IMPOUNDMENT CONTROL ACT
Use and Impact of Rescission Procedures

What GAO Found
Since 1974, presidents have submitted rescission proposals totaling $76 billion, of which Congress accepted and rescinded $25 billion. Both Republican and Democratic presidents have submitted rescission proposals since the enactment of the ICA in 1974. The number and dollar values proposed have varied widely with each administration. For example, the Reagan administration proposed the highest number (245 in 1985) and the highest dollar value ($15.4 billion in 1981). On the other hand, President George W. Bush did not submit any proposals under the ICA. In October 2005, however, President Bush sent a letter to Congress proposing the “cancellation” and rescission of budget authority. The Office of Management and Budget stated that the letter was not a special message proposing rescissions under the ICA. Nevertheless, 7 agencies withheld budget authority from 12 programs in anticipation of congressional enactment of the proposals the President made in his letter. Since the President had not transmitted a special message to Congress under the ICA, we found that the 7 agencies withheld budget authority in violation of the ICA.

Since 1974, Congress has approved about 39 percent of presidential rescission proposals, totaling about 33 percent of the budget authority proposed for rescission. The approval rate varies by administration. In the Clinton administration, Congress approved about 67 percent of the rescission proposals, covering 54 percent of the budget authority proposed for rescission. In the George H.W. Bush administration, Congress approved about 20 percent of the proposals, covering 18 percent of the budget authority proposed for rescission.

Congress, on its own initiative, has made increasing use of rescissions as a tool to revise enacted budget authority. Overall, since 1974, congressionally initiated rescissions total about $197 billion. This amount exceeds the approximately $76 billion proposed by all presidents since 1974. While these statistics highlight Congress’ increasing use of rescissions, the amounts rescinded, relative to the entire federal budget, make clear that rescissions have not been a major tool to reduce spending. This is in part because discretionary budget authority—the only spending for which rescissions can be proposed—constitutes approximately 40 percent of federal spending.


Why GAO Did This Study
The Impoundment Control Act of 1974 (ICA) was enacted to tighten congressional control over presidential impoundments and establish a procedure under which Congress could consider the merits of rescissions proposed by the President. Under the ICA the President may propose a rescission when he wishes to withhold funds from obligation permanently or submit a deferral when the withholding of funds is temporary. Funds proposed for rescission may be withheld from obligation for 45 days of continuous congressional session. If Congress does not approve the rescission during this period, the President must release the funds on the 46th day. The ICA also provides a special discharge procedure permitting 20 percent of the members of either house to force a floor vote on any presidential rescission proposal.

In March 2009, at the request of the Chairman and Vice Chairman, Committee on Appropriations, U.S. Senate, we prepared statistical data concerning rescissions proposed and enacted since the passage of the ICA in 1974. As requested by the Subcommittee, this testimony discusses the use and impact of the rescission procedures under the ICA and includes the statistical data we prepared earlier this year.

View GAO-10-320T or key components.
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