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# Biennial Budgeting: Issues, Options, and Congressional Actions

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## Summary

Difficulties in the timely enactment of budgetary legislation have long fueled interest in the idea that the congressional budget process could be better structured in a way that eases time constraints. The need for consideration of budget matters in the form of concurrent resolutions on the budget, reconciliation measures, tax measures, public debt measures, authorizations, regular appropriations, continuing appropriations, and supplemental appropriations has been criticized as time consuming, repetitive, and inefficient. One long-discussed reform proposal would change the budget cycle from one to two years.

Biennial budgeting includes several variations. It may involve multiyear authorizations, two-year budget resolutions, two-year appropriations, or some combination of the three. Most proposals incorporate all three factors.

Biennial budgeting has a long history at the state level. Although the trend since World War II has been for states to convert to an annual budget cycle, according to the National Conference of State Legislatures, 19 states currently operate with a two-year cycle, and some states operate with mixed cycles that put significant portions of their budgets on a two-year cycle.

In addition to congressional support, biennial budgeting has received support from the Reagan, George H. W. Bush, Clinton, and George W. Bush Administrations.

Proponents of biennial budgeting generally contend that a two-year budget cycle would (1) reduce congressional workload by eliminating the need for annual review of routine matters, (2) reserve the second session of each Congress for improved congressional oversight and program review, and (3) allow better long-term planning at the federal, state, and local levels.

Critics of biennial budgeting have countered that the projected benefits would prove to be illusory. Projecting revenues and expenditures for a two-year cycle requires forecasting as much as 30 months in advance (rather than 18 under an annual budget cycle). This would result in less accurate forecasts and 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 effectively undercut any reduction in the workload or intended improvements in planning. Opponents also point out 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. Furthermore, they argue that reducing the number of times that Congress considers budget matters may only raise the stakes and thereby heighten the possibility for conflict and increased delay.

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## Introduction

One of the chief congressional concerns about the budget process in recent years has been the amount of time it requires. The current process—which provides for consideration of various budget questions in the form of concurrent resolutions on the budget, reconciliation measures, tax measures, public debt measures, authorizations, regular appropriations, continuing appropriations, and supplemental appropriations—has been faulted as repetitive and inefficient. This, in turn, has fueled interest in the idea that the congressional budget process could be better structured to promote a more efficient use of Congress’s limited time.

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 have expressed concern with the high percentage of congressional workload that is devoted to budgetary matters.<sup>1</sup>

An annual budget cycle, however, is dependent on the timely enactment of budgetary legislation. Consideration of individual pieces of budgetary legislation is often closely linked to consideration of other pieces, so that delays in consideration of one measure may have an impact on the timing of consideration of all subsequent budgetary legislation. In recent years, final action on appropriations measures has occurred an average of 106 days after the start of the fiscal year on October 1 (see **Table 1**). The result has often been frustration with the budget process and a desire to reduce the number or frequency of budget measures that need to be considered.

The budget process has sometimes been criticized as unnecessarily repetitive as well, with some questions being debated in various forms several times each year. Defense policy, for example, may be debated in terms of its priority in the context of the overall budget in the budget resolution, in terms of policy and planning in an authorization measure, and in terms of funding levels in an appropriations bill, only to have the entire process repeated the next year. Although not every program is addressed in all three aspects every year, critics contend that repetition prevents efficient consideration and contributes to the overall complexity of the budget process, as well as to inefficiency and delay.

**Table 1. Last Regular Appropriations Act Date of Enactment, FY1996-FY2016**

Fiscal Year	Public Law	Date of Enactment	Days Late
FY1996	P.L. 104-134	April 26, 1996	208
FY1997	P.L. 104-208	September 30, 1996	0
FY1998	P.L. 105-118 P.L. 105-119	November 26, 1997	57
FY1999	P.L. 105-277	October 21, 1998	21
FY2000	P.L. 106-113	November 29, 1999	60
FY2001	P.L. 106-553 P.L. 106-554	December 21, 2000	82

<sup>1</sup> Raffaella Wakeman et al., “Vital Statistics on Congress: Data on the U.S. Congress,” Brookings Institution and American Enterprise Institute, July 9, 2013, Table 7, <https://www.brookings.edu/research/vital-statistics-on-congressdata-on-the-u-s-congress-a-joint-effort-from-brookings-and-the-american-enterprise-institute/>.

Fiscal Year	Public Law	Date of Enactment	Days Late
FY2002	P.L. 107-115 P.L. 107-116 P.L. 107-117	January 10, 2002	102
FY2003	P.L. 108-7	February 20, 2003	143
FY2004	P.L. 108-199	January 23, 2004	115
FY2005	P.L. 108-447	December 8, 2004	69
FY2006	P.L. 109-149	December 30, 2005	91
FY2007	P.L. 110-5	February 15, 2007	138
FY2008	P.L. 110-161	December 26, 2007	87
FY2009	P.L. 111-8	March 11, 2009	162
FY2010	P.L. 111-118	December 19, 2009	80
FY2011	P.L. 112-10	April 15, 2011	197
FY2012	P.L. 112-74	December 23, 2011	84
FY2013	P.L. 113-6	March 26, 2013	177
FY2014	P.L. 113-76	January 17, 2014	109
FY2015	P.L. 114-4	March 4, 2015	155

**Source:** Compiled by CRS with data from the Legislative Information System of the U.S. Congress.

A number of possible reforms, such as automatic continuing resolutions, joint budget resolutions, or merging the authorization and appropriations processes—have been advanced, at least in part, in the hope that they could make the budget process operate in a more timely fashion. For example, advocates of an automatic continuing resolution argue that it could reduce deadline pressures in the appropriations process, those in favor of a joint budget resolution suggest that it would promote early agreement on budget priorities between Congress and the President, and some argue that a merged authorization-appropriations process could reduce the volume of legislation that needs to be considered in any given session of Congress. While these proposals have their critics, some see these and other proposed reforms as potentially making the timely enactment of budget legislation easier and, therefore, better budgetary outcomes more likely.

