

**Statement of
Alice M. Rivlin,
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Congressional Budget Office,
before the Subcommittee on the Legislative
Process, Committee on Rules of the
House of Representatives
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Mr. Chairman, I am delighted to have this opportunity to present to the Subcommittee on the Legislative Process the views of the Congressional Budget Office on proposals to improve oversight and reauthorization of federal programs. Consideration of sunrise, sunset, and other oversight reforms offer the Congress an opportunity to make improvements in its authorization process that could be as significant as the improvements in the budgeting and appropriations processes made by the Congressional Budget Act of 1974. To achieve this potential, we believe that any new authorization process should be fully compatible with the timetable and procedures of the Congressional budget process. Like the budget process itself, the new process should also be simple and flexible, yet it must have the procedural strength necessary to ensure its implementation.

MANAGING THE WORKLOAD OF THE CONGRESS

A frequent complaint about the current operation of the Congressional budget process is that the timetable specified by Section 300 of the Budget Act is too tight -- especially in the early summer -- given today's legislative workload. A large number of the bills authorizing new budget authority for the fiscal year beginning October 1 of each year are not reported to the floor of either house until, or just before, the May 15th deadline. Shortly afterwards, the dozen or so regular appropriations bills are reported to the House by the Committee on Appropriations, and floor action is scheduled for the second and third weeks in June.

The result is a logjam on the floor of the House. In the past, the impasse has been resolved by enacting appropriations without authorizations, under protection of a waiver of clause 2 of Rule XXI. Or the appropriations have been ruled out of order and stricken from the House bill, only to be restored by the Senate and accepted in conference.

What can be done about this problem? Some people have suggested that the timetable of the Congressional budget process should be changed. No one, however, seems very enthusiastic about such changes. Several suggestions have been met with objections:

- o Could the authorizations be reported earlier than May 15th? The authorizing committees argue that they cannot. The span from a session's beginning in January, until May 15th, is barely four months, a short time to conduct hearings, mark up bills, and file reports. The trend to annual authorizations is aggravating this scheduling problem of the Congress.
- o Could the May 15th deadline be dispensed with? Not realistically; the May 15th deadline was included in the Budget Act so that the Appropriations Committees would have a better idea of which authorizations would require an appropriation. This in turn is required for the Appropriations Committees to report their bills in a timely fashion so that all spending legislation can be completed prior to the passage of the second budget resolution.
- o Could the consideration of appropriations be delayed until later in the summer? Realistically, it cannot. To complete an action on appropriations by the seventh day after Labor Day--leaving sufficient time to consider the second concurrent resolution--the Congress cannot delay appropriations action later than the present timetable.

Alternatively, there are a number of steps that could be taken to improve management of the Congressional workload without opening up the Budget Act. We think the following suggestions are worthy of the Rules Committee's consideration in its review of oversight reform proposals:

- o First, the Congress could establish a systematic structure for the reauthorization-and-oversight process, requiring periodic consideration of federal activities but allowing the Congress to anticipate its workload.
- o Second, Congressional committees could be encouraged to view the two sessions of a 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 Third, 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.
- o Finally, the leadership could manage the legislative workload. This would mean encouraging the committees to begin their reviews during the first session of each Congress and to mark up and report their bills at the beginning of the second session, and establishing an advance floor schedule of authorizations to prevent a bottleneck on the floor at the end of the second session.

These steps would offer the authorizing committees excellent opportunities for oversight during the first session of a Congress. They could hold extensive hearings, allow ample time for a reflective and unhurried mark up, and still report their bills three or four months in advance of the May 15th deadline. Floor action on authorizations could thus begin in January or February of the second session, allowing sufficient time to complete action on them prior to consideration of the appropriations bills. The following schedule illustrates the timing of actions during the 96th Congress, using this approach:

TABLE I. TIMING OF 96TH CONGRESS ASSUMING ADOPTION OF PROCEDURES TO MANAGE AUTHORIZATIONS WORKLOAD

Date	Action
January 1979	Congress convenes.
May 15, 1979	Administration submits authorization requests for Fiscal Years 1981 and 1982. Committees report final annual authorizations. Budget Act deadline for reporting bills affecting Fiscal Year 1980.
May to December 1979	Congress acts on last annual authorizations, Fiscal Year 1980 Appropriations. Committees conduct oversight hearings, consider and report two-year authorizations for Fiscal Years 1981 and 1982.
January to June 1980	Authorizations for Fiscal Years 1981 and 1982 reported and passed on a schedule established by the leadership.
July to August 1980	Appropriations enacted for Fiscal Year 1981.

