BUDGET REFORM PROPOSALS

15. BUDGET REFORM PROPOSALS

The budget process should be transparent, accountable, and orderly. The current budget process could benefit from reforms that help achieve these goals. No one change can fix the budget process, and process alone cannot address important fiscal issues. Nevertheless, process changes can be a key factor in the effort to control spending. Starting with *A Blueprint for New Beginnings* and continuing with subsequent budgets, this Administration has consistently proposed changes to the budget process that are designed to improve budget decisions and outcomes. This chapter updates the Administration's proposals and describes additional reforms proposed by the Administration.

Controlling Entitlements and Other Mandatory Spending

Mandatory Spending Control.—The Administration proposes to require that all legislation that changes mandatory spending, in total, does not increase the deficit. The five-year impact of any proposals affecting mandatory spending would continue to be scored. Legislation that increases the current year and the budget year deficit would trigger a sequester of direct spending programs. The proposal does not apply to changes in taxes and does not permit mandatory spending increases to be offset by tax increases. Table 15–1 displays the President's mandatory spending proposals.

Long-term Unfunded Obligations.—The Administration proposes new measures to address the long-term unfunded obligations of Federal entitlement programs. As discussed in Chapter 13 of this volume, "Stewardship," spending by the Government's major entitlement programs, particularly Social Security and Medicare, is projected to rise in the next few decades to levels that cannot be sustained, either by those programs' own dedicated financing or by general revenues. The Administration's proposed measures are designed to begin addressing these challenges.

In the Medicare Modernization Act (MMA) of 2003, Congress provided for a more comprehensive review of the Medicare program's finances and required the Medicare trustees to issue a warning when general revenue Medicare funding is projected to exceed 45 percent of Medicare's total expenditures. The President's Budget proposes to build on this reform by requiring an automatic reduction in the rate of Medicare growth if the MMA threshold is exceeded. The reduction would begin as a four-tenths of a percent reduction to all payments to providers in the year the threshold is exceeded, and would grow by four-tenths of a percent every year the shortfall continued to occur. This provision is designed to encourage the President and the Congress to reach agreement on reforms to slow Medicare spending and bring it back into line with the threshold established by the MMA.

In addition to this Medicare-specific control mechanism, the President's Budget proposes to establish a broader enforcement measure to analyze the long-term

Table 15–1. MANDATORY PROPOSALS

(Cost/Savings (–) in millions of dollars)

	2006	2007	2008	2009	2010	2011	Total, 2006–11
Medicare	.....	–2,452	–5,485	–7,948	–9,343	–10,663	–35,891
Pension Benefit Guaranty Corporation Reform	.....	.....	–4,195	–4,181	–4,164	–4,140	–16,680
Outlay Effects of Tax Proposals [1]	.....	532	871	1,243	1,375	1,519	5,540
Commodity Program Changes	.....	–1,081	–1,079	–945	–965	–917	–4,988
Arctic National Wildlife Refuge, Lease Bonuses	.....	.....	–3,502	–2	–503	–3	–4,010
User Fee Proposals	.....	–315	–488	–610	–614	–718	–2,745
Grants to States for Chronically Ill	.....	250	375	493	506	523	2,146
Unemployment Insurance Integrity Legislation	.....	.....	–482	–515	–365	–376	–1,738
Temporary Assistance for Needy Families	.....	40	149	425	473	488	1,575
Federal Employee Health Benefits Program	.....	–34	–134	–231	–306	–367	–1,072
Medicaid/State Children's Health Insurance Program	.....	504	–190	–523	–691	–567	–1,467
Cover the Kids	.....	100	100	100	100	100	500
Other Proposals	69	84	–143	–115	–284	–362	–751
Total	69	–2,372	–14,203	–12,811	–14,781	–15,843	–59,580
Total, 2006 and 2007	.....	–2,303	.....	.....	.....	.....	.....
Memorandum: Further Hurricane Response							
National Flood Insurance (emergency)	*5,040*	*560*	.....	.....	.....	.....	*5,600*

[1] Affects both receipts and outlays. Only the outlay effect is shown here.

impact of legislation on the unfunded obligations of major entitlement programs and to make it more difficult to enact legislation that would expand the unfunded obligations of these programs over the long-run. These measures would highlight proposed legislative changes that appear to cost little in the short run but result in large increases in the spending burdens passed on to future generations.

