in an orderly and efficient manner. The managers anticipate that the implementation of section 202(f) will be in accord with the following understandings:

1. The approval requirement is to cover only the acquisition and installation in the Office of major computer capability.

2. The Director is not required to secure approval from the two committees for the use of automatic data processing services or computer time-sharing, through purchase or other arrangements; for purchase or lease of the equipment required to communicate with remote data files and other information resources; or for acquisition or use of other modern information handling equipment such as microform, etc.

3. The Director may obtain the services of experts and consultants in automatic data processing and modern information handling techniques, and may purchase, lease, or otherwise develop programs for acquiring, processing, and analyzing fiscal and budgetary data and information as he deems are necessary to carry out the responsibilities of the Office.

#### SECTION 203. PUBLIC ACCESS TO BUDGET DATA

The Senate amendment provided for access to copy budget information obtained by the Budget Office from the executive branch and congressional agencies. This right would not apply to certain excepted categories or to information obtained for committees or Members who specifically instructed that such information not be made available to the public.

The conference substitute is substantially the same as the Senate provision. This section provides that the Director of the Congressional Budget Office shall permit the public to copy information obtained from the executive branch or congressional agencies, pursuant to subsections 201(d) and 201(e), respectively. The right of public access and copying is to be subject to reasonable rules and regulations, with the person requesting the information paying the costs. The Budget Office is to maintain an index of available information to facilitate public access. The right of public access does not apply to information specifically exempted from disclosure by law, national defense information, confidential business data, or personnel or medical data. Information obtained by the Budget Office at the request of a committee or Member may not be made available to the public if such committee or Member requests that it not be disclosed.

### TITLE III. CONGRESSIONAL BUDGET PROCESS

#### SECTION 300. TIMETABLE

Both the House and Senate versions set certain dates and deadlines for the completion of the various phases of the congressional budget process. The Senate amendment also contained a timetable showing the dates on which actions were to be completed.

The conference substitute fixes a timetable for the most important actions in the congressional budget process. The dates scheduled in the timetable are derived from relevant provisions of the bill.

In chronological order the events for which dates are provided in the timetable are: Presidential submission of the current services budget; submission of the executive budget; views and estimates of House and Senate committees reported to the Budget Committees; Congressional Budget Office report to the Budget Committees; reporting of first budget resolution; committee reports on new authorizing legislation; adoption of first budget resolution; completion of congressional action on budget authority legislation; adoption of second budget resolution; completion of reconciliation process; and start of new fiscal year. The managers do not believe that it is desirable or possible to specify in statute the exact date on which every event in the congressional budget process is to be accomplished. Certain matters can best be left to experience and the development of a workable process through flexible procedures.

Nevertheless, it is essential that the various interdependent elements in the budget process be assigned firm completion dates. For many facets of the budget process, it will not be possible to move ahead unless prior actions have been completed. Appropriations cannot be considered until the first budget resolution is adopted and necessary authorizations have been enacted. The reconciliation actions cannot be undertaken until the appropriation bills and the second budget resolution have been cleared. Consequently, the failure to complete a stage on schedule affects later actions as well.

It will require the full cooperation of the budget, authorizing, and appropriation committees, to make the new congressional budget process work. Any slippage early in the year will compound the unavoidably tight schedule in the period just prior to the start of the new fiscal year. If continuing resolutions are to be discarded as a way of coping with budget delays, the managers believe that it will be necessary to hold the four main phases of the congressional process (authorizations, budget resolutions, spending measures, and reconciliations) to the completion dates assigned in section 300.

The managers have given careful consideration to all of the elements in the budget calendar and particularly to the need for allowing adequate time for committee preparation and floor debate on each budget decision. The managers believe that in the future it will be necessary to authorize programs a year or more in advance of the period for which appropriations are to be made. When this is done, Congress will have adequate time for considering budget-related legislation within the timetable of the congressional budget process. The managers call attention to section 607 which requires advance submission of proposed authorizing legislation, and to the expectation that Congress will develop a pattern of advance authorizations for programs now authorized on an annual or multiyear basis.

**SECTION 301 (a) and (b). ADOPTION AND CONTENT OF FIRST CONCURRENT RESOLUTION**

The House bill provided for adoption of the first concurrent resolution by May 1 each year. This resolution would have set forth the appropriate levels of total new budget authority and total outlays, the appropriate level of budget authority and outlays for each functional category, the appropriate levels of overall revenues and public debt, and the appropriate surplus or deficit in the budget. The budget resolution also could contain other matters relating to the budget. The Senate amendment provided for adoption of the first resolution by June 1. The resolution would have specified appropriate levels of total budget authority and outlays with these totals allocated by functional categories and within each category the amounts would be divided between existing and proposed programs. The allocations for existing programs would have been subdivided between permanent and regular appropriations and within the latter between controllable and other amounts. The Senate amendment also provided that the budget resolution would contain an estimate of Federal revenues and their major sources, the recommended surplus or deficit, any recommended changes in total revenues (and may include the major sources of revenue change), any recommended change in the public debt, and other matters deemed appropriate for the congressional budget. The Senate amendment further provided that the budget resolution could mandate additional procedures relating to the consideration of spending measures.

The conference substitute provides for adoption of the first concurrent resolution on the budget by May 15. This resolution shall set forth: appropriate levels of total budget authority and outlays; the appropriate level of new budget authority and estimated outlays for each functional category, including an allowance for contingencies and for undistributed intragovernmental transactions; the appropriate budget surplus or deficit; the recommended level of Federal revenues and any recommended increase or decrease in aggregate revenues to be reported by the appropriate committees; the appropriate level of the public debt and any recommended increase or decrease to be reported by the appropriate committees; and other matters deemed appropriate to the congressional budget. The first budget resolution may direct that budget authority and entitlement legislation not be enrolled until the second budget resolution and any required reconciliation are adopted or the first concurrent resolution may prescribe the use of some alternative procedure for the ensuing fiscal year.

