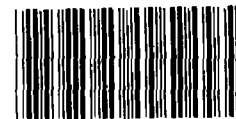


133904



Comptroller General
of the United States

Washington, D.C. 20548



133909

B-224882

September 11, 1987

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

This letter reports on the status of budget authority withheld pursuant to the 57 deferrals reported by the President this fiscal year. Twenty-five of these 57 deferrals, and part of another deferral, were undertaken for policy reasons. The other deferrals were undertaken under authority of the Anti-Deficiency Act, as amended by the Impoundment Control Act.

In his fourth special impoundment message for fiscal year 1987, dated January 28, 1987, the President reported 25 deferrals pending congressional action on proposed legislation to transfer the deferred funds to other accounts. The President proposed to use the deferred funds to finance the January 1987 federal employee pay raise and the new federal employee retirement system. In his fifth special impoundment message, dated March 4, 1987, the President noted that funds reported as part of another deferral were withheld for the same reason.

In two reports to the Congress,^{1/} we concluded that these 26 deferrals were policy deferrals which were not authorized because of court action invalidating section 1013 of the Impoundment Control Act (2 U.S.C. § 684). New Haven v. United States, 809 F.2d 900 (D.C. Cir. 1987), aff'g 634 F. Supp. 1449 (D.D.C. 1986).

All budget authority withheld pursuant to these 26 deferrals has now been made available for obligation. On March 16, the Office of Management and Budget (OMB) released railroad safety funds reported as Deferral No. D87-43. The remaining policy deferrals were discontinued only after congressional action.

The Congress disapproved eleven of the policy deferrals. In Public Law 100-6, the Congress disapproved Deferral No. D87-33 (Temporary emergency food assistance program). 101 Stat. 92 (1987). OMB released the deferred funds on February 12. The Congress disapproved ten deferrals in the Supplemental Appropriations Act for fiscal year 1987, Pub. L. No. 100-71, 101 Stat. 391. Enclosure I identifies the ten deferrals disapproved by the Supplemental Appropriations Act. As of

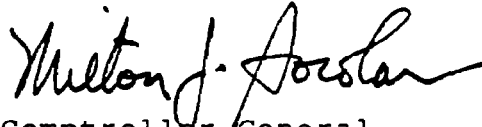
1/ GAO/OGC-87-8, April 13, 1987; GAO/OGC-87-7, April 1, 1987.

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July 31, these funds had been made available for the purposes for which they were appropriated.

The remaining fourteen policy deferrals were discontinued in response to the Supplemental Appropriations Act. In that Act, the Congress, in some instances, accepted the President's transfer proposals, and the Administration transferred the deferred funds as directed by the Act. In other instances, the Congress appropriated the additional funds needed to meet the increased pay and retirement costs, and OMB made the deferred funds available for the purposes for which they had been appropriated. Enclosure II lists these 14 deferrals.

The other deferrals reported by the President this fiscal year were undertaken under authority of the Anti-Deficiency Act. (The validity of the President's deferral authority under the Anti-Deficiency Act has been upheld. New Haven, above.) OMB told us that these deferred funds will be released by the end of the fiscal year as required by the Impoundment Control Act. We will monitor OMB's actions to assure release of these funds.

for 
Comptroller General
of the United States

Enclosures

Deferrals Disapproved by Supplemental Appropriations Act

Department of Agriculture

--Forest Service

D87-35. State and private forestry
D87-36. Land acquisition
D87-37. Timber roads, purchaser election

Department of Transportation

--Federal Railroad Administration

D87-42. Rail service assistance
D87-45. Northeast corridor improvement program
D87-46. Conrail commuter transition assistance

--Urban Mass Transportation Administration

D87-47. Research, training and human resources
D87-48. Interstate transfer grants - transit

Environmental Protection Agency

D87-54. Research and development
D87-55. Abatement, control, and compliance

Deferrals Released by OMB In Response to
Supplemental Appropriations Act

Funds Appropriated to the President

--Agency for International Development

D87-32. Functional development assistance program

Department of Agriculture

--Rural Electrification Administration

D87-34. Reimbursement to the Rural electrification and telephone and revolving fund for interest subsidies and losses

Department of Defense - Civil

--Soldiers' and Airmen's Home

D87-38. Capital Outlays

Department of Health and Human Services

--Centers for Disease Control

D87-39. Disease control, research, and training

--Alcohol, Drug Abuse, and Mental Health Administration

D87-40. Alcohol, drug abuse and mental health

Department of Labor

--Employment Standards Administration

D87-41. Salaries and expenses

Department of Transportation

--Federal Railroad Administration

D87-44. Conrail labor protection

--Federal Aviation Administration

D87-49. Operation and maintenance, Metropolitan
Washington Airports

--Coast Guard

D87-50. Research, development, test, and evaluation

D87-51. Offshore oil pollution compensation fund

D87-52. Deepwater port liability fund

--Office of the Secretary

D87-53. Payments to air carriers

United States Railway Association

D87-56. Administrative expenses

Department of Health and Human Services

--Social Security Administration

D87-57. Limitation on administrative expenses (information
technology systems)2/

2/ The President deferred \$134,437,000 of no-year funds in this account. We found that \$18 million of this amount was an unauthorized policy deferral, pending transfer to finance Social Security Administration employee pay raises.