



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

OCT 16 1975

D-115398

The Honorable John Dingell
U.S. House of Representatives

Dear Mr. Dingell:

This letter is in response to your request of September 9, that we provide you with our views concerning whether the nonpayment upon presentation of the State of Michigan's claims for welfare, medicaid and social services expenditures by the Department of Health, Education, and Welfare, is a deferral as defined in the Impoundment Control Act of 1974, Title X of Public Law 93-334.

While your letter contains a number of points, the central question relates to whether or not the definition of a deferral, as stated in the Act, was intended to cover delays of a purely administrative nature.

The Impoundment Control Act was the direct result of disagreements between the Executive and the Congress over which branch has ultimate control over Government program and fiscal spending policy. The Act was designed to tighten congressional control over impoundments and establish a detailed procedure under which the Legislative Branch could consider the merits of impoundments proposed by the Executive Branch.

The language of the Act, together with its legislative history, is considerably less than clear concerning the Act's intended design regarding reportable deferrals. The Act cannot be analyzed without producing a series of anomalous results which its legislative history fails to explain away. Nevertheless, there is an unmistakable philosophy underlying the Act that does provide a rational and realistic basis for viewing the Act as a means by which the Congress strengthened its control over Executive impoundments for policy differences without involving the Congress in the myriad day-to-day details of paying the Government's bills.

During the floor debate of the bill, Senators Erwin (the floor manager of the bill) and Humphrey clearly supported the concept that the President's impoundment messages must relate to policy impoundments.

The delays in payment giving rise to your questions result from actions of Regional Commissioners in deferring payment to States' quarterly claims for Federal financial participation under the public assistance titles of the Social Security Act as well as claims for

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retroactive adjustments of previously paid claims, pending determination of allowability and accuracy. While the length of time it has taken HEM to resolve the question of allowability has consumed a far longer period than seems reasonable, we feel that HEM's actions are administrative, non-policy related, and therefore are not a deferral within the meaning of the Impoundment Control Act.

Sincerely yours,
SIGNED ELMER B. STAATS

Comptroller General
of the United States

cc: Mr. Staats
Mr. Keller
Mr. Deabling
Mr. Hughes
Mr. Canfield
Mr. Pierson
Mr. Bell
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