

OMB BULLETIN 01-03 - Rescission of FY 2001 Discretionary Budget Authority



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON D.C. 20503

THE DIRECTOR

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BULLETIN NO. 01-03

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Rescission of FY 2001 Discretionary Budget Authority

Purpose. This Bulletin provides guidance on the rescission of FY 2001 discretionary budget authority and obligation limitations included in the FY 2001 Consolidated Appropriations Act.

Background and coverage. Section 1403 of the FY 2001 Consolidated Appropriations Act (relevant portion at the Attachment) rescinds 0.22 percent of all discretionary budget authority and obligation limitations provided for FY 2001, with the following exceptions.

- The rescission does not apply to Department of Defense amounts appropriated for military personnel.
- The rescission does not apply to amounts appropriated under the FY 2000 Emergency Supplemental Act.
- The rescission does not apply to amounts appropriated under the Departments of Labor, Health, and Human Services, and Education, and Related Agencies Appropriations Act, 2001.

The rescission applies to each department, agency, instrumentality, or entity of the Federal Government, except as specified above. There are no other exceptions or exemptions.

The rescission applies to all net positive discretionary budget authority and obligation limitations. Advance appropriations for FY 2001 provided in FY 2000 or earlier years are subject to the rescission. Advance appropriations provided in FY 2001 appropriations acts for FY 2002 and future years are not subject to the rescission. Discretionary emergency appropriations are subject to the rescission.

The Act requires that the 0.22 percent reduction be applied equally to each program, project, and activity subject to the rescission. "Programs, projects, and activities" (PPA) are defined as that level of appropriations detail specified in the appropriations act or accompanying report for the relevant fiscal

year covering each account, including earmarks and directives, or, for accounts and items not included in appropriations acts, as specified in the program and financing schedules in the FY 2001 President's budget.

There is no discretion to change the allocation of the rescission among discretionary PPA; each must be reduced by 0.22 percent. The rescission cannot be applied to mandatory PPA, or transfers of mandatory funds to discretionary PPA.

The Act requires OMB to include in the FY 2002 President's budget a report specifying the reduction made to each account.

Required actions. Agencies will be separately provided with their rescission amounts by account by their OMB representative. Agencies must allocate the reduction on a pro-rata basis to every program, project, and activity subject to the rescission, without exception.

Please note that the Act requires that all reductions be made from discretionary budget authority and obligation limitations only.

Contact. Questions regarding this Bulletin should be directed to the agency's OMB representative.

Jacob J. Lew

Director

Attachment

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FISCAL YEAR 2001 RESCISSIONS

(a) Sec. 1403. (a) GOVERNMENT-WIDE RESCISSIONS. - There is hereby rescinded an amount equal to 0.22 percent of the discretionary budget authority provided (or obligation limitation imposed) for fiscal year 2001 in this or any other Act for each department, agency, instrumentality, or entity of the Federal Government, except for those programs, projects, and activities which are specifically exempted elsewhere in this provision: *Provided*, That this exact

reduction percentage shall be applied on a pro rata basis only to each program, project, and activity subject to the rescission

(b) RESTRICTIONS. - This reduction shall be applied to the amounts appropriated in Title I of Public Law 106-259; *Provided*, That this reduction shall not be applied to the amounts appropriated in Division B of Public Law 106-246; *Provided further*, That this reduction shall not be applied to the amounts appropriated under the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001, as contained in this Act, or in prior Acts.

(c) REPORT. - The Director of the Office of Management and Budget shall include in the President's budget submitted for fiscal year 2002 a report specifying the reductions made to each account pursuant to this section.