
Biennial Budgeting by the U.S. Congress

Should the Congress prepare a budget every two years rather than every year, as it does now? This article condenses a recent Congressional Budget Office (CBO) working paper that analyzed this issue for the Congress. It describes the movement toward biennial budgeting in the federal government, summarizes state experiences with biennial budgeting, and evaluates biennial budgeting from the congressional perspective.

Few statements can be made with much certainty about the effects of a conversion to biennial budgeting, except that this would be a radical change from the current process. Despite the permanence of much government spending, the process of formulating, enacting, and executing budgets is characteristically annual. But there has been a trend towards multiyear budgeting in recent years and the Congressional Budget Office has prepared a working paper on the issue.¹

Appropriations have been made annually since the first Congress, and the Congress routinely considers at least 14 appropriation bills each year, 13 regular and 1 supplemental. Annual consideration of appropriation bills should not be confused with the periods for which appropriations are made available. Over half of all spending is permanent in the law. Of the rest, only about one-half (or one-quarter of all spending) is made available for only the upcoming budget year.

Authorizations for a majority of discretionary appropriations are considered annually, including those for defense and intelligence agencies, the Coast Guard, the National Science Foundation, the Department of Justice, and research and development for the Environmental Protection Agency. Not all of the annual authorizations have been enacted in each year, however. In 1987, for example, only a fifth of the nondefense discretionary appropriations that are frequently authorized annually were in fact authorized.² And like multiyear appropriations in annual appropriation bills, some authorizations enacted in annual authorization bills last for more than one year. Authorizations for specific military construction projects, for example, are routinely for two years.

The schedule for considering appropriations and authorizations was of major interest during deliberations over the Congressional Budget Act. Two problems were thought to

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be most serious: the Congress routinely failed to pass appropriations before the beginning of the fiscal year, and the Congress often failed to pass authorizations until the beginning of the fiscal year was near, allowing little time for the appropriation process. The Congressional Budget Act made changes in the process that were intended to reduce these delays, including scheduling early consideration of authorizations and shifting the beginning of the fiscal year from July 1 to October 1. The budget act also required the Office of Management and Budget (OMB) and CBO to make five-year budget projections, and CBO to provide five-year cost estimates and scorekeeping reports. In subsequent years, the budget resolutions themselves were expanded to include multiyear projections.

The first biennial budgeting bill was introduced by Congressman Panetta in 1977; other biennial bills were subsequently introduced by Senators Bumpers, Cochran, Domenici, Ford, Quayle, Roth, and Cochran.³ The bills were considered in the numerous budget reform efforts of the early 1980s, which culminated in strengthened enforcement procedures but only marginal changes in the timing of the budget process. These reforms were included in the Balanced Budget and Emergency Deficit Control Act of 1985 (popularly known as Gramm-Rudman-Hollings) and the 1987 Reaffirmation Act.⁴

A significant move toward biennial budgeting was the adoption in 1985 of the Nunn-McCurdy amendment to the FY 1986 defense authorization bill (P.L. 99-145). The amendment required the president to submit a biennial defense budget for FY 1988 and FY 1989. Though biennial requests were submitted, the Department of Defense (DOD) and the Congress backed away from making biennial allocations for fear of the impact of sequestration. Congress passed an authorization bill that contained some authorizations for FY 1989, but which authorized most programs for only FY 1988. An annual appropriations bill for the DOD was included in the continuing resolution.⁵

Despite this experience, interest in biennial budgeting has grown. In a recent survey by the Center for Responsive Politics, 86 percent of a sample of 113 Representatives and Senators supported biennial appropriations.⁶ Many members of Congress have been pressed by the heavy work load that results from the overlapping actions taken during the annual appropriation and authorization processes. They have been embarrassed that the Congress has missed many budget process deadlines, and were disappointed with the reliance on omnibus continuing resolutions to provide appropriations for FY 1987 and FY 1988. Many hope that preparing one budget instead of two over a two-year period would reduce the delay and repetition that plague the current budget process.

