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

IN REPLY REFER TO: B-196797

OFFICE OF GENERAL COUNSEL

June 23, 1980

To the President of the Senate and the
Speaker of the House of Representatives

[Handwritten: Proposed Rescission in Budget Authority]
The purpose of this letter is to report on the status of budget authority that was proposed for rescission, but for which Congress failed to pass a rescission bill as defined in section 1011 of the Impoundment Control Act.

In his seventh special message for fiscal year 1980, dated April 16, 1980, the President proposed 53 rescissions totalling \$1,472.7 million in budget authority that had been made available for various programs and agencies.

Section 1012(b) of the Impoundment Control Act requires that funds proposed for rescission be made available for obligation unless the Congress completes action on a rescission bill within the first 45-day period of continuous session of the Congress following the date such proposal is received by the Congress. For rescission proposals R80-5 thru R80-57, the 45-day period ended on June 4, 1980, without the Congress having passed such a bill.

We have confirmed that on June 5, 1980, the budget authority covered by these rescission proposals was apportioned by the Office of Management and Budget to the proper agencies for allotment to the programs involved.

The seventh message included a proposal (R80-36) to rescind \$149.951 million available to the Health Resources Administration, Department of Health and Human Services. The proposed rescission included \$97.8 million which had been proposed for rescission in an earlier message (R80-2A) but for which Congress failed to pass a rescission bill.

Because the 45-day period during which funds may be withheld pending Congressional consideration of a rescission bill expired without such a bill being passed, the funds proposed for rescission had to be made available for obligation. The Executive branch may again request that Congress rescind these funds, but the second request does



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not trigger a new 45-day withholding period. We discussed this matter with representatives of the Office of Management and Budget when we were preparing our report on the President's seventh message. In that report dated May 30, 1980, we stated that the funds involved in R80-36 which had not previously been proposed for rescission, as well as the funds previously included in R80-2A, had not been withheld from obligation. Our statement was based, in part, on our discussions with OMB. After the preparation of our report, we learned that there had been a misunderstanding and OMB had, in fact, withheld that portion of the funds included in R80-36 which had not been part of the earlier rescission proposal. Those funds have now been made available for obligation in the same manner as the funds involved in the other rescission proposals contained in the President's seventh special message.

Harry R. Van Cleave

for Milton J. Socolar
General Counsel