Another possible approach to addressing this concern is to change the budget cycle from one year to two years. By reducing the frequency of budgetary actions, and better separating their consideration, proponents of such a reform contend that Congress would be able to undertake each stage with more attention to detail.

## Types of Biennial Budgeting

Biennial budgeting as a concept has many permutations and may include any of the following: a requirement for multiyear authorizations, two-year budget resolutions, and two-year appropriations. Biennial appropriations may refer to all appropriations being enacted for a two-year period, all appropriations being enacted for two succeeding one-year periods in a single measure, or even a system under which some appropriations are enacted for either a two-year period or two one-year periods in each year of a two-year cycle. These components may be adopted individually or in concert and may be applied under a variety of schedules. Because of this, biennial budgeting may have different meanings for different people.

## Multiyear Authorizations

Many biennial budgeting proposals require that all authorizations be enacted for periods longer than one fiscal year. Under current practice, many authorizations are already enacted for multiyear periods. The chief exceptions to this are the Department of Defense and Intelligence authorizations, which are considered annually. Most proposals also divide action so that authorizations are scheduled to be considered in the second year of each Congress, separate from consideration of regular appropriations measures. One proposed benefit of multi-year authorizations is that the authorizations could be in place before the appropriations process begins, providing for a smoother working relationship between authorizers and appropriators.<sup>2</sup> One chief concern regarding a multiyear authorization requirement is that unless supported by biennial appropriations, they may lack the degree of certainty required to achieve the promised benefits of long-range planning.

Although the requirement for multiyear authorizations is often advanced as a relatively minor aspect of a biennial budgeting, such a system could have major repercussions with regard to those specific issue areas where it would have impact. For example, Congress has operated under the presumption that the Defense and Intelligence authorizations are sensitive to myriad foreign policy issues and that these need to be addressed every year.

An experiment with two-year authorizations for the Department of Defense in the 1980s proved unsuccessful. This failure has been partly attributed to the fact that the experiment was not part of a comprehensive move to biennial budgeting and was not supported by two-year appropriations, but another contributing factor was that it was overtaken by other budgetary decisions. The deficit reduction concerns that led to a late 1987 budget summit between Congress and President Reagan also effectively required the second year of the two-year authorization to be amended extensively. Given this experience, support for two-year defense authorizations waned.<sup>3</sup>

As proposed in S. 92 and H.R. 3586 (106<sup>th</sup> Congress), biennial budgeting would establish a “budget year” and an “authorization/oversight year” for each Congress. This proposed division could augment the separation of authorizations and appropriations currently embodied in House and Senate rules, and it could enhance the perceived difference between authorizations and appropriations that some Members feel has been weakened in recent decades.<sup>4</sup> By adjusting reauthorization periods so that most major authorizations could be scheduled for the second year of a Congress, floor time for the consideration of authorizations would not be in competition with appropriations. However, the result could instead be an erosion of the separation between authorizations and appropriations. Without opportunity to consider authorizing legislation in the first year of a Congress, Members may use appropriations bills as legislative vehicles to revise policy questions immediately through appropriations bills rather than have to wait for the second authorization/oversight session.

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<sup>2</sup> Representative William H. Natcher testified in 1993 that requiring multiyear authorizations, to be enacted the year before appropriations measures, would serve the Congress well. U.S. Congress, Joint Committee on the Organization of Congress, *Budget Process: Testimony of Hon. William H. Natcher*, hearing, 103<sup>rd</sup> Cong., 1<sup>st</sup> sess., March 11, 1993 (Washington: GPO, 1993), p. 5.

<sup>3</sup> David C. Morrison, “Two at a Time,” *National Journal*, vol. 21, no. 35 (September 2, 1989), p. 2172; and Robert J. Art, “The Pentagon: The Case for Biennial Budgeting,” *Political Science Quarterly*, vol. 104, no. 2 (summer 1989), pp. 193-214.

<sup>4</sup> As illustrated by testimony on budget process reform on several occasions in recent years. One example is the extensive testimony before the Joint Committee on the Organization of Congress in 1992.

The use of appropriations bills to include authorizing language or bypassing the need for separate authorizing language altogether could become a significant concern if it becomes desirable to consider policy questions in the first year of a Congress. This, in turn, could undercut the intent of creating separate sessions dedicated to different purposes. For example, changes in the international climate could require a reassessment of priorities for defense or foreign operations spending, or changes in the economy could spur the need for a reevaluation of domestic policies without respect to whether it was the first or second year of a Congress. The incentive could be especially great when an election signals a dramatic shift in national priorities and lawmakers want to address those issues in policy terms rather than solely as matters of funding, as the Reagan Administration did in 1981, the Clinton Administration did in 1993, or House Republicans did in 1995 with the Contract With America.