First, the Administration proposes a point of order against legislation which worsens the long-term unfunded obligation of major entitlements. The specific programs covered would be those programs with long term actuarial projections, including Social Security, Medicare, Federal civilian and military retirement, veterans disability compensation, and Supplemental Security Income. Additional programs would be added once it becomes feasible to make long-term actuarial estimates for those programs.

Second, the Administration proposes new reporting requirements to highlight legislative actions worsening unfunded obligations. These requirements would require the Administration to report on any enacted legislation in the past year that worsens the unfunded obligations of the specified programs.

Budget Discipline for Agency Administrative Actions.—A significant amount of Federal policy is made via administrative action, which can increase Federal spending, often on the order of tens of billions of dollars in entitlement programs such as Medicare or Medicaid. Although known costs are incorporated into the budget baselines of various programs, agencies frequently initiate unplanned for and costly proposals. Often, these costs are not reflected in the baseline, or are not accompanied by other actions that would pay for the proposed change. This results in increased spending and deficits.

Controlling these costs is integral to the Administration's commitment to reducing the deficit and enforcing fiscal discipline. Toward that end, the Director of the Office of Management and Budget issued on May 23, 2005 a memorandum to all Executive Branch agencies implementing a budget-neutrality requirement on agency administrative actions affecting mandatory spending. Discretionary administrative actions in entitlement programs, including regulations, program memoranda, demonstrations, guidance to States or contractors, and other similar changes to entitlement programs are generally required to be fully offset. Exceptions to this requirement are only provided in extraordinary or compelling circumstances.

Controlling Discretionary Spending

Discretionary Caps.—The Administration proposes to set limits for 2006 through 2011 on net discretionary budget authority and outlays equal to the levels proposed in the 2007 Budget. Legislation that exceeds the discretionary caps would trigger a sequester of nonexempt discretionary programs. Table 15–2 displays the total levels of discretionary budget authority and outlays proposed for 2006 through 2011. This approach would put in place a budget framework for the next five years that ensures constrained, but reasonable growth in discretionary programs. For 2006 through 2008, separate defense (Function 050) and nondefense categories would be enforced. For 2009–2011, there would be a single cap for all discretionary spending. In addition, a separate category for transportation outlays financed by dedicated revenues would be established for 2006 through 2009 at levels consistent with those enacted in the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA–LU).

Program Integrity Cap Adjustments.—An improper payment occurs when Federal funds go to the wrong recipient, the recipient receives an incorrect amount of funds, or the recipient uses the funds in an improper manner. Approximately 86 percent of improper payments are overpayments. The Administration has made the elimination of improper payments a major focus. Federal agencies have aggressively reviewed Federal programs to evaluate the risk of improper payments and have developed measures to assess the extent of improper payments. Processes and internal control improvements have been initiated to enhance the accuracy and integrity of payments and to report the results of these efforts, pursuant to the Improper Payments Information Act of 2002 (P.L. 107–300).

The results of the agency assessment have been aggregated into a Government-wide report entitled *Improving the Accuracy and Integrity of Federal Payments*. (The full text of the report can be found at *http://www.whitehouse.gov/omb/financial/fia_improper.html*.) In 2005, the agencies reported a total of $37.3 billion in improper payments. This represents a 3.3 percent improper payment rate. Nearly 80 percent of those improper payments are in four programs: Medicare, Earned Income Tax Credit, Old-Age, Survivors, and Disability Insurance, and Unemployment Insurance.

In the context of the Administration's efforts to eliminate improper payments, the Administration is proposing adjustments for spending above a base level of funding within the discretionary levels for several program integrity initiatives, specifically for continuing disability reviews (CDRs) in the Social Security Administration, Internal Revenue Service (IRS) tax enforcement, the Health Care Fraud and Abuse Control Program (HCFAC) in the Centers for Medicare and Medicaid Services and Unemployment Insurance improper payments in the Department of Labor. These cap adjustments provide an effective way to ensure that limited resources are applied to activities that reduce errors and generate program savings.

