

094623

KELLER

UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D. C. 20548

FOR RELEASE ON DELIVERY  
Expected at 10:00 a.m.  
Tuesday, May 13, 1975

STATEMENT OF  
PAUL G. DEMBLING, GENERAL COUNSEL  
UNITED STATES GENERAL ACCOUNTING OFFICE  
BEFORE THE  
LEGISLATION AND NATIONAL SECURITY SUBCOMMITTEE  
OF THE  
COMMITTEE ON GOVERNMENT OPERATIONS  
HOUSE OF REPRESENTATIVES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to present the views of the General Accounting Office on legislation to authorize appropriations for the fiscal year transition period of July 1 through September 30, 1976.

Title V of the Congressional Budget and Impoundment Control Act of 1974 (or the "Congressional Budget Act of 1974")\* changed the Federal fiscal year from the July 1 - June 30 cycle to an October 1 - September 30 cycle. This change is a central feature in the reforms concerning the budgetary process which were accomplished by other titles of the Congressional Budget Act. The three additional months afforded for completion of the appropriations process following submission of the President's budget should more adequately complement

\* Approved July 12, 1974, Pub. L. No. 93-344, 88 Stat. 297, 321.

708779

094623

the work schedule of the Congress, thereby eliminating the need for "continuing resolution" funding with its attendant uncertainty and lessening of congressional control. This change in the fiscal year was recommended by the Commission on Government Procurement, among others. The Comptroller General endorsed it both as a member of the Procurement Commission and in subsequent reports on legislation by our Office.

Section 501 of the Congressional Budget Act provides that the change to the new fiscal year takes effect as of October 1, 1976--three months after the close of fiscal year 1976 on June 30, 1976. The effect of section 501 is therefore to create a three-month transition period from July 1 through September 30, 1976, which is part of neither fiscal year 1976 (old cycle) nor fiscal year 1977 (new cycle).

Section 502(a) of the Congressional Budget Act addresses the transition period by requiring the President to submit to the Congress, as soon as practicable--

(1) budget estimates for the period in such form and detail as he may determine; and

(2) proposed legislation which he considers appropriate with respect to changes in law necessary to provide authorizations of appropriations for that period.

Several steps to implement the transition period have already taken place. The President's fiscal year 1976 Budget presents summarized estimates for July 1 through September 30, 1976;<sup>\*/</sup> and the 1976 Budget Appendix includes appropriation language, by account, where it is anticipated that additional funding will be necessary. The Budget document indicates that, generally, recommended funding for the transition period extends recommended 1976 program levels without change other than for normal built-in growth in open-ended programs. Also, the Supplemental Appropriations Act, 1975,<sup>\*\*/</sup> includes a provision recommended by the Administration that extends through the transition period the availability for obligation of appropriations which would otherwise have expired on June 30, 1976.

The proposed legislation before the Subcommittee today relates to subsection 502(a)(2) of the Congressional Budget Act concerning changes in the law necessary to authorize appropriations for the transition period.

On February 20, 1975, the President transmitted to the Congress draft legislation designed to carry out in large measure the requirement of section 502(a)(2).<sup>\*\*\*/</sup> The Administration's proposal would

---

\* See The Budget of the United States Government, Fiscal Year 1976, pp. 178-193.

\*\* Approved December 27, 1974, Pub. L. No. 93-554, § 204, 88 Stat. 1771, 1784. For an explanation of § 204, see 120 Cong. Rec. S19619-20 (daily ed., November 19, 1974) (remarks of Senator McClellan).

\*\*\* H. R. Doc. No. 94-56 (1975).

authorize to be appropriated during the transition period, "such sums as may be necessary to conduct projects and activities (not otherwise provided for in any other Act) for which funds have been requested for this period in the President's 1976 budget, as amended through June 30, 1976." The explanation accompanying the Administration's draft bill states that the quoted language is intended to cover previously authorized programs funded through the appropriations process, although special circumstances may in some instances warrant other specific legislation. The explanation further indicates that transition authorizations for new budget authority operating outside of the normal appropriations process will be requested separately.

On May 6, 1975, Chairman Brooks introduced a bill--H.R. 6692, 94th Congress--somewhat different from that submitted by the Administration. H.R. 6692 provides for the authorization of transition appropriations in "such sums as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976."

Both the Administration draft and H.R. 6692 are similar in that they would authorize appropriations to continue fiscal year 1976 programs through the transition period. The basic difference between the two versions is that, under the Administration draft, the authorization of funds would be for those fiscal year 1976 programs and activities set forth in the President's budget. However, the relevant 1976 programs and activities under H.R. 6692 would be those for which funding was actually provided by the Congress for fiscal year 1976. We believe that the approach taken in H.R. 6692 is preferable in this regard.

As noted previously, both the Administration draft and H.R. 6692 are designed to provide a general authorization for continued funding of fiscal year 1976 programs and activities. We assume that neither version is designed to supersede any more specific authorizations for particular programs and activities during the transition period. Several such transition authorization bills have already been introduced.<sup>\*/</sup> Accordingly, we believe that the language in the Administration draft limiting its application to programs or activities not otherwise provided for is desirable.

In sum, it is our view that H.R. 6692--with an amendment inserting the parenthetical "(not otherwise provided for in any other Act)" after the word "activities" on line 5--represents a desirable means of implementing subsection 502(a)(2) of the Congressional Budget Act.

Mr. Chairman, this concludes my prepared statement.

---

\* See, e.g., H.R. 3134, S. 290, S. 291, 94th Cong. (Department of Defense appropriation authorizations); S. 1398, 94th Cong. (Department of Interior Appropriation authorization); S. 1462, 94th Cong. (Federal Railroad Safety authorization).