

DOCUMENT RESUME

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[Proposed Rescission of General Criminal Justice and Corrections Grant Funds]. OGC-78-3; B-115398. October 29, 1977. 2 pp.

Report to the Congress: by Robert F. Keller, Acting Comptroller General.

Contact: Office of the General Counsel.

Budget Function: Miscellaneous: Impoundment Control Act of 1974 (1005).

Organization Concerned: Law Enforcement Assistance Administration.

Congressional Relevance: Congress.

Authority: Impoundment Control Act of 1974, sec. 1015.

The President's first special message for fiscal year 1978 pursuant to the Impoundment Control Act of 1974 proposed the rescission of \$2.668 million in general criminal justice and corrections grant funds appropriated to the Law Enforcement Assistance Administration (LEAA). However, the proposed legislative language submitted for congressional approval with the rescission request does not propose the rescission of the money but rather the transfer of the funds.

Findings/Conclusions: The proposal states that the funds sought for rescission are moneys that reverted to the LEAA for general application since the States and local governments to which they were allocated did not use them. Although the message indicates that LEAA could use the moneys, the President stated that a greater need for the funds exists in other activities of the Department of Justice. Accordingly, the \$2.668 million has been proposed for transfer to those accounts. The proposal to rescind the budget authority is inconsistent with seeking its transfer. The President should have proposed a deferral of the moneys in the LEAA account pending congressional action on the legislative request to transfer the funds. By so doing, the Congress has an opportunity to demand release of the funds to LEAA, and, in the absence of such congressional action, the budget authority is preserved for use in either the original LEAA account or the Department accounts, depending on the congressional disposition of the transfer request. The authority of section 1015 of the Impoundment Control Act is exercised to convert the rescission proposal to a proposed deferral of the \$2.668 million. (SC)

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

October 28, 1977

IN REPLY REFER TO: B-115398

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

On September 23, 1977, we received copies of the President's first special message for fiscal year 1978 pursuant to the Impoundment Control Act of 1974. In this message, the President proposed the rescission of \$2.668 million in general criminal justice and corrections grant funds appropriated to the Department of Justice, Law Enforcement Assistance Administration (LEAA). The proposed legislative language submitted for congressional approval with the rescission request, however, does not propose the rescission of the \$2.668 million but rather the transfer of the funds.

The proposal states that the funds sought for rescission are moneys that reverted to the LEAA for general application since the States and local governments to which they were allocated did not use them. Although the message indicates that LEAA could use the moneys, the President stated that a greater need for the funds exists in other activities of the Department of Justice: salaries and expenses for general legal activities and salaries and expenses of the antitrust division of the Department. Accordingly, the \$2.668 million has been proposed for transfer to these accounts.

In discussing the subject rescission proposal with LEAA officials, we were informed that the \$2.668 million represents reversionary funds--block grant funds awarded to the States that are required by LEAA regulations to be returned if not expended within 3 years. We were told that the \$2.668 million could be used by LEAA, for example:

discretionary grant to the State of
for a large career criminal program for
State agreed to use \$1.5 million of State
fund.

--To use the small State supplement program,
which was reduced substantially in fiscal year 1978
below the fiscal year 1977 level--from \$3,000,000
to \$1,800,000--because of a reduction in the overall

LEAA appropriation for 1978. (The small State supplement program is a discretionary grant program of LEAA to supplement the funds available for planning and administration by the State planning agencies of 16 small States.) LEAA believes that these States do not receive sufficient funds under the statutory formula for planning purposes.

We conclude from the information available to us that the funds are not regarded as excess to the needs of the Department. Indeed, the proposal to rescind the budget authority is inconsistent with seeking its transfer: i.e., if the rescission were approved there would not be any budget authority to transfer to the Department's accounts in which the greater need is said to exist.

We believe the President should have proposed a deferral of the \$2.668 million in the LEAA account pending congressional action on the legislative request to transfer the funds. By so doing, the Congress has an opportunity to demand release of the funds to LEAA, and in the absence of such congressional action, the budget authority is preserved for use in either the original LEAA account or the Department accounts, depending upon the congressional disposition of the transfer request.

Section 1015 of the Impoundment Control Act, among other things, authorizes the Comptroller General to reclassify proposed rescissions of budget authority to proposed deferrals when he believes that a presidential request to rescind budget authority should have been reported as a proposed deferral. Accordingly, we are hereby exercising the authority of section 1015 to convert rescission proposal number R78-1 to a proposed deferral of the \$2.668 million.


Acting Comptroller General
of the United States