

106TH CONGRESS
1ST SESSION

H. R. 853

To amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1999

Mr. NUSSLE (for himself, Mr. CARDIN, Mr. KASICH, Mr. DREIER, Mr. GOSS, Mr. MINGE, Mr. SUNUNU, Mr. RADANOVICH, and Mr. STENHOLM) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Comprehensive Budget Process Reform Act of 1999”.

6 (b) **TABLE OF CONTENTS.**—

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Effective date.
- Sec. 4. Declaration of purposes for the Budget Act.

TITLE I—BUDGET WITH FORCE OF LAW

- Sec. 101. Purposes.
- Sec. 102. The timetable.
- Sec. 103. Annual joint resolutions on the budget.
- Sec. 104. Budget required before spending bills may be considered; fall-back procedures if President vetoes joint budget resolution.
- Sec. 105. Reaffirming special budgetary status of social security.
- Sec. 106. Conforming amendments to effectuate joint resolutions on the budget.

TITLE II—RESERVE FUNDS FOR EMERGENCIES

- Sec. 201. Purpose.
- Sec. 202. Repeal of adjustments for emergencies.
- Sec. 203. OMB emergency criteria.
- Sec. 204. Development of guidelines for application of emergency definition.
- Sec. 205. Reserve funds for emergencies in President’s budget.
- Sec. 206. Adjustments and reserve funds for emergencies in joint budget resolutions.
- Sec. 207. Committee notification of emergency legislation.
- Sec. 208. Application of section 306 to emergencies in excess of amounts in reserve funds.
- Sec. 209. Up-to-date tabulations.
- Sec. 210. Report of Committees on the Budget.
- Sec. 211. Prohibition on amendments to emergency reserve funds.
- Sec. 312. Effective active date.

TITLE III—ENFORCEMENT OF BUDGETARY DECISIONS

- Sec. 301. Purposes.

Subtitle A—Application of Points of Order to Unreported Legislation

- Sec. 311. Application of Budget Act points of order to unreported legislation.

Subtitle B—Compliance with Budget Resolution

- Sec. 321. Budget compliance statements.

Subtitle C—Justification for Budget Act Waivers

Sec. 331. Justification for Budget Act waivers in the House of Representatives.

Subtitle D—CBO Scoring of Conference Reports

Sec. 341. CBO scoring of conference reports.

TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING

Sec. 401. Purposes.

Subtitle A—Prohibitions on Indefinite Spending

Sec. 411. Fixed-year authorizations required for new programs.

Sec. 412. Amendments to subject new entitlements to annual appropriations.

Subtitle B—Enhanced Congressional Oversight Responsibilities

Sec. 421. Ten-year congressional review requirement of permanent budget authority.

Sec. 422. Justifications of direct spending.

Sec. 423. Survey of activity reports of House committees.

Sec. 424. Continuing study of additional budget process reforms.

Sec. 425. GAO reports.

Subtitle C—Strengthened Accountability

Sec. 431. Ten-year CBO estimates.

Sec. 432. Repeal of rule XXIII of the Rules of the House of Representatives.

TITLE V—BUDGETING FOR UNFUNDED LIABILITIES AND OTHER
LONG-TERM OBLIGATIONS

Sec. 501. Purposes.

Subtitle A—Budgetary Treatment of Federal Insurance Programs

Sec. 511. Federal insurance programs.

Subtitle B—Reports on Long-Term Budgetary Trends

Sec. 521. Reports on long-term budgetary trends.

TITLE VI—BASELINE, BYRD RULE, LOCK-BOX, AND AUTOMATIC
CONTINUING RESOLUTION

Sec. 601. Purpose.

Subtitle A—The Baseline

Sec. 611. The President's budget.

Sec. 612. The congressional budget.

Sec. 613. Congressional Budget Office reports to committees.

Sec. 614. Outyear assumptions for discretionary spending.

Subtitle B—The Byrd Rule

Sec. 621. Limitation on Byrd rule.

Subtitle C—Spending Accountability Lock-Box

Sec. 631. Short title.

- Sec. 632. Spending accountability lock-box ledger.
 Sec. 633. Downward adjustment of section 302(a) allocations and section 302(b) suballocations.
 Sec. 634. Periodic reporting of ledger statements.
 Sec. 635. Downward adjustment of discretionary spending limits.

Subtitle D—Automatic Continuing Resolution

- Sec. 641. Automatic continuing resolution.

TITLE VII—BUDGETING IN AN ERA OF SURPLUSES

- Sec. 701. Paygo requirements and the on-budget surplus.

1 **SEC. 2. PURPOSE.**

2 The purposes of this Act are to—

- 3 (1) give the budget the force of law;
 4 (2) budget for emergencies;
 5 (3) display the unfunded liabilities of Federal
 6 insurance programs;
 7 (4) strengthen enforcement of budgetary deci-
 8 sions;
 9 (5) increase accountability for Federal spend-
 10 ing;
 11 (6) mitigate the bias in the budget process to-
 12 ward higher spending; and
 13 (7) modify paygo requirements when there is an
 14 on-budget surplus.

15 **SEC. 3. EFFECTIVE DATE.**

16 Except as otherwise specifically provided, this Act
 17 and the amendments made by this Act shall become effec-
 18 tive on the date of enactment of this Act and shall apply
 19 with respect to fiscal years beginning after September 30,
 20 2000.

1 **SEC. 4. DECLARATION OF PURPOSES FOR THE BUDGET**
2 **ACT.**

3 Paragraphs (1) and (2) of section 2 of the Congres-
4 sional Budget and Impoundment Control Act of 1974 are
5 amended to read as follows:

6 “(1) to assure effective control over the budg-
7 etary process;

8 “(2) to facilitate the determination each year of
9 the appropriate level of Federal revenues and ex-
10 penditures by the Congress and the President;”.

11 **TITLE I—BUDGET WITH FORCE**
12 **OF LAW**

13 **SEC. 101. PURPOSES.**

14 The purposes of this title are to—

15 (1) focus initial budgetary deliberations on ag-
16 gregate levels of Federal spending and taxation;

17 (2) encourage cooperation between Congress
18 and the President in developing overall budgetary
19 priorities; and

20 (3) reach budgetary decisions early in the legis-
21 lative cycle.

22 **SEC. 102. THE TIMETABLE.**

23 Section 300 of the Congressional Budget Act of 1974
24 is amended to read as follows:

1 “TIMETABLE

2 “SEC. 300. The timetable with respect to the congres-
3 sional budget process for any fiscal year is as follows:

“On or before:	Action to be completed:
First Monday in February	President submits his budget.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after President submits budget.	Committees submit views and estimates to Budget Committees.
April 1	Senate Budget Committee reports joint resolution on the budget.
April 15	Congress completes action on joint resolution on the budget.
June 10	House Appropriations Committee reports last annual appropriation bill.
June 15	Congress completes action on reconciliation legislation.
June 30	House completes action on annual appropriation bills.
October 1	Fiscal year begins.”.

4 **SEC. 103. ANNUAL JOINT RESOLUTIONS ON THE BUDGET.**

5 (a) ANNUAL JOINT RESOLUTIONS ON THE BUDGET.
6 ET.—(1) Section 301 of the Congressional Budget Act of
7 1974 is amended to read as follows:

8 “ANNUAL JOINT RESOLUTIONS ON THE BUDGET

9 “SEC. 301. (a) CONTENT OF JOINT RESOLUTION ON
10 THE BUDGET.—On or before April 15 of each year, the
11 Congress shall complete action on a joint resolution on the
12 budget for the fiscal year beginning on October 1 of such
13 year. The joint resolution shall set forth appropriate levels
14 for the fiscal year beginning on October 1 of such year
15 and for at least each of the 4 ensuing fiscal years for the
16 following—

17 “(1) totals of new budget authority and outlays;

1 “(2) total Federal revenues and the amount, if
2 any, by which the aggregate level of Federal reve-
3 nues should be increased or decreased by bills and
4 resolutions to be reported by the appropriate com-
5 mittees;

6 “(3) the surplus or deficit in the budget;

7 “(4) subtotals of new budget authority and out-
8 lays for nondefense discretionary spending, defense
9 discretionary spending, and direct spending, and, if
10 deemed necessary, other subsets of discretionary
11 spending and of direct spending;

12 “(5) the level of the statutory limit on the pub-
13 lic debt;

14 “(6) for fiscal years to which the amendments
15 made by title II of the Comprehensive Budget Proc-
16 ess Reform Act of 1999 apply, subtotals of new
17 budget authority and outlays for emergencies, in-
18 cluding subtotals for direct spending and discre-
19 tionary spending;

20 “(7) For purposes of Senate enforcement under
21 this title, outlays of the old-age, survivors, and dis-
22 ability insurance program established under title II
23 of the Social Security Act for the fiscal year of the
24 resolution and for each of the 4 succeeding fiscal
25 years; and

1 “(8) For purposes of Senate enforcement under
2 this title, revenues of the old-age, survivors, and dis-
3 ability insurance program established under title II
4 of the Social Security Act (and the related provisions
5 of the Internal Revenue Code of 1986) for the fiscal
6 year of the resolution and for each of the 4 succeed-
7 ing fiscal years.

8 “(b) ADDITIONAL MATTERS IN JOINT RESOLU-
9 TION.—The joint resolution on the budget may—

10 “(1) include a heading entitled ‘Debt Increase
11 as Measure of Deficit’ in which the joint resolution
12 shall set forth the amounts by which the debt sub-
13 ject to limit (in section 3101 of title 31, United
14 States Code) has increased or would increase in each
15 of the relevant fiscal years;

16 “(2) if submitted by the Committee on Ways
17 and Means of the House of Representatives or the
18 Committee on Finance of the Senate to the Commit-
19 tee on the Budget of that House of Congress, amend
20 section 3101 of title 31, United States Code, to
21 change the statutory limit on the public debt;

22 “(3) require a procedure under which all or cer-
23 tain bills or resolutions providing new budget au-
24 thority or new entitlement authority for such fiscal
25 year shall not be enrolled until the Congress has

1 completed action on any reconciliation bill or rec-
2 onciliation resolution or both required by such con-
3 current resolution to be reported in accordance with
4 section 310(b);

5 “(4) require such other congressional proce-
6 dures, relating to the budget, as may be appropriate
7 to carry out the purposes of this Act; and

8 “(5) set forth procedures in the Senate whereby
9 committee allocations, aggregates, and other levels
10 can be revised for legislation if that legislation would
11 not increase the deficit, or would not increase the
12 deficit when taken with other legislation enacted
13 after the adoption of the resolution, for the first fis-
14 cal year or the total period of fiscal years covered by
15 the resolution.

16 “(c) CONSIDERATION OF PROCEDURES OR MATTERS
17 WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF
18 THE HOUSE OF REPRESENTATIVES.—If the Committee
19 on the Budget of the House of Representatives reports
20 any joint resolution on the budget which includes any pro-
21 cedure or matter which has the effect of changing any rule
22 of the House of Representatives, such joint resolution shall
23 then be referred to the Committee on Rules with instruc-
24 tions to report it within five calendar days (not counting
25 any day on which the House is not in session). The Com-

1 mittee on Rules shall have jurisdiction to report any joint
2 resolution referred to it under this paragraph with an
3 amendment or amendments changing or striking any such
4 procedure or matter.

5 “(d) VIEWS AND ESTIMATES OF OTHER COMMIT-
6 TEES.—Within 6 weeks after the President submits a
7 budget under section 1105(a) of title 31, United States
8 Code, or at such time as may be requested by the chair-
9 man of the Committee on the Budget, each committee of
10 the House of Representatives having legislative jurisdic-
11 tion shall submit to the Committee on the Budget of the
12 House and each committee of the Senate having legislative
13 jurisdiction shall submit to the Committee on the Budget
14 of the Senate its views and estimates (as determined by
15 the committee making such submission) with respect to
16 all matters set forth in subsections (a) and (b) which re-
17 late to matters within the jurisdiction or functions of such
18 committee. The Joint Economic Committee shall submit
19 to the Committees on the Budget of both Houses its rec-
20 ommendations as to the fiscal policy appropriate to the
21 goals of the Employment Act of 1946. Any other commit-
22 tee of the House of Representatives or the Senate may
23 submit to the Committee on the Budget of its House, and
24 any joint committee of the Congress may submit to the
25 Committees on the Budget of both Houses, its views and

1 estimates with respect to all matters set forth in sub-
2 sections (a) and (b) which relate to matters within its ju-
3 risdiction or functions. Any other committee of the House
4 of Representatives or the Senate that anticipates that the
5 committee will consider legislation establishing, amending,
6 or reauthorizing any Federal program likely to have a sig-
7 nificant budgetary impact on any State, local, or tribal
8 government, or likely to have a significant financial impact
9 on the private sector, including any legislative proposal
10 submitted by the executive branch likely to have such a
11 budgetary or financial impact, shall include its views and
12 estimates on that proposal to the Committee on the Budg-
13 et of the applicable House.

14 “(e) HEARINGS AND REPORT.—

15 “(1) IN GENERAL.—In developing the joint res-
16 olution on the budget referred to in subsection (a)
17 for each fiscal year, the Committee on the Budget
18 of each House shall hold hearings and shall receive
19 testimony from Members of Congress and such ap-
20 propriate representatives of Federal departments
21 and agencies, the general public, and national orga-
22 nizations as the committee deems desirable. Each of
23 the recommendations as to short-term and medium-
24 term goal set forth in the report submitted by the
25 members of the Joint Economic Committee under

1 subsection (d) may be considered by the Committee
2 on the Budget of each House as part of its consider-
3 ation of such concurrent resolution, and its report
4 may reflect its views thereon, including its views on
5 how the estimates of revenues and levels of budget
6 authority and outlays set forth in such concurrent
7 resolution are designed to achieve any goals it is rec-
8 ommending.

