Proposals to switch the federal budget process to a two-year timetable have been made several times in recent years. Proponents of biennial budgeting argue that by considering budgetary legislation less frequently, congressional workload can be decreased and oversight enhanced. Although biennial budgeting is practiced by a number of states, questions remain about how such a timetable would operate at the federal level. Proposals for a two-year budget cycle have previously been reported in the Senate in 1988, 1990, 1994, and 1997. Another such proposal, S. 92, was reported by the Senate Governmental Affairs Committee on March 10, 1999 (S.Rept. 106-12). S. 92 calls for the House and Senate to use the first year of each Congress to consider a two-year budget resolution and two-year appropriation bills, and the second year to consider multiyear authorizations and conduct oversight. More recently, biennial budgeting has also been a topic of interest in the House where the Rules Committee conducted a series of hearings on February 16, March 10, and March 16, 2000. This report will be updated to reflect any further actions concerning biennial budgeting in the 106th Congress.

Introduction

Difficulties in the enactment of budgetary legislation have fueled interest in the idea that the congressional budget process could be better structured. One of the chief congressional complaints about the budget process in recent years has been the amount of time it requires. Despite the perceived or actual permanence of much federal spending, the process of formulating, enacting, and executing budgets has remained characteristically annual. This annual budget cycle poses a dilemma for Congress. On the one hand, annual review of spending legislation can afford Congress the opportunity to maximize its influence concerning the operation of various programs and policies. On the other hand,
many Members feel that annual action on budgetary matters has consumed an increasing amount of Congress’s time to the detriment of other matters.¹

An annual budget cycle, however, is dependent on the timely enactment of budgetary legislation. Consideration of budget questions in the form of concurrent resolutions on the budget, authorization measures, regular appropriations, supplemental appropriations, continuing resolutions, public debt legislation, revenue measures, and reconciliation bills are often closely linked so that delays in consideration of one measure may have an impact on all subsequent budgetary legislation. The process has been criticized as being repetitive as well, with some questions being debated in some form several times a year. Rather than promote efficient consideration of budgetary legislation, critics contend, the complexity of the budget process has itself contributed to inefficiency and delay.

One possible reform that has been proposed is to change the budget cycle from one year to two years. Because budgeting for the federal government encompasses a number of processes, biennial budgeting can have several meanings. Biennial budgeting can involve two-year budget resolutions, two-year appropriations, and multiyear authorizations. Typically biennial budgeting proposals, such as S. 92, include all three aspects, although proposals embracing only one or two are possible. Biennial budgeting proposals may focus on enacting budgetary legislation for two-year periods or for two one-year periods, like S. 92. In addition, biennial budget proposals typically require that executive branch planning and performance reviews be revised so that they be based on a two-year cycle.

Advocates of biennial budgeting feel that reducing the number of times that Congress has to consider budget questions will likewise reduce the amount of time consumed by the process. Supporters project that the benefits of a two-year cycle would include more time for agency and program oversight, and more time for budget planning within Congress, as well as better long-range planning by federal agencies and by state and local governments. The Reagan, Bush, and Clinton Administrations have all supported the idea of biennial budgeting. In particular, the 1993 report of the National Performance Review (the Gore report) noted, “Considerable time could be saved—and used more effectively—in both the executive and legislative branches of government if budgets and appropriations were moved to a biennial cycle.”² Supporters point to the multiyear nature of summit agreements between Congress and the President that have dominated the budget process for more than a decade as evidence of the efficacy of multiyear budgeting, and as a major factor in recent years for promoting more efficient consideration of budgetary legislation. The Clinton Administration reiterated its support for biennial budgeting in its budget submission for FY2001.³

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Critics of biennial budgeting have countered with several arguments as to why some of the projected benefits could prove to be illusory. Reducing the number of times that Congress considers budget matters, they suggest, may only raise the stakes, and thereby heighten the possibility for conflict and increased delay. In addition, enacting a budget resolution and spending legislation every other year could be effective in reducing congressional workload or aiding longer-term planning only in the second year of the cycle. With only a limited ability to anticipate future conditions, critics argue that a two-year cycle could require Congress to choose between allowing the President greater latitude for making budgetary adjustments in the off-years, or engaging in mid-cycle corrections to a degree that would nullify any anticipated time savings or planning advantages. Furthermore, they argue that annual review of appropriations requests is an important part of oversight that would be lost under a biennial budget with no guarantee that a separate oversight session would be effective.