President Reagan has supported biennial budgeting in addresses on budget reform, but has not proposed or endorsed relevant legislation. A number of more practical steps toward biennial budgeting have been taken. OMB included outyear planning requests in the FY 1988 budget for nondefense programs. The budget summit agreement adopted in November established a two-year budget plan. While it did not require biennial appropriations, it did resemble a biennial budget in spirit. The plan was formalized in Section 8001 of the Budget Reconciliation Act of 1987 (P.L. 100-203) which established budget authority and outlay targets for defense and nondefense discretionary spending for FY 1988 and FY 1989, and created enforcement procedures that will

apply to FY 1989 spending. In addition, Section 201 of the Balanced Budget Reaffirmation Act (P.L. 100-119) called for an experiment with multiyear authorizations and biennial appropriations for selected agencies and accounts. Senator Roth has introduced a bill (S. 1563) which reflects this approach and would convert the limitation on the administrative expenses of the Social Security Administration to a two-year limitation. Section 10621 (b) (3) of the Budget Reconciliation Act of 1987 suggested a similar experiment for the IRS. Hearings on biennial budgeting bills have been scheduled by the Senate Governmental Affairs Committee.⁷

STATE EXPERIENCES WITH BIENNIAL BUDGETING

Arguments for and against federal biennial budgeting often proceed by analogy with budgeting in the states. This is particularly true in the Congress because many Representatives and Senators have had experience as state legislators or governors and would like to try at the federal level the procedures that they are familiar with at home.

A recent survey by the National Conference of State Legislatures concluded that 31 states will adopt annual budgets in 1987, and 19 states will adopt or be operating under biennial budgets.⁸ The states have moved away from biennial budgeting in the past 40 years; 44 states followed the practice in 1940. One reason for the movement away from biennial budgeting was the professionalization of state legislatures, which accelerated in the 1960s and 1970s. With larger and more competent staffs and with annual rather than biennial sessions, some legislatures felt capable of reviewing budgets annually. The growth in federal grant revenues gave state legislatures an incentive to participate annually in the allocation of these funds. Legislatures have also temporarily used annual budgets when the governor was not a member of the majority party in the legislature, and returned to biennial budgets when partisan control became unified.

Another cause of the shift to annual budgets has been the increased sensitivity of state budgets to economic cycles (largely because of increased reliance on the income tax as a major revenue source), coupled with balanced budget limits. Under biennial budgeting, large unpredicted shortfalls in revenues as well as smaller unpredicted increases in outlays for uncontrollable benefit programs have often created deficits in state budgets. When states had insufficient reserves to finance these deficits, they had to revise their budgets during the biennium to meet their balanced budget limits. Repeated situations like this led some states to convert formally to annual budgeting, the form of budgeting they were practicing in a *de facto* manner.

Economic uncertainty and divided partisan control are also present at the federal level, which may lead one to make negative inferences about the prospects of biennial budgeting. In addition, the Congress has a greater constitutional responsibility for developing budgets than most state legislatures, and the federal government has a larger, more complicated budget and a different economic role than the states. Only three of the ten largest states use biennial budgeting—North Carolina, Ohio, and Texas. Yet 19 states continue to budget biennially, which suggests that biennial budgeting can work if certain conditions are present. Unfortunately, studies of state experiences with biennial budgeting have not clearly identified these conditions. Such studies have typically

consisted of surveys of state officials about the advantages and disadvantages of biennial and annual budgeting. Not surprisingly, officials tend to prefer current processes.

POTENTIAL EFFECTS OF CONVERTING TO BIENNIAL BUDGETING

In search for the optimal periodicity of a budget process, it is easier to find losing candidates than to agree on the winner. Short periodicity—a monthly budget process, for example—would create continuous uncertainty about government policies. Monthly budget votes would be repetitive, and would leave no time to plan or to conduct oversight. In contrast, long periodicity—a five-year budget process, for example—would reduce this work load. But unanticipated events and shifts in political priorities would occur frequently during the five years, making the budget obsolete and creating pressure for revisions.