## **Two-Year Budget Resolutions**

Since the enactment of the Congressional Budget Act in 1974, the budget process has centered around the concurrent resolution on the budget, which sets aggregate budget policies and functional priorities for Congress. The budget resolution is used to coordinate the various budgetary actions that are to be taken over the course of a session of Congress. Proposals to convert the budget process to a two-year cycle likewise typically involve a process centered around a two-year budget resolution.

Although the budget process is characteristically annual, there are a number of aspects that encourage Congress to look beyond a single fiscal year. In particular, Section 301(a) of the Congressional Budget Act currently requires that the budget resolution include binding figures for the upcoming fiscal year plus planning levels for at least each of the four ensuing fiscal years. In recent years, budget resolutions have typically included planning levels beyond the minimum number required by the Congressional Budget Act. For example, the budget resolution for FY2016 (S.Con.Res. 11, 114<sup>th</sup> Congress) included planning levels through FY2025. The Budget Act also provides for the enforcement of the five-year totals for revenues and direct spending and allows multiyear reconciliation instructions. In addition, the Senate's Pay-As-You-Go point of order (Section 201(a) of S.Con.Res. 21, 110<sup>th</sup> Congress, the FY2008 budget resolution) prohibits the consideration of revenue or direct spending legislation that would increase or cause an on-budget deficit for the period of the current fiscal year and the five ensuing fiscal years or the period of the current fiscal year and the 10 ensuing fiscal years.<sup>5</sup>

Proponents of biennial budget resolutions suggest that both Congress and the President would benefit by extending the binding levels to two years, adopting the broad outlines of fiscal policy only once each Congress. As Joseph White of the Brookings Institution stated in testimony before the Joint Committee on the Organization of Congress in 1993, "Annual fights about priorities between the same Congress and President do nobody any good."<sup>6</sup> Additionally, Congress has been unable to adopt a budget resolution in a number of years and has had to use some other means to coordinate and enforce budgetary actions in those years.<sup>7</sup> Proponents of a two-year budget resolution argue that this recent experience demonstrates that it is not necessary to adopt a

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<sup>5</sup> For more on the PAYGO point of order, see CRS Report RL31943, *Budget Enforcement Procedures: The Senate Pay-As-You-Go (PAYGO) Rule*, by Bill Heniff Jr.

<sup>6</sup> U.S. Congress, Joint Committee on the Organization of Congress, *Budget Process: Testimony of Hon. Anthony Beilenson and a Panel of Experts*, 103<sup>rd</sup> Cong., 1<sup>st</sup> sess., March 23, 1993 (Washington, GPO, 1993), p. 82.

<sup>7</sup> See CRS Report R44296, *Deeming Resolutions: Budget Enforcement in the Absence of a Budget Resolution*, by Megan S. Lynch.

budget resolution every year and that a two-year budget resolution would better reflect current practice.

Opponents, however, contend that by allowing Congress the opportunity to participate in setting fiscal policy, budget resolutions have served a useful purpose and that the inability to adopt a budget resolution has been a portent of further budgetary battles throughout the year rather than an indication that Congress is still in agreement on the policies that were adopted in the previous year. They further contend that while fiscal policy can be set for two-year periods, it is potentially subject to considerable uncertainty and that eliminating an opportunity to either alter or confirm current policy makes the process weaker.

According to supporters, the experience with presidential-congressional budget summits—particularly in the 1980s and 1990s but most recently embodied in the Bipartisan Budget Act of 2015<sup>8</sup>—has demonstrated the effectiveness of establishing a multiyear framework for the budget. Notably, the 1987 agreement between Congress and the Reagan Administration, the 1990 agreement with the Bush Administration, the 1993 and 1997 agreements with the Clinton Administration, and the Budget Control Act of 2011<sup>9</sup> have all been built around the projected future impact of a long-term budget plan. Subsequent budget resolutions, and budget implementing legislation, have generally adhered to these agreements. By institutionalizing this arrangement, advocates of biennial budgeting hope to duplicate its perceived success.

Some opponents, and some proponents of biennial budgeting as well, argue that the lessons to be learned from successful executive-congressional summits are somewhat narrower. Opponents suggest that while these occasional summits have proved useful in the context of facilitating the following year's budget process, it would not be possible to institutionalize the process. They suggest that the political and budgetary context that brings Congress and the President to the bargaining table is also necessary to ensure a commitment to implementing the outcome. Some proponents feel that a biennial budget resolution should be adopted only within the context of an overall move to a two-year cycle. Without biennial implementation, they argue, a biennial budget resolution would not present sufficient certainty for long-term planning, significant savings in congressional workload, or additional time for oversight.