The adoption date for the first budget resolution is scheduled almost four months after submission of the President's budget, two months after House and Senate committees have transmitted their own views and estimates to the Budget Committees, one month after the resolution is reported by these Committees, and on the deadline set for the reporting of authorizing legislation. Your managers are determined to allow an ample interval between each of these key events in the budget process. The May 15 date means that Congress will be substantially informed of the substance of all authorizing legislation before it makes its initial budget determinations and that it will have received views and estimates bearing on the budget from all of its standing committees. The May 15 date also allows sufficient time for

the subsequent consideration of appropriation bills prior to the period set for reconciliation actions. By virtue of the requirement of section 303, the May 15 adoption date also is the effective date for the commencement of floor consideration of appropriation and entitlement measures and for this reason it is critical that all efforts be made to complete action on the first resolution by May 15.

The managers conceive of the first budget resolution as a major annual opportunity for considering budget policies and priorities. The budget process must combine an optimum amount of information in committee reports and other sources with attention to the key aggregates and priorities in the budget resolution. In accord with this approach, the conference substitute specifies that the budget resolution is to set forth total revenue, total budget authority, total spending, and total debt, with the budget authority and outlay amounts divided among broad functional categories.

The managers recognize that as it acquires experience with its new budget process, Congress may desire to establish additional procedures to facilitate the coordination of its separate budget and appropriation decisions. Section 301(b) authorizes Congress to require in the first budget resolution that appropriation and entitlement legislation not be enrolled until the reconciliation stage of the budget process is completed. Congress may devise any other procedure relating to the budget process and prescribe its implementation for the ensuing fiscal year.

It is intended that the authority to prescribe "any other procedure which is considered appropriate to carry out the purposes of this Act" applies only to the specific procedures for the enactment of budget authority and spending authority legislation for the coming fiscal year and not to the jurisdiction of committees, the authorization of budget authority, or to permanent changes in congressional procedure. The Budget Committees are directed to report to Congress on the implementation of such procedures no later than the end of the 95th Congress.

#### SECTION 301(c). VIEWS AND ESTIMATES OF OTHER COMMITTEES

The House bill required certain designated budget-related committees to submit their views and recommendations on matters relating to the first budget resolution. Other committees would have been able to submit their views and recommendations at their discretion. The Senate amendment provided for an annual report on fiscal policy and budget recommendations by the Joint Economic Committee. Every other standing committee and the Joint Committee on Internal Revenue Taxation would have submitted its views and estimates with respect to those matters in the budget resolution relating to its jurisdiction or functions.

The conference substitute mandates reports by March 15 from every standing committee, the Joint Economic Committee, and the Joint Committee on Internal Revenue Taxation to the House or Senate Budget Committee (to both Budget Committees in the case of joint committees). Each committee is to give its views and estimates on all matters in the budget resolution which relate to its jurisdiction or functions as well as an estimate of the budget authority and resulting outlays which it expects to be provided or authorized in legislation within its jurisdiction for the ensuing fiscal year. Any other committee

may submit a report if it so desires. The Joint Economic Committee also is to report its views as to the fiscal policy appropriate to achieve the goals of the Employment Act of 1946.

#### SECTION 301(d). HEARINGS AND REPORT

The House bill required Budget Committee hearings for both the first and the second concurrent resolutions, and it provided that certain executive officials should be witnesses and that testimony also may be received from public witnesses. It also provided that the committee report on any budget resolution include information concerning the derivation of the amounts specified in the resolution. The Senate amendment required hearings only on the first budget resolution and it set a May 1 deadline for reporting the resolution. Among the matters to be included in the report were to be comparisons with the President's budget, economic assumptions and program objectives, five-year projections of revenues, spending, and tax expenditures, explanations of changes in assistance to State and local governments, and a crosswalk allocation of the amounts in the budget resolution among congressional committees and appropriations subcommittees.

The conference substitute provides that the Budget Committees shall conduct hearings in preparation of the first concurrent resolution and receive testimony from Members of Congress and from others as they deem desirable. The budget resolution is to be reported by April 15, allowing a full month for analysis, floor consideration, and conference. The report is to compare the committee's revenue estimates and the budget authority and outlay levels in the concurrent resolution with the estimates and amounts in the President's budget. It also is to provide an allocation of the recommended level of revenues by major sources, five-year budget projections, the economic assumptions and objectives of the budget resolution, a statement of any significant changes in Federal assistance to States and localities, and information concerning the basis on which the amounts in the budget resolution were determined and their relationship to other budget categories. The managers expect that the relationship with other budget categories will be shown in sufficient detail and with appropriate categories to enable Members of Congress and the public to ascertain the budget status of appropriations and other spending measures and to provide a reliable basis for scorekeeping at all stages of the congressional budget process. Although they concur in the need for adequate crosswalk procedures, the managers do not consider it necessary to specify the particular type of crosswalk that is to be used in the report on the first budget resolution.

The conference substitute also provides for the report to contain a division of the functional allocations of budget authority and outlays contained in the concurrent resolution into more precise categories although this division may be included in the concurrent resolution. Each functional allocation is to be distributed between proposed and existing programs with the latter subdivided between permanent and regular appropriations. These categories then are to be divided between controllable and other amounts.

### SECTION 302. ALLOCATIONS IN STATEMENTS AND REPORTS

The Senate amendment provided for the allocation of total budget authority and total outlays after adoption of the first concurrent resolution or any subsequent resolution revising these totals. Each Budget Committee would allocate the budget authority and outlays among the committees of its House, and the Appropriations Committee would then divide its allocation among its subcommittees. Each Budget Committee would report to its House on the allocations made in accord with this procedure.

The conference substitute provides for the allocations of total budget authority and total outlays to be made in the joint statement of the managers accompanying a conference report on the first or a revised concurrent resolution. The joint statement shall distribute these totals among the appropriate House and Senate committees. Each Appropriations Committee and any other committee to which an allocation has been made shall (after consulting with the counterpart committee of the other House) report to its House on the subdivision of its allocation among its subcommittees (or in the case of other committees among its programs). A further subdivision shall be made by each committee between controllable and other amounts. The managers expect that the making of allocations in the joint statement will expedite the process and encourage consistency in the determinations of the two Houses.