Between the inflexibility of a five-year budget and the inefficient uncertainty of a monthly budget lie annual and biennial budgeting. Shifting to a biennial budget schedule would gain some certainty at the cost of some flexibility, but how large is this tradeoff likely to be? To answer this question, four congressional goals for the budget process are posited. These goals are:

- Allocating time efficiently to different activities, such as planning, budgeting, and conducting oversight;
- Completing preparation of the budget by the target date;
- Responding to changed conditions; and
- Maintaining the proper influence of the Congress on policy.

Allocate Time Efficiently to Different Activities

The Congress undertakes three types of activities in the budget process: it gathers information and authorizes programs to address problems, it allocates funds to programs, and it monitors implementation of its policy decisions. These activities often overlap; for example, the Congress may learn about problems and the implementation of previous decisions as it considers appropriation requests. Proponents of biennial budgeting hope that some of the time now spent on allocating funds (appropriations) could be freed for learning about problems and guiding program implementation (authorizations and oversight).

It is important at this point to distinguish between the two biennial budgeting models: the “stretch” and “split-sessions” models. The stretch model would have the Congress prepare a budget for the biennium (the two-year fiscal period) over the two years of a Congress. The split-sessions model would have the Congress prepare a biennial budget during one year and conduct nonbudgetary activities in the other. The split-sessions model assumes that the Congress would postpone budgetary action on issues new to its agenda such as drug abuse or the plight of the homeless if these issues arose during a nonbudgetary year. One supplemental appropriation bill would be expected in the

nonbudgetary year, but it would be used only to provide appropriations for true emergencies. The split-sessions model similarly expects that the Congress would not conduct oversight during a budget year, though exceptions could be made for major scandals or controversies.

This approach might not succeed unless the Congress were to significantly revise its rules of procedure. The current rules would not provide a formal means of limiting consideration of spending bills during nonbudgetary years. Implementing limiting rules, such as defining “true” emergencies ahead of time, would be difficult. The split-sessions bills do not propose any such rules, and few of the states with biennial budgets and annual sessions have them.

Split sessions imply substantial modifications to committee activities as well. The current committee structure gives specialized roles to various committees. The Budget Committees spend most of their time preparing budgets and relatively little time monitoring spending by the agencies. The Appropriations Committees monitor spending but almost always in the context of appropriating more funds. The House Government Operations and Senate Governmental Affairs Committees and the subcommittees of many other standing committees specialize in oversight. Unless these committees responsibilities are changed, the Budget and Appropriations Committees are expected to be inactive during the nonbudgetary periods, as are the oversight committees during budgetary periods.

These potential changes in rules and committee activities heighten the importance of determining whether the process of making budgetary allocations has in fact crowded out authorizing legislation and oversight. Regarding oversight, research by Joel Aberbach suggests that oversight has not been discouraged by the congressional budget process.⁹ Aberbach’s data (for the number of total and oversight committee hearing days in the first six months of odd years from 1961 to 1983, excluding 1979) show a sharp increase in the proportion of days devoted to oversight from 1973 to 1975, and another sharp increase from 1981 to 1983. In 1983 a full quarter of hearing days were for oversight, more than double the proportion in 1973. Aberbach concludes that this growth in oversight activities was jointly caused by increased budget deficits, public discontent with government performance, congressional concern about the usurpation of legislative powers by the president, and the availability of more congressional staff to carry out oversight.

Complete Preparation of the Budget by the Target Date

The stretch model would spread budget formulation over a two-year period, giving more time for each stage to be completed. This approach assumes that target dates are missed because there is not enough time between each date. For example, when the budget resolution is late, this leads to unpassed appropriation bills and a continuing resolution. Biennial budgeting proponents hope that preparing a budget over two years would allow more time for consultation and make it more likely that decisions would be made on time.