## **Two-Year Appropriations**

The most controversial aspect of biennial budgeting proposals is, arguably, a two-year cycle for appropriations. Most proposals would require all regular appropriations measures to be considered in the first year of each Congress either for a single two-year fiscal period or for two one-year periods. In both cases Congress would not need to act on appropriations during the second year of each Congress—except for emergency and other supplemental appropriations needs. In at least one case, a modified form of this proposal has contemplated the consideration of an annual defense appropriation measure and half of the remaining appropriation as two-year measures in each of the two years of a Congress.<sup>10</sup> Some proposals in the past have opted for a timetable that would simply stretch out the current one so that while the appropriations process could begin in the first session of a Congress, the fiscal biennium would not begin until October 1 of the second year. This would give Congress and the President a period of 20 months, rather than the current eight months, to negotiate appropriations details. Under such proposals, Congress

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<sup>8</sup> P.L. 114-74.

<sup>9</sup> P.L. 112-25.

<sup>10</sup> S. 385, 114<sup>th</sup> Congress.



would still not need to act on appropriations in the off year except for emergency or supplemental appropriations.

Most proponents of biennial budgeting contend that two-year appropriations are an essential part of any biennial budgeting system. In their view, it is primarily the annual nature of the current appropriations process that produces the strain on the current system. They assert that a major benefit of biennial appropriations would be that during the two years for each Congress, there would be a year in which routine appropriations actions could be avoided. Although emergency and other supplemental appropriations actions might be necessary in the off year, they believe that the net effect of this change would still be a reduction of congressional workload and would free up enough time for Congress to conduct more meaningful program reviews. For the executive branch, as well as for state and local governments, biennial appropriations would be beneficial, they argue, because they would provide sufficient certainty to allow for better long-term planning. Finally, proponents also suggest that reducing the number of times in which Congress and the President must confront each other over budget priorities would allow for better overall comity between the two branches.

Current practice already includes limited use of a number of the devices proposed as part of a biennial budgeting system. For example, appropriations currently provide for both advance appropriations to become available in future fiscal years and budget authority available for periods of longer than a single fiscal year for a number of programs. In the view of opponents, however, making these practices mandatory for all programs will not result in greater benefits. They contend that routine appropriations do not cause conflict and delays in the budget process, so widening these practices to mandate their use for all programs every other year would not result in any significant improvements in the process. Conflict and delay occur because of a lack of consensus on non-routine matters, either within Congress or between Congress and the President. Attempting to resolve these issues for two years at a time, they assert, would simply raise the stakes and thereby heighten the possibility for conflict and increased delay. In addition, they argue that it is the impending start of the fiscal year on October 1 and the anticipation of a new budget submission by the President the following February that force action. Without these deadlines, it is possible that it could take the full two years for Congress and the President to produce a budget, making projections of a year devoted to oversight less likely.

Critics of two-year appropriations also point out that budget forecasts are prone to error and that with a total budget of approximately \$3.5 trillion in FY2016, even small errors in terms of percentage can result in significant errors in terms of dollars of revenues or expenditures. Projecting revenues and expenditures for a two-year cycle requires forecasting as much as 30 months in advance (rather than 18 under an annual budget cycle). Even if routine appropriations could be considered every other year, with only a limited ability to anticipate future conditions, critics argue that a two-year cycle would inevitably result in incorrect funding decisions. Whether the result was to provide too much or too little funding for individual programs, it could necessitate Congress choosing between allowing the President greater latitude for making budgetary adjustments in the off years or for Congress itself to engage in mid-cycle corrections to a degree that would nullify any anticipated time savings or planning advantages.

# Arguments Favoring and Opposing Biennial Budgeting

## Arguments Made by Proponents of Biennial Budgeting

Supporters of biennial budgeting generally contend that a two-year budget cycle would (1) reduce congressional workload by eliminating the need for annual consideration of routine or repetitious matters, (2) allow Congress to reserve time to promote improved oversight and program review and (3) allow better long-term planning by agencies, at the federal, state, and local levels.<sup>11</sup>

Advocates assert that reducing the number of times that Congress has to consider budget questions would allow more time for agency and program oversight. By effectively dividing each Congress into a budget year and an authorization/oversight year, a two-year cycle might reduce competition for Members' time and attention and allow for more effective use of authorizations to establish policy. Congress would not have to resort to appropriating in the absence of a current authorization as often, since the authorizations would not be crowded out of the congressional schedule by appropriations questions. Another anticipated benefit is that executive branch agencies, relieved of the need to develop and defend budget proposals as frequently, could better manage federal programs.

One of the chief arguments of proponents of biennial budgeting is that it increases certainty about the level of future funding and thus, allows better long-range planning by federal agencies and by state and local governments. The Reagan, George H. W. Bush, Clinton, and George W. Bush Administrations expressed support for biennial budgeting.<sup>12</sup> The 1993 report of the National Performance Review (the Gore Commission) 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."<sup>13</sup> The Clinton Administration's final budget submission in 2000 reiterated its support for biennial budgeting.<sup>14</sup> The George W. Bush Administration also included support for biennial budgeting (as well as other budget process reforms) in the President's annual budget submission to Congress. For example, the FY2004 budget stated that

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

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<sup>11</sup> See, for example, "Biennial Budgeting: Better Value for Taxpayers" available at <http://www.thirdway.org/report/biennial-budgeting-better-value-for-taxpayers>.

