



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 1, 2012

H.R. 3521 **Expedited Line-Item Veto and Rescissions Act of 2011**

As ordered reported by the House Committee on Rules on January 31, 2012

SUMMARY

H.R. 3521 would establish an expedited procedure for considering Presidential proposals to rescind certain spending provisions in newly enacted legislation. CBO estimates that enacting H.R. 3521, by itself, would not have a significant impact on the federal budget. Any impact on the budget would depend on the extent of the President's use of the new cancellation procedure and on future Congressional actions. Enacting H.R. 3521 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3521 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no cost on state, local, or tribal governments.

ESTIMATED IMPACT ON THE FEDERAL BUDGET

The bill would establish a procedure for the President to propose cancelling specified discretionary funding and for Congressional consideration of such proposals. Under that procedure, which would be available until December 31, 2015, the President would transmit a special message to both houses of Congress specifying the project or government functions involved, the reasons for the proposed rescissions, and—to the extent practicable—the estimated fiscal, economic, and budgetary effect of the action. The Congress could then approve or disapprove the President's proposals in legislation. If approved, any such proposed cancellations would become law and the caps on discretionary budget authority would be reduced.

Under H.R. 3521, the President could submit up to two special messages for each piece of legislation that provides funding, but could not include the same rescission in both messages. A message would have to be transmitted to Congress within 45 calendar days of enactment of the legislation containing the items proposed for cancellation. Within five session days of receiving a special message, the majority leaders of the House of Representatives and the Senate (or their designees) would be required to introduce a bill

to approve the proposed cancellations; that approval bill would be considered under expedited procedures. H.R. 3521 also would amend the Congressional Budget Act to require that CBO prepare an estimate of savings in budget authority and outlays that would result from any proposed cancellations. Additionally, the President would be required to release discretionary budget authority proposed for cancellation within 45 days of the date of enactment of relevant appropriations act.

The impact of H.R. 3521 on future legislation would depend on both the nature of such legislation and on the actions of the President and the Congress in implementing the expedited cancellation procedure in H.R. 3521. Therefore, this bill would not—by itself—have a significant impact on the federal budget. CBO estimates that any additional administrative costs for implementing H.R. 3521 would not be significant because both the executive branch and the Congress already carry out activities similar to those that would be involved in preparing and responding to Presidential budget proposals.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE SECTOR IMPACT

H.R. 3521 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no cost on state, local, or tribal governments.

PREVIOUS CBO COST ESTIMATE

On December 16, 2011, CBO transmitted an estimate for H.R. 3521 as ordered reported by the House Committee on the Budget on December 15, 2011. The two versions of H.R. 3521 are similar and neither would have a significant impact on federal spending or revenues.

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