9 “(2) REQUIRED CONTENTS OF REPORT.—The
10 report accompanying the resolution shall include—

11 “(A) new budget authority and outlays for
12 each major functional category, based on alloca-
13 tions of the total levels set forth pursuant to
14 subsection (a)(1);

15 “(B) a comparison of the levels of total
16 new budget authority, total outlays, total reve-
17 nues, and the surplus or deficit for each fiscal
18 year set forth in the resolution with those re-
19 quested in the budget submitted by the Presi-
20 dent;

21 “(C) with respect to each major functional
22 category, an estimate of total new budget au-
23 thority and total outlays, with the estimates di-
24 vided between discretionary and direct spending
25 amounts;

1 “(D) a measure, as a percentage of gross
2 domestic product, of total outlays, total Federal
3 revenues, the surplus or deficit, and new out-
4 lays for nondefense discretionary spending, de-
5 fense spending, and direct spending as set forth
6 in such resolution;

7 “(E) the economic assumptions that un-
8 derlie each of the matters set forth in the reso-
9 lution and any alternative economic assump-
10 tions and objectives the committee considered;

11 “(F) information, data, and comparisons
12 indicating the manner in which, and the basis
13 on which, the committee determined each of the
14 matters set forth in the resolution;

15 “(G) a justification for allocating any new
16 budget authority and outlays for any new pro-
17 gram, project, or activity to a committee for
18 which such new budget authority and outlays
19 would not be subject to discretionary appropria-
20 tions;

21 “(H) allocations described in section
22 302(a);

23 “(I) the estimated levels of tax expendi-
24 tures (the tax expenditures budget) by major

1 items and functional categories for the Presi-
2 dent's budget and in the resolution; and

3 “(J) if the joint resolution on the budget
4 includes any allocation to a committee (other
5 than the Committee on Appropriations) of levels
6 in excess of current law levels, a justification
7 for not subjecting any program, project, or ac-
8 tivity (for which the allocation is made) to an-
9 nual discretionary appropriation.”.

10 “(3) ADDITIONAL CONTENTS OF REPORT.—The
11 report accompanying the resolution may include—

12 “(A) reconciliation directives described in
13 section 310;

14 “(B) a statement of any significant
15 changes in the proposed levels of Federal assist-
16 ance to State and local governments;

17 “(C) an allocation of the level of Federal
18 revenues recommended in the resolution among
19 the major sources of such revenues; and

20 “(D) other matters, relating to the budget
21 and to fiscal policy, that the committee deems
22 appropriate.

23 “(f) ACHIEVEMENT OF GOALS FOR REDUCING UN-
24 EMPLOYMENT.—

1 (1) If, pursuant to section 4(c) of the Employ-
2 ment Act of 1946, the President recommends in the
3 Economic Report that the goals for reducing unem-
4 ployment set forth in section 4(b) of such Act be
5 achieved in a year after the close of the five-year pe-
6 riod prescribed by such subsection, the concurrent
7 resolution on the budget for the fiscal year begin-
8 ning after the date on which such Economic Report
9 is received by the Congress may set forth the year
10 in which, in the opinion of the Congress, such goals
11 can be achieved.

12 “(2) After the Congress has expressed its opin-
13 ion pursuant to paragraph (1) as to the year in
14 which the goals for reducing unemployment set forth
15 in section 4(b) of the Employment Act of 1946 can
16 be achieved, if, pursuant to section 4(e) of such Act,
17 the President recommends in the Economic Report
18 that such goals be achieved in a year which is dif-
19 ferent from the year in which the Congress has ex-
20 pressed its opinion that such goals should be
21 achieved, either in its action pursuant to paragraph
22 (1) or in its most recent action pursuant to this
23 paragraph, the concurrent resolution on the budget
24 for the fiscal year beginning after the date on which
25 such Economic Report is received by the Congress

1 may set forth the year in which, in the opinion of
2 the Congress, such goals can be achieved.

3 “(3) It shall be in order to amend the provision
4 of such resolution setting forth such year only if the
5 amendment thereto also proposes to alter the esti-
6 mates, amounts, and levels (as described in sub-
7 section (a)) set forth in such resolution in germane
8 fashion in order to be consistent with the economic
9 goals (as described in sections 3(a)(2) and (4)(b) of
10 the Employment Act of 1946) which such amend-
11 ment proposes can be achieved by the year specified
12 in such amendment.

13 “(g) ECONOMIC ASSUMPTIONS.—

14 “(1) It shall not be in order in the Senate to
15 consider any joint resolution on the budget for a fis-
16 cal year, or any amendment thereto, or any con-
17 ference report thereon, that sets forth amounts and
18 levels that are determined on the basis of more than
19 one set of economic and technical assumptions.

20 “(2) The joint explanatory statement accom-
21 panying a conference report on a joint resolution on
22 the budget shall set forth the common economic as-
23 sumptions upon which such joint statement and con-
24 ference report are based, or upon which any amend-
25 ment contained in the joint explanatory statement to

1 be proposed by the conferees in the case of technical
2 disagreement, is based.

3 “(3) Subject to periodic reestimation based on
4 changed economic conditions or technical estimates,
5 determinations under titles III and IV of the Con-
6 gressional Budget Act of 1974 shall be based upon
7 such common economic and technical assumptions.

8 “(h) BUDGET COMMITTEES CONSULTATION WITH
9 COMMITTEES.—The Committee on the Budget of the
10 House of Representatives shall consult with the commit-
11 tees of its House having legislative jurisdiction during the
12 preparation, consideration, and enforcement of the joint
13 resolution on the budget with respect to all matters which
14 relate to the jurisdiction or functions of such committees.

15 “(i) SOCIAL SECURITY POINT OF ORDER.—It shall
16 not be in order in the Senate to consider any concurrent
17 resolution on the budget (or amendment, motion, or con-
18 ference report on the resolution) that would decrease the
19 excess of social security revenues over social security out-
20 lays in any of the fiscal years covered by the concurrent
21 resolution. No change in chapter 1 of the Internal Revenue
22 Code of 1986 shall be treated as affecting the amount of
23 social security revenues unless such provision changes the
24 income tax treatment of social security benefits.”.

1 (b) PRESIDENT'S BUDGET SUBMISSION TO THE CON-
2 GRESS.—(1) The first two sentences of section 1105(a)
3 of title 31, United States Code, are amended to read as
4 follows:

5 “On or after the first Monday in January but not later
6 than the first Monday in February of each year the Presi-
7 dent shall submit a budget of the United States Govern-
8 ment for the following fiscal year which shall set forth the
9 following levels:

10 (A) totals of new budget authority and out-
11 lays;

12 (B) total Federal revenues and the amount, if
13 any, by which the aggregate level of Federal reve-
14 nues should be increased or decreased by bills and
15 resolutions to be reported by the appropriate com-
16 mittees;

17 (C) the surplus or deficit in the budget;

18 (D) subtotals of new budget authority and
19 outlays for nondefense discretionary spending, de-
20 fense discretionary spending, and direct spending,
21 and, if deemed necessary, other subsets of discre-
22 tionary spending and of direct spending;

23 (E) the level of the statutory limit on the pub-
24 lic debt; and

1 “(F) for fiscal years to which the amendments
2 made by title II of the Comprehensive Budget Proc-
3 ess Reform Act of 1999 apply, subtotals of new
4 budget authority and outlays for emergencies, in-
5 cluding subtotals for direct spending and discre-
6 tionary spending.

7 Each budget submission shall include a budget message
8 and summary and supporting information and, as a sepa-
9 rately delineated statement, the levels required in the pre-
10 ceding sentence for at least each of the 4 ensuing fiscal
11 years.”.

12 (2) The third sentence of section 1105(a) of title 31,
13 United States Code, is amended by inserting “submission”
14 after “budget”.

15 (c) LIMITATION ON CONTENTS OF BUDGET RESOLU-
16 TIONS.—Section 305 of the Congressional Budget Act of
17 1974 is amended by adding at the end the following new
18 subsection:

19 “(e) LIMITATION ON CONTENTS.—(1) Any joint reso-
20 lution on the budget or any amendment thereto or con-
21 ference report thereon that contains any matter not speci-
22 fied in section 301(a) or (b) shall not be treated in the
23 House of Representatives or the Senate as a budget reso-
24 lution under subsection (a) or (b) or as a conference report
25 on a budget resolution under subsection (c) of this section.

1 “(2) It shall not be in order in the House of Rep-
2 resentatives or in the Senate to consider any joint resolu-
3 tion on the budget or any amendment thereto or con-
4 ference report thereon that contains any matter referred
5 to in paragraph (1).”.

6 **SEC. 104. BUDGET REQUIRED BEFORE SPENDING BILLS**
7 **MAY BE CONSIDERED; FALL-BACK PROCE-**
8 **DURES IF PRESIDENT VETOES JOINT BUDG-**
9 **ET RESOLUTION.**

10 (a) AMENDMENTS TO SECTION 303 AND CONFORM-
11 ING AMENDMENTS.—(1) Section 303 of the Congressional
12 Budget Act of 1974 is amended—

13 (A) in subsection (b), by striking paragraph
14 (2), by inserting “or” at the end of paragraph (1),
15 and by redesignating paragraph (3) as paragraph
16 (2); and

17 (B) by striking its section heading and inserting
18 the following new section heading: “CONSIDERATION
19 OF BUDGET-RELATED LEGISLATION BEFORE BUDG-
20 ET BECOMES LAW”.

21 (2) Section 302(g)(1) of the Congressional Budget
22 Act of 1974 is amended by striking “April 15” and insert-
23 ing the following: “the date upon which a joint resolution
24 on the budget for a fiscal year is enacted”.

1 (3) Section 3 of the Congressional Budget and Im-
 2 poundment Control Act of 1974 is amended by adding at
 3 the end the following new paragraph:

4 “(11) The term ‘vetoes’ means, when referring
 5 to a joint resolution on the budget for a fiscal year,
 6 whenever the President returns such resolution with
 7 his objections to the House in which it originated
 8 within ten days after receiving the resolution or does
 9 not sign the resolution and cannot return it due to
 10 a congressional adjournment that occurs before the
 11 ten-day time limit.”.

12 (4)(A) Section 904(c)(1) of the Congressional Budget
 13 Act of 1974 is amended by inserting “303(a),” before
 14 “305(b)(2),”.

15 (B) Section 904(d)(2) of the Congressional Budget
 16 Act of 1974 is amended by inserting “303(a),” before
 17 “305(b)(2),”.

18 (b) EXPEDITED PROCEDURES UPON VETO OF JOINT
 19 RESOLUTION ON THE BUDGET.—(1) Title III of the Con-
 20 gressional Budget Act of 1974 is amended by adding at
 21 the end the following new section:

22 “EXPEDITED PROCEDURES UPON VETO OF JOINT
 23 RESOLUTION ON THE BUDGET

24 “SEC. 316. (a) SPECIAL RULE.—If the President ve-
 25 toes a joint resolution on the budget for a fiscal year, the
 26 chairman of the Committee on Budget of the House of

1 Representatives or Senate may introduce a concurrent res-
2 olution on the budget or joint resolution on the budget
3 for such fiscal year. If the Committee on the Budget of
4 either House fails to report such concurrent or joint reso-
5 lution referred to it within three legislative days after the
6 date of such referral, the committee shall be automatically
7 discharged from further consideration of such resolution
8 and such resolution shall be placed on the appropriate cal-
9 endar.

10 “(b) PROCEDURE IN THE HOUSE OF REPRESENTA-
11 TIVES AND THE SENATE.—

12 “(1) Except as provided in paragraph (2), the
13 provisions of section 305 for the consideration in the
14 House of Representatives and in the Senate of joint
15 resolutions on the budget and conference reports
16 thereon shall also apply to the consideration of con-
17 current resolutions on the budget introduced under
18 subsection (a) and conference reports thereon.

19 “(2) Debate in the Senate on any concurrent
20 resolution on the budget or joint resolution on the
21 budget introduced under subsection (a), and all
22 amendments thereto and debatable motions and ap-
23 peals in connection therewith, shall be limited to not
24 more than 10 hours and in the House such debate
25 shall be limited to not more than 3 hours.

1 “(c) CONTENTS OF CONCURRENT RESOLUTIONS.—
2 The contents of any concurrent resolution on the budget
3 introduced under subsection (a) shall be in compliance
4 with sections 301 and 305.

5 “(d) EFFECT OF CONCURRENT RESOLUTION ON THE
6 BUDGET.—Notwithstanding any other provision of this
7 title, whenever a concurrent resolution on the budget de-
8 scribed in subsection (a) is agreed to, then the aggregates,
9 allocations, and reconciliation directives (if any) contained
10 in the accompanying report to such concurrent resolution
11 shall be considered to be the aggregates, allocations, and
12 reconciliation directives for all purposes of this title for
13 the applicable fiscal years and such concurrent resolution
14 shall be deemed to be a joint resolution for all purposes
15 of this title and the Rules of the House of Representatives
16 and any reference to the date of enactment of a joint reso-
17 lution on the budget shall be deemed to be a reference
18 to the date agreed to when applied to such concurrent res-
19 olution.”.

20 (2) The table of contents set forth in section 1(b) of
21 the Congressional Budget and Impoundment Control Act
22 of 1974 is amended by inserting after the item relating
23 to section 315 the following new item:

“Sec. 316. Expedited procedures upon veto of joint resolution on the budget.”.

1 **SEC. 105. REAFFIRMING SPECIAL BUDGETARY STATUS OF**
2 **SOCIAL SECURITY.**

3 (a) IN GENERAL.—Title III of the Congressional
4 Budget Act of 1974 (as amended by section 104(b)) is
5 further amended by adding at the end the following new
6 section:

7 “SOCIAL SECURITY

8 “SEC. 317. (a) IN GENERAL.—The joint resolution
9 on the budget shall not include the outlays and revenue
10 totals of the old age, survivors, and disability insurance
11 program established under title II of the Social Security
12 Act or the related provisions of the Internal Revenue Code
13 of 1986 in the surplus or deficit totals required by section
14 301(a), in any other surplus or deficit totals required by
15 this Act, or in any other surplus or deficit totals required
16 by chapter 11 of title 31, United States Code.

17 “(b) LIMITATION ON CHANGES TO THE SOCIAL SE-
18 CURITY ACT.—Notwithstanding any other provision of
19 law, it shall not be in order in the Senate or the House
20 of Representatives to consider any reconciliation bill or
21 reconciliation resolution reported pursuant to a joint reso-
22 lution on the budget agreed to under section 301 or 304,
23 or a joint resolution pursuant to section 258C of the Bal-
24 anced Budget and Emergency Deficit Control Act of 1985,
25 or any amendment thereto or conference report thereon,
26 that contains recommendations with respect to the old-

1 age, survivors, and disability insurance program estab-
2 lished under title II of the Social Security Act.

