TEXT OF BUDGET CONTROL ACT AMENDMENT

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- 2 (a) SHORT TITLE.—This Act may be cited as the
- 3 "Budget Control Act of 2011".
- 4 (b) Table of Contents for
- 5 this Act is as follows:
 - Sec. 1. Short title; table of contents.
 - Sec. 2. Severability.

TITLE I—TEN-YEAR DISCRETIONARY CAPS WITH SEQUESTER

- Sec. 101. Enforcing discretionary spending limits.
- Sec. 102. Definitions.
- Sec. 103. Reports and orders.
- Sec. 104. Expiration.
- Sec. 105. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
- Sec. 106. Senate budget enforcement.

TITLE II—VOTE ON THE BALANCED BUDGET AMENDMENT

- Sec. 201. Vote on the balanced budget amendment.
- Sec. 202. Consideration by the other House.

TITLE III—DEBT CEILING DISAPPROVAL PROCESS

- Sec. 301. Debt ceiling disapproval process.
- Sec. 302. Enforcement of budget goal.

TITLE IV—JOINT SELECT COMMITTEE ON DEFICIT REDUCTION

- Sec. 401. Establishment of Joint Select Committee.
- Sec. 402. Expedited consideration of joint committee recommendations.
- Sec. 403. Funding.
- Sec. 404. Rulemaking.

TITLE V—PELL GRANT AND STUDENT LOAN PROGRAM CHANGES

Sec. 501. Federal Pell grants.

- Sec. 502. Termination of authority to make interest subsidized loans to graduate and professional students.
- Sec. 503. Termination of direct loan repayment incentives.
- Sec. 504. Inapplicability of title IV negotiated rulemaking and master calendar exception.

1 SEC. 2. SEVERABILITY.

- 2 If any provision of this Act, or any application of such
- 3 provision to any person or circumstance, is held to be un-
- 4 constitutional, the remainder of this Act and the applica-
- 5 tion of this Act to any other person or circumstance shall
- 6 not be affected.

7 TITLE I—TEN-YEAR DISCRE-

8 TIONARY CAPS WITH SEQUES-

- 9 **TER**
- 10 SEC. 101. ENFORCING DISCRETIONARY SPENDING LIMITS.
- 11 Section 251 of the Balanced Budget and Emergency
- 12 Deficit Control Act of 1985 is amended to read as follows:
- 13 "SEC. 251. ENFORCING DISCRETIONARY SPENDING LIMITS.
- 14 "(a) Enforcement.—
- 15 "(1) SEQUESTRATION.—Within 15 calendar
- days after Congress adjourns to end a session there
- shall be a sequestration to eliminate a budget-year
- breach, if any, within any category.
- 19 "(2) Eliminating a breach.—Each non-ex-
- empt account within a category shall be reduced by
- a dollar amount calculated by multiplying the en-
- acted level of sequestrable budgetary resources in

1	that account at that time by the uniform percentage
2	necessary to eliminate a breach within that category.
3	"(3) MILITARY PERSONNEL.—If the President
4	uses the authority to exempt any personnel account
5	from sequestration under section 255(f), each ac-
6	count within subfunctional category 051 (other than
7	those military personnel accounts for which the au-
8	thority provided under section 255(f) has been exer-
9	cised) shall be further reduced by a dollar amount
10	calculated by multiplying the enacted level of non-ex-
11	empt budgetary resources in that account at that
12	time by the uniform percentage necessary to offset
13	the total dollar amount by which outlays are not re-
14	duced in military personnel accounts by reason of
15	the use of such authority.
16	"(4) Part-year appropriations.—If, on the
17	date specified in paragraph (1), there is in effect an
18	Act making or continuing appropriations for part of
19	a fiscal year for any budget account, then the dollar
20	sequestration calculated for that account under
21	paragraphs (2) and (3) shall be subtracted from—
22	"(A) the annualized amount otherwise
23	available by law in that account under that or
24	a subsequent part-year appropriation; and