Though the current schedule is clearly time-consuming and repetitive, there are other and probably even more important causes of delays. One structural barrier to quick and binding budget decisions is the bicameral requirement that the House and Senate agree on all laws. Another is the separation of powers. Some missed target dates and repetitive votes clearly can be attributed to the difficulty of reaching a compromise between the strongly held and differing positions of the president and the Congress. Biennial budgeting is not likely to facilitate timely compromises between the branches; with the stakes higher, a two-year budget negotiation might take longer than two separate one-year negotiations.

Other causes of repetition and delay may be more mutable. Each member comes to the Congress with one vote and a presumptive equal say in decisions. A natural result is that the Congress uses a decentralized form of internal organization, distributing decision-making powers widely among its members. The Congress also follows a very complicated budget process that is intended to control the decisions made in the authorization and appropriation processes. Delay and repetition might be reduced by adopting a more centralized internal organization and another budgeting procedure. In other words, in contrast to biennial budgeting, which would have the Congress prepare fewer budgets, the Congress might make fewer decisions during budget preparation. The “fewer decisions” approach is embodied in a number of reform proposals. In one approach, the Congress would combine the appropriations and authorizations committees and processes. In another, the Congress would adopt an omnibus budget procedure that would combine the aggregate budget resolution, appropriation bills, and reconciliation into a single bill.¹⁰

Regardless of whether these “fewer decision” reforms or a stretch model of biennial budgeting is adopted, all delay and repetition in budgeting would not be eliminated. The famous “Parkinson’s Law,” which states that “Work expands to fill the time available for its completion,” has a corollary: “A budget decision is not made until a deadline approaches.” Delay and repetition are endemic to budgeting, because budgeting is a comprehensive process that resolves macro and micro goals into practical plans.

Even postponing the beginning of the fiscal year did not foster the completion of appropriation bills on time. Prior to the Congressional Budget Act, late enactment of appropriation bills was a continual problem—46 percent of regular appropriation bills were enacted after the beginning of the fiscal year from 1968 to 1973.¹¹ The Congress—acting on the belief that when a deadline is routinely not met, permanently extending that deadline will solve the problem—moved the beginning of the fiscal year from July 1 to October 1. Yet, appropriation bills are still not completed by the beginning of the fiscal year.

Additional evidence that repetition and delay cannot be avoided is seen in the budgeting experiences of the executive branch. Budget iterations between OMB and the agencies, which are similar to what is called duplication in the Congress, are frequent. A good example in this administration has been the continual battle over defense spending, which started each year with planning targets and continued all the way through the director’s review. The executive branch has also often found it difficult to meet the dates set out in its budget preparation schedule.

Be Appropriately Responsive to Changed Conditions

The Congress is first and foremost a political body, designed to represent the interests and desires of the public. It consequently often revises previous decisions when public opinion changes. Given this special characteristic of the Congress, determining when to revise decisions becomes a balancing act. If the Congress were to make irreversible decisions, it would be foreclosing the opportunity for the public to change its mind. Yet, if it were always to allow the national mood—which is often quite variable—to be quickly expressed as policy, it would be making “decisions” that would never stick.

The Congress responds not only to changes in public opinion, but also to macro-economic, programmatic, and other political events. Only one type of event follows a completely predictable schedule: elections. The biennial budgeting bills differ in their choice of whether the biennium should begin before or after an election. Some schedule adoption of the budget just before an election. By placing these dates so closely together, these bills might clarify the policies that the parties present to the voters. On the other hand, if the electorate dislikes the majority party’s policies and votes it out of office, the new majority party would theoretically be unable to adopt its program for two years. In the past, election results have had significant effects on budget priorities, particularly when the presidency changes hands. It is likely, therefore, that the new majority party would completely revise the recently adopted budget.