### SECTION 303. CONSIDERATION OF SPENDING, REVENUE OR DEBT LEGISLATION

The House and Senate versions barred consideration of budget authority, revenue, or debt legislation prior to adoption of the first budget resolution for a fiscal year. Both versions exempted advance appropriations (which become available in a year following that to which the budget resolution applies) and the Senate amendment also exempted advance spending authority, social security and 90 percent self-financed trust funds, and advance revenue changes from the prohibition.

The conference substitute prohibits the floor consideration of budget authority, entitlement authority, or changes in revenues or in the public debt limit before the first concurrent resolution has been adopted.

The purpose of holding up entitlement legislation is to enhance the significance of the first budget resolution and to strengthen congressional control over programs which are difficult to control once the entitlement has been enacted.

The conference substitute permits the consideration of advance appropriations and advance revenue changes prior to adoption of the first budget resolution for the fiscal year to which they apply.

The conference substitute contains a procedure for the waiver of the prohibition in the Senate. Taken from the Senate amendment, the provision allows Senate consideration before adoption of the budget resolution of a spending, revenue, or debt measure if the committee which reported the measure reports a resolution of waiver which is referred to the Senate Budget Committee and subsequently approved by the Senate.

### SECTION 304. PERMISSIBLE REVISIONS

The House and Senate versions authorized the adoption of additional budget resolutions.

The conference substitute contains the authority to adopt additional budget resolutions during the fiscal year. The managers expect that in addition to the two concurrent resolutions required in May and September, Congress may adopt at least one additional resolution each year, either in conjunction with its consideration of supplemental appropriations or pursuant to the issuance of updated figures for the current fiscal year in the President's budget. Furthermore, whenever there are sharp revisions in the revenue or spending estimates or major developments in the economy it is expected that Congress would review its latest budget resolution and consider possible revisions.

### SECTION 305. PROCEDURES FOR CONSIDERATION OF CONCURRENT RESOLUTIONS

The House bill established procedures for the consideration of budget resolutions in the House; the Senate amendment had parallel procedures for consideration in the Senate. Both sets of procedures have been incorporated into the conference substitute.

In the House, floor consideration may begin after a ten-day layover period. Consideration is in the Committee of the Whole, with ten hours allowed for general debate and amendments considered under the five-minute rule. After the committee of the whole has reported, it shall be in order to adopt an amendment to achieve mathematical consistency in the budget resolution. Debate on a conference report shall be limited to five hours. In the Senate, debate on a concurrent resolution and all amendments shall be limited to 50 hours (15 hours, in the case of the second required resolution), with no more than two hours allowed for any amendment. Non-germane amendments are not in order and motions to achieve or maintain mathematical consistency always are in order. It is not in order in the Senate to give final consideration to a budget resolution (or a conference report on such resolution) unless it is mathematically consistent. Ten hours are provided in the Senate for consideration of conference reports, with half an hour for each amendment in disagreement.

If House and Senate conferees are unable to agree on a budget resolution after seven days, they shall report to their respective Houses on all matters in agreement or in disagreement.

### SECTION 306. BUDGET COMMITTEE JURISDICTION

This section, similar to provisions in both the House and Senate versions, provides that a matter within the jurisdiction of a Budget Committee may be considered only if it has been reported from that committee, if it is an amendment to a bill or resolution reported by the Budget Committee, or if the committee has been discharged from its consideration.

### SECTION 307. HOUSE COMMITTEE ACTION ON APPROPRIATION BILLS

This section, adapted from the House bill provides that to the extent practicable the Appropriations Committee of the House shall complete action on all regular appropriation bills and submit a summary report before reporting its first bill.

### SECTION 308. REPORTS, SUMMARIES AND PROJECTIONS

Both the House and the Senate versions had various provisions pertaining to the issuance of reports and projections concerning the congressional budget process. A number of these are consolidated in section 308 of the conference substitute.

Subsection (a) deals with reports on budget authority and tax expenditure legislation. In the case of budget authority bills (other than continuing appropriations), the committee report is to compare the amounts with the latest concurrent resolution, indicate the assistance that will go to State and local governments, and project outlays under the bill. Reports on tax expenditure legislation shall explain the effect on existing levels of tax expenditures (as set forth in the latest budget resolution report), and the five-year tax expenditures that will result from the bill. The projections of budget outlays or tax expenditures may be waived by a committee determination of impracticability.

Subsection (b) provides for periodic reports by the Congressional Budget Office on the status of budget authority, revenue, and debt legislation. These "scorekeeping" reports are to compare the amounts and changes provided in budget authority, revenue, and debt bills with the levels and estimates in the most recent concurrent resolution. Subsection (c) calls for the issuance by the Congressional Budget Office of a five-year projection at the start of each fiscal year. This report shall estimate total budget authority and outlays, revenues and their major sources, the budget surplus or deficit, and tax expenditures for each of the next five years.

### SECTION 309. TIMETABLE FOR BUDGET AUTHORITY AND ENTITLEMENT BILLS

The House bill provided for completion of action (other than enrollment) of all regular appropriation bills by August 1. The Senate amendment had an August 7th date or five days before the beginning of an August adjournment.

The conference substitute provides that Congress shall complete action on all regular budget authority and entitlement bills no later than the seventh day after Labor Day. However, this deadline shall not apply to any appropriation bill whose consideration has been delayed because necessary authorizing legislation has not been timely enacted. It is anticipated that the bulk of the appropriation legislation will be considered in the period immediately following adoption of the first budget resolution. If necessary authorizing legislation is reported by the May 15 date and enacted promptly thereafter, it should be possible to complete action on spending and entitlement bills before the deadline. The deadline set in this section is of the utmost importance for the proper functioning of the congressional budget process. In most years, only three weeks will remain until the start of the new



fiscal year, during which period Congress will have to consider a second budget resolution and any required reconciliation actions. Even a small delay in the completion of authorizing and budget authority bills can disturb the reconciliation process and compel Congress to rely on continuing resolutions. The managers understand that failure to "timely enact" authorizing legislation will justify noncompliance with the deadline fixed by this section when the delay is of such duration as to make it impracticable to complete action on an appropriation bill by the seventh day after Labor Day.