3 “(c) EXCLUSION OF SOCIAL SECURITY FROM ALL
4 BUDGETS.—Notwithstanding any other provision of law,
5 the receipts and disbursements of the Federal Old-Age
6 and Survivors Insurance Trust Fund and the Federal Dis-
7 ability Insurance Trust Fund shall not be counted as new
8 budget authority, outlays, receipts, or deficit or surplus
9 for purposes of—

10 “(1) the budget of the United States Govern-
11 ment as submitted by the President,

12 “(2) the congressional budget, or

13 “(3) the Balanced Budget and Emergency Defi-
14 cit Control Act of 1985.

15 “(d) PROTECTION OF OASDI TRUST FUNDS IN THE
16 HOUSE OF REPRESENTATIVES.—(1) It shall not be in
17 order in the House of Representatives to consider any bill
18 or joint resolution, as reported, or any amendment thereto
19 or conference report thereon, if, upon enactment—

20 “(A)(i) such legislation under consideration
21 would provide for a net increase in OASDI benefits
22 of at least 0.02 percent of the present value of fu-
23 ture taxable payroll for the 75-year period utilized in
24 the most recent annual report of the Board of
25 Trustees provided pursuant to section 201(c)(2) of

1 the Social Security Act, and (ii) such legislation
2 under consideration does not provide at least a net
3 increase, for such 75-year period, in OASDI taxes
4 of the amount by which the net increase in such
5 benefits exceeds 0.02 percent of the present value
6 of future taxable payroll for such 75-year period,

7 “(B)(i) such legislation under consideration
8 would provide for a net increase in OASDI benefits
9 (for the 5-year estimating period for such legislation
10 under consideration), (ii) such net increase, together
11 with the net increases in OASDI benefits resulting
12 from previous legislation enacted during that fiscal
13 year or any of the previous 4 fiscal years (as esti-
14 mated at the time of enactment) which are attrib-
15 utable to those portions of the 5-year estimating pe-
16 riods for such previous legislation that fall within
17 the 5-year estimating period for such legislation
18 under consideration, exceeds \$250,000,000, and (iii)
19 such legislation under consideration does not provide
20 at least a net increase, for the 5-year estimating pe-
21 riod for such legislation under consideration, in
22 OASDI taxes which, together with net increases in
23 OASDI taxes resulting from such previous legisla-
24 tion which are attributable to those portions of the
25 5-year estimating periods for such previous legisla-

1 tion that fall within the 5-year estimating period for
2 such legislation under consideration, equals the
3 amount by which the net increase derived under
4 clause (ii) exceeds \$250,000,000;

5 “(C)(i) such legislation under consideration
6 would provide for a net decrease in OASDI taxes of
7 at least 0.02 percent of the present value of future
8 taxable payroll for the 75-year period utilized in the
9 most recent annual report of the Board of Trustees
10 provided pursuant to section 201(c)(2) of the Social
11 Security Act, and (ii) such legislation under consid-
12 eration does not provide at least a net decrease, for
13 such 75-year period, in OASDI benefits of the
14 amount by which the net decrease in such taxes ex-
15 ceeds 0.02 percent of the present value of future
16 taxable payroll for such 75-year period, or

17 “(D)(i) such legislation under consideration
18 would provide for a net decrease in OASDI taxes
19 (for the 5-year estimating period for such legislation
20 under consideration), (ii) such net decrease, together
21 with the net decreases in OASDI taxes resulting
22 from previous legislation enacted during that fiscal
23 year or any of the previous 4 fiscal years (as esti-
24 mated at the time of enactment) which are attrib-
25 utable to those portions of the 5-year estimating pe-

1 riods for such previous legislation that fall within
2 the 5-year estimating period for such legislation
3 under consideration, exceeds \$250,000,000, and (iii)
4 such legislation under consideration does not provide
5 at least a net decrease, for the 5-year estimating pe-
6 riod for such legislation under consideration, in
7 OASDI benefits which, together with net decreases
8 in OASDI benefits resulting from such previous leg-
9 islation which are attributable to those portions of
10 the 5-year estimating periods for such previous legis-
11 lation that fall within the 5-year estimating period
12 for such legislation under consideration, equals the
13 amount by which the net decrease derived under
14 clause (ii) exceeds \$250,000,000.

15 “(2) APPLICATION.—In applying subparagraph (C)
16 or (D) of paragraph (1), any provision of any bill or joint
17 resolution, as reported, or any amendment thereto, or con-
18 ference report thereon, the effect of which is to provide
19 for a net decrease for any period in taxes described in
20 paragraph (3)(B)(i) shall be disregarded if such bill, joint
21 resolution, amendment, or conference report also includes
22 a provision the effect of which is to provide for a net in-
23 crease of at least an equivalent amount for such period
24 in medicare taxes.

25 “(3) DEFINITIONS.—For purposes of this subsection:

1 “(A) The term ‘OASDI benefits’ means the
2 benefits under the old-age, survivors, and disability
3 insurance programs under title II of the Social Secu-
4 rity Act.

5 “(B) The term ‘OASDI taxes’ means—

6 “(i) the taxes imposed under sections
7 1401(a), 3101(a), and 3111(a) of the Internal
8 Revenue Code of 1986, and

9 “(ii) the taxes imposed under chapter 1 of
10 such Code (to the extent attributable to section
11 86 of such Code).

12 “(C) The term ‘medicare taxes’ means the taxes
13 imposed under sections 1401(b), 3101(b), and
14 3111(b) of the Internal Revenue Code of 1986.

15 “(D) The term ‘previous legislation’ shall not
16 include legislation enacted before fiscal year 1991.

17 “(E) The term ‘5-year estimating period’
18 means, with respect to any legislation, the fiscal year
19 in which such legislation becomes or would become
20 effective and the next 4 fiscal years.

21 “(F) No provision of any bill or resolution, or
22 any amendment thereto or conference report there-
23 on, involving a change in chapter 1 of the Internal
24 Revenue Code of 1986 shall be treated as affecting
25 the amount of OASDI taxes referred to in subpara-

1 graph (B)(ii) unless such provision changes the in-
2 come tax treatment of OASDI benefits.

3 “(e) PRESENTATION OF BUDGETARY AGGRE-
4 GATES.—For purposes of chapter 11 of title 31, United
5 States Code, or this Act, tables and other displays of
6 budgetary aggregates for the United States Government
7 of the Director of the Office of Management and Budget
8 or the Director of the Congressional Budget Office shall
9 not include social security revenues or outlays.”.

10 (b) AMENDMENT TO TABLE OF CONTENTS.—The
11 table of contents set forth in section 1(b) of the Congres-
12 sional Budget and Impoundment Control Act of 1974 is
13 amended by inserting after the item relating to section
14 316 the following new item:

“Sec. 317. Social security.”.

15 **SEC. 106. CONFORMING AMENDMENTS TO EFFECTUATE**
16 **JOINT RESOLUTIONS ON THE BUDGET.**

17 (a) CONFORMING AMENDMENTS TO THE CONGRES-
18 SIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF
19 1974.—(1)(A) Sections 300, 302, 303, 304, 305, 308,
20 310, 311, 312, 314, 405, and 904 of the Congressional
21 Budget Act of 1974 (2 U.S.C. 621 et seq.) are amended
22 by striking “concurrent” each place it appears and by in-
23 serting “joint”.

24 (B)(i) Sections 302(d), 302(g), 308(a)(1)(A), and
25 310(d)(1) of the Congressional Budget Act of 1974 are

1 amended by striking “most recently agreed to concurrent
2 resolution on the budget” each place it occurs and insert-
3 ing “most recently enacted joint resolution on the budget
4 or agreed to concurrent resolution on the budget (as appli-
5 cable)”.

6 (ii) Section 304 of such Act is amended by striking
7 “concurrent resolution on the budget for such fiscal year
8 most recently agreed to” and inserting “most recently en-
9 acted joint resolution on the budget or agreed to concur-
10 rent resolution on the budget (as applicable) for such
11 year”.

12 (C) Sections 302, 303, 304, 308, 310, 311, and 401
13 of such Act are amended by striking “agreed to” each
14 place it appears and by inserting “enacted”.

15 (2)(A) Paragraph (4) of section 3 of the Congres-
16 sional Budget and Impoundment Control Act of 1974 is
17 amended by striking “concurrent” each place it appears
18 and by inserting “joint”.

19 (B) The table of contents set forth in section 1(b)
20 of such Act is amended—

21 (i) in the item relating to section 301 by strik-
22 ing “Adoption of Concurrent Resolution” and insert-
23 ing “Joint Resolutions”;

24 (ii) by striking the item relating to section 303
25 and inserting the following:

“Sec. 303. Consideration of budget-related legislation before budget becomes law.”; and

1 (iii) by striking “concurrent” and inserting
2 “joint” in the items relating to sections 304 and
3 305.

4 (b) CONFORMING AMENDMENTS TO THE RULES OF
5 THE HOUSE OF REPRESENTATIVES.—(1) Clauses 1(e)(1),
6 4(a)(4), 4(b)(2), 4(f)(1)(A), and 4(f)(2) of rule X, clause
7 10 of rule XVIII, and clause 10 of rule XX of the Rules
8 of the House of Representatives are amended by striking
9 “concurrent” each place it appears and by inserting
10 “joint”.

11 (2) Clause 10 of rule XVIII of the Rules of the House
12 of Representatives is amended—

13 (A) in paragraph (b)(2), by striking “(5)” and
14 inserting “(6)”; and

15 (B) by striking paragraph (c).

16 (c) CONFORMING AMENDMENTS TO THE BALANCED
17 BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF
18 1985.—Section 258C(b)(1) of the Balanced Budget and
19 Emergency Deficit Control Act of 1985 (2 U.S.C.
20 907d(b)(1)) is amended by striking “concurrent” and by
21 inserting “joint”.

22 (d) CONFORMING AMENDMENTS TO SECTION 310
23 REGARDING RECONCILIATION DIRECTIVES.—(1) The side
24 heading of section 310(a) of the Congressional Budget Act

1 of 1974 (as amended by section 106(a)) is further amend-
2 ed by inserting “JOINT EXPLANATORY STATEMENT AC-
3 COMPANYING CONFERENCE REPORT ON” before “JOINT”.

4 (2) Section 310(a) of such Act is amended by striking
5 “A” and inserting “The joint explanatory statement ac-
6 companying the conference report on a”.

7 (3) The first sentence of section 310(b) of such Act
8 is amended by striking “If” and inserting “If the joint
9 explanatory statement accompanying the conference re-
10 port on”.

11 (4) Section 310(c)(1) of such Act is amended by in-
12 serting “the joint explanatory statement accompanying
13 the conference report on” after “pursuant to”.

14 (5) Subsection (g) of section 310 of such Act is re-
15 pealed.

16 (e) CONFORMING AMENDMENTS TO SECTION 3 RE-
17 GARDING DIRECT SPENDING.—Section 3 of the Congres-
18 sional Budget and Impoundment Control Act of 1974 (as
19 amended by section 104(a)(3)) is further amended by add-
20 ing at the end the following new paragraph:

21 “(12) The term ‘direct spending’ has the mean-
22 ing given to such term in section 250(c)(8) of the
23 Balanced Budget and Emergency Deficit Control
24 Act of 1985.”.

1 (f) TECHNICAL AMENDMENT REGARDING REVISED
2 SUBALLOCATIONS.—Section 314(d) of the Congressional
3 Budget Act of 1974 is amended by—

4 (1) striking “REPORTING” in the side heading,
5 by inserting “the chairmen of” before “the Commit-
6 tees”, and by striking “may report” and inserting
7 “shall make and have published in the Congressional
8 Record”; and

9 (2) adding at the end the following new sen-
10 tence: “For purposes of considering amendments
11 (other than for amounts for emergencies covered by
12 subsection (b)(1)), suballocations shall be deemed to
13 be so adjusted.”.

14 **TITLE II—RESERVE FUNDS FOR**
15 **EMERGENCIES**

16 **SEC. 201. PURPOSE.**

17 The purposes of this title are to—

18 (1) develop budgetary and fiscal procedures for
19 emergencies;

20 (2) subject spending for emergencies to budg-
21 etary procedures and controls; and

22 (3) establish criteria for determining compliance
23 with emergency requirements.

1 **SEC. 202. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.**

2 (a) DISCRETIONARY SPENDING LIMITS.—Section
3 251(b)(2)(A) of the Balanced Budget and Emergency
4 Deficit Control Act of 1985 is repealed.

5 (b) DIRECT SPENDING.—Sections 252(e) and
6 252(d)(4)(B) of the Balanced Budget and Emergency
7 Deficit Control Act of 1985 are repealed.

8 (c) EMERGENCY DESIGNATION.—Clause 2 of rule
9 XXI of the Rules of the House of Representatives is
10 amended by repealing paragraph (e) and by redesignating
11 paragraph (f) as paragraph (e).

12 **SEC. 203. OMB EMERGENCY CRITERIA.**

13 Section 3 of the Congressional Budget and Impound-
14 ment Control Act of 1974 (as amended by sections
15 104(a)(3) and 106(e)) is further amended by adding at
16 the end the following new paragraph:

17 “(13)(A) The term ‘emergency’ means a situa-
18 tion that—

19 “(i) requires new budget authority and
20 outlays (or new budget authority and the out-
21 lays flowing therefrom) for the prevention or
22 mitigation of, or response to, loss of life or
23 property, or a threat to national security; and

24 “(ii) is unanticipated.

1 “(B) As used in subparagraph (A), the term
2 ‘unanticipated’ means that the underlying situation
3 is—

4 “(i) sudden, which means quickly coming
5 into being or not building up over time;

6 “(ii) urgent, which means a pressing and
7 compelling need requiring immediate action;

8 “(iii) unforeseen, which means not pre-
9 dicted or anticipated as an emerging need; and

10 “(iv) temporary, which means not of a per-
11 manent duration.”.

12 **SEC. 204. DEVELOPMENT OF GUIDELINES FOR APPLICA-**
13 **TION OF EMERGENCY DEFINITION.**

14 Not later than 5 months after the date of enactment
15 of this Act, the chairmen of the Committees on the Budget
16 (in consultation with the President) shall, after consulting
17 with the chairmen of the Committees on Appropriations
18 and applicable authorizing committees of their respective
19 Houses and the Directors of the Congressional Budget Of-
20 fice and the Office of Management and Budget, jointly
21 publish in the Congressional Record guidelines for applica-
22 tion of the definition of emergency set forth in section
23 3(13) of the Congressional Budget and Impoundment
24 Control Act of 1974.

