



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 16, 2011

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

As ordered reported by the House Committee on the Budget on December 15, 2011

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.

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 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 could withhold discretionary budget authority proposed for cancellation for 45 days from the day on which a special message is transmitted.

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.

H.R. 3521 contains no intergovernmental or private-sector mandates, as defined in the Unfunded Mandates Reform Act and—by itself—would have no impact on the budgets of state, local, or tribal governments. Any budgetary effects would depend on subsequent legislative action.

The CBO staff contact for this estimate is Jared Brewster, who can be reached at 226-2880. The estimate was approved Theresa Gullo, Deputy Assistant Director for Budget Analysis.