Legislative History of Biennial Budgeting

Almost from the time that the Congressional Budget Act was enacted in 1974, budget process reform has been a topic of congressional interest, and biennial budgeting was discussed at least as far back as the 95th Congress (1977-1978). Hearings on the subject of budget process reform have often included testimony concerning biennial budgeting. In addition, on several occasions both the House and the Senate have conducted hearings specifically on the topic of biennial budgeting.

In the House, jurisdiction over budget process reform generally is currently shared jointly by the Committees on Rules and the Budget. Both have considered the issue of biennial budgeting, but no biennial budget proposal has yet been reported to the House. In the 106th Congress, four biennial budgeting bills have been introduced: H.R. 232, H.R. 493, H.R. 2985, and H.R. 3586. In addition, the Rules Committee conducted three days of hearing on the subject of biennial budgeting, on February 16, March 10, and March 16, 2000.

In the Senate, jurisdiction over the budget process is shared jointly by the Committees on Governmental Affairs and the Budget under the order of August 4, 1977, which provides that if one committee reports a measure, the other has 30 days to report or be discharged from further consideration. Proposals for a two-year budget cycle have previously been reported by the Governmental Affairs Committee in 1988 (S. 2478, 1987) and by the Senate Committee on Appropriations in 1992 (S. 261).


For testimony from these hearings, see the House Rules Committee web site at [http://www.house.gov/rules/rules_hear09.htm], visited May 1, 2000.
S.Rept. 100-499), 1990 (S. 29, S.Rept. 101-254), and 1997 (S. 261, S.Rept 105-72). All three of these proposals took a comprehensive approach to biennial budgeting, and included two-year budget resolutions, two-year appropriations, and multiyear authorizations.

Also, in 1993, both the Senate and House members of the Joint Committee on the Organization of Congress included proposals for a two-year budget cycle in their recommendations to their respective chambers (S.Rept. 103-215, vol. 1, and H.Rept. 103-413, vol. 1). In the Senate, these recommendations were subsequently introduced as S. 1824, referred to the Committee on Rules and Administration, and reported in 1994 (S.Rept. 103-297). It is notable that in contrast to the comprehensive approach to biennial budgeting taken most biennial budgeting proposals, S. 1824, as reported, included two-year budget resolutions and multiyear authorizations, but not two-year appropriations.

Major Provisions of S. 92

On January 19, 1999, S. 92, The Biennial Budgeting and Appropriations Act, was introduced in the Senate by Senator Pete V. Domenici, and referred to the Committee on Government Affairs and the Committee on the Budget, jointly, pursuant to the order of August 4, 1977. The two committees held a joint hearing on January 27, 1999, on the subject of biennial budgeting. S. 92 was subsequently considered by the Committee on Governmental Affairs on March 4, 1999, and ordered reported with an amendment (a complete substitute making a number of technical corrections). A written report was filed on March 10, 1999 (S.Rept. 106-12).

Table of Contents. As reported, S. 92 is organized into 11 sections (listed below). These sections can be grouped into four major components that together would establish a comprehensive biennial budgeting system: (1) a congressional budget process centered around a two-year budget resolution; (2) two-year appropriations; (3) multiyear authorizations; and (4) a requirement that the executive branch base planning and performance reviews on a two-year cycle.