1 **SEC. 205. RESERVE FUNDS FOR EMERGENCIES IN PRESI-**
2 **DENT'S BUDGET.**

3 Section 1105(f) of title 31, United States Code is
4 amended by adding at the end the following new sentence:
5 “Such budget shall also comply with the requirements of
6 section 314(f) of the Congressional Budget Act of 1974.”.

7 **SEC. 206. ADJUSTMENTS AND RESERVE FUNDS FOR EMER-**
8 **GENCIES IN JOINT BUDGET RESOLUTIONS.**

9 (a) ADJUSTMENTS FOR EMERGENCIES.—(1) Section
10 314(a) of the Congressional Budget Act of 1974 is amend-
11 ed to read as follows:

12 “(a) ADJUSTMENTS.—

13 “(1) IN GENERAL.—After the reporting of a bill
14 or joint resolution, the offering of an amendment
15 thereto, or the submission of a conference report
16 thereon, the chairman of the Committee on the
17 Budget of the House of Representatives or the Sen-
18 ate shall make the adjustments set forth in para-
19 graph (2) for the amount of new budget authority
20 (or outlays) in that measure (if that measure meets
21 the requirements set forth in subsection (b)) and the
22 outlays flowing from that budget authority.

23 “(2) MATTERS TO BE ADJUSTED.—The adjust-
24 ments referred to in paragraph (1) are to be made
25 to—

1 “(A) the discretionary spending limits in
2 the Senate, if any, set forth in the appropriate
3 joint resolution on the budget;

4 “(B) the allocations made pursuant to the
5 appropriate joint resolution on the budget pur-
6 suant to section 302(a); and

7 “(C) the budgetary aggregates as set forth
8 in the appropriate joint resolution on the budg-
9 et;

10 but in the case of subsection (b)(1), the adjustments
11 shall only be made to the allocations.”.

12 (2) Section 314(b)(1) of the Congressional Budget
13 Act of 1974 is amended to read as follows:

14 “(1) an amount not to exceed the amount re-
15 served for emergencies pursuant to the requirements
16 of subsection (f);”.

17 (b) ESTABLISHMENT OF RESERVE FUNDS.—Section
18 314 of the Congressional Budget Act of 1974 is amended
19 by adding at the end the following new subsections:

20 “(f) RESERVE FUNDS FOR EMERGENCIES.—

21 “(1) RESERVE FUND FOR DISCRETIONARY
22 BUDGET AUTHORITY AND OUTLAYS.—

23 “(A) AMOUNTS.—The amount set forth in
24 the reserve fund for emergencies for discre-
25 tionary budget authority and outlays for a fiscal

1 year pursuant to section 301(a)(6) shall
2 equal—

3 “(i) the average of the enacted levels
4 of discretionary budget authority for emer-
5 gencies in the 5 fiscal years preceding the
6 current year; and

7 “(ii) the average of the levels of out-
8 lays in such 5 preceding fiscal years for
9 emergencies flowing from enacted levels of
10 discretionary budget authority.

11 “(B) AVERAGE DISCRETIONARY LEVELS.—
12 For purposes of subparagraph (A), the amount
13 used for a fiscal year to calculate the average
14 of the enacted levels when one or more of such
15 5 preceding fiscal years is any of fiscal years
16 1994 through 1998 is as follows: the amount of
17 enacted levels of discretionary budget authority
18 and the amount of outlays flowing therefrom
19 for emergencies, which shall be determined by
20 the Committees on the Budget of the House of
21 Representatives and the Senate after receipt of
22 a report on such matter transmitted to such
23 committees by the Director of the Congressional
24 Budget Office 6 months after the date of enact-

1 ment of this subsection and thereafter in Feb-
2 ruary of each calendar year.

3 “(2) RESERVE FUND FOR DIRECT SPENDING
4 BUDGET AUTHORITY AND OUTLAYS.—

5 “(A) AMOUNTS.—The amount set forth in
6 the reserve fund for emergencies for direct
7 spending for a fiscal year pursuant to section
8 301(a)(6) shall equal—

9 “(i) the average annual enacted levels
10 of direct spending budget authority for
11 emergencies in the 5 fiscal years preceding
12 the current year; and

13 “(ii) the average annual level of out-
14 lays in such 5 preceding fiscal years for
15 emergencies flowing from enacted levels of
16 direct spending.

17 “(B) AVERAGE DIRECT SPENDING LEV-
18 ELS.—For purposes of subparagraph (A), the
19 amount used for a fiscal year to calculate the
20 average of the enacted levels when one or more
21 of such 5 preceding fiscal years is any of fiscal
22 years 1994 through 1998 is as follows: the
23 amount of enacted levels of direct spending
24 budget authority and the amount of outlays
25 flowing therefrom for emergencies, which shall

1 be determined by the Committees on the Budg-
2 et of the House of Representatives and the Sen-
3 ate after receipt of a report on such matter
4 transmitted to such committees by the Director
5 of the Congressional Budget Office 6 months
6 after the date of enactment of this subsection
7 and thereafter in February of each calendar
8 year.

9 “(3) INCREASED ALLOCATIONS.—In the case of
10 legislation that provides budget authority for any
11 emergency pursuant to subsection (h), the chairman
12 of the Committee on the Budget shall make an ad-
13 justment under subsection (a)(1) only to the applica-
14 ble allocation if the chairman determines and cer-
15 tifies that such outlays or budget authority and the
16 resulting outlays are for an emergency within the
17 meaning of section 3(13).

18 “(g) EMERGENCIES IN EXCESS OF AMOUNTS IN RE-
19 SERVE FUNDS.—Whenever the Committee on Appropria-
20 tions or any other committee reports any bill or joint reso-
21 lution that provides budget authority for any emergency
22 and the report accompanying that bill or joint resolution,
23 pursuant to subsection (h), identifies any provision that
24 increases outlays or provides budget authority (and the
25 outlays flowing therefrom) for such emergency, the enact-

1 ment of which would cause the total amount provided for
2 emergencies in the joint resolution on the budget (pursu-
3 ant to section 301(a)(6)) to be exceeded and that emer-
4 gency is certified as an emergency pursuant to section
5 (f)(3):

6 “(1) Such bill or joint resolution shall be re-
7 ferred to the Committee on the Budget of the House
8 or the Senate, as the case may be, with instructions
9 to report it without amendment, other than that
10 specified in paragraph (2), within 3 legislative days
11 of the day in which it is reported from the originat-
12 ing committee. If the Committee on the Budget of
13 either House fails to report a bill or joint resolution
14 referred to it under this paragraph within such 3-
15 day period, the committee shall be automatically dis-
16 charged from further consideration of such bill or
17 joint resolution and such bill or joint resolution shall
18 be placed on the appropriate calendar.

19 “(2) An amendment to such a bill or joint reso-
20 lution referred to in this subsection shall only consist
21 of an exemption from section 251 or 252 (as appli-
22 cable) of the Balanced Budget and Emergency Defi-
23 cit Control Act of 1985 of all or any part of the pro-
24 visions that provide budget authority (and the out-
25 lays flowing therefrom) for such emergency if the

1 committee determines that such emergency meets
2 the criteria set forth in subsection (f).

3 “(3) If such a bill or joint resolution is reported
4 with an amendment specified in paragraph (2) by
5 the Committee on the Budget of the House of Rep-
6 resentatives or the Senate, then the budget authority
7 and resulting outlays that are the subject of such
8 amendment shall not be included in any determina-
9 tions under section 302(f) or 311(a) for any bill,
10 joint resolution, amendment, motion, or conference
11 report.”.

12 (c) CONFORMING AMENDMENTS.—(1) The section
13 heading of section 314 of the Congressional Budget Act
14 of 1974 is amended to read as follows:

15 “ADJUSTMENTS; RESERVE FUNDS FOR EMERGENCIES”.

16 (2) The item relating to section 314 in the table of
17 contents set forth in section 1(b) of the Congressional
18 Budget and Impoundment Control Act of 1974 is amend-
19 ed to read as follows:

“Sec. 314. Adjustments; reserve funds for emergencies.”.

20 **SEC. 207. COMMITTEE NOTIFICATION OF EMERGENCY LEG-**
21 **ISLATION.**

22 Section 314 of the Congressional Budget Act of 1974
23 (as amended by section 206) is further amended by adding
24 at the end the following new subsection:

1 “(h) COMMITTEE NOTIFICATION OF EMERGENCY
2 LEGISLATION.—Whenever the Committee on Appropria-
3 tions or any other committee of either House (including
4 a committee of conference) reports any bill or joint resolu-
5 tion that provides budget authority for any emergency, the
6 report accompanying that bill or joint resolution (or the
7 joint explanatory statement of managers in the case of a
8 conference report on any such bill or joint resolution) shall
9 identify all provisions that provide budget authority and
10 the outlays flowing therefrom for such emergency.”.

11 **SEC. 208. APPLICATION OF SECTION 306 TO EMERGENCIES**
12 **IN EXCESS OF AMOUNTS IN RESERVE FUNDS.**

13 Section 306 of the Congressional Budget Act of 1974
14 is amended by inserting at the end the following new sen-
15 tence: “No amendment reported by the Committee on the
16 Budget (or from the consideration of which such commit-
17 tee has been discharged) pursuant to section 314(g) may
18 be amended.”.

19 **SEC. 209. UP-TO-DATE TABULATIONS.**

20 Section 308(b)(2) of the Congressional Budget Act
21 of 1974 is amended by striking “and” at the end of sub-
22 paragraph (B), by striking the period at the end of sub-
23 paragraph (C) and inserting “; and”, and by adding at
24 the end the following new subparagraph:

1 “(D) shall include an up-to-date tabulation
2 of amounts remaining in the reserve funds for
3 emergencies.”.

4 **SEC. 210. REPORT OF COMMITTEES ON THE BUDGET.**

5 Section 301(e)(2) of the Congressional Budget Act
6 of 1974 (as amended by section 103(b)) is further amend-
7 ed by striking “and” after subparagraph (F), by striking
8 the period at the end of subparagraph (G) and inserting
9 “; and”, and by adding at the end the following new sub-
10 paragraph:

11 “(H) the average annual enacted levels
12 of—

13 “(i) discretionary budget authority
14 and the resulting outlays for emergencies;
15 and

16 “(ii) direct spending budget authority
17 and the resulting outlays for emergencies;
18 for the 5 fiscal years preceding the fiscal year
19 of such resolution.”.

20 **SEC. 211. PROHIBITION ON AMENDMENTS TO EMERGENCY**
21 **RESERVE FUNDS.**

22 (a) POINT OF ORDER.—Section 305 of the Congres-
23 sional Budget Act of 1974 (as amended by section 103(e))
24 is further amended by adding at the end the following new
25 subsection:

1 “(f) It shall not be in order in the House of Rep-
2 resentatives or in the Senate to consider an amendment
3 to a joint resolution on the budget which changes the
4 amount of budget authority and outlays set forth in sec-
5 tion 301(a)(6) for emergency reserve funds.”.

6 (b) TECHNICAL AMENDMENT.—(1) Section 904(c)(1)
7 of the Congressional Budget Act of 1974 is amended by
8 inserting “section 305(e), section 305(f),” after “section
9 305(c)(4),”.

10 (2) Section 904(d)(2) of the Congressional Budget
11 Act of 1974 is amended by inserting “section 305(e), sec-
12 tion 305(f),” after “section 305(c)(4),”.

13 **SEC. 212. EFFECTIVE DATE.**

14 The amendments made by this title shall take effect
15 only after the enactment of legislation changing or extend-
16 ing for any fiscal year any of the discretionary spending
17 limits set forth in section 251 of the Balanced Budget and
18 Emergency Deficit Control Act of 1985 and such amend-
19 ments shall apply to fiscal years determined as follows:

20 (1) Fiscal years beginning after the fiscal year
21 in which such effective date occurs if such effective
22 date occurs on or before April 15 of such fiscal year.

23 (2) Fiscal years beginning after the first fiscal
24 year after the fiscal year in which such effective date

1 occurs if such effective date occurs after April 15 of
2 the fiscal year in which such effective date occurs.

3 **TITLE III—ENFORCEMENT OF** 4 **BUDGETARY DECISIONS**

5 **SEC. 301. PURPOSES.**

6 The purposes of this title are to—

7 (1) close loopholes in the enforcement of budget
8 resolutions;

9 (2) require committees of the House of Rep-
10 representatives to include budget compliance statements
11 in reports accompanying all legislation;

12 (3) require committees of the House of Rep-
13 representatives to justify the need for waivers of the
14 Congressional Budget Act of 1974; and

15 (4) provide cost estimates of conference reports.

16 **Subtitle A—Application of Points of** 17 **Order to Unreported Legislation**

18 **SEC. 311. APPLICATION OF BUDGET ACT POINTS OF ORDER**

19 **TO UNREPORTED LEGISLATION.**

20 (a) Section 315 of the Congressional Budget Act of
21 1974 is amended by striking “reported” the first place it
22 appears.

23 (b) Section 303(b) of the Congressional Budget Act
24 of 1974 (as amended by section 104(a)(1)) is further
25 amended—

1 (1) in paragraph (1), by striking “(A)” and by
2 redesignating subparagraph (B) as paragraph (2)
3 and by striking the semicolon at the end of such new
4 paragraph (2) and inserting a period; and

5 (2) by striking paragraph (2) (as redesignated
6 by such section 104(a)(1)).

7 **Subtitle B—Compliance with**
8 **Budget Resolution**

9 **SEC. 321. BUDGET COMPLIANCE STATEMENTS.**

10 Clause 3(d) of rule XIII of the Rules of the House
11 of Representatives is amended by adding at the end the
12 following new subparagraph:

13 “(4) A budget compliance statement prepared
14 by the chairman of the Committee on the Budget,
15 if timely submitted prior to the filing of the report,
16 which shall be comprised of an assessment by such
17 chairman as to whether the bill or joint resolution
18 complies with the requirements of sections 302, 303,
19 311, and 401 of the Congressional Budget Act of
20 1974 and may include the budgetary implications of
21 that bill or joint resolution under section 251 or 252
22 of the Balanced Budget and Emergency Deficit Con-
23 trol Act of 1985, as applicable.”.