In the past decade, there have been a variety of successful efforts to ensure dedicated resources for program integrity efforts. These efforts include cap adjustment funding for Social Security continuing disability reviews and integrity efforts associated with the Earned Income Tax Credit (EITC). These initiatives have led to increased savings for the Social Security and Supplemental Security Income programs and an increase in enforcement efforts in EITC. For example, the Social

Table 15–2. DISCRETIONARY CAPS AND ADJUSTMENTS

(Amounts in billions of dollars)

	2006 [1]	2007	2008	2009	2010	2011
Proposed Discretionary Spending Categories:						
Discretionary Category:						
Defense Category (Function 050):						
Budget authority	432.4	459.7	482.1	NA	NA	NA
Outlays	502.2	468.4	467.9	NA	NA	NA
Nondefense Category:						
Budget authority	411.0	410.4	412.6	NA	NA	NA
Outlays	456.9	452.3	436.6	NA	NA	NA
Proposed Cap Adjustments:						
SSA Continuing Disability Reviews:						
Budget authority	NA	0.201	0.213	NA	NA	NA
Outlays	NA	0.201	0.213	NA	NA	NA
IRS Tax Enforcement:						
Budget authority	NA	0.137	0.207	NA	NA	NA
Outlays	NA	0.129	0.203	NA	NA	NA
Health Care Fraud and Abuse Control:						
Budget authority	NA	0.118	0.183	NA	NA	NA
Outlays	NA	0.118	0.183	NA	NA	NA
Unemployment Insurance Improper Payments:						
Budget authority	NA	0.040	0.040	NA	NA	NA
Outlays	NA	0.034	0.040	NA	NA	NA
Subtotal, Nondefense Category, with Adjustments:						
Budget authority	411.0	410.9	413.3	NA	NA	NA
Outlays	456.9	452.7	437.3	NA	NA	NA
Discretionary Category:						
Budget authority	NA	NA	NA	916.6	928.4	940.5
Outlays	NA	NA	NA	916.1	979.1	992.5
Highway Category:						
Outlays	33.5	37.1	38.7	39.9	NA	NA
Mass Transit Category: [2]						
Outlays	5.8	7.3	8.5	9.3	NA	NA
Total, All Discretionary Categories:						
Budget authority	843.3	870.7	895.4	916.6	928.4	940.5
Outlays	998.3	965.6	952.3	965.3	979.1	992.5
Project BioShield Category:						
Budget authority	.....	.....	.....	2.2	.....	.....
Memorandum: 2006 Enacted Emergency Supplementals						
Budget authority	*58.4*	.....	.....	.....	.....	.....

[1] The discretionary emergency budget authority provided in Division A, Title IX, and in Division B of the Department of Defense Appropriations Act, 2006 (P.L. 109–148) for: Defense contingency operations related to the Global War on Terror, response to the Gulf Coast Hurricanes, and pandemic influenza preparedness is displayed separately on a memorandum line.

[2] Includes outlays from discretionary budget authority.

Security Administration reports that every $1 expended on CDRs has produced a $10 return to taxpayers. The Administration's proposed adjustments for program integrity activities will total $496 million in budget authority in 2007 and $643 million in budget authority in 2008.

Transportation Category.—The Administration's proposal for discretionary caps includes separate outlay categories for spending on Federal Highway and Mass Transit programs that are consistent with the funding levels enacted in SAFETEA–LU. The transportation levels will be financed by dedicated revenues through 2009. Table 15–3 shows the levels, taking into account the revenue aligned budget authority (RABA) adjustment as authorized in SAFETEA–LU. The RABA adjustment is calculated based on changes in estimated Highway Trust Fund receipts, and results in either an increase or decrease in the Highway Category funding level enacted in SAFETEA–LU. For 2007, the RABA adjustment is a positive $842 million.

Advance Appropriations.—An advance appropriation becomes available one or more years beyond the year for which its appropriations act is passed. Budget authority is recorded in the year the funds become available and not in the year of enactment. Too often, advance appropriations have been used to expand spend-

Table 15–3. TRANSPORTATION CATEGORY FOR HIGHWAYS AND MASS TRANSIT SPENDING

(Amounts in billions of dollars)

	2006	2007	2008	2009
Transportation Category: [1]				
Highways: [2]				
Obligation Limitations	36.8	40.4	40.9	42.6
Outlays	33.5	37.1	38.7	39.9
Mass Transit:				
Obligation Limitations	6.9	7.3	7.9	8.4
Outlays [3]	5.8	7.3	8.5	9.3
Memorandum:				
Discretionary budget authority for Mass Transit included in the Nondefense Category:				
Budget authority	*1.6*	*1.6*	*1.9*	*2.0*

[1] The SAFETEA–LU levels enacted for Highway and Mass Transit programs apply through 2009.