In contrast, other bills would have the Congress adopt a budget on a date that is roughly a year after an election and a year before an election. This schedule would allow the Congress to adopt a budget that reflects an election mandate and permits the public to evaluate the Congress on the basis of a year’s operation of this budget. But an upcoming election, particularly one coincident with a recession, might lead the Congress to revise the budget during the nonbudget year.¹²

The timing and magnitude of other events that might lead to congressional action are harder to predict. By expanding the length of the budget period from one to two years, projection errors are likely to increase. Larger errors will increase pressure on the Congress to take action. If the Congress responds, some of the reductions in work load expected from biennial budgeting will not be realized.

The greatest source of uncertainty in budget estimates is the inherent unpredictability of the economy. To estimate the effect of making a two-year forecast on the accuracy of budget estimates, a simulation test used in the Congressional Budget Office’s August 1987 report, *The Economic and Budget Outlook: An Update*, was extended for another year.¹³ This test used a time-series model to forecast gross national product (GNP) for the FY 1988-1989 biennium. For 1988 simulating the time-series model 5,000 times (by introducing alternative random shocks) produced a standard deviation for GNP forecasts of \$193 billion. The same procedure produced a standard deviation of \$226.6 billion for the biennium. These uncertainty ranges may be translated into ranges for revenue estimates by using a rule of thumb that shows that a \$100 billion error in estimating the GNP will tend to result in a \$23 billion error in revenues. This means that there are about two chances in three that the revenue estimates will be

within \$44 billion of the projected level for the first year and within \$52 billion for the biennium.¹⁴

The likely range of projection errors for individual programs is much harder to predict.¹⁵ Out-year budget projections could become more realistic under biennial budgeting. Some agency budget estimates currently are too low, apparently because the agencies believe that it would be politically unwise to show the likely long-run costs of programs. In other cases, agency estimates are too high, sometimes to prompt agency contract officers to speed up operations. The incentives to make such misestimates would be reduced if appropriations were routinely for two years. In addition, program characteristics would allow some projection errors to cancel out in two years that would not in one year. Spendout rates for procurement programs could exhibit this effect. However, errors would tend to cumulate for many large entitlement programs.

Increased errors in budget projections would have several effects. At the macro level, it would make it harder to hit a planned deficit target and would give the appearance of losing control over fiscal policy. But part of the reason for missing deficit targets is the feedback of the economy on the deficit, causing the deficit to rise when the economy underperforms. From this perspective, unexpected changes in the economy that produce shifts in deficit projections should not lead to congressional responses, making the increased uncertainty associated with biennial budgeting less of a problem.

Increased errors in budget projections could be more of a problem at the micro level. Though errors caused by inaccurate assumptions tend to be partially offsetting in the aggregate, they are often large for individual programs. These errors may lead to pressure to consider supplemental appropriations or to rescind funds for some activities. But many accounts—such as those for pay and benefits—are not sensitive to technical uncertainties. In addition, there are a number of procedures that could allow the Congress to cope with the increased uncertainty of a two-year budget period. Supplemental appropriations for appropriated entitlements (such as Medicaid) and for other programs such as the Commodity Credit Corporation could be made unnecessary by simple procedural changes, and price variability could be dealt with through new methods of contracting and budgeting for inflation.¹⁶

Maintain the Influence of the Congress on Policy

It is generally agreed that annual interactions promote cooperation between the two branches.¹⁷ Cooperation has two components—trust by the Congress that the president will implement its directives, and respect by the president for the Congress's right to make these directives. But which types of annual interactions promote the most trust and respect?

Throughout its history, the Congress has answered this question by using the annual appropriation process.¹⁸ One way that annual appropriation bills increase its leverage over the president is by providing vehicles for policy riders. Policy riders become starting points for negotiations between the branches because of the “must-pass” character of appropriation bills; if these bills are not enacted, government agencies that lack spending authority must shut down. Even though the Congress often bears the blame

for shutdowns, potential shutdowns place pressure on the president to negotiate. In the absence of “must-pass” legislative vehicles, the executive branch would usually not negotiate on policy disputes to the degree that it does now.¹⁹