#### SECTION 310 (a) AND (b). SECOND REQUIRED CONCURRENT RESOLUTION

Both the House and Senate versions provided for adoption of a second concurrent resolution on the budget prior to the start of the new fiscal year.

The conference substitute provides for adoption of the second budget resolution no later than September 15. The second concurrent resolution shall affirm or revise the most recent resolution and may specify changes in budget authority (for the new fiscal year or carried over from prior years), entitlements, total revenues, or the public debt limit. The second concurrent resolution also shall direct the committees with jurisdiction over any specified changes to determine and recommend such changes. While no date is fixed for the reporting of the resolution by the Budget Committees (the reporting date probably will vary from year to year depending on whether and when Congress takes a recess and on when action is completed on appropriation bills), this section authorizes the Budget Committees to make their reports when Congress is not in session. It is anticipated that the Budget Committees may report in some years during the August recess and that such reports shall be available to Members, so that Congress will be able to consider the concurrent resolution upon its return.

#### SECTION 310(c). RECONCILIATION PROCESS

Both the House and Senate versions provided for the reconciliation of spending, revenue, and debt legislation with the levels and instructions set forth in the second concurrent resolution. The conference substitute contains a similar reconciliation procedure.

When Congress has implemented the procedure authorized in section 301(b)(1) requiring that appropriation and entitlement bills not be enrolled until any necessary reconciliations have been made, it is anticipated that the reconciliation will be in the form of a resolution directing the Clerk of the House and the Secretary of the Senate to make the necessary changes in the bills being held. When a reconciliation resolution is the appropriate measure, it may also be necessary to consider a reconciliation bill for changing matters previously enacted into law.

If the changes (in spending, entitlement, revenue, or debt legislation) specified by the second concurrent resolution are in the jurisdiction of only one committee in either House, each such committee shall promptly report a reconciliation bill or resolution to its House. If more than one committee in either House has been directed to make changes in matters within its jurisdiction, then either such committee

shall submit its recommendations to the Budget Committee of its House. The Budget Committee then shall compile, without substantive change, all the recommendations it has received into a reconciliation bill or resolution. The reconciliation bill or resolution reported to the House or Senate shall fully carry out the directions specified in the second concurrent resolution.

#### SECTION 310 (d), (e), AND (f). COMPLETION OF RECONCILIATION PROCESS

The House bill provided for completion of any required reconciliation action prior to adjournment; the Senate amendment had a September 25 completion date. Both versions barred sine die adjournment until the reconciliation has been completed, and the Senate amendment also prohibited any recess for more than three days.

The conference substitute sets September 25 as the deadline for completion of the reconciliation process and it bars sine die adjournment until the second concurrent resolution and any required reconciliation measures have been adopted. Subsection (e) incorporates the procedure contained in the Senate amendment for the consideration of reconciliation measures in the Senate.

#### SECTION 311. LIMITATION ON BUDGET AUTHORITY, ENTITLEMENT, AND REVENUE LEGISLATION

The Senate amendment provided that after adoption of all regular appropriations and a required reconciliation bill, Congress could not consider budget authority legislation in excess of the appropriate levels in the most recent concurrent resolution.

The conference substitute provides that after adoption of the second concurrent resolution and completion of the reconciliation process, it shall not be in order to consider any new budget authority or entitlement measure that would cause the appropriate level of total budget authority or outlays in the most recent concurrent resolution to be exceeded. Nor would it be in order to consider a measure that would reduce total revenues below the appropriate levels in the budget resolution. The managers anticipate that there will be instances in which Congress may deem it appropriate to revise its earlier spending or revenue determinations. But such revisions should be made in the context of the congressional budget process and with full awareness of their relationship to the levels set forth in the latest budget resolution.

Although there is no specific mention on the consideration of tax expenditure measures, the managers note that after completion of the reconciliation process, Congress may not consider tax expenditures legislation that would have the effect of reducing total revenues below the appropriate level of the most recent concurrent resolution.

Subsection (b) provides that estimates prepared by the Budget Committee of the House or Senate shall be the basis for determining whether legislation would cause the appropriate level of outlays or revenues in the latest budget resolution to be breached.

## TITLE IV. PROVISIONS TO IMPROVE FISCAL PROCEDURES

### SECTION 401(a). CONTRACT AND BORROWING AUTHORITY

The House and Senate versions provided that new contract or borrowing authority legislation must contain a provision that such new authority is to be effective only to the extent or in such amounts as are provided in appropriation acts.

The conference substitute adopts this procedure for contract and borrowing authority. These forms of "new spending authority" are defined in section 401(c)(2)(A) and (B). The new procedure does not apply to contract or borrowing authority in effect prior to the effective date of this section. Nor does it apply to certain types of spending authority exempted under section 401(d) such as social security and 90 percent self-financed trust funds or outlays of government corporations.

### SECTION 401(b). ENTITLEMENT AUTHORITY

The House bill provided that new entitlements could be effective only as provided in appropriation acts (the same procedure as for contract and borrowing authority). The Senate amendment established a procedure for the referral of entitlement legislation to the Appropriations Committees under a 10-day time limit.

The conference substitute, like the Senate amendment, provides that it shall not be in order to consider entitlement legislation which would have an effective date before the start of the new fiscal year. The purpose of this procedure is to make entitlements effectively subject to the reconciliation process. As provided in the conference substitute entitlement legislation would be referred to the Appropriations Committee only if it would generate new budget authority in excess of the allocation made subsequent to the latest budget resolution (as specified in section 302). The Managers intend the Budget Committees shall provide background information as to such allocations. Such referral would have a 15-day limit, with the Appropriations Committee automatically discharged if it has not reported during this period. The Appropriations Committee may report the bill with an amendment limiting the total amount of new entitlement authority. The managers emphasize that the jurisdiction of the Appropriations Committees shall relate to the cost of the program and not to substantive changes in the legislation.