<sup>12</sup> Unlike his predecessors, President Obama did not express a formal position on biennial budgeting. In September 2010, however, at his Senate confirmation hearing, Office of Management and Budget (OMB) director-designate Jacob Lew stated that the "annual budget process gives us precious little time to focus on program implementation, both in the executive branch and in the legislative branch" but also that "there are many challenges to biennial budgeting." See U.S. Congress, Senate Committee on the Budget, *Nomination of the Honorable Jacob J. Lew, of New York, to be Director of the Office of Management and Budget*, hearing and executive business meeting, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 16, 2010, S.Hrg. 111-737 (Washington: GPO, 2010), pp. 24-25.

<sup>13</sup> U.S. Office of the Vice President, *Creating a Government That Works Better and Costs Less: Mission-Driven, Results-Oriented Budgeting*, accompanying report of the National Performance Review (Washington: GPO, 1993), p. 59.

<sup>14</sup> OMB, *Budget of the United States Government, Fiscal Year 2001, Analytical Perspectives* (Washington: GPO, 2000), p. 287.

agencies would receive more stable funding, which would facilitate longer range planning and improved fiscal management.<sup>15</sup>

Supporters point to the multiyear nature of the budget summit agreements between Congress and the President that have been a major part of the budget process for several decades as evidence of the efficacy of multiyear budgeting and as a major factor in recent years for promoting more efficient consideration of budgetary legislation.

## **Arguments Made by Opponents of Biennial Budgeting**

Critics of biennial budgeting have countered with several arguments as to why some of the projected benefits could prove to be illusory or insufficient to overcome the disadvantages.<sup>16</sup> 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 reduce congressional workload or aid longer-term planning only in the second year of the cycle. Even that benefit may not accrue without accurate budget projections. Making accurate projections of revenues and expenditures is always difficult, and because a two-year cycle requires forecasting as much as 30 months in advance (rather than 18 under an annual budget cycle), biennial budgets would be more susceptible to error. Less accurate forecasting, they argue, could result in providing either too much or too little money for individual programs, and some fear that this would increase the need for supplemental appropriations or other adjustments that would effectively undercut any intended improvements in planning.

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 committees would take advantage of a separate oversight session or that oversight separate from review of funding decisions would be as effective.

In addition, they contend that the institutional incentives for supporting two-year budgets can vary based on the expected budgetary outcome. A budget plan that locks in an amount for the second year of a biennium would draw relatively little support from program advocates in a time of increasing budgets (because the program might receive more generous funding later) and, alternately, would draw relatively little support from program cutters in times of decreasing budgets (because the program would be somewhat insulated from possible later cuts). In other words, an action to lock in future budgetary resources may draw opposition when some decisionmakers believe that a “better” decision may be arrived at in the future.

## **Congressional Action on Biennial Budgeting**

Almost from the time 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

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<sup>15</sup> OMB, *Budget of the United States Government, Fiscal Year 2004, Analytical Perspectives* (Washington: GPO, 2003), p. 318.

<sup>16</sup> See, for example, Richard Kogan, Robert Greenstein, and James R. Horney, “Biennial Budgeting: Do the Drawbacks Outweigh the Advantages?,” Center on Budget and Policy Priorities, January 20, 2012, <http://www.cbpp.org/research/biennial-budgeting-do-the-drawbacks-outweigh-the-advantages>.

back as the 95<sup>th</sup> Congress (1977-1978).<sup>17</sup> Hearings on budget process reform have often included testimony concerning biennial budgeting. In addition, on several occasions, both the House and Senate have conducted hearings specifically on biennial budgeting.<sup>18</sup> Survey findings<sup>19</sup> and the level of cosponsorship of biennial budgeting proposals have also demonstrated congressional interest in biennial budgeting.<sup>20</sup>

In recent years, the Committees on Rules and the Budget have generally shared jurisdiction in the House over budget process reform, and both have considered the issue of biennial budgeting. In the Senate, the Budget Committee currently exercises jurisdiction over the budget process.<sup>21</sup>

A number of federal committees and commissions organized to study possible procedural or structural reforms of Congress, the budget process, or both have also considered biennial budgeting. In addition to the Gore Commission (noted previously), the National Economic Commission<sup>22</sup> and the Study Group on Senate Practices and Procedures (also known as the Pearson-Ribicoff Commission, after former Senators James Pearson and Abraham Ribicoff) recommended a form of biennial budgeting. The Pearson-Ribicoff Commission recommended that Congress consider half of the regular appropriations bills each year.<sup>23</sup> 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 in most biennial budgeting proposals, S. 1824, as reported, included two-year budget resolutions and multiyear authorizations but not two-year appropriations.

Congressional action related to biennial budgeting first occurred in 1982 with hearings on S. 2008, the Budget and Oversight Reform Act of 1981 (97<sup>th</sup> Congress). Additional action, outlined below, occurred with respect to biennial budgeting during the 100<sup>th</sup>, 101<sup>st</sup>, 102<sup>nd</sup>, 103<sup>rd</sup>, 104<sup>th</sup>,

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<sup>17</sup> For a more detailed discussion of earlier consideration of biennial budgeting, see U.S. Congress, Senate Committee on Rules and Administration, *Improving the Operation of the Legislative Branch of the Federal Government, and for Other Purposes*, report to accompany S. 1824, 103<sup>rd</sup> Cong., 2<sup>nd</sup> sess., S.Rept. 103-297 (Washington: GPO, 1994), pp. 10-14.