1 **Subtitle C—Justification for**
2 **Budget Act Waivers**

3 **SEC. 331. JUSTIFICATION FOR BUDGET ACT WAIVERS IN**
4 **THE HOUSE OF REPRESENTATIVES.**

5 Clause 6 of rule XIII of the Rules of the House of
6 Representatives is amended by adding at the end the fol-
7 lowing new paragraph:

8 “(h) It shall not be in order to consider any resolution
9 from the Committee on Rules for the consideration of any
10 reported bill or joint resolution which waives section 302,
11 303, 311, or 401 of the Congressional Budget Act of
12 1974, unless the report accompanying such resolution in-
13 cludes a description of the provision proposed to be
14 waived, an identification of the section being waived, the
15 reasons why such waiver should be granted, and an esti-
16 mated cost of the provisions to which the waiver applies.”.

17 **Subtitle D—CBO Scoring of**
18 **Conference Reports**

19 **SEC. 341. CBO SCORING OF CONFERENCE REPORTS.**

20 (a) The first sentence of section 402 of the Congres-
21 sional Budget Act of 1974 is amended as follows:

22 (1) Insert “or conference report thereon,” be-
23 fore “and submit”.

24 (2) In paragraph (1), strike “bill or resolution”
25 and insert “bill, resolution, or conference report”.

1 (3) At the end of paragraph (2) strike “and”,
2 at the end of paragraph (3) strike the period and in-
3 sert “; and”, and after such paragraph (3) add the
4 following new paragraph:

5 “(4) A determination of whether such bill, joint
6 resolution, or conference report provides indefinite
7 spending authority.”.

8 (b) The second sentence of section 402 of the Con-
9 gressional Budget Act of 1974 is amended by inserting
10 before the period the following: “, or in the case of a con-
11 ference report, shall be included in the joint explanatory
12 statement of managers accompanying such conference re-
13 port if timely submitted before such report is filed”.

14 **TITLE IV—ACCOUNTABILITY**
15 **FOR FEDERAL SPENDING**

16 **SEC. 401. PURPOSES.**

17 The purposes of this title are to—

18 (1) require committees to develop a schedule for
19 reauthorizing all programs within their jurisdictions;

20 (2) facilitate amendments to subject new enti-
21 tlement programs to annual discretionary appropria-
22 tions;

23 (3) require the Committee on the Budget to
24 justify any allocation to an authorizing committee

1 for legislation that would not be subject to annual
2 discretionary appropriation;

3 (4) provide estimates of the long-term impact of
4 spending and tax legislation;

5 (5) provide a point of order for legislation cre-
6 ating a new entitlement program that does not ex-
7 pire within 10 years; and

8 (6) require a vote in the House of Representa-
9 tives on any measure that increases the statutory
10 limit on the public debt.

11 **Subtitle A—Prohibitions on**
12 **Indefinite Spending**

13 **SEC. 411. FIXED-YEAR AUTHORIZATIONS REQUIRED FOR**
14 **NEW PROGRAMS.**

15 (a) IN GENERAL.—Section 401 of the Congressional
16 Budget Act of 1974 is amended—

17 (1) by striking subsections (a) and (b) and in-
18 serting the following new subsection:

19 “(a) PROHIBITION ON INDEFINITE AUTHORIZA-
20 TIONS.—It shall not be in order in the House of Rep-
21 resentatives or in the Senate to consider a bill or joint
22 resolution, or an amendment, motion, or conference report
23 that provides direct spending for a new program, unless
24 such spending is limited to a period of 10 or fewer fiscal
25 years.”;

1 **SEC. 412. AMENDMENTS TO SUBJECT NEW ENTITLEMENTS**
2 **TO ANNUAL APPROPRIATIONS.**

3 (a) HOUSE PROCEDURES.—Clause 5 of rule XVIII
4 of the Rules of the House of Representatives is amended
5 by adding at the end the following new paragraph:

6 “(c)(1) In the Committee of the Whole, an amend-
7 ment to subject a new program providing direct spending
8 to discretionary appropriations, if offered by the chairman
9 of the Committee on the Budget (or his designee) or the
10 chairman of the Committee of Appropriations (or his des-
11 ignee), may be precluded from consideration only by the
12 specific terms of a special order of the House. Any such
13 amendment, if offered, shall be debatable for twenty min-
14 utes equally divided and controlled by the proponent of
15 the amendment and a Member opposed and shall not be
16 subject to amendment.

17 “(2) As used in subparagraph (1), the term ‘direct
18 spending’ has the meaning given such term in section
19 3(12) of the Congressional Budget and Impoundment
20 Control Act of 1974.”.

21 (b) ADJUSTMENT OF DISCRETIONARY SPENDING
22 LIMITS FOR DISCRETIONARY APPROPRIATIONS OFFSET
23 BY MANDATORY SAVINGS.—

24 (1) PURPOSE.—The purpose of the amend-
25 ments made by this subsection is to hold the discre-
26 tionary spending limits and the allocations made to

1 the Committee on Appropriations under section
2 302(a) of the Congressional Budget Act of 1974
3 harmless for legislation that offsets a new discre-
4 tionary program with a designated reduction in di-
5 rect spending.

6 (2) DESIGNATING ENTITLEMENT SAVINGS IN
7 AUTHORIZATION LEGISLATION FOR NEW DISCRE-
8 TIONARY PROGRAMS.—Section 252 of the Balanced
9 Budget and Emergency Deficit Control Act of 1985
10 (as amended by section 202) is further amended by
11 adding at the end the following new subsection:

12 “(e) OFFSETS.—If a provision of direct spending leg-
13 islation is enacted that—

14 “(1) decreases direct spending for any fiscal
15 year; and

16 “(2) is designated as an offset pursuant to this
17 subsection and such designation specifically identi-
18 fies an authorization of discretionary appropriations
19 (contained in such legislation) for a new program,
20 then the reductions in new budget authority and outlays
21 in all fiscal years resulting from that provision shall be
22 designated as an offset in the reports required under sub-
23 section (d).”.

24 (3) EXEMPTING SUCH DESIGNATED ENTITLE-
25 MENT SAVINGS FROM PAYGO SCORECARD.—Section

1 252(d)(4) of the Balanced Budget and Emergency
2 Deficit Control Act of 1985 (as amended by section
3 202(b)) is further amended by adding at the end the
4 following new subparagraph:

5 “(B) offset provisions as designated under
6 subsection (e).”.

7 (4) ADJUSTMENT IN DISCRETIONARY SPENDING
8 LIMITS.—Section 251(b)(2) of the Balanced Budget
9 and Emergency Deficit Control Act of 1985 is
10 amended by adding at the end the following new
11 subparagraph:

12 “(H) DISCRETIONARY AUTHORIZATION
13 OFFSETS.—If an authorization Act includes one
14 or more provisions reducing direct spending and
15 specifically identifies those provisions as offsets
16 pursuant to section 252(e), the adjustments
17 shall be an increase in the budget authority and
18 outlay caps in each fiscal year equal to the
19 amount of the budget authority and outlay re-
20 ductions, respectively, achieved by the specified
21 offsets in that fiscal year, except that the ad-
22 justments for the first fiscal year in which the
23 offsetting provisions take effect shall not exceed
24 the amount of discretionary new budget author-
25 ity enacted for the new program (authorized in

1 that Act) in an Act making discretionary appro-
2 priations, and the outlays flowing therefrom.”.

3 (5) ADJUSTMENT IN APPROPRIATION COMMIT-
4 TEE’S ALLOCATIONS.—Section 314(b) of the Con-
5 gressional Budget Act of 1974 is amended by strik-
6 ing “; or” at the end of paragraph (5), by striking
7 the period and inserting “; or” at the end of para-
8 graph (6), and by adding at the end the following
9 new paragraph:

10 “(7) the amount appropriated for the program
11 for which an offset was designated pursuant to sec-
12 tion 252(e) of the Balanced Budget and Emergency
13 Deficit Control Act of 1985 and any outlays flowing
14 therefrom, but not to exceed the amount of the des-
15 ignated decrease in direct spending for that year for
16 that program in a prior law.”.

17 (6) ADJUSTMENT IN AUTHORIZING COMMIT-
18 TEE’S ALLOCATIONS.—Section 314 of the Congres-
19 sional Budget Act of 1974 (as amended by sections
20 206 and 207) is further amended by adding at the
21 end the following new subsection:

22 “(i) ADJUSTMENT IN AUTHORIZING COMMITTEE’S
23 ALLOCATIONS BY AMOUNT OF DIRECT SPENDING OFF-
24 SET.—After the reporting of a bill or joint resolution (by
25 a committee other than the Committee on Appropria-

1 tions), or the offering of an amendment thereto or the sub-
2 mission of a conference report thereon, that contains a
3 provision that decreases direct spending for any fiscal year
4 and that is designated as an offset pursuant to section
5 252(e) of the Balanced Budget and Emergency Deficit
6 Control Act of 1985, the chairman of the Committee on
7 the Budget shall reduce the allocations of new budget au-
8 thority and outlays made to such committee under section
9 302(a)(1) by the amount so designated.”.

10 **Subtitle B—Enhanced Congressional Oversight Responsibilities**
11 **sional Oversight Responsibilities**
12 **ities**

13 **SEC. 421. TEN-YEAR CONGRESSIONAL REVIEW REQUIRE-**
14 **MENT OF PERMANENT BUDGET AUTHORITY.**

15 (a) **TIMETABLE FOR REVIEW.**—Clause 2(d)(1) of
16 rule X of the Rules of the House of Representatives is
17 amended by striking subdivisions (B) and (C) and insert-
18 ing the following new subdivision:

19 “(B) provide in its plans a specific timetable for
20 its review of those laws, programs, or agencies with-
21 in its jurisdiction, including those that operate under
22 permanent budget authority or permanent statutory
23 authority. Such timetable shall demonstrate that
24 each law, program, or agency within the committee’s

1 jurisdiction will be reauthorized at least once every
2 ten years.”.

3 (b) REVIEW OF PERMANENT BUDGET AUTHORITY
4 BY THE COMMITTEE ON APPROPRIATIONS.—Clause 4(a)
5 of rule X of the Rules of the House of Representatives
6 is amended—

7 (1) by striking subparagraph (2); and

8 (2) by redesignating subparagraph (3) as sub-
9 paragraph (2) and by striking “from time to time”
10 and inserting “at least once each Congress” in sub-
11 paragraph (2) (as redesignated).

12 (c) CONFORMING AMENDMENT.—Clause 4(e)(2) of
13 rule X of the Rules of the House of Representatives is
14 amended by striking “from time to time” and inserting
15 “at least once every ten years”.

16 **SEC. 422. JUSTIFICATIONS OF DIRECT SPENDING.**

17 (a) SECTION 302 ALLOCATIONS.—Section 302(a) of
18 the Congressional Budget Act of 1974 is amended by add-
19 ing at the end the following new paragraph:

20 “(6) JUSTIFICATION OF CERTAIN SPENDING AL-
21 LOCATIONS.—The joint explanatory statement ac-
22 companying a conference report on a joint resolution
23 on the budget that includes any allocation to a com-
24 mittee (other than the Committee on Appropria-
25 tions) of levels in excess of current law levels shall

1 set forth a justification for not subjecting any pro-
2 gram, project, or activity (for which the allocation is
3 made) to annual discretionary appropriation.”.

4 (b) **PRESIDENTS’ BUDGET SUBMISSIONS.**—Section
5 1105(a) of title 31, United States Code, is amended by
6 adding at the end the following new paragraph:

7 “(33) a justification for not subjecting each
8 new program to discretionary appropriations.”.

9 (c) **COMMITTEE JUSTIFICATION FOR DIRECT SPEND-**
10 **ING.**—The first sentence of clause 4(e)(1) of rule X of the
11 Rules of the House of Representatives is amended by in-
12 serting before the period the following: “, and will provide
13 specific information in any report accompanying such bills
14 and joint resolutions to justify why the programs and ac-
15 tivities involved would not be subject to annual appropria-
16 tion”.

17 **SEC. 423. SURVEY OF ACTIVITY REPORTS OF HOUSE COM-**
18 **MITTEES.**

19 Clause 1(d) of rule XI of the Rules of the House of
20 Representatives is amended by redesignating paragraph
21 (4) as paragraph (5) and by inserting after paragraph (3)
22 the following new paragraph:

23 “(4) Such report shall include a summary of and jus-
24 tifications for all bills and joint resolutions reported by
25 such committee that—

1 “(A) were considered before the adoption of the
2 appropriate budget resolution and did not fall within
3 an exception set forth in section 303(b) of the Con-
4 gressional Budget Act of 1974;

5 “(B) exceeded its allocation under section
6 302(a) of such Act or breached an aggregate level
7 in violation of section 311 of such Act; or

8 “(C) contained provisions in violation of section
9 401(a) of such Act pertaining to indefinite direct
10 spending authority.

11 Such report shall also specify the total amount by which
12 legislation reported by that committee exceeded its alloca-
13 tion under section 302(a) or breached the revenue floor
14 under section 311(a) of such Act for each fiscal year dur-
15 ing that Congress.”.

16 **SEC. 424. CONTINUING STUDY OF ADDITIONAL BUDGET**
17 **PROCESS REFORMS.**

18 Section 703 of the Congressional Budget Act of 1974
19 is amended as follows:

20 (1) In subsection (a), strike “and” at the end
21 of paragraph (3), strike the period at the end of
22 paragraph (4) and insert “; and”, and at the end
23 add the following new paragraph:

24 “(5) evaluating whether existing programs
25 should be subject to discretionary appropriations and

1 establishing guidelines for subjecting new or ex-
2 panded programs to annual appropriation and rec-
3 ommend any necessary changes in statutory enforce-
4 ment mechanisms and scoring conventions to effec-
5 tuate such changes.”.

6 (2) In subsection (b), strike “from time to
7 time” and insert “during the One Hundred Sixth
8 Congress”.

9 **SEC. 425. GAO REPORTS.**

10 The last sentence of section 404 of the Congres-
11 sional Budget Act of 1974 is amended to read as follows:
12 “Such report shall be revised at least once every five
13 years.”.