As provided in section 401(d), social security and 90 percent self-financed trust funds and government corporations would not be subject to the referral procedure for entitlement authority.

### SECTION 401 (c) AND (d). DEFINITIONS AND EXCEPTIONS

The House and Senate versions had comparable definitions for contract, borrowing, and entitlement authority. The Senate amendment stipulated that insured and guaranteed loans would not be covered by the new procedures. The House bill had a catchall provision to reach all types of spending authority. The House and Senate versions also contained various exemptions from the new pro-

cedures. The House bill subjected existing spending authority to the new procedures after October 1, 1978, while the Senate amendment would have applied only to new spending authority.

The conference substitute defines three categories of new spending authority: contract authority—to enter into contract in advance of appropriations; borrowing authority—to incur indebtedness in advance of appropriations; and entitlement authority—to obligate the United States to make payments in advance of appropriations, but it does not include insured or guaranteed loans. The conference substitute exempts certain types of programs from the new procedures for contract, borrowing, and entitlement authority. These are: all existing social security trust funds; 90 percent self-financed trust funds; general revenue sharing (to the extent provided in subsequent legislation); the outlays of certain government corporations; and gifts to the United States. The Managers note that these exemptions relate only to the procedures in section 406 and that the programs are fully subject to the congressional budget process.

#### SECTION 402. REPORTING OF AUTHORIZING LEGISLATION

The House bill set a March 31 deadline for the enactment of authorizing legislation; the Senate amendment had a May 15 deadline for the reporting of such legislation. Both versions had waiver procedures for their respective Houses.

The conference substitute establishes a May 15 deadline for the reporting of any measure directly or indirectly authorizing new budget authority. After that date, consideration is permitted in the House if an emergency waiver, reported by the Rules Committee, is adopted. Consideration in the Senate of legislation reported after May 15 is allowed if the committee of original jurisdiction reports a waiver resolution which, after referral to the Senate Budget Committee, is approved by the Senate.

Section 402(d) establishes a procedure for one House to consider authorizing legislation passed by the other House. If its committee has met the reporting deadline, the Senate would be able to consider companion legislation passed by the House. Similarly, if authorizing legislation had been reported to the House by May 15, the House would be permitted to consider a companion bill of the Senate. This technical procedure is necessary to conform with the usual procedure under which the House and Senate normally pass the bill of the House which acted first.

The May 15 reporting requirement does not apply to entitlement authority or to omnibus social security legislation which deals with both trust fund and related programs. These two exemptions are essential for the proper functioning of the congressional budget process. Inasmuch as entitlement legislation may not be considered prior to passage of the first budget resolution (section 303), such legislation is

exempted from the May 15 reporting deadline. As for the social security programs, the managers consider it prudent to enable the continuation of procedures for handling a number of related programs in the same legislation. Thus, social security benefits are directly related to supplemental security assistance for the aged, and medicare trust programs have a direct bearing on medicaid benefits. The procedure established in section 402 allows the consideration of these programs in the same legislation even if reported after May 15.

#### **SECTION 402(f). STUDY OF EXISTING SPENDING AUTHORITY AND PERMANENT APPROPRIATIONS**

The House bill would have barred the exercise of existing spending authority after October 1, 1978. This provision was intended to apply also to the exercise of permanent appropriations.

The conference substitute directs the Appropriations Committees to undertake continuing studies of existing spending authority (contract, borrowing, and entitlement authority enacted prior to the effective date of section 401) as well as studies of permanent budget authority (authority which becomes available without any current action by Congress). The Appropriations Committees are to report from time to time with recommendations to terminate or modify existing spending authority or permanent appropriations.

#### **SECTION 403. ANALYSES BY CONGRESSIONAL BUDGET OFFICE**

The House bill and the Senate amendment provided for the budget office to make cost analyses of reported legislation.

The conference substitute provides that, to the extent practicable, the Congressional Budget Office is to prepare an analyses of public bills reported by all committees (other than the Appropriations Committees), estimating the five-year costs and comparing its estimate with any made by the reporting committee or by a Federal agency. The Budget Office analysis is to be included in the committee report if it is timely submitted before the report is filed. The managers intend "timely submitted" to mean that the cost analysis is submitted to the reporting committee sufficiently in advance to allow the committee an opportunity to examine the analysis prior to its publication.

#### **SECTION 404. JURISDICTION OF APPROPRIATIONS COMMITTEES**

The House and Senate versions changed the rules of the House and the Senate with respect to the jurisdiction of the Appropriations Committees.

## TITLE V. CHANGE OF FISCAL YEAR

### SECTION 501. FISCAL YEAR TO BEGIN OCTOBER 1

The House and Senate versions provided for a shift to an October 1-September 30 fiscal year.

The conference substitute provides for this shift to take place with the fiscal year beginning October 1, 1976. However, the preceding fiscal year is to run from July 1, 1975 through June 30, 1976, thus providing a three-month interim period to provide the necessary transition to the new fiscal year (July 1-September 30, 1976).

### SECTION 502 (a) AND (b). TRANSITION TO NEW FISCAL YEAR

Both the House and Senate versions contained provisions for the transition to the new fiscal year. Both provided for the issuance of any necessary regulations or orders by the Office of Management and Budget to carry on the transition, and for the submission of proposed legislation deemed necessary for the transition.

The conference substitute provides that after consultation with the Appropriations Committees, the President shall submit budget estimates for the interim three-month period (July 1-September 30, 1976) in such form and detail as he determines. On the basis of guidance provided by the Appropriations Committees, OMB will be in a position to determine the form and detail most suitable for this period. This determination shall take into account the needs of Congress and the public for sufficient information, the desirability of maintaining continuity in accounts, and the amount of time available for preparation of the three-month estimates.

The conference substitute provides that the President shall propose authorizing legislation for the three-month transition period and that OMB shall submit legislative proposals to implement the transition to the October 1-September 30 fiscal year. In addition, OMB shall issue such orders and regulations as are necessary for the orderly transition of Government agencies to the new fiscal year.