[2] Includes adjustments to levels authorized in SAFETEA–LU of $842 million in 2007 for revenue aligned budget authority (RABA) calculation and $122 million in FY 2007–2009 for National Highway Traffic Safety Administration (proposal to fund NHTSA completely from the Highway Trust Fund instead of portion from General Fund, as authorized in SAFETEA–LU).

[3] Includes outlays from discretionary budget authority.

ing levels by shifting budget authority from the budget year into the subsequent year and then appropriating the budget authority freed up under the budget year discretionary cap to other programs. The effect of these advance appropriations is to limit the amount of discretionary budget authority available in subsequent years, thereby reducing future funding options available to both Congress and the President. From 1993 to 1998, an average of $2.3 billion in discretionary budget authority was advance appropriated each year. In 1999, advance appropriations totaled $8.9 billion and increased to $23.4 billion in 2000.

Because this budget practice distorts the debate over Government spending and misleads the public about spending levels in specific accounts, the President's budget proposals and the 2002 Congressional Budget Resolution capped advance appropriations at the amount advanced in the previous year. By capping advance appropriations, increases in these and other programs can be budgeted and reflected in the year of their enactment. For 2008, the Administration proposes a cap on advance appropriations of $23,715 million, which includes the Department of Energy's FutureGen project and an already enacted advance appropriation for the Corporation for Public Broadcasting.

In addition, the Administration proposes to score the second year effect of appropriations language that delays obligations of mandatory budget authority as advance appropriations that count against the discretionary caps. Appropriations acts often include provisions that delay obligations of mandatory BA from one year to the next. The first year is appropriately scored as a discretionary savings because it is included in an appropriations act and it reduces spending in that year. However, this is usually a temporary delay, and the funds become available for spending in the second year. Under this proposal, the second year impact would be treated as an advance appropriation and scored against the discretionary caps. This would correct an inconsistency in the current practice where savings are scored in the first year, but the second year impact is reclassified in the subsequent budget as mandatory and not scored against the discretionary caps.

To enforce the level of advance appropriations, the discretionary cap proposal provides that total funding for advance appropriations (including obligation delays) provided in an appropriations act for 2008 that is in excess of the Administration's limit on advance appropriations of $23,715 million in 2008 will count against the discretionary cap in the year enacted, not against the year the funds first become available.

Federal Pell Grants.—To ensure funding shortfalls do not accumulate in the Pell Grant program in future years, the 2006 Congressional Budget Resolution adopted the Administration's proposal to score appropriations at the amount needed to fully fund the award level set in appropriations acts, beginning with the 2006–2007 school year, if the amount appropriated is insufficient to fully fund all awards. The Administration proposes to continue this scoring rule. Under this rule, the amount scored would be increased to cover any cumulative funding shortfalls from previous years and reduced by any surpluses carried over from previous years, beginning with any shortfalls or surpluses from the 2006–2007 school year. If the amount appropriated exceeds the estimated full cost, the amount appropriated would be scored against that year, and the surplus would carry over as a credit against the following year's cost estimate. In the 2007 Budget, the Department of Education estimates that a cumulative $273 million surplus will be carried into the 2007–2008 academic year. For scoring purposes, the funding needed to fully fund all awards for 2007–2008 is reduced by the amount of this surplus.

Project BioShield Category.—The Administration proposes a separate BEA category for budget authority

for Project BioShield, which received an advance appropriation for 2005 of $2.5 billion and for 2009 of $2.2 billion in P.L. 108–90, the 2004 Department of Homeland Security Appropriations Act. Because the success of this program in providing for the development of vaccines and medications for biodefense depends on an assured funding availability, it is critical that this funding not be diverted to other purposes. The Administration's proposal to create a separate category will help ensure that funding for this program is not reduced and used as an offset for other discretionary spending.

Include Stricter Standard For Emergency Designation in the BEA

When the BEA was created, it provided a "safety valve" to ensure that the fiscal constraint envisioned by the BEA would not prevent the enactment of legislation to respond to unforeseen disasters and emergencies such as Operation Desert Storm, the terrorist attacks of September 11, 2001, or Hurricane Katrina. If the President and the Congress separately designated a spending or tax item as an emergency requirement, the BEA held these items harmless from its enforcement mechanisms. Initially, this safety valve was used judiciously, but in later years its application was expanded to circumvent the discretionary caps by declaring spending for ongoing programs as "emergencies."