14 **Subtitle C—Strengthened**
15 **Accountability**

16 **SEC. 431. TEN-YEAR CBO ESTIMATES.**

17 (a) CBO REPORTS ON LEGISLATION.—Section
18 308(a)(1)(B) of the Congressional Budget Act of 1974 is
19 amended by striking “four” and inserting “nine”.

20 (b) ANALYSIS BY CBO.—Section 402(1) of the Con-
21 gressional Budget Act of 1974 is amended by striking “4”
22 and inserting “nine”.

23 (c) COST ESTIMATES.—Clause 3(d)(2)(A) of rule
24 XIII of the Rules of the House of Representatives is

1 amended by striking “five” each place it appears and in-
2 serting “10”.

3 **SEC. 432. REPEAL OF RULE XXIII OF THE RULES OF THE**
4 **HOUSE OF REPRESENTATIVES.**

5 Rule XXIII of the Rules of the House of Representa-
6 tives (relating to the establishment of the statutory limit
7 on the public debt) is repealed.

8 **TITLE V—BUDGETING FOR UN-**
9 **FUNDED LIABILITIES AND**
10 **OTHER LONG-TERM OBLIGA-**
11 **TIONS**

12 **SEC. 501. PURPOSES.**

13 The purposes of this title are to—

14 (1) budget for the long-term costs of Federal
15 insurance programs;

16 (2) improve congressional control of those costs;
17 and

18 (3) periodically report on long-term budgetary
19 trends.

20 **Subtitle A—Budgetary Treatment**
21 **of Federal Insurance Programs**

22 **SEC. 511. FEDERAL INSURANCE PROGRAMS.**

23 (a) IN GENERAL.—The Congressional Budget Act of
24 1974 is amended by adding after title V the following new
25 title:

1 “TITLE VI—BUDGETARY TREATMENT OF FEDERAL
2 INSURANCE PROGRAMS

3 **“SEC. 601. SHORT TITLE.**

4 “This title may be cited as the ‘Federal Insurance
5 Budgeting Act of 1999’.

6 **“SEC. 602. BUDGETARY TREATMENT.**

7 “(a) PRESIDENT’S BUDGET.—Beginning with fiscal
8 year 2006, the budget of the Government pursuant to sec-
9 tion 1105(a) of title 31, United States Code, shall be
10 based on the risk-assumed cost of Federal insurance pro-
11 grams.

12 “(b) BUDGET ACCOUNTING.—For any Federal insur-
13 ance program—

14 “(1) the program account shall—

15 “(A) pay the risk-assumed cost borne by
16 the taxpayer to the financing account, and

17 “(B) pay actual insurance program admin-
18 istrative costs;

19 “(2) the financing account shall—

20 “(A) receive premiums and other income,

21 “(B) pay all claims for insurance and re-
22 ceive all recoveries,

23 “(C) transfer to the program account on
24 not less than an annual basis amounts nec-

1 essary to pay insurance program administrative
2 costs;

3 “(3) a negative risk-assumed cost shall be
4 transferred from the financing account to the pro-
5 gram account, and shall be transferred from the pro-
6 gram account as a nonexpenditure transfer to the
7 general fund; and

8 “(4) all payments by or receipts of the financ-
9 ing accounts shall be treated in the budget as a
10 means of financing.

11 “(c) APPROPRIATIONS REQUIRED.—(1) Notwith-
12 standing any other provision of law, insurance commit-
13 ments may be made for fiscal year 2006 and thereafter
14 only to the extent that new budget authority to cover their
15 risk-assumed cost is provided in advance in an appropria-
16 tion Act.

17 “(2) An outstanding insurance commitment shall not
18 be modified in a manner that increases its risk-assumed
19 cost unless budget authority for the additional cost has
20 been provided in advance in an appropriation Act.

21 “(3) Paragraphs (1) and (2) shall not apply to Fed-
22 eral insurance programs that constitute entitlements.

23 “(d) REESTIMATES.—The risk-assumed cost for a
24 fiscal year shall be reestimated in each subsequent year.
25 Such reestimate can equal zero. In the case of a positive

1 reestimate, the amount of the reestimate shall be paid
2 from the program account to the financing account. In
3 the case of a negative reestimate, the amount of the reesti-
4 mate shall be paid from the financing account to the pro-
5 gram account, and shall be transferred from the program
6 account to the general fund as a nonexpenditure transfer.
7 Reestimates shall be displayed as a distinct and separately
8 identified subaccount in the program account.

9 “(e) ADMINISTRATIVE EXPENSES.—All funding for
10 an agency’s administration of a Federal insurance pro-
11 gram shall be displayed as a distinct and separately identi-
12 fied subaccount in the program account.

13 **“SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL**
14 **BUDGETING FOR FEDERAL INSURANCE PRO-**
15 **GRAMS.**

16 “(a) AGENCY REQUIREMENTS.—Agencies with re-
17 sponsibility for Federal insurance programs shall develop
18 models to estimate their risk-assumed cost by year
19 through the budget horizon and shall submit those models,
20 all relevant data, a justification for critical assumptions,
21 and the annual projected risk-assumed costs to OMB with
22 their budget requests each year starting with the request
23 for fiscal year 2002. Agencies will likewise provide OMB
24 with annual estimates of modifications, if any, and reesti-
25 mates of program costs.

1 “(b) DISCLOSURE.—When the President submits a
2 budget of the Government pursuant to section 1105(a) of
3 title 31, United States Code, for fiscal year 2002, OMB
4 shall publish a notice in the Federal Register advising in-
5 terested persons of the availability of information describ-
6 ing the models, data (including sources), and critical as-
7 sumptions (including explicit or implicit discount rate as-
8 sumptions) that it or other executive branch entities would
9 use to estimate the risk-assumed cost of Federal insurance
10 programs and giving such persons an opportunity to sub-
11 mit comments. At the same time, the chairman of the
12 Committee on the Budget shall publish a notice for CBO
13 in the Federal Register advising interested persons of the
14 availability of information describing the models, data (in-
15 cluding sources), and critical assumptions (including ex-
16 plicit or implicit discount rate assumptions) that it would
17 use to estimate the risk-assumed cost of Federal insurance
18 programs and giving such interested persons an oppor-
19 tunity to submit comments.

20 “(c) REVISION.—(1) After consideration of comments
21 pursuant to subsection (b), and in consultation with the
22 Committees on the Budget of the House of Representa-
23 tives and the Senate, OMB and CBO shall revise the mod-
24 els, data, and major assumptions they would use to esti-

1 mate the risk-assumed cost of Federal insurance pro-
2 grams.

3 “(2) When the President submits a budget of the
4 Government pursuant to section 1105(a) of title 31,
5 United States Code, for fiscal year 2003, OMB shall pub-
6 lish a notice in the Federal Register advising interested
7 persons of the availability of information describing the
8 models, data (including sources), and critical assumptions
9 (including explicit or implicit discount rate assumptions)
10 that it or other executive branch entities used to estimate
11 the risk-assumed cost of Federal insurance programs.

12 “(d) DISPLAY.—

13 “(1) IN GENERAL.—For fiscal years 2003,
14 2004, and 2005 the budget submissions of the Presi-
15 dent pursuant to section 1105(a) of title 31, United
16 States Code, and CBO’s reports on the economic
17 and budget outlook pursuant to section 202(e)(1)
18 and the President’s budgets, shall for display pur-
19 poses only, estimate the risk-assumed cost of exist-
20 ing or proposed Federal insurance programs.

21 “(2) OMB.—The display in the budget submis-
22 sions of the President for fiscal years 2003, 2004,
23 and 2005 shall include—

1 “(A) a presentation for each Federal insur-
2 ance program in budget-account level detail of
3 estimates of risk-assumed cost;

4 “(B) a summary table of the risk-assumed
5 costs of Federal insurance programs; and

6 “(C) an alternate summary table of budget
7 functions and aggregates using risk-assumed
8 rather than cash-based cost estimates for Fed-
9 eral insurance programs.

10 “(3) CBO.—In the second session of the 108th
11 Congress and the 109th Congress, CBO shall in-
12 clude in its estimates under section 308, for display
13 purposes only, the risk-assumed cost of existing Fed-
14 eral programs, or legislation that CBO, in consulta-
15 tion with the Committees on the Budget of the
16 House of Representatives and the Senate, deter-
17 mines would create a new Federal insurance pro-
18 gram.

19 “(e) OMB, CBO, AND GAO EVALUATIONS.—(1) Not
20 later than 6 months after the budget submission of the
21 President pursuant to section 1105(a) of title 31, United
22 States Code, for fiscal year 2005, OMB, CBO, and GAO
23 shall each submit to the Committees on the Budget of the
24 House of Representatives and the Senate a report that

1 evaluates the advisability and appropriate implementation
2 of this title.

3 “(2) Each report made pursuant to paragraph (1)
4 shall address the following:

5 “(A) The adequacy of risk-assumed estimation
6 models used and alternative modeling methods.

7 “(B) The availability and reliability of data or
8 information necessary to carry out this title.

9 “(C) The appropriateness of the explicit or im-
10 plicit discount rate used in the various risk-assumed
11 estimation models.

12 “(D) The advisability of specifying a statutory
13 discount rate (such as the Treasury rate) for use in
14 risk-assumed estimation models.

15 “(E) The ability of OMB, CBO, or GAO, as ap-
16 plicable, to secure any data or information directly
17 from any Federal agency necessary to enable it to
18 carry out this title.

19 “(F) The relationship between risk-assumed ac-
20 crual budgeting for Federal insurance programs and
21 the specific requirements of the Balanced Budget
22 and Emergency Deficit Control Act of 1985.

23 “(G) Whether Federal budgeting is improved by
24 the inclusion of risk-assumed cost estimates for Fed-
25 eral insurance programs.

1 “(H) The advisability of including each of the
2 programs currently estimated on a risk-assumed cost
3 basis in the Federal budget on that basis.

4 **“SEC. 604. DEFINITIONS.**

5 “For purposes of this title:

6 “(1) The term ‘Federal insurance program’
7 means a program that makes insurance commit-
8 ments and includes the list of such programs in-
9 cluded in the joint explanatory statement of man-
10 agers accompanying the conference report on the
11 Comprehensive Budget Process Reform Act of 1999.

12 “(2) The term ‘insurance commitment’ means
13 an agreement in advance by a Federal agency to in-
14 demnify a nonfederal entity against specified losses.
15 This term does not include loan guarantees as de-
16 fined in title V or benefit programs such as social
17 security, medicare, and similar existing social insur-
18 ance programs.

19 “(3)(A) The term ‘risk-assumed cost’ means the
20 net present value of the estimated cash flows to and
21 from the Government resulting from an insurance
22 commitment or modification thereof.

23 “(B) The cash flows associated with an insur-
24 ance commitment include—

1 “(i) expected claims payments inherent in
2 the Government’s commitment;

3 “(ii) net premiums (expected premium col-
4 lections received from or on behalf of the in-
5 sured less expected administrative expenses);

6 “(iii) expected recoveries; and

7 “(iv) expected changes in claims, pre-
8 miums, or recoveries resulting from the exercise
9 by the insured of any option included in the in-
10 surance commitment.

11 “(C) The cost of a modification is the difference
12 between the current estimate of the net present
13 value of the remaining cash flows under the terms
14 of the insurance commitment, and the current esti-
15 mate of the net present value of the remaining cash
16 flows under the terms of the insurance commitment
17 as modified.

18 “(D) The cost of a reestimate is the difference
19 between the net present value of the amount cur-
20 rently required by the financing account to pay esti-
21 mated claims and other expenditures and the
22 amount currently available (whether in cash or other
23 marketable asset) in the financing account. The cost
24 of a reestimate shall be accounted for in the current

1 year in the budget of the Government pursuant to
2 section 1105(a) of title 31, United States Code.

3 “(E) For purposes of this definition, expected
4 administrative expenses shall be construed as the
5 amount estimated to be necessary for the proper ad-
6 ministration of the insurance program. This amount
7 may differ from amounts actually appropriated or
8 otherwise made available for the administration of
9 the program.

10 “(4) The term ‘program account’ means the
11 budget account for the risk-assumed cost, and for all
12 costs of administering the insurance program, and is
13 the account from which the risk-assumed cost is dis-
14 bursed to the financing account.

15 “(5) The term ‘financing account’ means the
16 nonbudget account that is associated with each pro-
17 gram account which receives payments from or
18 makes payments to the program account, receives
19 premiums and other payments from the public, pays
20 insurance claims, and holds balances.

21 “(6) The term ‘modification’ means any Gov-
22 ernment action that alters the risk-assumed cost of
23 an existing insurance commitment from the current
24 estimate of cash flows. This includes any action re-
25 sulting from new legislation, or from the exercise of

1 administrative discretion under existing law, that di-
2 rectly or indirectly alters the estimated cost of exist-
3 ing insurance commitments.

4 “(7) The term ‘model’ means any actuarial, fi-
5 nancial, econometric, probabilistic, or other meth-
6 odology used to estimate the expected frequency and
7 magnitude of loss-producing events, expected pre-
8 miums or collections from or on behalf of the in-
9 sured, expected recoveries, and administrative ex-
10 penses.

11 “(8) The term ‘current’ has the same meaning
12 as in section 250(c)(9) of the Balanced Budget and
13 Emergency Deficit Control Act of 1985.

14 “(9) The term ‘OMB’ means the Director of
15 the Office of Management and Budget.

16 “(10) The term ‘CBO’ means the Director of
17 the Congressional Budget Office.

18 “(11) The term ‘GAO’ means the Comptroller
19 General of the United States.

20 **“SEC. 605. AUTHORIZATIONS TO ENTER INTO CONTRACTS;**
21 **ACTUARIAL COST ACCOUNT.**

22 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
23 is authorized to be appropriated \$600,000 for each of fis-
24 cal years 2000 through 2005 to the Director of the Office
25 of Management and Budget and each agency responsible

1 for administering a Federal program to carry out this
2 title.

