

White House floats rescission of FY 2018 appropriations

April 19, 2018

After passage of the Consolidated Appropriations Act of 2018 with record funding for science agencies, the White House and some Republican members of Congress are considering pursuing a rescission procedure to roll back some of the fiscal year (FY) 2018 funds that President Donald Trump reluctantly signed into law on March 23. The procedure, established in the Congressional Budget and Impoundment Control Act of 1974, provides an expedited process for the President to propose and Congress to pass a rescission resolution identifying appropriations that the administration does not want to spend.

Title 10 of the Congressional Budget and Impoundment Control Act of 1974 specifies that “whenever the President determines that all or part of any budget authority will not be required to carry out the full objectives or scope of programs for which it is provided or that such budget authority should be rescinded for fiscal policy or other reasons . . . , or whenever all or part of budget authority provided for only one fiscal year is to be reserved from obligation for such fiscal year, the President shall transmit to both Houses of Congress a special message.” The special message must specify: (1) the amount of budget authority proposed to be rescinded, (2) the specific accounts and projects proposed for funding rescission, (3) the reasons for rescission, (4) the fiscal, economic, and budgetary effects of the rescission, and (5) the rescission effects on executing federal programs. Upon receipt of the special message, Congress has 45 legislative days to approve all, part, or none of the president’s request; otherwise, the funds must be made available for obligation – a binding agreement that will result in expenditures. Under this procedure, the Senate would only need a simple majority to pass the resolution for a rescission.

The Office of Management and Budget is reviewing the FY 2018 enacted appropriations and considering initiating a rescission process for tens of billions of dollars within the next few weeks. With only five months left until the end of FY 2018, federal agencies have a limited amount of time to obligate funds for the programs under their management.

Key members of Congress, such as Senate Majority Leader Mitch McConnell (R-KY), have opposed the Administration’s proposal to rescind any FY 2018 appropriations. Senate Appropriations Chairman Richard Shelby (R-AL) warned the President that the Senate may not have the votes to pass such a measure. Regardless of whether the President officially initiates a rescission or Congress ultimately agrees to pass a rescission, some agency spending plans have already been delayed in anticipation.

Sources: Bloomberg, E&E News, U.S. House of Representatives, The Washington Times
