

The Modernizing the Federal Calendar Act

In 1974, Congress recognized that the federal calendar was out of step with what would facilitate efficient and effective Congressional operations. Therefore, in *The Budget and Impoundment Control Act of 1974*, they updated the start of the fiscal year from July 1st to October 1st, which aligned better with the timing necessary for Congress to complete budgeting and appropriations activities. It is time for Congress to update the fiscal calendar again.

The first full year of the October 1st fiscal year was in 1977. Since that time, Congress has passed all 12 appropriations bills by October 1st in only four years, the last time being FY1997. Over the last two decades, there have been 12 years where zero appropriations bills had passed by October 1st – the earliest and most common month was December. These missed deadlines have meant frequently operating under Continuing Resolutions (CR). At least one part of the federal government has been operating under a CR for more than 40 percent of the last twenty years.

Proposal: *The Modernizing the Federal Calendar Act* would officially recognize the reality that, in most years, there is little chance that Congress will pass all (or potentially any) appropriations bills by October 1st. It would shift the start of each fiscal year from October 1st to January 1st, and in doing so, align the deadline for appropriations with the deadline that Congress typically sees as the real target. It would adjust other dates in the Budget process accordingly.

Impact: Starting the fiscal year on January 1st will not end the possibility of shutdowns and CRs, but it will substantially reduce the amount of time spent on CRs. Congress already sees the end of the calendar year as the real deadline, when November elections have passed and members and staff are looking to complete their work for the year. Every other year, the calendar year end is also the transition between Congresses, when members are trying to wrap up work for the Congress. Shifting the fiscal year will not change these natural yearend deadlines, leading to a higher probability of completing appropriations work on time.

Even with a December 31st deadline, Congress will sometimes miss it and start the new year on a CR. Under this scenario, the new fiscal calendar would still yield benefits, as it will give federal agencies more time to enact the appropriations bills once passed. For instance, with a September 30th end to FY2022, agencies had six and a half months to enact the FY2022 Appropriations bills passed in March 2022, cramming a year's worth of work into half of a year. Giving them until December 31st would have allowed for a more reasonable implementation timeline, ensuring that work is not rushed and instead appropriately spaced out throughout the year.

Similarly, there will still likely be shutdown threats, but eliminating the September 30th deadline while keeping the more natural December 31st deadline would eliminate at least one of those threats. Currently, the month of September is filled with media reports on the looming funding deadline and potential for a shutdown, despite wide expectations inside the Capitol that Congress will pass a short-term CR to carry us into November or December. This is a month spent every year with agencies prepping unnecessary contingency plans, and a month of uncertainty for Americans who work for the federal government or rely on industries and businesses that are adjacent to federal operations.