

CRS Report for Congress

Received through the CRS Web

Timetable for Sequestration Actions

Bill Heniff Jr.
Consultant in American National Government
Government and Finance Division

Sequestration—the automatic across-the-board cancellation of budgetary resources for the purpose of enforcing budgetary goals—was first established by the 1985 Balanced Budget and Emergency Deficit Control Act (Title II of P.L. 99-177). Section 254 of this act, as amended, provides a timetable for sequestration actions.

Table 1. Timetable for Sequestration Actions

Deadline	Action to be completed
5 days before the President's budget submission	CBO sequestration preview report.
Date of the President's budget submission	OMB sequestration preview report.
August 10	Notification regarding military personnel.
August 15	CBO sequestration update report.
August 20	OMB sequestration update report.
10 days after end of session	CBO final sequestration report.
15 days after end of session	OMB final sequestration report; presidential sequestration order.

Most of the actions required in the sequestration process are related to reports issued by the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO). Only the final OMB report triggers any required sequestration. All of the other reports are preliminary or advisory in nature.

The Budget Enforcement Act of 1990 (title XIII of P.L. 101-508) modified a previously established sequestration process by creating separate sequestration rules for discretionary spending funded through the appropriations process and for direct spending and revenues. For more information on these procedures, see CRS Report RS20007, *The Sequestration Process*. The required reports reflect both sequestration procedures.

The preview reports provide estimates of total spending for the current year and each subsequent year through FY2002 under the discretionary spending limits for each category as well as any appropriate adjustments to the statutory caps. For direct spending and revenues, the preview reports indicates the amount of net deficit increase or decrease calculated under pay-as-you-go (PAYGO) rules, provides a list of laws and sequestrations included in the calculation, specifies the budgetary effect of each law, and indicates the percentage reduction required by any sequester to eliminate a deficit increase. The August sequestration update reports include all the information required in the preview report, updated to reflect the projected budget effects of laws enacted through the issue date. The final sequestration reports (again reflecting the budget impact of laws enacted through the issue date) must include all the information required in the preview report, the percentage reduction and amount for each account for which a sequestration is required, and estimates of the baseline level of sequestrable budgetary resources for each such account.

If the final sequestration report by the OMB director indicates that a sequestration is necessary under the discretionary spending limits or the PAYGO rules, the President is required to issue a sequestration order at the same time. A within-session discretionary sequestration may occur 15 days after enactment of an appropriation for a current fiscal year that causes a statutory limit to be breached, if Congress enacts such an appropriation before July 1 of that fiscal year. If a violation of a discretionary spending limit occurs during the last quarter of the fiscal year (*i.e.*, July 1-September 30) that causes a breach in a discretionary spending limit for the current fiscal year, the applicable spending limit for the following fiscal year is reduced by that amount. A PAYGO sequestration, however, is triggered only by the end-of-the-session sequestration report.

The President may exempt any military personnel account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply. However, Congress must be notified on or before August 10 if the President plans to exercise this authority.

Along with the deadlines included in the timetable, there are other time requirements related to the sequestration process. First, OMB is required to submit cost estimates of any direct spending or revenues legislation within 7 days of its enactment. Second, when a sequestration order has been issued by the President, Congress has 20 calendar days to introduce a joint resolution modifying the order. If a sequestration order is issued after Congress adjourns, the 20-day limit would apply to the following session.

Finally, a report prepared by the General Accounting Office assessing compliance by OMB and CBO with the requirements of the sequestration process may be requested by either Budget Committee.