<sup>18</sup> Printed hearings specifically addressing biennial budgeting include U.S. Congress, House Committee on Government Operations, *The Vice President's National Performance Review—Recommending A Biennial Budget Process*, hearings, 103<sup>rd</sup> Cong., 1<sup>st</sup> sess., October 7, 1993 (Washington: GPO, 1994); and U.S. Congress, Senate Committee on Governmental Affairs, S. 261—*Biennial Budgeting and Appropriations Act*, hearings, 105<sup>th</sup> Cong., 1<sup>st</sup> sess., April 23, 1997 (Washington: GPO, 1997).

<sup>19</sup> For example, 85% of Representatives and 87.5% of Senators responding to a 1987 survey indicated that they agreed or strongly agreed with the idea of appropriating on a two-year schedule. *Congress Speaks—A Survey of the 100<sup>th</sup> Congress* (Washington: Center for Responsive Politics, 1988), pp. 34.

<sup>20</sup> For example, Representative David Dreier introduced H.Res. 396 (106<sup>th</sup> Congress) on November 18, 1999, with 245 cosponsors, expressing the sense of the House in favor of biennial budgeting legislation.

<sup>21</sup> Prior to the 109<sup>th</sup> Congress, the Committees on Governmental Affairs and the Budget shared jurisdiction over the budget process under a standing order of the Senate (in effect between August 4, 1977, and January 2005). The order provided that if one committee reported a measure, the other had 30 days to report or be discharged from further consideration. Jurisdiction was consolidated in the Budget Committee under the terms of S.Res. 445 (108<sup>th</sup> Congress).

<sup>22</sup> U.S. National Economic Commission, *Report of the National Economic Commission* (Washington: GPO, 1989), p. 11.

<sup>23</sup> U.S. Congress, Senate Committee on Rules and Administration, *Report of the Study Group on Senate Practices and Procedures*, committee print, 98<sup>th</sup> Cong., 2<sup>nd</sup> sess., S. Prt. 98-242 (Washington: GPO, 1984), p. 21.

105<sup>th</sup>, 106<sup>th</sup>, 107<sup>th</sup>, 108<sup>th</sup>, 109<sup>th</sup>, 112<sup>th</sup>, 113<sup>th</sup>, and 114<sup>th</sup> Congresses. None of these proposals was ultimately enacted.

## **97<sup>th</sup> Congress**

S. 2008, the Budget and Oversight Reform Act of 1981, was introduced on January 25, 1982. This bill would have amended the Congressional Budget Act to provide for a biennial budget cycle. The measure was jointly referred to the Senate Committee on the Budget and Committee on Governmental Affairs. The Committee on the Budget held hearings on the measure on September 14, 16, 21, and 23, 1982.

## **100<sup>th</sup> Congress**

On May 6, 1987, during consideration of S.Con.Res. 49, the budget resolution for FY1988, an amendment (S.Amdt. 186 to S.Amdt. 174) was offered on the floor of the Senate to express the sense of the Congress that biennial budget process should be enacted into law that year. The amendment was tabled, 53-45.<sup>24</sup>

S. 2478, the Biennial Budget Act of 1988, was introduced on June 7, 1988. The measure was jointly referred to the Senate Committee on the Budget and Committee on Governmental Affairs. The Committee on Governmental Affairs held hearings on the measure on June 7, 1988. S. 2478 was reported by the Committee on Governmental Affairs on August 25, 1988, with amendments (S.Rept. 100-499). No further action was taken.

## **101<sup>st</sup> Congress**

S. 29, the Biennial Budget Act, was introduced on January 25, 1989. The measure was jointly referred to the Senate Committee on the Budget and Committee on Governmental Affairs. The Committees on Budget and Governmental Affairs held joint hearings on the measure on October 18, 1989. S. 29 was reported by the Committee on Governmental Affairs on March 21, 1990 (S.Rept. 101-254). No further action was taken.

On May 4, 1989, during consideration of S.Con.Res. 30, the Senate budget resolution for FY1990, an amendment (S.Amdt. 88) was offered on the floor of the Senate to express the sense of the Senate that Congress should enact legislation to establish a biennial budget process. The amendment was agreed to by a voice vote<sup>25</sup> and was included in the Senate substitute amendment to H.Con.Res. 106, the vehicle for the FY1990 budget resolution. This provision was ultimately removed in conference (H.Rept. 101-50).

## **102<sup>nd</sup> Congress**

H.R. 1889, the Budget Simplification and Reform Act of 1991, was introduced on April 17, 1991. This budget process reform bill included provisions establishing a biennial budget. The measure was jointly referred to Committee on Governmental Operations (and subsequently referred to the Subcommittee on Legislation and National Security) and the Committee on Rules (and subsequently referred to the Subcommittee on the Legislative Process). The Subcommittee on the Legislative Process held hearings on the measure on September 18 and 25, 1992.

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<sup>24</sup> Senate debate, *Congressional Record*, vol. 133, part 9 (May 6, 1987), p. 11437.

<sup>25</sup> Senate debate, *Congressional Record*, vol. 135, part 6 (May 4, 1989), p. 8234.