Annual appropriations also encourage the president to implement the budget in good faith. If agency expenditures are inconsistent with congressional intent, the Congress may then influence the president by withholding approval of its pending appropriation requests (though the president may doubt the credibility of such threats). Under the split-sessions model of biennial budgeting, the Congress would instead have to rely on oversight to monitor agency spending and to prod the president to spend appropriated funds properly. But oversight can be ineffective when the president lacks concern about violating congressional intent.²⁰

The desire for flexibility is another reason for annually considering budget resolutions and making appropriations. Many consider annual budgeting to be the only responsible course of action with large deficits, because it allows recurring efforts to find political compromises on deficit reductions. The deficits have caused annual use of reconciliation to retrench spending in mandatory programs. Flexibility is also the reason why almost all salary and expense accounts are appropriated annually, even though they are the least complex and most predictable accounts of all.

Proponents of biennial budgeting do not agree that these traditional methods of preserving influence and flexibility are as effective as generally thought. They argue that the Congress is organizationally limited in what it can do each year. They also note that the Congress has decided that annual allocations are unnecessary for many programs. The Congress does not vote annually to allocate funds to Social Security and some other entitlement programs, because there is a consensus that these programs are long-term commitments; nor does it vote appropriations to fund multiyear ship contracts in annual stages.

Also disturbing to proponents of biennial budgeting are the costs of annual budgeting to those who carry out policies. Annual budgeting is said to encourage “micromanagement”—the assumption by the Congress of what are typically the responsibilities of program managers. But lacking the coercive tool of annual appropriation controls, the Congress might respond by writing even more “micromanagement” provisions for agencies that it does not trust.

Statements that agency officials will save time and paperwork because they will not have to prepare and justify their budgets each year may be overly optimistic as well. One presumption of biennial budgeting is that the Congress will do more oversight. For the Congress to conduct performance reviews, those doing the performing will presumably have to respond to the requests of the Congress. The format of agency presentations to the Congress might well change, as may the officials who do presentations (line officials instead of budget officials), but agencies’ work loads will probably not decline if the Congress vigorously conducts oversight.

Another purported benefit from biennial budgeting is that it would give grantees earlier knowledge of available funding and allow them to spend money more efficiently. Although this idea has merit, the extent of the benefit would be limited. In the first place, many grants are already predictable. Nearly two-thirds of grants are mandatory,

and most mandatory grants are allocated by formulas. An additional six percent of grants, in the education area, are forward funded. To the extent that reconciliation or rescissions do not change these budgeted amounts, grantees already know with some certainty the funds that they will receive. For the remaining grants, the benefit of earlier knowledge from biennial budgeting would apply to only the second year of the biennium, because the grants for the first year of the biennium would be made shortly after the adoption of the budget.²¹

Thus, though the efficiency of budgeting would not increase dramatically under a biennial format, some improvement is likely. This biennial approach could be enhanced by a budgetwide reexamination of the periodicity of budget reviews at the program project level. Programs that are funded by annual, one-year availability appropriations have traditionally borne the brunt of budget reductions, a tradition that was carried on by the Balanced Budget Act's sequester procedures. Agencies often claim that reductions in these appropriations are of the penny-wise, pound-foolish variety. They commonly cite their inability to make needed investments because appropriations are cut, even though the investments would reduce operating and total costs in the long run. This effect, and the more general risk of budget reductions, encourages agencies to convert their programs into the form of mandatory spending. In the long run, this locks in spending and leads to less flexibility in the total budget.