1	"(B) when a full-year appropriation for
2	that account is enacted, from the amount other-
3	wise provided by the full-year appropriation for
4	that account.
5	"(5) LOOK-BACK.—If, after June 30, an appro-
6	priation for the fiscal year in progress is enacted
7	that causes a breach within a category for that year
8	(after taking into account any sequestration of
9	amounts within that category), the discretionary
10	spending limits for that category for the next fiscal
11	year shall be reduced by the amount or amounts of
12	that breach.
13	"(6) WITHIN-SESSION SEQUESTRATION.—If an
14	appropriation for a fiscal year in progress is enacted
15	(after Congress adjourns to end the session for that
16	budget year and before July 1 of that fiscal year)
17	that causes a breach within a category for that year
18	(after taking into account any prior sequestration of
19	amounts within that category), 15 days later there
20	shall be a sequestration to eliminate that breach
21	within that category following the procedures set
22	forth in paragraphs (2) through (4).
23	"(7) Estimates.—
24	"(A) CBO ESTIMATES.—As soon as prac-
25	ticable after Congress completes action on any

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discretionary appropriation, CBO, after consultation with the Committees on the Budget of the House of Representatives and the Senate, shall provide OMB with an estimate of the amount of discretionary new budget authority and outlays for the current year, if any, and the budget year provided by that legislation.

"(B) OMB ESTIMATES AND EXPLANATION OF DIFFERENCES.—Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing the CBO estimate of that legislation, an OMB estimate of the amount of discretionary new budget authority and outlays for the current year, if any, and the budget year provided by that legislation, and an explanation of any difference between the 2 estimates. If during the preparation of the report OMB determines that there is a significant difference between OMB and CBO, OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate regarding that difference and that consultation

1	shall include, to the extent practicable, written
2	communication to those committees that affords
3	such committees the opportunity to comment
4	before the issuance of the report.
5	"(C) Assumptions and guidelines.—
6	OMB estimates under this paragraph shall be
7	made using current economic and technical as-
8	sumptions. OMB shall use the OMB estimates
9	transmitted to the Congress under this para-
10	graph. OMB and CBO shall prepare estimates
11	under this paragraph in conformance with
12	scorekeeping guidelines determined after con-
13	sultation among the Committees on the Budget
14	of the House of Representatives and the Sen-
15	ate, CBO, and OMB.
16	"(D) Annual appropriations.—For
17	purposes of this paragraph, amounts provided
18	by annual appropriations shall include any dis-
19	cretionary appropriations for the current year
20	if any, and the budget year in accounts for
21	which funding is provided in that legislation
22	that result from previously enacted legislation
23	"(b) Adjustments to Discretionary Spending
24	Limits.—

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"(1) Concepts and Definitions.—When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall include adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear to reflect changes in concepts and definitions. Such changes shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions, minus those levels using the concepts and definitions in effect before such changes. Such changes may only be made after consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate, and that consultation shall include written communication to such committees that affords such committees the opportunity to comment before official action is taken with respect to such changes. "(2) SEQUESTRATION REPORTS.—When OMB submits a sequestration report under section 254(e), (f), or (g) for a fiscal year, OMB shall calculate, and the sequestration report and subsequent budgets submitted by the President under section 1105(a) of title 31, United States Code, shall include adjustments to discretionary spending limits (and those

1	limits as adjusted) for the fiscal year and each suc-
2	ceeding year, as follows:
3	"(A) Emergency appropriations; over-
4	SEAS CONTINGENCY OPERATIONS/GLOBAL WAR
5	ON TERRORISM.—If, for any fiscal year, appro-
6	priations for discretionary accounts are enacted
7	that—
8	"(i) the Congress designates as emer-
9	gency requirements in statute on an ac-
10	count by account basis and the President
11	subsequently so designates, or
12	"(ii) the Congress designates for
13	Overseas Contingency Operations/Global
14	War on Terrorism in statute on an account
15	by account basis and the President subse-
16	quently so designates,
17	the adjustment shall be the total of such appro-
18	priations in discretionary accounts designated
19	as emergency requirements or for Overseas
20	Contingency Operations/Global War on Ter-
21	rorism, as applicable.
22	"(B) Continuing disability reviews
23	AND REDETERMINATIONS.—(i) If a bill or joint
24	resolution making appropriations for a fiscal
25	year is enacted that specifies an amount for

