

Highlights of [GAO-13-464T](#), a statement for the record to the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Congress annually faces difficult decisions on what to fund among competing priorities and interests with available resources. Continuing resolutions (CRs) can create budget uncertainty, complicating agency operations and causing inefficiencies. In all but 3 of the last 30 years, Congress has passed CRs to provide funding for agencies to continue operating until agreement is reached on final appropriations.

GAO was asked to provide a statement based on findings from its 2009 report on managing under CRs ([GAO-09-879](#)). This statement focuses on (1) a history of CRs and the provisions that Congress includes within them and (2) the effects of CRs on agency operations and actions that federal agencies have taken to manage these effects. GAO's 2009 report reviewed six federal agencies within three cabinet-level departments selected based on factors such as the length of time spent managing under CRs and the types of services they provided. These six case study agencies were the Administration for Children and Families and the Food and Drug Administration within the Department of Health and Human Services; Veterans Health Administration and Veterans Benefits Administration within the Department of Veterans Affairs; and Bureau of Prisons and Federal Bureau of Investigation within the Department of Justice. Under CRs that provide funding for the remainder of a fiscal year, agencies obtain certainty about funding. Therefore, CRs that spanned the months remaining in a fiscal year were not the focus of GAO's report.

GAO did not make recommendations in the 2009 report.

View [GAO-13-464T](#). For more information, contact Michelle Sager at (202) 512-6806 or sagem@gao.gov

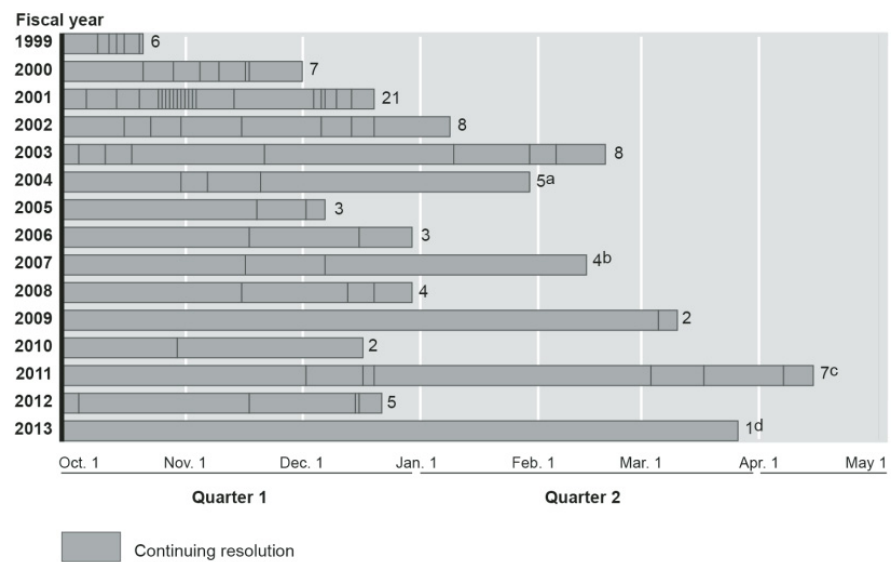
BUDGET ISSUES

Effects of Budget Uncertainty From Continuing Resolutions on Agency Operations

What GAO Found

Because CRs only provide funding until agreement is reached on final appropriations, they create uncertainty for agencies about both when they will receive their final appropriation and what level of funding ultimately will be available. Effects of CRs on federal agencies differ based in part on the duration and number of CRs and may vary by agency and program. CRs include provisions that prohibit agencies from beginning new activities and projects and direct agencies to take only the most limited funding actions. Congress can provide flexibility for certain programs and initiatives through the use of legislative anomalies, which provide funding and authorities different from the standard CR provisions.

Figure 1: Duration and Number of Continuing Resolutions (Fiscal Years 1999–2013)



Source: GAO.

^aThe fifth CR, P.L. 108-185, amended the original CR with substantive provisions but did not extend the CR period.

^bIn February 2007, Congress enacted a 227-day CR that provided funding for the remainder of the fiscal year. This CR is not included in the figure.

^cIn April 2011, Congress enacted a 168-day CR that provided funding for the remainder of the fiscal year. This CR is not included in the figure.

^dThe figure is as of March 11, 2013.

Officials from all six case study agencies reported that they delayed hiring or contracts during the CR period, potentially reducing the level of services agencies provided and increasing costs. After operating under CRs for a prolonged time, agencies faced additional challenges executing their final budget as they rushed to spend funds in a compressed timeframe. All case study agencies reported performing additional work to manage within CR constraints, such as issuing shorter term grants and contracts multiple times. Agency officials reported taking varied actions to manage inefficiencies resulting from CRs, including shifting contract and grant cycles to later in the fiscal year to avoid repetitive work, and providing guidance on spending rather than allotting specific dollar amounts during CRs to provide more flexibility and reduce the workload associated with changes in funding levels.