An alternative means of increased flexibility would be to strengthen controls on mandatory spending, which would require improved recognition of the full costs of potential multiyear commitments when considering whether to enter into them. It would also require that mandatory spending be reauthorized periodically and subjected to a tough reconciliation procedure. With the resulting increase in flexibility in these accounts, the selective biennial approach suggested by the Balanced Budget Reaffirmation Act could be followed with fewer grounds for concern about the loss of flexibility. For example, multiyear authorizations and appropriations could be made for stages of long-term procurements, rather than providing appropriations for variable numbers of units in each year.²²

CONCLUSION

This analysis suggests that biennial budgeting would not live up to expectations unless the Congress substantially changed its goals and behavior. It would have to accept increased uncertainty about budget outcomes, a reduced ability to be responsive to immediate concerns, and less influence from use of the appropriation process. If these changes were accepted, the Congress could reduce the number of repetitive votes on budget issues, and spend more time on policy planning and oversight. Biennial budgeting could also allow agencies and grantees to spend money more efficiently. But it would not eliminate the delays that come from negotiating important budget decisions. If the Congress does not wish to change as radically as biennial budgeting would require, it could implement biennial budgeting selectively—for technically predictable and politically stable programs, for example. Although some flexibility might be lost by

these actions, the Congress could compensate by subjecting currently mandatory programs to more frequent reviews.

NOTES

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1. Roy T. Meyers, *Biennial Budgeting* (Washington, D.C.: February 1988). The paper was published as a committee print by the Senate Governmental Affairs Committee in April 1988.
2. CBO data show that although 15.2 percent of nondefense discretionary appropriations were subject to annual authorization, only 3.2 percent were authorized in 1987. Only 10 annual authorization bills were enacted out of the 19 bills that are routinely considered on an annual basis.
3. A list of biennial budgeting bills from 1977 to 1987 is contained in the appendix of Michael D. Margeson and James Saturno, "Congressional Approaches to Biennial Budgeting" (C.R.S. 27 July 1987), 19-21.
4. See Senate Committee on Governmental Affairs, "Review of the Congressional Budget and Impoundment Control Act of 1974" (6 Oct. and 29 Oct. 1981); and "Budget Reform Act of 1982" (19 Aug. 1982); House Budget Committee, "Budget Process Review" (14 Sept. 1982); Senate Budget Committee, "Proposed Improvements in the Congressional Budget Act of 1974" (14 Sept., 16 Sept., 21 Sept., 23 Sept., 1982); Task Force on the Budget Process of the House Committee on Rules, "Recommendations to Improve the Congressional Budget Process" (May 1984), 24; House Committee on Rules, "Congressional Budget Act Amendments of 1984," Report 98-1152 (Oct. 1984).
5. See DOD's 1 April 1986 P.L. 99-145 report to the Congress and the response of Senator Nunn, (26 Feb. 1987), S2638-9.
6. See also Jonathan Rauch, "Biennial Budgeting Taking Root," *National Journal* 18 (27 Sept. 1986): 2318-2319; and Alice M. Rivlin, "Taming the Economic Policy Monster," *New York Times* (18 Jan. 1987): F2.
7. Major biennial budgeting bills of the 100th Congress are: S.416, co-sponsored by Senators Roth and Domenici; S.286, sponsored by Senator Ford; and H.R.22, co-sponsored by Congressmen Panetta and Regula.
8. Sources on biennial budgeting in the states are Barbara Yondorf, "Annual Versus Biennial Budgeting: The Arguments, The Evidence" (National Conference of State Legislatures, 26 Jan. 1987); and "Current Status and Recent Trends of State Biennial and Annual Budgeting" (15 July 1987); "Biennial Budgeting: Summary of the Major Issues" (17 April 1984); and "Biennial Budgeting: The State Examples" (23 Dec. 1982).
9. Joel D. Aberbach, *Keeping a Watchful Eye: The Politics of Congressional Oversight* (Washington, D.C.: Brookings Institution, forthcoming).
10. S. Res. 260, introduced by Senators Kassebaum and Inouye, would combine the appropriation and authorization processes. It would abolish the Senate Budget Committee and transfer its responsibilities to a "Committee on National Priorities," which would be constituted as a supercommittee of the leaders of the other committees. On committee reform, see Roger H. Davidson and Walter J. Oleszek, *Congress Against Itself* (Bloomington, Indiana: Indiana University Press, 1977); and Congressional Quarterly Inc., "The Committee System," *Guide to the Congress*, 3rd ed. (Washington, D.C.: CQ Press, 1982), 466-476. An analysis of omnibus budgeting is provided by Allen Schick, "The Whole and the Parts: Piecemeal and Integrated Approaches to Congressional Budgeting," House Budget Committee, Serial CP-3 (Feb. 1987).
11. This figure was calculated from data in General Accounting Office, "Funding Gaps Jeopardize Federal Government Operations" (3 March 1981).
12. On the relationship between elections and changes in budget allocations, see D. Roderick Kiewiet and Mathew D. McCubbins, "Congressional Appropriations and the Electoral Connection," *Journal of Politics* 47 (Feb 1985): 59-82.