The Administration proposes to include in the BEA a definition of "emergency requirement" that will ensure high standards are met before an event is deemed an "emergency" and therefore exempt. This definition should include the following elements: the requirement is a necessary expenditure that is sudden, urgent, unforeseen, and not permanent. These elements, all of which would be used for defining something as an emergency, are defined as follows:

- **necessary expenditure**—an essential or vital expenditure, not one that is merely useful or beneficial;
- **sudden**—quickly coming into being, not building up over time;
- **urgent**—pressing and compelling, requiring immediate action;
- **unforeseen**—not predictable or seen beforehand as a coming need (an emergency that is part of the average annual level of disaster assistance funding would not be "unforeseen"); and
- **not permanent**—the need is temporary in nature.

This definition codifies the criteria for an emergency that have been the standard for a number of years. It is designed to preclude funds from being declared an emergency for events that occur on an annual or recurring basis. For example, even though it is not possible to predict the specific occurrence of fires, tornados, hurricanes, and other domestic disasters, it is reasonable to assume that a combination of domestic disasters will occur in any given year that require funding equal to a multi-year average for disaster relief. Funding at an average, therefore, should not be considered an emergency under this definition. On the other hand, an average level of funding for domestic disasters will not accommodate the level necessary to address a large and relatively infrequent domestic disaster, such as Hurricane Katrina. Under this definition for emergencies, spending for extraordinary events could be classified as emergency funding. In the end, classification of certain spending as an emergency depends on common sense judgment, made on a case-by-case basis, about whether the totality of facts and circumstances indicate a true emergency.

In addition, the Administration proposes that the definition of an emergency requirement also encompass contingency operations that are national security related. Contingency operations that are national security related include both defense operations and foreign assistance. Military operations and foreign aid with costs that are incurred regularly should be a part of base funding and, as such, are not covered under this definition.

The Administration proposal also would require that the President and Congress concur in designating an emergency for each spending proposal covered by a designation. This would protect against the "bundling" of non-emergency items with true emergency spending. If the President determines that specific proposed emergency designations do not meet this definition, he would not concur in the emergency designation and no discretionary cap adjustment or mandatory spending control exemption would apply.

Baseline

The Administration proposes several changes to Section 257 of the BEA, which establishes the requirements for the baseline:

- Assume extension of all expiring tax provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 and certain provisions in the Jobs and Growth Tax Relief Reconciliation Act of 2003. This proposal is consistent with the BEA baseline rules for expiring mandatory spending and for excise taxes dedicated to a trust fund. Except for a few relatively small mandatory programs, the BEA assumes that mandatory spending and excise taxes dedicated to a trust fund will be reauthorized and extends them in the baseline. The 2001 Act and 2003 Act provisions were not intended to be temporary, and not extending them in the baseline raises inappropriate procedural road blocks to extending them at current rates.
- Add a provision to exclude discretionary funding for emergencies from the baseline. Instead, the baseline would include emergency funding only for the year in which it was enacted. The current requirement is for the discretionary baseline estimates for the budget year and the outyears to assume the current year appropriated level, adjusted for inflation. This is reasonable for ongoing programs, where the need is expected to continue

into the future. For emergencies, since the need should be for a short duration, the baseline rules build unnecessary funding into the baseline estimates for the years after the need has been addressed and passed. In effect, the current rule biases the baseline in favor of higher discretionary spending.

- Correct the overcompensation of baseline budgetary resources for pay raise-related costs due to the way in which these costs are inflated. The current requirement, which provides a full year's funding for pay raises in the budget year and beyond, was written when Federal pay raises were scheduled to take effect on October 1, at the start of each fiscal year. However, this requirement is now inappropriate because the effective date for pay raises is now permanently set by law as the first pay period in January. By treating pay raises that begin on January 1 as if they take effect for the entire fiscal year, the baseline overstates the cost of providing a constant level of services.
- Eliminate the adjustments for expiring housing contracts and social insurance administrative expenses. Most multi-year housing contracts have expired or have been addressed since the BEA was first enacted in 1990, so the adjustment is no longer needed. The adjustment for social insurance administrative expenses is also inconsistent with the baseline rules for other accounts that fund the costs of administration. These programs should not be singled out for preferential treatment.

Line-Item Veto

A perennial criticism of the Federal Government is that spending and tax legislation contain too many provisions benefiting a relative few which would likely not become law if considered as a stand-alone bill. The persistence of special interest items diverts resources from higher priority programs and erodes the confidence of citizens in Government. Appropriations bills, especially those considered at the end of the congressional session, often attract special interest spending items that could not be enacted on their own.