## 103<sup>rd</sup> Congress

Following the recommendations of the Joint Committee on the Organization of Congress, H.R. 3801, the Legislative Reorganization Act of 1994, was introduced on February 3, 1994. This bill included provisions establishing a biennial budget. The measure was jointly referred to the Committees on Government Operations, House Administration, and Rules (and subsequently referred to the Subcommittee on the Rules of the House and Subcommittee on the Legislative Process). The Committee on House Administration held hearings on the measure on June 14, 30, and July 14, 1994. The Subcommittee on the Rules of the House held hearings on March 9, 10, 16, 24, and April 13, 1994. The Subcommittee on Legislative Process held hearings on February 25 and March 2, 1994. No further action was taken.

S. 1824, the companion measure to H.R. 3801, was introduced on February 3, 1994. The measure was referred to the Committee on Rules, which held hearings on February 10, 24, March 10, 17, and April 28 (S.Hrg. 103-488). The bill was reported with an amendment on July 1, 1994 (S.Rept. 103-297). No further action was taken.

## 105<sup>th</sup> Congress

S. 261, the Biennial Budgeting and Appropriations Act, was introduced on February 4, 1997. The measure was jointly referred to the Committee on the Budget and Committee on Governmental Affairs. The Committee on the Budget held a hearing on February 13, 1997. The Committee on Governmental Affairs held a hearing on April 23, 1997 (S.Hrg. 105-138). The bill was reported by the Committee on Governmental Affairs with an amendment in the nature of a substitute on September 4, 1997 (S.Rept. 105-72). No further action was taken.

## 106<sup>th</sup> Congress

S. 92, the Biennial Budgeting and Appropriations Act, was introduced on January 19, 1999. The measure was jointly referred to the Committee on the Budget and Committee on Governmental Affairs. The Committees on the Budget and Governmental Affairs held a joint hearing on January 27, 1999. The bill was reported by the Committee on Governmental Affairs with an amendment in the nature of a substitute on March 10, 1999 (S.Rept. 106-12). No further action was taken.

S. 93, the Budget Enforcement Act of 1999, was introduced on January 19, 1999. This bill included provisions providing for a biennial budget. The measure was jointly referred to the Committee on the Budget and Committee on Governmental Affairs. The Committees on the Budget and Governmental Affairs held a joint hearing on January 27, 1999. No further action was taken.

On May 16, 2000, during consideration of H.R. 853, an amendment (H.Amdt. 708) was offered on the floor of the House to add a new title establishing a biennial budget process. The amendment was rejected, 201-217.<sup>26</sup>

## 107<sup>th</sup> Congress

H.R. 981, the Budget Responsibility and Efficiency Act of 2001, was introduced on March 13, 2001. This bill would have amended the Congressional Budget Act to provide for a biennial budget cycle. The measure was jointly referred to the Committee on the Budget, Committee on

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<sup>26</sup> House debate, *Congressional Record*, vol. 146, part 6 (May 16, 2000), p. 7978.

Rules, and Committee on Government Reform. The Committee on the Budget reported the measure with an amendment on September 5, 2001 (H.Rept. 107-200, Part I). The Committee on Rules reported the measure with an amendment on November 14, 2001 (H.Rept. 107-200, Part 2). No further action was taken.

## **108<sup>th</sup> Congress**

During House consideration of H.R. 4663, the Spending Control Act of 2004, an amendment (H.Amdt. 621) was offered that sought to replace the text of the bill with the “Family Budget Protection Act of 2004,” a budget process reform proposal containing provisions to provide for a biennial budget. The amendment was rejected, 88-326.<sup>27</sup>

## **109<sup>th</sup> Congress**

S. 3521, the Stop Over Spending Act of 2006, was introduced on June 15, 2006. This bill contained provisions providing for a biennial budget cycle. The measure was referred to the Committee on the Budget, which reported the measure with an amendment on July 14, 2006 (S.Rept. 109-283). No further action was taken.

## **112<sup>th</sup> Congress**

H.R. 114, the Biennial Budgeting and Appropriations Act of 2011, was introduced on January 5, 2011. The measure was jointly referred to the Committees on the Budget, Oversight and Government Reform, and Rules (and subsequently referred to the Subcommittee on the Legislative and Budget Process). The Subcommittee on the Legislative and Budget Process held a hearing on January 24, 2012.

## **113<sup>th</sup> Congress**

During Senate consideration of S.Con.Res. 8, the FY2014 budget resolution, an amendment was offered that created a deficit-neutral reserve fund for the establishment of a biennial budget and appropriations process (S.Amdt. 136). The amendment was adopted, 68-31.<sup>28</sup> The resolution passed the Senate, 50-49, but final action on resolving differences did not occur before the end of the Congress. Additionally, the House Budget Committee reported H.R. 1869, the Biennial Budgeting and Enhanced Oversight Act of 2014, with an amendment (H.Rept. 113-382).

## **114<sup>th</sup> Congress**

The Senate Committee on the Budget held a hearing on biennial budgeting November 4, 2015.

## **Biennial Budgeting in the States**

Perhaps because many Representatives and Senators have government experience at the state level, state practices are often cited in deliberations on budget process reform. In particular, 19 states operate under a two-year budget cycle (see **Table 2Error! Reference source not found.**),

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<sup>27</sup> House debate, *Congressional Record*, vol. 150, part 10 (June 24, 2004), p. 14089.

