



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 7, 2001

H.R. 981

Budget Responsibility and Efficiency Act of 2001

As ordered reported by the House Committee on Rules on November 1, 2001

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

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

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

The bill also would conform reporting requirements under the Government Performance and Results Act to the new two-year budget cycle, and would require federal agencies to provide Congressional committees with additional information, as requested, on the programs within the committees' jurisdiction. The CBO Director would be required to submit quarterly

budget reports comparing actual spending and revenue amounts for the current fiscal year with the estimates for that year.

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

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