The President proposes that Congress correct this state of affairs by providing him and future presidents with a line item veto that would withstand constitutional challenge. From the Nation's founding, presidents have exercised the authority to not spend appropriated sums. However, Congress sought to curtail this authority in 1974 through the Impoundment Control Act, which restricted the President's authority to decline to spend appropriated sums. Although the Line Item Veto Act of 1996 attempted to give the President the authority to cancel spending authority and special interest tax breaks, the U.S. Supreme Court found that law unconstitutional. The President's proposal would correct the constitutional flaw in the 1996 Act.

Specifically, the President proposes a line-item veto linked to deficit reduction. This proposal would give the President the authority to defer new spending whenever the President determines the spending is not an essential Government priority. All savings from the line-item veto would be used for deficit reduction, and they could not be applied to augment other spending.

Other Budget Reform Proposals

Joint Budget Resolution.—A joint budget resolution would set the overall levels for discretionary spending, mandatory spending, receipts, and debt in a simple document that would have the force of law. Under the current process, the Congress annually adopts a "concurrent resolution," which does not require the President's signature and does not have the force of law.

A joint budget resolution could be enforced by sequesters requiring automatic across-the-board cuts to offset any excess spending, similar to the BEA. It would bring the President into the process at an early stage, encourage the President and the Congress to reach agreement on overall fiscal policy before individual tax and spending bills are considered, and give the budget resolution the force of law.

Biennial Budgeting and Appropriations.—Only once in the last 25 years have all appropriation bills been enacted by the beginning of the fiscal year. Because Congress must enact these bills each year, it cannot devote the time necessary to provide oversight and fully address problems in Federal programs. The preoccupation with these annual appropriations bills frequently precludes review and action on authorization legislation and on the growing portion of the budget that is permanently funded under entitlement laws. According to the Congressional Budget Office, the Congress has appropriated about $159 billion for 2006 for programs and activities whose authorizations of appropriations have expired.

In contrast, a biennial budget would allow lawmakers to devote more time every other year to ensuring that taxpayers' money is spent wisely and efficiently. In addition, Government agencies would receive more stable funding, which would facilitate longer range planning and improved fiscal management. Under the President's proposal for a biennial budget, funding decisions would be made in odd-numbered years, with even numbered years devoted to authorizing legislation.

Government Shutdown Prevention.—In the 24 out of the past 25 years in which Congress has not finished appropriation bills by the October 1st deadline, it has funded the Government through "continuing resolutions" (CRs), which provide temporary funding authority for Government activities, usually at current levels, until the final appropriations bills are signed into law.

If Congress does not pass a CR or the President does not sign it, the Federal Government must shut down. Important Government functions should not be held hostage simply because of an impasse over temporary funding bills. There should be a back-up plan to avoid the threat of a Government shutdown, although the expectation is that appropriations bills still would pass on time as the law requires. Under the

Administration's proposal, if an appropriations bill is not signed by October 1 of the new fiscal year, funding would be automatically provided at the lower of the President's Budget or the prior year's level.

Results and Sunset Commissions.—The Federal Government's ability to serve the American people is often hampered by poorly designed programs or uncoordinated, overlapping programs trying to achieve the same objective. Today, almost 30 percent of assessed programs have been determined to be either ineffective or unable to demonstrate results. And the problem of overlapping programs exists in many areas where the Government is trying to serve.

From the 1930s through 1984, presidents were permitted to submit plans for reorganizing Federal agencies to Congress that would become effective unless the plan was disapproved by either House of Congress. After the Supreme Court decision in *INS v. Chadha* (462 U.S. 919), the authority granted to presidents for submitting reorganization plans under the Reorganization Act (5 U.S.C. 903) was limited by the requirement of congressional approval through a joint resolution and by the scope of what could be proposed. This authority was no longer available to the President after 1984.

Today, proposals to restructure or consolidate programs or agencies so they can perform better require a change in law and often face long odds of being enacted due to a cumbersome process that requires approval from multiple congressional committees.

To address this problem, last year the Administration transmitted the Government Reorganization and Program Performance Improvement Act, which would establish bipartisan Results Commissions and a Sunset Commission. Results Commissions would consider and revise Administration proposals to restructure or consolidate programs or agencies to improve their performance. The Sunset Commission would consider Presidential proposals to retain, restructure, or terminate agencies and programs according to a schedule set by the Congress. Agencies and programs would automatically terminate according to the schedule unless reauthorized by the Congress.