3 “(b) TREASURY TRANSACTIONS WITH THE FINANC-
4 ING ACCOUNTS.—The Secretary of the Treasury shall bor-
5 row from, receive from, lend to, or pay the insurance fi-
6 nancing accounts such amounts as may be appropriate.
7 The Secretary of the Treasury may prescribe forms and
8 denominations, maturities, and terms and conditions for
9 the transactions described above. The authorities de-
10 scribed above shall not be construed to supersede or over-
11 ride the authority of the head of a Federal agency to ad-
12 minister and operate an insurance program. All the trans-
13 actions provided in this subsection shall be subject to the
14 provisions of subchapter II of chapter 15 of title 31,
15 United States Code. Cash balances of the financing ac-
16 counts in excess of current requirements shall be main-
17 tained in a form of uninvested funds, and the Secretary
18 of the Treasury shall pay interest on these funds.

19 “(c) APPROPRIATION OF AMOUNT NECESSARY TO
20 COVER RISK-ASSUMED COST OF INSURANCE COMMIT-
21 MENTS AT TRANSITION DATE.—(1) A financing account
22 is established on September 30, 2005, for each Federal
23 insurance program.

24 “(2) There is appropriated to each financing account
25 the amount of the unfunded risk-assumed cost of Federal

1 insurance commitments outstanding for that program as
2 of the close of September 30, 2005.

3 “(3) These financing accounts shall be used in imple-
4 menting the budget accounting required by this title.

5 **“SEC. 606. EFFECTIVE DATE.**

6 “This title shall take effect immediately and shall ex-
7 pire on September 30, 2007.”.

8 (b) CONFORMING AMENDMENT.—The table of con-
9 tents set forth in section 1(b) of the Congressional Budget
10 and Impoundment Control Act of 1974 is amended by in-
11 serting after the item relating to section 507 the following
12 new items:

“TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE
PROGRAMS

“Sec. 601. Short title.

“Sec. 602. Budgetary treatment.

“Sec. 603. Timetable for implementation of accrual budgeting for Federal insur-
ance programs.

“Sec. 604. Definitions.

“Sec. 605. Authorizations to enter into contracts; actuarial cost account.

“Sec. 606. Effective date.”.

13 **Subtitle B—Reports on Long-Term**
14 **Budgetary Trends**

15 **SEC. 521. REPORTS ON LONG-TERM BUDGETARY TRENDS.**

16 (a) THE PRESIDENT’S BUDGET.—Section 1105(a) of
17 title 31, United States Code (as amended by section 404),
18 is further amended by adding at the end the following new
19 paragraph:

20 “(34) an analysis based upon current law and
21 an analysis based upon the policy assumptions un-

1 derlying the budget submission for every fifth year
2 of the period of 75 fiscal years beginning with such
3 fiscal year, of the estimated levels of total new budg-
4 et authority and total budget outlays, estimated rev-
5 enues, estimated surpluses and deficits, and, for
6 each major Federal entitlement program, estimated
7 levels of total new budget authority and total budget
8 outlays; and a specification of its underlying as-
9 sumptions and a sensitivity analysis of factors that
10 have a significant effect on the projections made in
11 each analysis; and a comparison of the effects of
12 each of the two analyses on the economy, including
13 such factors as inflation, foreign investment, interest
14 rates, and economic growth.”.

15 (b) CBO REPORTS.—Section 202(e)(1) of the Con-
16 gressional Budget Act of 1974 is amended by adding at
17 the end the following new sentences: “Such report shall
18 also include an analysis based upon current law for every
19 fifth year of the period of 75 fiscal years beginning with
20 such fiscal year, of the estimated levels of total new budget
21 authority and total budget outlays, estimated revenues, es-
22 timated surpluses and deficits, and, for each major Fed-
23 eral entitlement program, estimated levels of total new
24 budget authority and total budget outlays. The report de-
25 scribed in the preceding sentence shall also specify its un-

1 derlying assumptions and set forth a sensitivity analysis
2 of factors that have a significant effect on the projections
3 made in the report.”.

4 **TITLE VI—BASELINES, BYRD** 5 **RULE, AND LOCK-BOX**

6 **SEC. 601. PURPOSE.**

7 The purposes of this title are to—

8 (1) require budgetary comparisons to prior year
9 levels;

10 (2) restrict the application of the Byrd rule to
11 measures other than conference reports; and

12 (3) establish a procedure to allow savings from
13 spending cuts in appropriation measures to be
14 locked-in to increase the surplus or reduce the defi-
15 cit.

16 **Subtitle A—The Baseline**

17 **SEC. 611. THE PRESIDENT’S BUDGET.**

18 (a) Paragraph (5) of section 1105(a) of title 31,
19 United States Code, is amended to read as follows:

20 “(5) except as provided in subsection (b) of this
21 section, estimated expenditures and appropriations
22 for the current year and estimated expenditures and
23 proposed appropriations the President decides are
24 necessary to support the Government in the fiscal
25 year for which the budget is submitted and the 4 fis-

1 cal years following that year, and, except for detailed
2 budget estimates, the percentage change from the
3 current year to the fiscal year for which the budget
4 is submitted for estimated expenditures and for ap-
5 propriations.”.

6 (b) Section 1105(a)(6) of title 31, United States
7 Code, is amended to read as follows:

8 “(6) estimated receipts of the Government in
9 the current year and the fiscal year for which the
10 budget is submitted and the 4 fiscal years after that
11 year under—

12 “(A) laws in effect when the budget is sub-
13 mitted; and

14 “(B) proposals in the budget to increase
15 revenues,

16 and the percentage change (in the case of each cat-
17 egory referred to in subparagraphs (A) and (B)) be-
18 tween the current year and the fiscal year for which
19 the budget is submitted and between the current
20 year and each of the 4 fiscal years after the fiscal
21 year for which the budget is submitted.”.

22 (c) Section 1105(a)(12) of title 31, United States
23 Code, is amended to read as follows:

1 “(12) for each proposal in the budget for legis-
2 lation that would establish or expand a Government
3 activity or function, a table showing—

4 “(A) the amount proposed in the budget
5 for appropriation and for expenditure because
6 of the proposal in the fiscal year for which the
7 budget is submitted;

8 “(B) the estimated appropriation required
9 because of the proposal for each of the 4 fiscal
10 years after that year that the proposal will be
11 in effect; and

12 “(C) the estimated amount for the same
13 activity or function, if any, in the current fiscal
14 year,

15 and, except for detailed budget estimates, the per-
16 centage change (in the case of each category re-
17 ferred to in subparagraphs (A), (B), and (C)) be-
18 tween the current year and the fiscal year for which
19 the budget is submitted.”.

20 (d) Section 1105(a)(18) of title 31, United States
21 Code, is amended by inserting “new budget authority
22 and” before “budget outlays”.

23 (e) Section 1105(a) of title 31, United States Code,
24 (as amended by sections 412(b) and 521(a)) is further

1 amended by adding at the end the following new para-
2 graphs:

3 “(35) a comparison of levels of estimated ex-
4 penditures and proposed appropriations for each
5 function and subfunction in the current fiscal year
6 and the fiscal year for which the budget is submit-
7 ted, along with the proposed increase or decrease of
8 spending in percentage terms for each function and
9 subfunction.

10 “(36) a table on sources of growth in total di-
11 rect spending under current law and as proposed in
12 this budget submission for the budget year and the
13 ensuing 4 fiscal years, which shall include changes
14 in outlays attributable to the following: cost-of-living
15 adjustments; changes in the number of program re-
16 cipients; increases in medical care prices, utilization
17 and intensity of medical care; and residual factors.”.

18 (f) Section 1109(a) of title 31, United States Code,
19 is amended by inserting after the first sentence the follow-
20 ing new sentence: “For discretionary spending, these esti-
21 mates shall assume the levels set forth in the discretionary
22 spending limits under section 251(c) of the Balanced
23 Budget and Emergency Deficit Control Act of 1985, as
24 adjusted, for the appropriate fiscal years (and if no such
25 limits are in effect, these estimates shall assume the ad-

1 justed levels for the most recent fiscal year for which such
2 levels were in effect).”.

3 **SEC. 612. THE CONGRESSIONAL BUDGET.**

4 Section 301(e) of the Congressional Budget Act of
5 1974 (as amended by section 103) is further amended—

6 (1) in paragraph (1), by inserting at the end
7 the following: “The basis of deliberations in develop-
8 ing such joint resolution shall be the estimated
9 budgetary levels for the preceding fiscal year. Any
10 budgetary levels pending before the committee and
11 the text of the joint resolution shall be accompanied
12 by a document comparing such levels or such text to
13 the estimated levels of the prior fiscal year. Any
14 amendment offered in the committee that changes a
15 budgetary level and is based upon a specific policy
16 assumption for a program, project, or activity shall
17 be accompanied by a document indicating the esti-
18 mated amount for such program, project, or activity
19 in the current year.”; and

20 (2) in paragraph (2), by striking “and” at the
21 end of subparagraph (H), by striking the period and
22 inserting “; and” at the end of subparagraph (I),
23 and by adding at the end the following new subpara-
24 graph:

1 “(J) a comparison of levels for the current
2 fiscal year with proposed spending and revenue
3 levels for the subsequent fiscal years along with
4 the proposed increase or decrease of spending
5 in percentage terms for each function.”.

6 **SEC. 613. CONGRESSIONAL BUDGET OFFICE REPORTS TO**
7 **COMMITTEES.**

8 (a) The first sentence of section 202(e)(1) of the Con-
9 gressional Budget Act of 1974 is amended by inserting
10 “compared to comparable levels for the current year” be-
11 fore the comma at the end of subparagraph (A) and before
12 the comma at the end of subparagraph (B).

13 (b) Section 202(e)(1) of the Congressional Budget
14 Act of 1974 is amended by inserting after the first sen-
15 tence the following new sentence: “Such report shall also
16 include a table on sources of spending growth in total di-
17 rect spending for the budget year and the ensuing 4 fiscal
18 years, which shall include changes in outlays attributable
19 to the following: cost-of-living adjustments; changes in the
20 number of program recipients; increases in medical care
21 prices, utilization and intensity of medical care; and resid-
22 ual factors.”.

23 (c) Section 308(a)(1)(B) of the Congressional Budget
24 Act of 1974 is amended by inserting “and shall include

1 a comparison of those levels to comparable levels for the
2 current fiscal year” before “if timely submitted”.

3 **SEC. 614. OUTYEAR ASSUMPTIONS FOR DISCRETIONARY**
4 **SPENDING.**

5 For purposes of chapter 11 of title 31 of the United
6 States Code, or the Congressional Budget Act of 1974,
7 unless otherwise expressly provided, in making budgetary
8 projections for years for which there are no discretionary
9 spending limits, the Director of the Office of Management
10 and Budget and the Director of the Congressional Budget
11 Office shall assume discretionary spending levels at the
12 levels for the last fiscal year for which such levels were
13 in effect.

14 **Subtitle B—The Byrd Rule**

15 **SEC. 621. LIMITATION ON BYRD RULE.**

16 (a) PROTECTION OF CONFERENCE REPORTS.—Sec-
17 tion 313 of the Congressional Budget Act of 1974 is
18 amended—

19 (1) in subsection (c), by striking “and again
20 upon the submission of a conference report on such
21 a reconciliation bill or resolution,”;

22 (2) by striking subsection (d);

23 (3) by redesignating subsection (e) as sub-
24 section (d); and

25 (4) in subsection (e), as redesignated—

1 (A) by striking “, motion, or conference re-
 2 port” the first place it appears and inserting “,
 3 or motion”; and

4 (B) by striking “, motion, or conference re-
 5 port” the second and third places it appears
 6 and inserting “or motion”.

7 (b) CONFORMING AMENDMENT.—The first sentence
 8 of section 312(e) of the Congressional Budget Act of 1974
 9 is amended by inserting “, except for section 313,” after
 10 “Act”.

11 **Subtitle C—Spending** 12 **Accountability Lock-box**

13 **SEC. 631. SHORT TITLE.**

14 This subtitle may be cited as the “Spending Account-
 15 ability Lock-box Act of 1999”.

16 **SEC. 632. SPENDING ACCOUNTABILITY LOCK-BOX LEDGER.**

17 (a) ESTABLISHMENT OF LEDGER.—Title III of the
 18 Congressional Budget Act of 1974 (as amended by sec-
 19 tions 104(b) and 105(a)) is further amended by adding
 20 after section 317 the following new section:

21 “SPENDING ACCOUNTABILITY LOCK-BOX LEDGER

22 “SEC. 318. (a) ESTABLISHMENT OF LEDGER.—The
 23 chairman of the Committee on the Budget of the House
 24 of Representatives and the chairman of the Committee on
 25 the Budget of the Senate shall each maintain a ledger to
 26 be known as the ‘Spending Accountability Lock-box Ledg-

1 er'. The Ledger shall be divided into entries corresponding
2 to the subcommittees of the Committees on Appropria-
3 tions. Each entry shall consist of three components: the
4 'House Lock-box Balance'; the 'Senate Lock-box Balance';
5 and the 'Joint House-Senate Lock-box Balance'.

6 “(b) COMPONENTS OF LEDGER.—Each component in
7 an entry shall consist only of amounts credited to it under
8 subsection (c). No entry of a negative amount shall be
9 made.

10 “(c) CREDIT OF AMOUNTS TO LEDGER.—(1) In the
11 House of Representatives or the Senate, whenever a Mem-
12 ber offers an amendment to an appropriation bill to reduce
13 new budget authority in any account, that Member may
14 state the portion of such reduction that shall be—

15 “(A) credited to the House or Senate Lock-box
16 Balance, as applicable; or

17 “(B) used to offset an increase in new budget
18 authority in any other account;

19 “(C) allowed to remain within the applicable
20 section 302(b) suballocation.

21 If no such statement is made, the amount of reduction
22 in new budget authority resulting from the amendment
23 shall be credited to the House or Senate Lock-box Bal-
24 ance, as applicable, if the amendment is agreed to.

1 “(2)(A) Except as provided by subparagraph (B), the
2 chairmen of the Committees on the Budget shall, upon
3 the engrossment of any appropriation bill by the House
4 of Representatives and upon the engrossment of that bill
5 by the Senate, credit to the applicable entry balance of
6 that House amounts of new budget authority and outlays
7 equal to the net amounts of reductions in new budget au-
8 thority and in outlays resulting from amendments agreed
9 to by that House to that bill.

10 “(B) When computing the net amounts of reductions
11 in new budget authority and in outlays resulting from
12 amendments agreed to by the House of Representatives
13 or the Senate to an appropriation bill, the chairmen of
14 the Committees on the Budget shall only count those por-
15 tions of such amendments agreed to that were so des-
16 ignated by the Members offering such amendments as
17 amounts to be credited to the House or Senate Lock-box
18 Balance, as applicable, or that fall within the last sentence
19 of paragraph (1).

