



GOP Should Exercise Fiscal Restraint through the Impoundment Control Act

April 6, 2018

Background

Passed in 1974, the Congressional Budget and Impoundment Control Act establishes a process for cancelling unnecessary funding to executive branch agencies. Under this law, the president may withhold and permanently cancel funding to executive branch agencies passed into law by Congress. This is accomplished only if Congress approves of the president's special message that [includes](#) rescissions specifying the "amount of budget authority" to be rescinded, as well as "all facts, circumstance, and considerations relating to or bearing upon the proposed rescission." Congress is not required to introduce a rescission bill and can introduce a bill containing fewer rescissions than requested by the President. Once the special message is delivered and a rescission bill is introduced and referred to the relevant committee, the committee has 25 calendar days to report the bill. If the committee fails to report the bill, any member can discharge the bill from committee with one-fifth approval of the chamber vote. Debate on the motion to the rescission bill is limited to two hours in the House, ten hours in the Senate, and two hours for a conference report within the period of 45 days of continuous session following delivery of the special message. A rescission bill not included in the president's special message is subject to the filibuster.

Congress has rescinded a total of only [\\$25 billion](#) in federal spending using the Impoundment Control Act. The last time Congress used the law was in 1992, under President George H.W. Bush. The Impoundment Control Act has seldom been used because it requires Congress to approve cutting funding it recently authorized. The Act can almost be viewed as a weakened version of a line-item veto which allowed presidents to remove certain provisions of a bill before signing them into law. In 1998, the Supreme Court ruled the line-item veto unconstitutional in *Clinton v. City of New York*.

Rescind Omnibus Non-defense Spending

Last month, Congress passed—and President Trump signed into law—a \$1.3 trillion omnibus spending package that increased defense spending by \$80 billion and non-defense spending by \$63 billion over the Budget Control Act. According to congressional Republicans and President Trump, the GOP agreed to the omnibus spending levels because Senate Democrats threatened to filibuster and shutdown the government if Congress increased defense spending without increasing non-defense spending. This is where the Impoundment Control Act comes into play. Section 1017 of this law sets up a rescission process that can be used by Republicans in Congress to cancel the wasteful non-defense spending appropriated in the omnibus bill. That

process begins with a special message by President Trump properly outlining his rescission requests. Senate Democrats would not be able to filibuster the President's request if 218 House Republicans and 50 Senate Republicans can agree to the proposed spending cuts.

Potential Spending Reductions

[The Good, Bad, and Ugly of the Fiscal Year 2018 Omnibus Appropriations Act](#), The Heritage Foundation lays out a number of wasteful spending provisions the Trump administration could include in its Impoundment Control Act special message request to Congress. Additionally, in [Blueprint for Balance: A Federal Budget for Fiscal Year 2018](#), The Heritage Foundation lays out billions in non-defense spending cuts the Trump administration could also consider in its request.

The recently-passed omnibus spending package broke the non-defense spending levels established in the Budget Control Act by \$63 billion and authorized \$100 billion more in non-defense spending than requested in President Trump's 2018 budget. The President should use these numbers as a starting point in his special message rescission proposal to Congress.

Conclusion

If the Republican Party is truly concerned with excessive spending and debt, the Impoundment Control Act provides the best opportunity to undo the damage of the recently-passed omnibus spending package. According to a recent Gallup poll, [77 percent](#) of Americans are "a great deal" or "a fair amount" concerned with federal spending and the budget deficit. By reining in federal spending using the Impoundment Control Act, congressional Republicans can demonstrate to midterm election voters that they will govern responsibly and steward taxpayer dollars if re-elected to the majority. It also gives the GOP leverage in future spending negotiations by neutralizing the threat of a democrat filibuster and government shutdown.

Wesley Coopersmith
Policy Manager
Heritage Action for America