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GAO

United States General Accounting Office
Washington, DC 20548

Office of
General Counsel

In Reply
Refer to: B-200923

December 1, 1980

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Philip R. Dame, Chief
Budget Preparation Branch
Office of Management and Budget
Room 6201, NEOB
Washington, D.C. 20530

DL605622

Dear Mr. Dame:

Mr. Dale McOmber, Assistant Director for Budget Review, has requested our comments and suggestions on a draft OMB bulletin concerning apportionments under continuing resolutions. For the most part we are in agreement with the OMB suggestions as set forth in the draft, although we do have several substantive comments.

Summary of the Draft

Under the procedure suggested in the draft, each agency will be initially responsible for determining its proper funding level. OMB will exercise oversight over these determinations through the apportionment process, while Treasury and GAO will continue their respective roles in preparing and countersigning appropriation warrants.

The draft suggests three different bases for apportionment and warrants, depending on the period of duration of the continuing resolution.

1. If the resolution is to last 30 calendar days or less the agency's appropriation is automatically apportioned. Agencies may not request warrants for an amount greater than 10 percent of the annual amount unless OMB approves.

2. If the resolution is to last more than 30 days but less than 106 days an amount equal to the pro rata share of the annual amount is automatically apportioned and the agency may request a warrant for that amount or less. If the agency requires a funding level in excess of the pro rata amount, it must request a formal apportionment from OMB and can request a warrant for the larger amount only after it has been apportioned by OMB.



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3. If the resolution is to last for 106 days or more, the normal apportionment process under OMB Circular A-34 will be followed.

Substantive Comments

1. We suggest that the dividing time between the second and third procedures described above should be shortened from 106 days to one calendar quarter. We are unaware of the source of the 106 day period other than that in the current fiscal year should the Congress extend the continuing resolution through March 31 the extension will cover exactly 106 days. We suggest the calendar quarter because it is one of the apportionment periods specified by the Congress in 31 U.S.C. § 665(c), and is the period generally used for apportionments under regular appropriation acts.

2. We note that there is an inconsistency between the time limits for apportionment for continuing resolutions under the draft and for normal appropriations under Circular A-34. Aside from the difference in the time period for OMB action, the draft bulletin keys the deadlines to final congressional action while A-34 keys them to actual approval of the appropriation act. Since paragraph 6.C. of the bulletin specifies that apportionments for long-term continuing resolutions should be consistent with the guidelines in A-34, it is unclear whether the A-34 time limits or those contained in section 5 of the bulletin are to apply. We suggest that the bulletin be changed to eliminate this discrepancy.

3. The bulletin does not contain a guideline for the amount of the warrant to be requested in the case of a long-term resolution. We suggest that the following language be added to paragraph 6.C.:

"Agencies may request a warrant only in the amount apportioned by OMB."

4. The draft bulletin contains no provision for reapportionment when the agency's regular appropriation is enacted during the period of the continuing resolution. Continuing resolutions contain a provision that the appropriations made by the resolution expire with the enactment of the corresponding regular appropriation act. Since the apportionment under the continuing resolution will expire with the appropriation, a new apportionment will be needed.

We suggest that the following section 7 be added to the bulletin:

"7. Enactment of Regular Appropriation

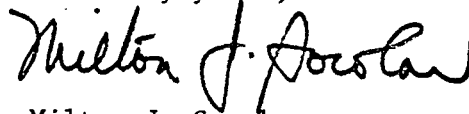
"Should the regular appropriation for an agency be enacted during the period of a continuing resolution, the agency should seek a

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reapportionment in accordance with the guidelines in OMB Circular No. A-34."

Should you wish to further discuss the draft bulletin or our comments please contact Bertram Berlin at 275-5544.

Sincerely yours,

A handwritten signature in cursive script that reads "Milton J. Socolar". The signature is written in dark ink and is positioned above the typed name.

Milton J. Socolar
General Counsel