We do not envision this process as being inflexible. The authorizing committees should remain free--as they are now--to report authorizations for new programs to meet emergencies or changing conditions at any time. Rather, this two-year process seems most appropriate for the regular reauthorization of ongoing federal activities. It is the workload for these routine reauthorizations that is most amenable to being managed.

SCHEDULING REVIEWS AND INVENTORY REQUIREMENTS

Turning to the two proposals before the Committee, H.R. 2 and H.R. 65, I should note first, that, although CBO does not endorse a particular bill, I strongly support the objectives of this legislation. Your letter of invitation noted that the hearing would focus on the review schedule and program inventory requirements of oversight reform proposals. The remainder of my statement is devoted to these two issues.

Both H.R. 2 and H.R. 65 are compatible with the suggestions for managing Congressional workload outlined in the first part of my statement. They differ principally in their coverage of federal programs. From this difference stems differences in review scheduling and data collection requirements.

H.R. 65 could be termed "prospective" in terms of its coverage of federal programs. It builds a cycle of oversight reviews by requiring that, after its effective date, all new authorizations for both direct and tax expenditures be reviewed and by limiting new authorizations to five years or less. This approach has the advantage of allowing increased oversight responsibilities to be phased in over time. During the first five years, the schedule is built as programs are authorized. Committee workloads during this period are not subject to possible disruption by a requirement that the

Congress perform reviews. A disadvantage of this approach, however, is that only new programs and those programs that are currently reauthorized periodically would be included in its prospective coverage. Although H.R. 65 does require the consideration of related programs as part of its reauthorization review, I believe that H.R. 65 would be strengthened if the cross-cutting review provisions from H.R. 2 were incorporated in the bill.

In contrast, the coverage of H.R. 2 is comprehensive. H.R. 2 requires review of all programs--including heretofore permanent authorizations--in its scheduled cycle of reviews. It has the advantage of grouping programs for review in its cycle by subfunctional categories; this would bring up review and reauthorization of all programs designed for the same purpose at the same time. This cross-cutting review would reveal duplicative federal programs with the hope that some duplications could be weeded out in the review-and-reauthorization process.

Both proposals contain requirements for preparation of a program inventory or catalog of federal programs to assist the committees in conducting their reviews. To be effective, an inventory of federal programs should provide enough detail to facilitate scheduling reauthorization reviews and oversight. It should also provide crosswalks between authorizing legislation and the budget process. We believe such an inventory should be limited to this scope and not attempt to provide all information necessary for detailed evaluation. Federal activities vary so greatly that it is neither efficient nor possible to incorporate information required to evaluate various program designs in a single information system. The inventory should not be viewed as a decision structure that could restrict committees in organizing their legislative calendars; rather, it should be regarded as a source of information.

The requirement in Section 202 of H.R. 65 for a catalog of inter-related federal activities is a simply stated requirement that, for the most part, meets these conditions. The detailed requirements specified in Title II

of H.R. 2 appear to us to be excessive and not necessary to achieve the objectives of the bill. Much of the information needed for a useful inventory is already available. Either CBO or GAO could provide a program inventory, using existing systems, that meets the needs of the authorizing committees. Under this approach, only minimal additional resources would be necessary to satisfy the information requirements of an improved oversight process.

As part of my comments on review schedules and program inventory, I would also like to address the issue of tax expenditure review.

Each of the two proposals before the Subcommittee provides for some sort of review of tax expenditures. Title VII of H.R. 2 calls upon the Congress to pass legislation at a later date specifying review procedures for all existing tax expenditures. H.R. 65, on the other hand, treats tax expenditures in the same way as other federal programs, and so subjects only new tax subsidies to periodic review.

The "comprehensive" approach of H.R. 2 is particularly important for consideration of tax programs, because very little of the spending now done through the tax code is subject to any periodic Congressional review.

H.R. 2, however, leaves the specific design of the review schedule for tax expenditures to be determined later. This seems to me to be a disadvantage. It is difficult to design a review schedule for tax expenditures that will both receive careful consideration and be coordinated with review of other related federal programs. This argues for including tax expenditures in the original review design. To attempt to fit tax expenditures into an already established review schedule designed without them in mind would only complicate an already difficult task.

The tax inventory requirements of H.R. 2 present no problems to CBO.

Before concluding my remarks, I would like to comment briefly on Title V of H.R. 2. Title V of H.R. 2 establishes a 10-year cycle for reviewing the impact of federal regulations. It requires that CBO evaluate the effectiveness of federal regulations and regulatory agencies. While we support the general goal of increased Congressional oversight of federal regulatory activities, we believe that such requirements are beyond the scope of our present resources and are not directly related to our principal mission of providing budgetary information to the Congress.

This concludes my statement, Mr. Chairman. I would be pleased to answer questions from you and the Members of the Committee on these or any other aspects of oversight reform.

