

May 21, 2018

RESCISSIONS 101

The Impoundment Control Act (ICA) of 1974 established the current framework for consideration of rescissions proposed by the President. Under the ICA, there are special procedures and parameters for consideration of these requests in Congress.

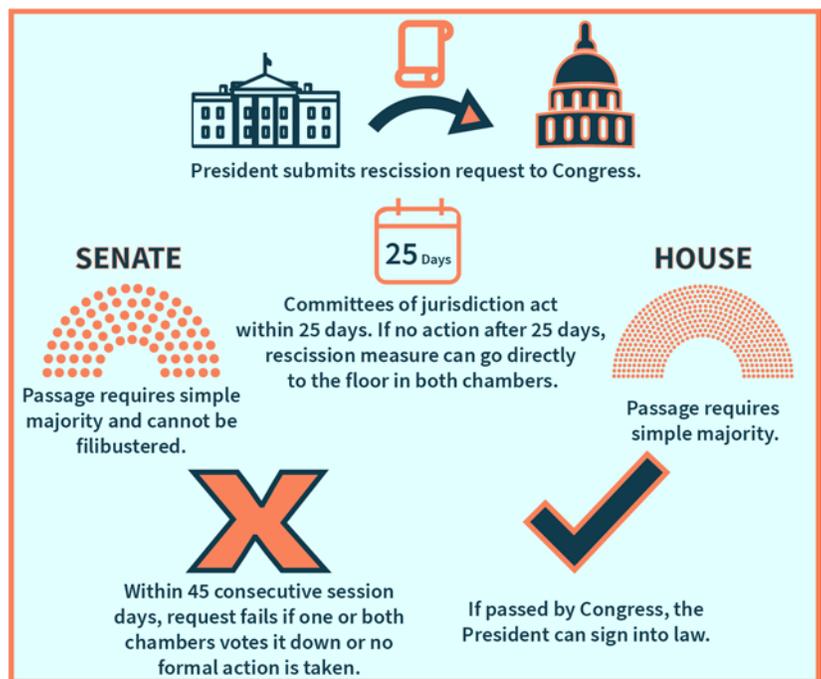
Background A rescission is the permanent cancellation of previously enacted budget authority, which eliminates the Administration's ability to spend a specific amount of money on a specified program. If Congress fails to act on a rescission request within 45 days of continuous session, funds must be released.

History of Rescission Requests Between fiscal years 1974 to 2000, rescissions were a commonly used procedural tool and reached a peak of 245 rescissions proposed in fiscal year 1985. Since enactment of the ICA, 1,178 rescissions have been proposed to cancel \$76.0 billion in budget authority. Prior Congresses have enacted 461 of these requests, totaling \$25.0 billion. However, no ICA rescissions were proposed during fiscal years 2001 to 2017.

Requirements of a Rescission In order to qualify as a rescission, the President must transmit a special message to both chambers of Congress that specifies the following:

- Amount of budget authority to be rescinded
- Reasons why the budget authority should be rescinded
- Estimated fiscal, economic, and budgetary effects of the rescission
- All facts, circumstances, and considerations relating to or bearing upon the proposed rescission

As was the case with the special message recently sent to the House on May 9, 2018, the President can combine multiple rescissions into one request.



Process for Consideration Any member may introduce legislation to implement part or all of the proposed rescissions. Congress can rescind all, part, or none of the President's proposed amount. In the House, rescission bills are typically referred to the Appropriations Committee. In the Senate, bills are referred to both the Appropriations and Budget Committees. Noteworthy ICA provisions include:

- The requirement that the committees must act to approve, disapprove, or amend the bill within 25 calendar days. If a committee fails to act, a motion to discharge may be made by any member favoring the bill (with the support of one-fifth of the chamber).
- Privileged consideration of a rescissions bill, requiring only 51 votes for passage in the Senate.

If Congress agrees on a rescissions bill, it is then sent back to the President to be signed. To date, no rescissions bill considered under the ICA framework has been vetoed.