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

B-170612

May 26, 1981

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The Honorable William V. Roth, Jr.
Chairman, Committee on Governmental
Affairs
United States Senate

Dear Mr. Chairman:

This responds to your request for our [comments on S. Res. 22], which would direct the Committee on the Budget and the Committee on Governmental Affairs to study the advisability and feasibility of conducting the fiscal affairs of the United States Government on a two-year fiscal period, or, in the alternative, of having the budget submitted and new budget authority enacted for two fiscal years of time.

We favor adoption of this resolution because it is in line with suggestions we have made to lengthen the horizon of budget-related information and actions. We have already recommended that the Congress change from one-year to multiple-year authorizations for Federal research and development ("R&D") activities, and also consider moving to multiple-year appropriations for those activities. Such actions could streamline congressional workload, facilitate more thorough analyses, and provide a stable funding base for R&D activities. We have made similar suggestions concerning Federal programs providing grant assistance to State and local governments and districts. Some of our prior statements addressing the timing of congressional actions on Federal R&D activities, and grant assistance programs, are identified in enclosure I.

Beyond these suggestions pertaining to specific program areas, we believe that the Congress should also consider extending the cycle of budget-related actions in other areas as well. We have addressed this broader question in our enclosed report, "Federal Budget Concepts can be Further Strengthened" (PAD-81-36, March 3, 1981), and in prior testimony before the Budget Process Task Force of the House Budget Committee (see reference in enclosure I).

Congressional and executive branch officials now diffuse their budget formulation energies and resources each year over a wide spectrum of actions--an easy thing to do with over 2,000 programs in about 1,300 budget accounts. Because of this they often do not adequately monitor budget execution and perform needed in-depth analyses. An excessive amount of resources are

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devoted to annual budget mechanics and paperwork, and not enough to analyzing ways to enhance program efficiency and better address the Nation's needs.

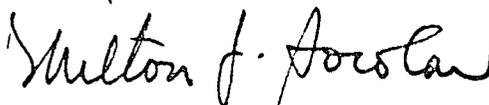
Congressional and agency workload could be better focused during the budget cycle if there were fewer programs requiring annual authorizations for appropriations, and if some programs were put on a biennial appropriations cycle. These actions would permit more concentrated attention each year on selected programs, and facilitate more timely completion of congressional authorizing and appropriations actions.

It must be recognized, however, that trade-offs would be involved in decreasing the frequency of authorizing and appropriations actions: while the change would likely reduce bottlenecks and permit more time for careful analyses, it would complicate congressional efforts to exercise short-term control over budget levels and priorities. The budget control needs of the Congress must be considered on a case-by-case basis when setting the frequency of authorizing and appropriations actions.

Further research on biennial actions as required by S. Res. 22 could contribute significantly by analyzing the trade-offs and identifying programs that could be shifted from annual to biennial appropriations actions. It is particularly important at this time of complex economic problems and budget constraints that the Government take steps to streamline the budget process and improve budget analyses. The research that would be undertaken pursuant to S. Res 22 could lead to these improvements.

I appreciate the opportunity to comment on this important proposal, and we would be glad to discuss the matter further if you so desire.

Sincerely yours,



Acting Comptroller General
of the United States

Enclosures

RECENT GAO STATEMENTS AND REPORTS
CONCERNING BIENNIAL OR MULTIYEAR
CONGRESSIONAL AUTHORIZATIONS AND APPROPRIATIONS

The following GAO statements and reports discuss the need for the Congress to start to move from annual authorizations and appropriations toward greater use of biennial or other multiyear authorization and funding actions. In the statements and reports, GAO recommends action along these general lines in the areas of Federal research and development activities, and grant assistance to State and local governments and districts. GAO also states that longer budget-related cycles are probably needed and feasible in other areas, but that further research is needed on a case-by-case basis to identify specific applications.

GAO Report

Federal Budget Concepts and Procedures can be Further Strengthened, PAD-81-36, March 3, 1981

Statements by the Comptroller General

On H.R. 7178, The Research and Development Authorization Estimates Act, before the House Committee on Science and Technology, June 4, 1980.

On the Federal Budget Process, before the Budget Process Task Force, House Committee on the Budget, December 11, 1979.

On H.R. 4490, The Research and Development Authorization Estimates Act, before the House Committee on Science and Technology, October 10, 1979.

On S. 878, The Federal Assistance Reform Act, and S. 904, The Federal Assistance Reform and Small Community Act of 1979, before the Senate Committee on Governmental Affairs, October 3, 1979.