1	continuing disability reviews under titles II and
2	XVI of the Social Security Act and for the cost
3	associated with conducting redeterminations of
4	eligibility under title XVI of the Social Security
5	Act, then the adjustments for that fiscal year
6	shall be the additional new budget authority
7	provided in that Act for such expenses for that
8	fiscal year, but shall not exceed—
9	"(I) for fiscal year 2012,
10	\$623,000,000 in additional new budget au-
11	thority;
12	"(II) for fiscal year 2013 ,
13	\$751,000,000 in additional new budget au-
14	thority;
15	"(III) for fiscal year 2014,
16	\$924,000,000 in additional new budget au-
17	thority;
18	"(IV) for fiscal year 2015,
19	\$1,123,000,000 in additional new budget
20	authority;
21	"(V) for fiscal year 2016,
22	\$1,166,000,000 in additional new budget
23	authority;

1	"(VI) for fiscal year 2017,
2	\$1,309,000,000 in additional new budget
3	authority;
4	"(VII) for fiscal year 2018,
5	\$1,309,000,000 in additional new budget
6	authority;
7	"(VIII) for fiscal year 2019,
8	\$1,309,000,000 in additional new budget
9	authority;
10	"(IX) for fiscal year 2020,
11	\$1,309,000,000 in additional new budget
12	authority; and
13	"(X) for fiscal year 2021,
14	\$1,309,000,000 in additional new budget
15	authority.
16	"(ii) As used in this subparagraph—
17	"(I) the term 'continuing disability re-
18	views' means continuing disability reviews
19	under sections $221(i)$ and $1614(a)(4)$ of
20	the Social Security Act;
21	"(II) the term redetermination
22	means redetermination of eligibility under
23	sections $1611(c)(1)$ and $1614(a)(3)(H)$ of
24	the Social Security Act; and

1	"(III) the term 'additional new budget
2	authority' means the amount provided for
3	a fiscal year, in excess of \$273,000,000, in
4	an appropriation Act and specified to pay
5	for the costs of continuing disability re-
6	views and redeterminations under the
7	heading 'Limitation on Administrative Ex-
8	penses' for the Social Security Administra-
9	tion.
10	"(C) Health care fraud and abuse
11	CONTROL.—(i) If a bill or joint resolution mak-
12	ing appropriations for a fiscal year is enacted
13	that specifies an amount for the health care
14	fraud abuse control program at the Department
15	of Health and Human Services (75–8393–0–7–
16	571), then the adjustments for that fiscal year
17	shall be the amount of additional new budget
18	authority provided in that Act for such program
19	for that fiscal year, but shall not exceed—
20	(I) for fiscal year 2012,
21	\$270,000,000 in additional new budget au-
22	thority;
23	"(II) for fiscal year 2013 ,
24	\$299,000,000 in additional new budget au-
25	thority;

1	"(III) for fiscal year 2014,
2	\$329,000,000 in additional new budget au-
3	thority;
4	"(IV) for fiscal year 2015,
5	\$361,000,000 in additional new budget au-
6	thority;
7	"(V) for fiscal year 2016,
8	\$395,000,000 in additional new budget au-
9	thority;
10	"(VI) for fiscal year 2017,
11	\$414,000,000 in additional new budget au-
12	thority;
13	"(VII) for fiscal year 2018,
14	\$434,000,000 in additional new budget au-
15	thority;
16	"(VIII) for fiscal year 2019,
17	\$454,000,000 in additional new budget au-
18	thority;
19	"(IX) for fiscal year 2020,
20	\$475,000,000 in additional new budget au-
21	thority; and
22	"(X) for fiscal year 2021,
23	\$496,000,000 in additional new budget au-
24	thority.