Section 1. Short Title
Section 2. Revision of Timetable
Section 3. Amendment to the Congressional Budget and Impoundment Control Act of 1974
Section 4. Pay-As-You-Go in the Senate
Section 5. Amendments to Title 31, United States Code
Section 6. Two-Year Appropriations; Title and Style of Appropriations Acts
Section 7. Multiyear Authorizations
Section 8. Government Plans on a Biennial Basis
Section 9. Biennial Appropriations Bills
Section 10. Report on Two-Year Fiscal Period
Section 11. Effective Date

Congressional Budget Process. Sections 2, 3, and 4 of S. 92 all deal with aspects of the budget process connected to congressional consideration, enforcement, and implementation of the budget resolution.
Section 2 would establish the timetable for a two-year cycle. The timetable for the first year of a Congress would be similar to the current timetable, with the President’s budget submission on the first Monday in February, \(^7\) consideration of the budget resolution to be completed by May 15 (rather than April 15), consideration of appropriations bills to be completed in the House by June 30, and the beginning of the fiscal biennium on October 1. The timetable for the second year does not focus on specific actions or dates. The President would submit a budget review to Congress by February 15, but the only congressional requirement for the second year would be to complete action on measures authorizing new budget authority for the next biennium by the last day of the session. By not specifying specific actions, the timetable for the second year is intended to allow Congress the necessary time to conduct program and agency oversight.

Section 3 is designed to make the necessary conforming changes in the provisions of the Congressional Budget Act. These sections change references from annual or each fiscal year to biennial or each biennium. Similarly, section 4 changes the Senate’s pay-as-you-go point of order (provided under H.Con.Res. 67 (104th Congress)) so that rather than applying to the periods of the first five fiscal years covered by the most recently adopted budget resolution and the five fiscal years following that, it would apply to periods of six years and four years, respectively. However, since S.92 was reported this point of order has been supplanted by a similar provision in section 207 of the budget resolution for FY2000, H.Con.Res. 68 (106th Congress).

**Appropriations.** Sections 6 and 9 establish the new requirements for appropriations. Section 6 amends section 105 of title 1 USC to provide that all regular appropriations for the support of the federal government be enacted a for two-year period, but also that they “specify the amount of appropriations provided for each fiscal year in such period.” Section 9 would add a new section to the Congressional Budget Act to prohibit the consideration of regular appropriations bills in the budget year of a biennium for only a single fiscal year, unless the program or activity specified will not last beyond that single year.

**Authorizations.** Section 7 would also add a new section the Congressional Budget Act. The new section would prohibit consideration of measures to authorize appropriations for periods of less than two fiscal years, or consideration of authorizations in the budget year of a biennium, unless the budget resolution, all appropriations bills, and any necessary reconciliation measures are completed. However, this prohibition would not apply to authorizing or revenue provisions considered in the first year that were included in either appropriations or reconciliation bills.

Currently, there is no specific requirement for the duration of authorizations. Although many authorizations are already on a multiyear cycle, the single largest authorization measure, concerning the Department of Defense, is considered on an annual cycle.

**Executive Budget Processes.** Sections 5 and 8 apply to the actions of the executive branch. Section 5 would amend provisions in title 31 USC applying to the President’s

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\(^7\)Except in the case of a new President, when S. 92 provides for the budget submission by the first Monday in April, and compresses the congressional timetable to compensate.
budget submission to make it too reflect a two-year budget cycle. Section 8 would amend provisions in titles 5, 31, and 39 USC to apply the two-year cycle to agency strategic and performance plans.

Section 10 would require the Office of Management and Budget to submit a report to Congress within 180 days after the date of enactment concerning “the impact and feasibility of changing the definition of a fiscal year and the budget process based on that definition to a 2-year fiscal period with a biennial budget based on a 2-year period.” That is, a report on further changes in the budget process to reflect a two-year fiscal period rather than two one-year fiscal periods as in S. 92.