### SECTION 502(c). ADVANCE APPROPRIATIONS

The Senate amendment called for a joint OMB-Congressional Office of the Budget study of advance appropriations.

The conference substitute incorporates this provision in revised form. OMB and the Congressional Budget Office shall jointly study but separately report on the feasibility and desirability of budgeting and appropriating one year in advance for all or portions of the budget.

### SECTION 503. ACCOUNTING PROCEDURES

The Senate amendment contained technical provisions for the adjustment of accounts to the new fiscal year. The conference substitute accepts the Senate provision for the transfer of obligated balances and withdrawals from accounts.

**SECTION 504. CONVERSION OF AUTHORIZATION**

The House bill provided for the conversion of all laws to the new fiscal year. The Senate amendment had a conversion provision for authorizing legislation

The conference substitute provides for the automatic conversion of July 1 starting dates and June 30 closing dates for fiscal years to October 1 and September 30, respectively. This conversion would be timed to the introduction of the new fiscal calendar in 1976, and it would apply only to authorizing legislation.

**SECTION 505. REPEALS**

The Senate amendment repealed two technical revisions of law. The conference substitute adopts the Senate provision.

**SECTION 506. TECHNICAL AMENDMENT**

The Senate amendment made technical changes in certain laws and these are included in the conference substitute.

## TITLE VI. AMENDMENTS TO THE BUDGET AND ACCOUNTING ACT, 1921

### SECTION 601. THE PRESIDENT'S BUDGET

The House and Senate versions required the President to itemize tax expenditures in his annual budget. The Senate amendment also required the budget to set forth the items in the budget resolution; to report on variances for the last completed fiscal year; to update the estimates twice each year; to contain advance estimates for certain programs; and to present a classification according to national goals, agency missions, and programs.

The conference substitute requires that the President's budget furnish estimates for the appropriate levels of total new budget authority and outlays; functional allocations of budget authority and outlays; the budget surplus or deficit; the recommended level of revenues and any proposed revenue changes; and the appropriate level of the public debt and any proposed change in the public debt limit. The President's budget also is to present an itemization of existing tax expenditures and any proposed changes.

The conference substitute requires that the President shall report and explain in the budget any variances during the last completed fiscal year between actual and estimated revenues and between actual and estimated uncontrollable outlays. The budget is to be updated twice each year—on April 10 and July 15—with a statement of all amendments and revisions proposed by the executive subsequent to the initial submission of the budget. The President's budget also shall contain cost information with respect to any program for which appropriations are authorized to be made one year in advance of the fiscal year to which they apply.

The conference substitute provides for the inclusion in the President's budget of a presentation in terms of national needs, agency missions, and basic programs. The managers anticipate that this need not be a separate classification but can be incorporated, if the President deems it appropriate, into the main budget classifications.

### SECTION 602. MIDYEAR REVIEW

The conference substitute incorporates a provision of the Senate amendment changing the date for submission of the midyear budget review from June 1 to July 15.

### SECTION 603. FIVE-YEAR BUDGET PROJECTIONS

The House and Senate versions had identical provisions for five-year projections in the President's budget. The same provision is contained in the conference substitute.

### SECTION 604. ALLOWANCES FOR SUPPLEMENTALS AND UNCONTROLLABLE OUTLAYS

The Senate amendment provided that the President's budget shall contain an allowance for supplemental appropriations and permanent unanticipated uncontrollable expenditures. The conference substitute



is based on the Senate provision but applies to all uncontrollable expenses.

#### SECTION 605. CURRENT SERVICES BUDGET

The Senate amendment provided for the submission of a current services budget each year and for Joint Economic Committee review of this budget's economic assumptions and accuracy.

The Conference substitute requires submission of a current services budget by November 10 of each year. This budget shall be based upon the existing level of services without policy changes and shall present estimates by agency, function, subfunction, and major programs. The current services budget shall state the economic and program assumptions upon which it is based. The Joint Economic Committee shall review the current services budget and submit an economic evaluation to Congress by December 31 of each year.

#### SECTION 606. STUDY OF OFF-BUDGET AGENCIES

The Senate amendment provided for the termination of the off-budget status of six designated agencies.

The conference substitute provides for continuing studies of off-budget agencies by the House and Senate Budget Committees.

#### SECTION 607. ADVANCE REQUESTS FOR AUTHORIZING LEGISLATION

The Senate amendment provided for the study of advance appropriations by OMB and the Congressional Budget Office. The Senate amendment further provided for the submission of advance estimates where these are authorized by law.

The conference substitute requires that beginning with programs for fiscal year 1977, the Administration shall submit no later than May 15 of the previous calendar year requests for authorizing legislation for the fiscal year following the ensuing fiscal year. Requests for new program authorizations shall be submitted for at least the first two fiscal years.

The intent of this provision is to develop a pattern for the enactment of authorizing legislation at least one year in advance of the fiscal year to which it first applies.

This section does not affect any provision of law which exempts an agency of the Federal Government, or any of its activities or outlays, from inclusion in the Budget.

## TITLE VII. PROGRAM REVIEW AND EVALUATION

### SECTION 701. REVIEW AND EVALUATION BY COMMITTEES

The Senate amendment authorized congressional committees to use pilot testing and analytic techniques in the evaluation of Federal programs.

The conference substitute is the same as the Senate provision. It amends the 1946 Legislative Reorganization Act to provide that committees may conduct testing or analysis themselves or require agencies to evaluate programs and report the results to them.

### SECTION 702. REVIEW AND EVALUATION BY COMPTROLLER GENERAL

The Senate amendment expanded the review and evaluation functions and duties of the Comptroller General, including assistance to committees and Members.

The conference substitute is a revision of the Senate provision. It amends section 204 of the 1970 Legislative Reorganization Act to expand GAO assistance to Congress. As amended, section 204 (a) provides that the Comptroller General shall evaluate Government programs at his own initiative, when ordered by either House, or at the request of a congressional committee. Section 204(b) provides that upon request, the Comptroller General shall assist committees in developing statements of legislative objectives and methods for assessing program performance. The managers consider oversight of executive performance to be among the principal functions of congressional committees and they recognize that the usefulness of program evaluation can be enhanced by the clear expression of legislative objectives and the employment of modern analytic methods. The managers further believe that statements of intent can be most appropriately developed by the committee of jurisdiction. Members must be provided upon request with all related information after its release by the committee for which it was compiled.