1	"(ii) As used in this subparagraph, the
2	term 'additional new budget authority' means
3	the amount provided for a fiscal year, in excess
4	of \$311,000,000, in an appropriation Act and
5	specified to pay for the costs of the health care
6	fraud and abuse control program.
7	"(D) DISASTER FUNDING.—
8	"(i) If, for fiscal years 2012 through
9	2021, appropriations for discretionary ac-
10	counts are enacted that Congress des-
11	ignates as being for disaster relief in stat-
12	ute, the adjustment for a fiscal year shall
13	be the total of such appropriations for the
14	fiscal year in discretionary accounts des-
15	ignated as being for disaster relief, but not
16	to exceed the total of—
17	"(I) the average funding provided
18	for disaster relief over the previous 10
19	years, excluding the highest and low-
20	est years; and
21	"(II) the amount, for years when
22	the enacted new discretionary budget
23	authority designated as being for dis-
24	aster relief for the preceding fiscal
25	year was less than the average as cal-

1	culated in subclause (I) for that fiscal
2	year, that is the difference between
3	the enacted amount and the allowable
4	adjustment as calculated in such sub-
5	clause for that fiscal year.
6	"(ii) OMB shall report to the Com-
7	mittees on Appropriations and Budget in
8	each House the average calculated pursu-
9	ant to clause (i)(II), not later than 30 days
10	after the date of the enactment of the
11	Budget Control Act of 2011.
12	"(iii) For the purposes of this sub-
13	paragraph, the term 'disaster relief' means
14	activities carried out pursuant to a deter-
15	mination under section 102(2) of the Rob-
16	ert T. Stafford Disaster Relief and Emer-
17	gency Assistance Act (42 U.S.C. 5122(2)).
18	"(iv) Appropriations considered dis-
19	aster relief under this subparagraph in a
20	fiscal year shall not be eligible for adjust-
21	ments under subparagraph (A) for the fis-
22	cal year.
23	"(c) DISCRETIONARY SPENDING LIMIT.—As used in
24	this part, the term 'discretionary spending limit' means—
25	"(1) with respect to fiscal year 2012—

1	"(A) for the security category,
2	\$684,000,000,000 in new budget authority; and
3	"(B) for the nonsecurity category,
4	\$359,000,000,000 in new budget authority;
5	"(2) with respect to fiscal year 2013—
6	"(A) for the security category,
7	\$686,000,000,000 in new budget authority; and
8	"(B) for the nonsecurity category,
9	\$361,000,000,000 in new budget authority;
10	"(3) with respect to fiscal year 2014, for the
11	discretionary category, $$1,066,000,000,000$ in new
12	budget authority;
13	"(4) with respect to fiscal year 2015, for the
14	discretionary category, $$1,086,000,000,000$ in new
15	budget authority;
16	"(5) with respect to fiscal year 2016, for the
17	discretionary category, $$1,107,000,000,000$ in new
18	budget authority;
19	"(6) with respect to fiscal year 2017, for the
20	discretionary category, $$1,131,000,000,000$ in new
21	budget authority;
22	"(7) with respect to fiscal year 2018, for the
23	discretionary category, $$1,156,000,000,000$ in new
24	budget authority;