13. Ibid.: 85-86, 94.
14. Because actual CBO forecast methodologies differ from the mechanical methods used in this test, the results should be understood as illustrative of the increased uncertainty in GNP forecasts under biennial budgeting, not as a prediction of CBO's likely performance. A more concrete example of the potential effect of economic uncertainty on biennial budget projections comes from CBO's most recent budget projections—CBO, *The Economic and Budget Outlook: Fiscal Years 1989-1993* (Feb. 1988). In November 1987, the FY 1989 budget baseline deficit was estimated to be \$186 billion. This estimate was based on CBO's August economic assumptions. The Congress then enacted legislation that made \$36 billion in savings for FY 1989. In February, however, CBO projected the FY 1989 baseline deficit to be \$176 billion, an increase of \$26 billion from the November baseline adjusted for enacted legislation. This increase was caused primarily by a forecast of slower growth in the economy. If a similar forecast is used by OMB on 15 July 1988, the Congress would need to make additional cuts beyond those envisioned in the summit agreement in order to prevent a sequester. On 15 October 1988, OMB will determine the actual savings required to meet the deficit reduction targets.
15. Policy changes in the budget year distort the previous year's out-year baseline estimates for programs, making an estimate of the change in technical projection errors unreliable.
16. See *Budgeting for Defense Inflation* (January 1986).
17. For a convincing presentation of the argument that cooperation is encouraged by frequent interaction, see Robert Axelrod, *The Evolution of Cooperation* (New York: Basic Books, 1984). On annularity and cooperation in budgeting, see Aaron Wildavsky, *The Politics of the Budgetary Process*, 4th ed. (Boston: Little, Brown, 1984); and Richard F. Fenno, Jr., *The Power of the Purse* (Boston: Little, Brown, 1966).
18. The Congress has also used annual authorizations, which often establish spending floors and ceilings in great detail, to order compliance with its goals. Louis Fisher, "Annual Authorizations: Durable Roadblocks to Biennial Budgeting," *Public Budgeting & Finance* 3 (Spring 1983): 23-40.
19. On the value of riders, see Roger H. Davidson, "Procedures and Politics in Congress," in Gilbert Y. Steiner, ed., *The Abortion Dispute and the American System* (Washington, D.C.: Brookings Institution, 1983), 30-46 and Allen Schick, "Politics through Law: Congressional Limitations on Executive Discretion," in Anthony King, *Both Ends of the Avenue* (Washington, D.C.: American Enterprise Institute, 1983), 154-184.
20. See James L. Sundquist, *The Decline and Resurgence of Congress* (Washington, D.C.: Brookings Institution 1981), ch. 11. See also Louis Fisher, *Presidential Spending Power* (Princeton: Princeton University Press, 1975); chapter four provides examples of reprogramming procedures that had not been honored by agencies, leading committees to restate and tighten procedures or to take punitive actions.
21. CBO, "Advance Budgeting: A Report to the Congress" (Washington, D.C.: CBO, March 1977); and OMB, A Study of the Advisability of Submitting the President's Budget and Enacting Budget Authority in Advance of the Current Time-table" (Washington, D.C.: OMB, 1977).
22. See *Assessing the Effectiveness of Milestone Budgeting* (Washington, D.C.: CBO, July 1987), for a discussion of these and related topics.