Section 204(c) directs the Comptroller General to develop and recommend program evaluation methods to Congress. Section 204(d) authorizes the establishment of an office of program review and evaluation in GAO. Section 204(e) calls for the Comptroller General to review GAO's evaluation activities in his annual report to Congress.

### SECTION 703. STUDY OF BUDGET REFORM PROPOSALS

The Senate amendment listed a number of matters to be the subject of continuing study by the Budget Committees. It required the committees to hold hearings and report on the designated subjects, and it stipulated that the provision not be construed to preclude budget improvement activities by other committees.

The conference substitute reduces the number of matters specified to be studied. The Budget Committees are to examine budget improvement proposals including matters relating to the information base for program analysis, the systematic evaluation of programs, time limitations on program authorizations, and techniques of human resource accounting. Other committees are not to be precluded from undertaking studies to improve the budget process.

## TITLE VIII. FISCAL AND BUDGETARY INFORMATION

### SECTION 801. FISCAL AND BUDGETARY INFORMATION

The Senate amendment provided for the establishment of standardized budget information systems; the development of standard terminology, definitions, classifications and codes; and the availability of budget information to Congress and to State and local governments.

The conference substitute is the same as the Senate amendment except that the Appropriations, Ways and Means, and Finance Committees are added to the committees whose needs shall be given particular attention in the development of information systems. The conference substitute amends sections 201, 202, and 203 of the Legislative Reorganization Act of 1970 to accomplish these objectives. The managers understand that nothing in Title VIII shall prevent either House of Congress from establishing an office or commission to develop, supervise, and maintain an information classification system for that House and its committees and Members. As amended, section 201 provides for the development by OMB and the Treasury, in cooperation with GAO, of standardized fiscal, budgetary, and program information systems for the use of the Federal Government and, insofar as practicable, State and local governments.

The amended section 202 assigns the Comptroller General, in cooperation with the Treasury, OMB, and the Congressional Budget Office, responsibility for developing standard terminology, definitions, classifications, and codes for use by Federal agencies in supplying budget information to Congress. The Comptroller General is to report his initial determinations to Congress by June 30, 1975, and thereafter shall report and submit legislative recommendations as appropriate. In developing these standard classifications and definitions, the Comptroller General is directed to give particular consideration to the needs of the Budget, Appropriations, and tax committees. The Comptroller General is further directed to assist committees in developing their information needs and shall report annually on the identification of such needs. Each year, also, OMB and the Treasury shall report to Congress on their plans for addressing the needs thus identified.

The amended section 203 provides for the furnishing of budget and related information to Congress, including the development of data directories and assistance to Congress in analyzing budget data. The Comptroller General is authorized to establish central information files to meet the needs of Congress. OMB, in cooperation with GAO, the Congressional Budget Office, and State and local governments shall provide (to the extent practicable) budget information to States and localities so that they may be able to determine the impact of Federal assistance upon their budgets.

### SECTION 802. CHANGES IN FUNCTIONAL CATEGORIES

The House bill provided that any change in the functional classifications in the budget may be made only in consultation with the Budget Committees.

The conference substitute provides that changes in functional categories may be made only in consultation with the Budget and Appropriations Committees of both Houses.

## TITLE IX. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATES

### SECTION 901. AMENDMENTS TO HOUSE RULES

The House bill made various conforming changes in the Rules of the House of Representatives to reflect the establishment of the congressional budget process. The conference substitute substantially follows the House bill.

### SECTION 902. AMENDMENTS TO SENATE RULES

The Senate amendment made various changes in the Senate Rules. These are incorporated in the conference substitute. The amendments to the Senate Rules modify the jurisdiction of various committees in accord with the provisions of this act.

### SECTION 903. AMENDMENTS TO THE LEGISLATIVE REORGANIZATION ACT OF 1946

The Senate amendment authorized its Budget Committee to meet while the Senate is in session. It also exempted the Budget Committees of both Houses from the legislative oversight provisions of section 136 of the Legislative Reorganization Act of 1946. The conference substitute retains these provisions.

### SECTION 904. RULEMAKING POWERS

The House and Senate versions provided that the rules established for the congressional budget process and certain other provisions are an exercise of the rulemaking powers of the House and Senate and may be changed by either as it desires. The Senate amendment also provided for the waiver or suspension in the Senate of any rules in Titles III and IV by majority vote, and for a one-hour limit on appeals from the ruling of the chair.

The conference substitute retains, with conforming changes, the provisions of the House bill and Senate amendment relating to the rulemaking powers of the House and Senate. The conference substitute adopts subsections (b) and (c) of the Senate amendment relating to Senate rules.

### SECTION 905. EFFECTIVE DATES

The House bill provided that certain titles would take effect beginning with fiscal year 1975. The Senate amendment provided a phased implementation of the various provisions.

The conference substitute adopts a phased implementation schedule. Except as otherwise provided, the provisions of the bill, including establishment of the House and Senate Budget Committees, become effective upon enactment. Title II (other than section 201(a)) relating to the Congressional Budget Office is to become effective upon appointment of the first Director of the Office. Title III is to be effective with

respect to fiscal year 1977 as will the new procedures for authorizing legislation (section 402). The procedures for new spending authority (section 401) are to take effect in January 1976. Various amendments relating to the executive budget shall take effect for fiscal year 1976 while others would be effective later.

#### **SECTION 906. APPLICATION OF BUDGET PROCESS TO FISCAL YEAR 1976**

The Senate amendment provided for an application of the congressional budget process for fiscal year 1976 under certain conditions.

The conference substitute provides that upon agreement by the Budget Committees, and to the extent provided by such committees in reports to their respective Houses, the procedures of Title III and sections 202(f), 401, and 402 may be applied to the 1976 fiscal year. The managers anticipate that this advance application will be undertaken only if adequate preparation has been made, that it will be limited to certain parts of the congressional budget process, and that to the extent necessary substitute dates will be used. The managers recognize that it may not be feasible to go beyond the first budget resolution.