1	"(8) with respect to fiscal year 2019, for the
2	discretionary category, \$1,182,000,000,000 in new
3	budget authority;
4	"(9) with respect to fiscal year 2020, for the
5	discretionary category, \$1,208,000,000,000 in new
6	budget authority; and
7	"(10) with respect to fiscal year 2021, for the
8	discretionary category, \$1,234,000,000,000 in new
9	budget authority;
10	as adjusted in strict conformance with subsection (b).".
11	SEC. 102. DEFINITIONS.
12	Section 250(c) of the Balanced Budget and Emer-
13	gency Deficit Control Act of 1985 is amended as follows:
14	(1) Strike paragraph (4) and insert the fol-
15	lowing new paragraph:
16	"(4)(A) The term 'nonsecurity category' means
17	all discretionary appropriations not included in the
18	security category defined in subparagraph (B).
19	"(B) The term 'security category' includes dis-
20	cretionary appropriations associated with agency
21	budgets for the Department of Defense, the Depart-
22	ment of Homeland Security, the Department of Vet-
23	erans Affairs, the National Nuclear Security Admin-
24	istration, the intelligence community management
25	account (95-0401-0-1-054), and all budget ac-

1	counts in budget function 150 (international af-
2	fairs).
3	"(C) The term 'discretionary category' includes
4	all discretionary appropriations.".
5	(2) In paragraph (8)(C), strike "the food stamp
6	program" and insert "the Supplemental Nutrition
7	Assistance Program".
8	(3) Strike paragraph (14) and insert the fol-
9	lowing new paragraph:
10	"(14) The term 'outyear' means a fiscal year
11	one or more years after the budget year.".
12	(4) At the end, add the following new para-
13	graphs:
14	"(20) The term 'emergency' means a situation
15	that—
16	"(A) requires new budget authority and
17	outlays (or new budget authority and the out-
18	lays flowing therefrom) for the prevention or
19	mitigation of, or response to, loss of life or
20	property, or a threat to national security; and
21	"(B) is unanticipated.
22	"(21) The term 'unanticipated' means that the
23	underlying situation is—
24	"(A) sudden, which means quickly coming
25	into being or not building up over time;

1	"(B) urgent, which means a pressing and
2	compelling need requiring immediate action;
3	"(C) unforeseen, which means not pre-
4	dicted or anticipated as an emerging need; and
5	"(D) temporary, which means not of a per-
6	manent duration.".
7	SEC. 103. REPORTS AND ORDERS.
8	Section 254 of the Balanced Budget and Emergency
9	Deficit Control Act of 1985 is amended as follows:
10	(1) In subsection (c)(2), strike "2002" and in-
11	sert "2021".
12	(2) At the end of subsection (e), insert "This
13	report shall also contain a preview estimate of the
14	adjustment for disaster funding for the upcoming
15	fiscal year.".
16	(3) In subsection $(f)(2)(A)$, strike "2002" and
17	insert "2021"; before the concluding period insert ",
18	including a final estimate of the adjustment for dis-
19	aster funding".
20	SEC. 104. EXPIRATION.
21	(a) Repealer.—Section 275 of the Balanced Budget
22	and Emergency Deficit Control Act of 1985 is repealed.
23	(b) Conforming Change.—Sections 252(d)(1),
24	254(e), 254(f)(3), and 254(i) of the Balanced Budget and

1	Emergency Deficit Control Act of 1985 shall not apply
2	to the Congressional Budget Office.
3	SEC. 105. AMENDMENTS TO THE CONGRESSIONAL BUDGET
4	AND IMPOUNDMENT CONTROL ACT OF 1974.
5	(a) Adjustments.—Section 314 of the Congres-
6	sional Budget Act of 1974 is amended as follows:
7	(1) Strike subsection (a) and insert the fol-
8	lowing:
9	"(a) Adjustments.—After the reporting of a bill or
10	joint resolution or the offering of an amendment thereto
11	or the submission of a conference report thereon, the
12	chairman of the Committee on the Budget of the House
13	of Representatives or the Senate may make appropriate
14	budgetary adjustments of new budget authority and the
15	outlays flowing therefrom in the same amount as required
16	by section 251(b) of the Balanced Budget and Emergency
17	Deficit Control Act of 1985.".
18	(2) Strike subsections (b) and (e) and redesig-
19	nate subsections (c) and (d) as subsections (b) and
20	(c), respectively.
21	(3) At the end, add the following new sub-
22	sections:
23	"(d) Emergencies in the House of Representa-
24	TIVES.— (1) In the House of Representatives, if a re-
25	ported bill or joint resolution, or amendment thereto or