<sup>28</sup> Senate debate, *Congressional Record*, daily edition, vol. 159, part 43 (March 22, 2013), p. S2282.

and this experience has been cited by many in discussing the applicability of biennial budgeting to the federal government.

**Table 2. States with Annual and Biennial Budgets (2011)**

Annual Budget with Annual Legislative Sessions (31 states)	Biennial Budget with Annual Legislative Sessions (15 states)
Alabama	Connecticut
Alaska	Hawaii
Arizona <sup>a</sup>	Indiana
Arkansas	Kentucky
Colorado	Maine
California	Minnesota
Delaware	Nebraska
Florida	New Hampshire
Georgia	North Carolina
Idaho	Ohio
Illinois	Oregon
Iowa	Virginia
Kansas <sup>b</sup>	Washington
Louisiana	Wisconsin
Maryland	Wyoming <sup>d</sup>
Massachusetts	
Michigan	
Mississippi	
Missouri <sup>c</sup>	
New Jersey	
New Mexico	
New York	
Oklahoma	
Pennsylvania	
Rhode Island	
South Carolina	
South Dakota	
Tennessee	
Utah	
Vermont	
West Virginia	

**Source:** Ronald K. Snell, *State Experiences with Annual and Biennial Budgeting*, National Conference of State Legislatures, April 2011, p. 3, <http://www.ncsl.org/issues-research/budget/state-experiences-with-annual-and-biennial-budgeti.aspx>.

**Notes:**

- a. In Arizona, some small agencies are on a biennial cycle; the rest are on an annual cycle.
- b. In Kansas, 20 agencies are on a biennial cycle; the rest are on an annual cycle.
- c. In Missouri, the operating budget is on an annual basis; the capital budget is on a biennial cycle.
- d. These states enact consolidated two-year budgets; all other states with biennial budgets enact two annual budgets simultaneously.

However, the state experience does not provide any single answer concerning biennial budgeting.<sup>29</sup> Some states that operate under an annual cycle have significant portions of their

<sup>29</sup> This has been the conclusion of the Government Accountability Office in a number of studies on biennial budgeting and the states. See, for example, U.S. Government Accountability Office, *Biennial Budgeting: Three States'* (continued...)



budgets enacted on a two-year cycle. For example, Missouri enacts its operating budget on an annual cycle but its capital budget on a biennial cycle,<sup>30</sup> whereas Kansas budgets for some regulatory agencies two years at a time within the overall context of an annual budget. Conversely, some states with biennial cycles do a significant portion of their budgeting on an annual basis. For example, Virginia and Oregon both enact a biennial budget that is routinely amended during the session when the budget is being executed. Minnesota considers both its operating and capital budgets on two-year cycles but in different years. As a result, examples can be found supporting arguments for and against adopting a two-year cycle at the federal level.<sup>31</sup>

One argument of opponents of a two-year cycle has been that the trend among states has been to shift from biennial to annual budget cycles, particularly in those states with larger populations. This trend, opponents have suggested, demonstrates that biennial budgeting represents a way of budgeting less applicable to modern circumstances. In support of this, they have pointed out that, while 44 states operated with biennial budget cycles in 1940, this was because most state legislatures at that time tended to meet every other year.<sup>32</sup> As of 2011, with the prevalence of annual sessions, 31 states use annual cycles, including seven of the 10 most populous states.<sup>33</sup> However, at least three states (Hawaii in 1967, Nebraska in 1987, and Connecticut in 1991) have switched to biennial budgeting after extended periods in which they used annual cycles, while several others (Indiana, Minnesota, and Wisconsin) returned to biennial cycles after brief experiments with annual budgets.

As discussed above, one of the main arguments made by opponents of biennial budgeting has been that it would inevitably lead to greater authority for the President. Again the experience at the state level is inconclusive. Both annual and biennial budget cycles have been coupled with varying degrees of executive branch discretion and authority. For example, Maine, with a biennial budget, has far stricter limits on the governor's authority to transfer funds or cut spending unilaterally than does South Dakota, which has an annual budget.<sup>34</sup>

The natural tension between the desire for longer planning horizons and the increasing inaccuracy of budget projections when stretched over longer periods has not been solved at the state level. This is because the same basic system of funding stability and incremental budget changes that characterizes federal budgeting also operates in the state context. Few state programs are subject to sweeping changes in any given year, regardless of the budget cycle. This suggests that both the benefits of a longer budget cycle to improve planning and concerns related to the inadequacy of long-term forecasts may be overstated in the context of state budgeting.

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(...continued)

*Experiences*, GAO-01-132, October 2000, p. 6.

<sup>30</sup> An operating budgeting accounts for day-to-day government expenditures and is typically funded with current revenues such as taxes and short-term debt (less than one-year maturity). A capital budget accounts for capital expenditures that are funded by a mix of long-term debt and current revenues.

<sup>31</sup> Ronald K. Snell, "Annual vs. Biennial Budgeting: No Clear Winner," *Spectrum*, vol. 68 (winter 1995), p. 23.

<sup>32</sup> *Ibid.*

<sup>33</sup> California, Florida, Georgia, Michigan, New York, and Pennsylvania all operate with annual cycles, whereas North Carolina, Ohio, and Texas operate with biennial cycles.

<sup>34</sup> Snell, "Annual vs. Biennial Budgeting," p. 23.

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