## TITLE X. IMPOUNDMENT CONTROL

The House bill provided for a procedure which would require impoundment actions to be reported to Congress by the President within ten days after they were taken. In the event that either House of Congress passed a resolution of disapproval within sixty calendar days of continuous session after the date on which the Presidential message was received by the Congress, the impoundment would have to cease. The Senate amendment tightened the authority in the Antideficiency Act to place funds in reserve by deleting an "other developments" clause. Moreover, it prohibited the use of budgetary reserves for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress, and authorized the Comptroller General to bring a civil action in the U.S. District Court for the District of Columbia to enforce those provisions.

The conference substitute combines features from each version. The "other developments" clause is deleted from the Antideficiency Act, permitting reserves solely to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations. Whenever an officer responsible for making apportionments and reapportionments determines that any amount so reserved will not be required to carry out the full objectives and scope of the appropriation concerned, he shall recommend the rescission of that amount.

If the President determines that all or part of any budget authority will not be required to carry out the full objectives or scope of programs, or that such budget authority should be rescinded for fiscal policy or other reasons, including the termination of authorized projects, or whenever all or part of budget authority provided for only one fiscal year (one-year money) is to be reserved from obligation for such fiscal year, he shall transmit a special message requesting a *rescission* of the budget authority. The message shall include the amount of budget authority involved; the appropriation account or agency affected; the reasons for rescission or placing the budget authority in reserve; the fiscal, economic, and budgetary effects; and all facts, circumstances, considerations, and effects of the proposed rescission or reservation. Unless both Houses of Congress complete action on a rescission bill within 45 days, the budget authority shall be made available for obligation.

A second type of special message concerns *deferrals*. This category includes any withholding or delaying the availability for obligation of budget authority (whether by establishing reserves or otherwise), or any other type of Executive action or inaction which effectively precludes the obligation or expenditure of budget authority, including authority to obligate by contract in advance of appropriations as specifically authorized by law. Such action or inaction may occur at the level of the Office of Management and Budget, such as through the apportionment process, or at the departmental and agency level. The special message from the President shall contain basically the same types of information included in a rescission special message. However, the procedure for congressional action is different in that the President will be required to make the budget authority available for obligation if either House of Congress passes an "impoundment

resolution" disapproving such proposed deferral at any time after receipt of the special message. The authority to propose deferral is limited to the fiscal year in which the special message making the proposal is submitted to the House and Senate.

Each special message—whether for rescission or for deferral—shall be referred to the appropriate committee of the House of Representatives and the Senate and printed as a document of each House and in the Federal Register. A copy of each special message shall also be transmitted to the Comptroller General, who shall review each message and inform both Houses of the facts surrounding the proposed action and the probable effects. In the case of deferrals, he shall state whether or not (or to what extent) he determines the proposed deferral to be in accordance with existing statutory authority. Any revision of proposed rescissions or deferrals shall be transmitted by the President in a supplementary message.

If the Comptroller General finds that an action or inaction that constitutes a reserve or deferral has not been reported to Congress in a special message as required, he shall report to Congress on such reserve or deferral. His report will have the same effect as if it had been transmitted by the President in a special message. Moreover, if the Comptroller General believes that the President has transmitted an impoundment action incorrectly, such as by including it in a deferral special message when it should have been included in a rescission special message, or vice versa, he shall report to both Houses setting forth his reasons.

Congressional action with respect to a proposed rescission or deferral shall take the form of a "rescission bill" or an "impoundment resolution." Any rescission bill or impoundment resolution shall be referred to the appropriate committee of the House of Representatives or the Senate. If the committee fails to report a rescission bill or impoundment resolution at the end of 25 calendar days of continuous session after its introduction, it is in order to discharge the committee from further consideration. A motion to discharge may be made only by an individual favoring the bill or resolution, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged in the House and privileged in the Senate.

If budget authority is not made available for obligation as required by the impoundment control title, the Comptroller General is empowered, through attorneys of his own choosing, to bring a civil action in the United States District Court for the District of Columbia in order to obtain any decree, judgment, or order which may be necessary or appropriate to make such budget authority available for obligation. However, no such action may be brought until the expiration of 25 calendar days of continuous session after the Comptroller General files with the Speaker of the House of Representatives and the President of the Senate an explanatory statement setting forth the circumstances giving rise to the action contemplated. The Courts shall give precedence to this type of civil action.

Cumulative reports of proposed rescissions, reservations, and deferrals shall be submitted by the President in a report to the House of Representatives and the Senate not later than the 10th day of each month during a fiscal year. This monthly report shall be printed in the first issue of the Federal Register published after its submission.

Congressional action depends greatly on the quality of these reports and the quality of special messages transmitted by the President. The managers recognize that each proposed impoundment action may be unique, reflecting a complex mixture of various forces. Rather than a few generalized codes to cover all impoundments—which has been the practice of the Office of Management and Budget in implementing the Federal Impoundment and Information Act—the managers expect that the monthly reports and the special messages will provide more specialized treatment. A narrative section should explain clearly and completely the factors that prompted the Administration to propose to impound the funds.

RICHARD BOLLING,  
 BERNIE SISK,  
 JOHN YOUNG,  
 GILLIS W. LONG,  
 DAVE MARTIN,  
 DELBERT LATTA,  
 DEL CLAWSON,

*Managers on the Part of the House.*

SAM J. ERVIN, Jr.  
 EDMUND S. MUSKIE,  
 ABRAHAM RIBICOFF,  
 LEE METCALF.  
 HOWARD W. CANNON,  
 CLAIBORNE PELL,  
 ROBERT BYRD,  
 JAMES B. ALLEN,  
 C. H. PERCY,  
 W. V. ROTH, Jr.,  
 BILL BROCK,  
 M. W. COOK,  
 HUGH SCOTT,  
 ROBERT P. GRIFFIN,

*Managers on the Part of the Senate.*

○