- 1 conference report thereon, contains a provision providing
- 2 new budget authority and outlays or reducing revenue,
- 3 and a designation of such provision as an emergency re-
- 4 quirement pursuant to 251(b)(2)(A) of the Balanced
- 5 Budget and Emergency Deficit Control Act of 1985, the
- 6 chair of the Committee on the Budget of the House of
- 7 Representatives shall not count the budgetary effects of
- 8 such provision for purposes of title III and title IV of the
- 9 Congressional Budget Act of 1974 and the Rules of the
- 10 House of Representatives.
- 11 "(2)(A) In the House of Representatives, if a re-
- 12 ported bill or joint resolution, or amendment thereto or
- 13 conference report thereon, contains a provision providing
- 14 new budget authority and outlays or reducing revenue,
- 15 and a designation of such provision as an emergency pur-
- 16 suant to paragraph (1), the chair of the Committee on
- 17 the Budget shall not count the budgetary effects of such
- 18 provision for purposes of this title and title IV and the
- 19 Rules of the House of Representatives.
- 20 "(B) In the House of Representatives, a proposal to
- 21 strike a designation under subparagraph (A) shall be ex-
- 22 cluded from an evaluation of budgetary effects for pur-
- 23 poses of this title and title IV and the Rules of the House
- 24 of Representatives.

- 1 "(C) An amendment offered under subparagraph (B)
- 2 that also proposes to reduce each amount appropriated or
- 3 otherwise made available by the pending measure that is
- 4 not required to be appropriated or otherwise made avail-
- 5 able shall be in order at any point in the reading of the
- 6 pending measure.
- 7 "(e) Enforcement of Discretionary Spending
- 8 Caps.—It shall not be in order in the House of Represent-
- 9 atives or the Senate to consider any bill, joint resolution,
- 10 amendment, motion, or conference report that would cause
- 11 the discretionary spending limits as set forth in section
- 12 251 of the Balanced Budget and Emergency Deficit Con-
- 13 trol Act to be exceeded.".
- 14 (b) Definitions.—Section 3 of the Congressional
- 15 Budget and Impoundment Control Act of 1974 is amend-
- 16 ed by adding at the end the following new paragraph:
- 17 "(11) The terms 'emergency' and 'unantici-
- pated' have the meanings given to such terms in sec-
- tion 250(c) of the Balanced Budget and Emergency
- Deficit Control Act of 1985.".
- 21 (c) Appeals for Discretionary Caps.—Section
- 22 904(c)(2) of the Congressional Budget Act of 1974 is
- 23 amended by striking "and 312(c)" and inserting "312(c),
- 24 and 314(e)".

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1 SEC. 106. SENATE BUDGET ENFORCEMENT.

- (a) In General.—
- 3 (1) For the purpose of enforcing the Congres-4 sional Budget Act of 1974 through April 15, 2012, 5 including section 300 of that Act, and enforcing 6 budgetary points of order in prior concurrent resolu-7 tions on the budget, the allocations, aggregates, and 8 levels set in subsection (b)(1) shall apply in the Sen-9 ate in the same manner as for a concurrent resolu-10 tion on the budget for fiscal year 2012 with appro-11 priate budgetary levels for fiscal years 2011 and 12 2013 through 2021.
 - (2) For the purpose of enforcing the Congressional Budget Act of 1974 after April 15, 2012, including section 300 of that Act, and enforcing budgetary points of order in prior concurrent resolutions on the budget, the allocations, aggregates, and levels set in subsection (b)(2) shall apply in the Senate in the same manner as for a concurrent resolution on the budget for fiscal year 2013 with appropriate budgetary levels for fiscal years 2012 and 2014 through 2022.
- 23 (b) Committee Allocations, Aggregates, and
- 24 Levels.—