20 “(3) The chairmen of the Committees on the Budget
21 shall, upon the engrossment of Senate amendments to any
22 appropriation bill, credit to the applicable Joint House-
23 Senate Lock-box Balance the amounts of new budget au-
24 thority and outlays equal to—

1 “(A) an amount equal to one-half of the sum of
2 (i) the amount of new budget authority in the House
3 Lock-box Balance plus (ii) the amount of new budg-
4 et authority in the Senate Lock-box Balance for that
5 bill; and

6 “(B) an amount equal to one-half of the sum
7 of (i) the amount of outlays in the House Lock-box
8 Balance plus (ii) the amount of outlays in the Sen-
9 ate Lock-box Balance for that bill.

10 “(4) CALCULATION OF LOCK-BOX SAVINGS IN SEN-
11 ATE.—For purposes of calculating under this section the
12 net amounts of reductions in new budget authority and
13 in outlays resulting from amendments agreed to by the
14 Senate on an appropriation bill, the amendments reported
15 to the Senate by its Committee on Appropriations shall
16 be considered to be part of the original text of the bill.

17 “(d) DEFINITION.—As used in this section, the term
18 ‘appropriation bill’ means any general or special appro-
19 priation bill, and any bill or joint resolution making sup-
20 plemental, deficiency, or continuing appropriations
21 through the end of a fiscal year.

22 “(e) TALLY DURING HOUSE CONSIDERATION.—The
23 chairman of the Committee on the Budget of the House
24 of Representatives shall maintain a running tally of the
25 amendments adopted reflecting increases and decreases of

1 budget authority in the bill as reported. This tally shall
 2 be available to Members in the House of Representatives
 3 during consideration of any appropriations bill by the
 4 House.”.

5 (b) CONFORMING AMENDMENT.—The table of con-
 6 tents set forth in section 1(b) of the Congressional Budget
 7 and Impoundment Control Act of 1974 is amended by in-
 8 serting after the item relating to section 317 the following
 9 new item:

“Sec. 318. Spending accountability lock-box ledger.”.

10 **SEC. 633. DOWNWARD ADJUSTMENT OF SECTION 302(a) AL-**
 11 **LOCATIONS AND SECTION 302(b) SUBALLOCA-**
 12 **TIONS.**

13 (a) ALLOCATIONS.—Section 302(a) of the Congres-
 14 sional Budget Act of 1974 (as amended by section 422)
 15 is further amended by adding at the end the following new
 16 paragraph:

17 “(7) ADJUSTMENT OF ALLOCATIONS.—Upon
 18 the engrossment of Senate amendments to any ap-
 19 propriation bill (as defined in section 318(d)) for a
 20 fiscal year, the amounts allocated under paragraph
 21 (1) or (2) to the Committee on Appropriations of
 22 each House upon the adoption of the most recent
 23 joint resolution on the budget for that fiscal year
 24 shall be adjusted downward by the amounts credited
 25 to the applicable Joint House-Senate Lock-box Bal-

1 ance under section 318(c)(2). The revised levels of
2 new budget authority and outlays shall be submitted
3 to each House by the chairman of the Committee on
4 the Budget of that House and shall be printed in the
5 Congressional Record.”.

6 (b) SUBALLOCATIONS.—Section 302(b) of the Con-
7 gressional Budget Act of 1974 is amended by adding at
8 the end the following new sentence: “Whenever an adjust-
9 ment is made under subsection (a)(7) to an allocation
10 under that subsection, the Committee on Appropriations
11 of each House shall make downward adjustments in the
12 most recent suballocations of new budget authority and
13 outlays under this subparagraph to the appropriate sub-
14 committees of that committee in the total amounts of
15 those adjustments under section 318(c)(2). The revised
16 suballocations shall be submitted to each House by the
17 chairman of the Committee on Appropriations of that
18 House and shall be printed in the Congressional Record.”.

19 **SEC. 634. PERIODIC REPORTING OF LEDGER STATEMENTS.**

20 Section 308(b)(1) of the Congressional Budget Act
21 of 1974 is amended by adding at the end the following
22 new sentence: “Such reports shall also include an up-to-
23 date tabulation of the amounts contained in the ledger and
24 each entry established by section 318(a).”.

1 **SEC. 635. DOWNWARD ADJUSTMENT OF DISCRETIONARY**
2 **SPENDING LIMITS.**

3 The discretionary spending limits for new budget au-
4 thority and outlays for any fiscal year set forth in section
5 251(c) of the Balanced Budget and Emergency Deficit
6 Control Act of 1985, shall be reduced by the amounts set
7 forth in the final regular appropriation bill for that fiscal
8 year or joint resolution making continuing appropriations
9 through the end of that fiscal year. Those amounts shall
10 be the sums of the Joint House-Senate Lock-box Balances
11 for that fiscal year, as calculated under section 302(a)(7)
12 of the Congressional Budget Act of 1974. That bill or joint
13 resolution shall contain the following statement of law:
14 “As required by section 636 of the Spending Accountabil-
15 ity Lock-box Act of 1999, for fiscal year [insert appro-
16 priate fiscal year] and each outyear, the adjusted discre-
17 tionary spending limit for new budget authority shall be
18 reduced by \$ [insert appropriate amount of reduction] and
19 the adjusted discretionary limit for outlays shall be re-
20 duced by \$ [insert appropriate amount of reduction] for
21 the fiscal year and each outyear.”. Notwithstanding sec-
22 tion 904(c) of the Congressional Budget Act of 1974, sec-
23 tion 306 as it applies to this statement shall not apply.
24 This adjustment shall be reflected in reports under sec-
25 tions 254(f) and 254(g) of the Balanced Budget and
26 Emergency Deficit Control Act of 1985.

1 **Subtitle D—Automatic Continuing**
2 **Resolution**

3 **SEC. 641. AUTOMATIC CONTINUING RESOLUTION.**

4 (a) AMENDMENT TO TITLE 31.—Chapter 13 of title
5 31, United States Code, is amended by inserting after sec-
6 tion 1310 the following new section:

7 **“§ 1311. Continuing appropriations**

8 “(a)(1) If any regular appropriation bill for a fiscal
9 year does not become law prior to the beginning of such
10 fiscal year or a joint resolution making continuing appro-
11 priations is not in effect, there is appropriated, out of any
12 moneys in the Treasury not otherwise appropriated, and
13 out of applicable corporate or other revenues, receipts, and
14 funds, such sums as may be necessary to continue any
15 project or activity for which funds were provided in the
16 preceding fiscal year—

17 “(A) in the corresponding regular appropriation
18 Act for such preceding fiscal year; or

19 “(B) if the corresponding regular appropriation
20 bill for such preceding fiscal year did not become
21 law, then in a joint resolution making continuing ap-
22 propriations for such preceding fiscal year.

23 “(2) Appropriations and funds made available, and
24 authority granted, for a project or activity for any fiscal
25 year pursuant to this section shall be at a rate of oper-

1 ations not in excess of the rate of operations provided for
2 in the regular appropriation Act providing for such project
3 or activity for the preceding fiscal year, or in the absence
4 of such an Act, the rate of operations provided for such
5 project or activity pursuant to a joint resolution making
6 continuing appropriations for such preceding fiscal year.

7 “(3) Appropriations and funds made available, and
8 authority granted, for any fiscal year pursuant to this sec-
9 tion for a project or activity shall be available for the pe-
10 riod beginning with the first day of a lapse in appropria-
11 tions and ending with the earlier of—

12 “(A) the date on which the applicable regular
13 appropriation bill for such fiscal year becomes law
14 (whether or not such law provides for such project
15 or activity) or a continuing resolution making appro-
16 priations becomes law, as the case may be, or

17 “(B) the last day of such fiscal year.

18 “(b) An appropriation or funds made available, or au-
19 thority granted, for a project or activity for any fiscal year
20 pursuant to this section shall be subject to the terms and
21 conditions imposed with respect to the appropriation made
22 or funds made available for the preceding fiscal year, or
23 authority granted for such project or activity under cur-
24 rent law.

1 “(c) Appropriations and funds made available, and
2 authority granted, for any project or activity for any fiscal
3 year pursuant to this section shall cover all obligations or
4 expenditures incurred for such project or activity during
5 the portion of such fiscal year for which this section ap-
6 plies to such project or activity.

7 “(d) Expenditures made for a project or activity for
8 any fiscal year pursuant to this section shall be charged
9 to the applicable appropriation, fund, or authorization
10 whenever a regular appropriation bill or a joint resolution
11 making continuing appropriations until the end of a fiscal
12 year providing for such project or activity for such period
13 becomes law.

14 “(e) This section shall not apply to a project or activ-
15 ity during a fiscal year if any other provision of law (other
16 than an authorization of appropriations)—

17 “(1) makes an appropriation, makes funds
18 available, or grants authority for such project or ac-
19 tivity to continue for such period, or

20 “(2) specifically provides that no appropriation
21 shall be made, no funds shall be made available, or
22 no authority shall be granted for such project or ac-
23 tivity to continue for such period; or

24 “(f) For purposes of this section, the term ‘regular
25 appropriation bill’ means any annual appropriation bill

1 making appropriations, otherwise making funds available,
2 or granting authority, for any of the following categories
3 of projects and activities:

4 “(1) Agriculture, rural development, and relat-
5 ed agencies programs.

6 “(2) The Departments of Commerce, Justice,
7 and State, the judiciary, and related agencies.

8 “(3) The Department of Defense.

9 “(4) The government of the District of Colum-
10 bia and other activities chargeable in whole or in
11 part against the revenues of the District.

12 “(5) The Departments of Labor, Health and
13 Human Services, and Education, and related agen-
14 cies.

15 “(6) The Department of Housing and Urban
16 Development, and sundry independent agencies,
17 boards, commissions, corporations, and offices.

18 “(7) Energy and water development.

19 “(8) Foreign assistance and related programs.

20 “(9) The Department of the Interior and relat-
21 ed agencies.

22 “(10) Military construction.

23 “(11) The Department of Transportation and
24 related agencies.

1 “(12) The Treasury Department, the U.S.
2 Postal Service, the Executive Office of the President,
3 and certain independent agencies.

4 “(13) The legislative branch.”.

5 (b) CONFORMING AMENDMENT.—Section 202(e)(3)
6 of the Congressional Budget Act of 1974 is amended by
7 inserting “and on or before September 30” before “of each
8 year”.

9 (c) CHAPTER ANALYSIS.—The analysis of chapter 13
10 of title 31, United States Code, is amended by inserting
11 after the item relating to section 1310 the following new
12 item:

 “1311. Continuing appropriations.”.

13 (d) EFFECT OF AMENDMENTS.—Nothing in the
14 amendments made by this subsection shall be construed
15 to affect Government obligations mandated by other law,
16 including obligations with respect to social security, medi-
17 care, and medicaid.

18 **TITLE VII—BUDGETING IN AN** 19 **ERA OF SURPLUSES**

20 **SEC. 701. PAYGO REQUIREMENTS AND THE ON-BUDGET** 21 **SURPLUS.**

22 (a) Section 252(a) of the Balanced Budget and
23 Emergency Deficit Control Act of 1985 is amended to
24 read as follows:

1 “(a) PURPOSE.—The purpose of this section is to as-
2 sure that direct spending or receipts legislation does not
3 increase the deficit or exceed the on-budget surplus.”.

4 (b) SEQUESTRATION.—(1) Section 252(b)(1) of the
5 Balanced Budget and Emergency Deficit Control Act of
6 1985 is amended by inserting “minus the amount for the
7 budget year, if any, estimated under paragraph (3)” after
8 “as calculated under paragraph (2)”.

9 (2) Section 252(b) of such Act is amended by adding
10 at the end the following new paragraph:

11 “(3) ESTIMATE OF ON-BUDGET SURPLUS.—
12 OMB estimates for the budget year of the excess of
13 receipts over outlays (if any) as set forth in the
14 OMB sequestration update report as calculated pur-
15 suant to section 254(c)(3). These estimates shall not
16 include outlays and receipts of the Federal Old-Age
17 and Survivors Insurance Trust Fund, the Federal
18 Disability Insurance Trust Fund, or any other off-
19 budget entity.”.

20 (c) CLARIFICATION OF EXISTING LAW.—Section 252
21 of the Balanced Budget and Emergency Deficit Control
22 Act of 1985 (as amended by section 412(b)) is further
23 amended by adding at the end the following new sub-
24 section:

1 “(f) MEANING OF NET DEFICIT INCREASE.—For
2 purposes of this section, a net deficit is the amount by
3 which decreases in revenues plus increases in outlays ex-
4 ceeds increases in revenues plus decreases in outlays.”.

5 (d) REPORTS.—

6 (1) PREVIEW.—Section 254(c)(3) of the Bal-
7 anced Budget and Emergency Deficit Control Act of
8 1985 is amended by adding at the end the following
9 new subparagraph:

10 “(D) The estimated excess of receipts over
11 outlays for the budget year (if any) (assuming
12 the levels appropriated if all regular appropri-
13 ations (or a continuing appropriation) are en-
14 acted minus any amounts sequestered for that
15 year under section 251, but if that is not the
16 case, then assuming compliance with the ad-
17 justed discretionary spending limits set forth in
18 section 251(c)) (but if no such limits are in ef-
19 fect for such year, then assume compliance with
20 such limits for the last fiscal year for which
21 such limits were in effect) without taking into
22 account the effect of direct spending and re-
23 ceipts legislation for such year calculated under
24 section 252(d) enacted after the date of enact-
25 ment of this subparagraph.”.

1 (2) FINAL.—Section 254(f)(3) of the Balanced
2 Budget and Emergency Deficit Control Act of 1985
3 is amended by adding at the end the following new
4 sentence: “Notwithstanding subsection (j), actual
5 levels of enacted discretionary appropriations or up-
6 to-date adjusted discretionary spending limits (but if
7 no such limits are in effect for such year, then as-
8 sume such limits for the last fiscal year for which
9 such limits were in effect), as applicable, shall be
10 used in the final pay-as-you go report regarding in-
11 formation required by subsection (c)(3)(D) to be in-
12 cluded in the pay-as-you-go sequestration preview re-
13 port.”.

○