

Statement of
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I am pleased to appear before this Committee to discuss H.R. 7178, the Research and Development Authorization Estimates Act. The bill would amend the National Science and Technology Policy and Organization Act of 1976 to require the submission of two-year budget estimates for research and development (R&D) programs, thus permitting Congressional committees to consider two-year or longer authorizations on a more informed basis.

The Congressional Budget Office strongly supports efforts to extend the **decisionmaking** horizon of the Congress to a period longer than the year immediately ahead. To that end, we have recommended various steps that the Congress could take to reduce the number of decisions it must make each year. I will begin my statement this morning by briefly reviewing these recommendations and then will use them to offer for the **Committee's** consideration suggestions to strengthen the provisions of H.R. 7178.

EXTENDING THE DECISIONMAKING HQRIZION OF THE CONGRESS

By extending its decisionmaking horizon beyond the fiscal year immediately ahead, the Congress can ease the crush of its annual authorizing and spending decisions and foster longer-term planning for federal activities. A longer-term decisionmaking horizon would allow the Congress to study a problem or issue more thoughtfully and intensively. By making possible longer-term authorizations and funding, it can also provide

a continuity and stability to federal activities that can be **beneficial**, especially for activities such as **R&D** programs.

One element characteristic of **Congress'** short decisionmaking horizon is its increasing tendency in recent years to shorter authorizations, particularly annual authorizations. These annual authorizations have contributed to the mounting strains on the Congressional workload. And as Chairman Fuqua noted when introducing H.R. 7178, they detract from the committees' ability "to make careful inquiries into other substantive matters needing attention."

What steps can the Congress take to lengthen its decisionmaking horizon? How can the Congress make its reauthorization and oversight processes more systematic, and thus more compatible with a longer-term decisionmaking horizon? In testimony last year before the House Rules Committee on sunrise and sunset proposals, Dr. Rivlin suggested two steps to improve the reauthorization process.

- o First, Congressional committees could be encouraged to view the two sessions of a term of Congress as a single work period—that is, as a time to review one set of programs over two years, rather than two sets, one each year.
- o Second, authorizations of routine federal activities could be for an even number of years, two at a minimum, expiring on September 30th of the second session of each term of Congress.

These steps would alleviate the hurried consideration now given to reauthorizations required in the first session of any Congress because of the short time between the beginning of the session and the May 15th deadline imposed by the Budget Act for reporting authorizing legislation. Instead, because authorizations would expire on September 30th of the second session, committees would have the entire first session for oversight hearings and markups. They could then report their bills at the start of the second session, leaving ample time to complete floor action early in the session.

This schedule would also benefit the appropriations process: it would prevent the logjam of required authorizations and appropriations each summer. Authorizations for the appropriations to be considered in the first session would have been enacted into law during the last session of the previous Congress, while the authorizations expiring at the end of the second session would be considered during the first session and enacted early in the second session, before the appropriations bills are brought to the floor.

To the extent that the authorizing committees could stagger the reauthorizations of major programs over several terms, even greater reductions in Congressional workload could be realized. With four-year authorizations, one set of programs could be reviewed and reauthorized in

one Congress, while a second set would be reauthorized in the succeeding Congress. In the third Congress, the first set of programs could again be reviewed and reauthorized.

While improvements in Congressional workload would be one important benefit of lengthening the Congressional decisionmaking horizon, perhaps a more important benefit would be the opportunities for longer-range planning of federal activities and for assuring programs of operating and funding stability. Research and development programs could benefit greatly from longer-term planning and financial stability. For instance, much of the support provided by the federal government for research and development consists of grants and contracts to universities, laboratories, and other organizations. These groups are unable to turn "on" and "off" their research activities on short notice; longer-term authorizations with the promise of relatively stable funding for certain initiatives would likely result in the improved use of R&D resources.

A longer-term decisionmaking horizon could thus reduce the number of decisions that confront the Congress in each term, increase the amount of time available for making each decision, and make possible longer-range planning for federal activities.

TOWARD AN IMPROVED MULTIYEAR PLANNING PROCESS FOR R&D PROGRAMS

H.R. 7178 would lengthen the time horizon of the planning process for federal research and development programs by amending the Presidential

Science and Technology Advisory Organization Act of 1976 (Public Law 94-282) to establish a cycle of biennial R&D budgets. Specifically, section 2 of the bill would amend section 204 of the Act to add a new subsection (c) to the functions of the Director of the Office of Science and Technology Policy (OSTP), requiring the Director to advise the President and assist the Director of OMB in the preparation of two-year R&D estimates for inclusion in the **President's** budget every second year. Section 3 of the bill would amend section 206 of the Act to change the Five-Year Outlook to a Four-Year Outlook. It would also require revision of the Four-Year Outlook every second year, for inclusion in the President's budget with the two-year R&D estimate.

Had the provisions of H.R. 7178 been in effect this year, a biennial R&D budget could have operated as follows:

- o The budget submitted by the President to the Congress on January 28, 1980, would have contained estimates for R&D programs for fiscal years 1981 and 1982.

- o The budget would have also contained a Four-Year Outlook for R&D programs for fiscal years 1981-1984.

Thus, the Committee on Science and Technology could have, if it desired, reported two-year authorizations for some or all R&D programs within its jurisdiction. Its hearings and markup on such a two-year authorization could have been based on the Administration's own two-year estimates within the

general framework of its Four-Year Outlook. Next year, during the first session of the 97th Congress, the Committee would be freed of the necessity of reporting an authorization for those programs for which the Congress enacted a two-year authorization. It could devote its energies to other activities, including extensive oversight of R&D activities in preparation for a reauthorization for fiscal years 1983-1984 necessary by September 30th of the second session.

We believe that the biennial cycle of H.R. 7178 could be strengthened by requiring the President to send annually to the Congress a multiyear R&D plan, including three-year estimates for all R&D programs. This alternative approach has the following advantages.

First, it would make available to the Congress early in the first session R&D program estimates for the two fiscal years beginning October 1st of the second session, enabling committees to begin early hearings and review of programs expiring at the end of the second session. The availability of the budget request during the first session would increase the opportunities available to committees to use both sessions as a single work period. By not providing two-year estimates until the beginning of the second session of a Congress, H.R. 7178 as introduced may not create sufficient incentives for committees to begin reauthorization hearings and reviews during the first session of a Congress. If hearings are delayed until the Administration's two-year budget requests are presented at the start of the second session, the reauthorization process could again be jammed into the short period between mid-January and May 15th of the second session.

A second advantage is that the three-year estimates provided in each budget would be rolling estimates: the estimates for the first two years would be revised from earlier budgets and a first estimate of the third year would be provided. This would benefit **R&D policymaking**, in which it is desirable to be able to chart future directions and initiatives, yet to retain the flexibility to respond quickly with additional resources to any area that experiences significant breakthroughs. The revised first-year estimates in each budget would give the appropriate committees the **Administration's** guidance on changes to current plans to meet new initiatives. A supplemental authorization could easily be reported in the first year of any **Congress--the** off-year in terms of the two-year authorization **cycle--to** take advantage of any breakthroughs. This supplemental would impose significantly less of a workload than an annual authorization and would not disrupt the Congressional schedule.

In summary, the changes proposed by H.R. 7178 are a significant step toward lengthening the decisionmaking horizon for **R&D** programs. We believe that a rolling three-year **R&D** budget offers additional flexibility not contained in the schedule of H.R. 7178.

This concludes my prepared statement. I would be pleased to answer questions from the Committee.