1	(1) As soon as practicable after the date of en-
2	actment of this section, the Chairman of the Com-
3	mittee on the Budget shall file—
4	(A) for the Committee on Appropriations,
5	committee allocations for fiscal years 2011 and
6	2012 consistent with the discretionary spending
7	limits set forth in this Act for the purpose of
8	enforcing section 302 of the Congressional
9	Budget Act of 1974;
10	(B) for all committees other than the Com-
11	mittee on Appropriations, committee allocations
12	for fiscal years 2011, 2012, 2012 through
13	2016, and 2012 through 2021 consistent with
14	the Congressional Budget Office's March 2011
15	baseline adjusted to account for the budgetary
16	effects of this Act and legislation enacted prior
17	to this Act but not included in the Congres-
18	sional Budget Office's March 2011 baseline, for
19	the purpose of enforcing section 302 of the
20	Congressional Budget Act of 1974;
21	(C) aggregate spending levels for fiscal
22	years 2011 and 2012 and aggregate revenue
23	levels for fiscal years 2011, 2012, 2012 through
24	2016, 2012 through 2021 consistent with the
25	Congressional Budget Office's March 2011

1	baseline adjusted to account for the budgetary
2	effects of this Act and legislation enacted prior
3	to this Act but not included in the Congres-
4	sional Budget Office's March 2011 baseline,
5	and the discretionary spending limits set forth
6	in this Act for the purpose of enforcing section
7	311 of the Congressional Budget Act of 1974;
8	and
9	(D) levels of Social Security revenues and
10	outlays for fiscal years 2011, 2012, 2012
11	through 2016, and 2012 through 2021 con-
12	sistent with the Congressional Budget Office's
13	March 2011 baseline adjusted to account for
14	the budgetary effects of this Act and legislation
15	enacted prior to this Act but not included in the
16	Congressional Budget Office's March 2011
17	baseline, for the purpose of enforcing sections
18	302 and 311 of the Congressional Budget Act
19	of 1974.
20	(2) Not later than April 15, 2012, the Chair-
21	man of the Committee on the Budget shall file—
22	(A) for the Committee on Appropriations,
23	committee allocations for fiscal years 2012 and
24	2013 consistent with the discretionary spending
25	limits set forth in this Act for the purpose of

1	enforcing section 302 of the Congressional
2	Budget Act of 1974;
3	(B) for all committees other than the Com-
4	mittee on Appropriations, committee allocations
5	for fiscal years 2012, 2013, 2013 through
6	2017, and 2013 through 2022 consistent with
7	the Congressional Budget Office's March 2012
8	baseline for the purpose of enforcing section
9	302 of the Congressional Budget Act of 1974;
10	(C) aggregate spending levels for fiscal
11	years 2012 and 2013 and aggregate revenue
12	levels for fiscal years 2012, 2013, 2013–2017,
13	and 2013-2022 consistent with the Congres-
14	sional Budget Office's March 2012 baseline and
15	the discretionary spending limits set forth in
16	this Act for the purpose of enforcing section
17	311 of the Congressional Budget Act of 1974;
18	and
19	(D) levels of Social Security revenues and
20	outlays for fiscal years 2012 and 2013, 2013-
21	2017, and 2013–2022 consistent with the Con-
22	gressional Budget Office's March 2012 baseline
23	budget for the purpose of enforcing sections
24	302 and 311 of the Congressional Budget Act
25	of 1974.

1	(c) Senate Pay-as-you-go Scorecard.—
2	(1) Effective on the date of enactment of this
3	section, for the purpose of enforcing section 201 or
4	S. Con. Res. 21 (110th Congress), the Chairman of
5	the Senate Committee on the Budget shall reduce
6	any balances of direct spending and revenues for any
7	fiscal year to 0 (zero).
8	(2) Not later than April 15, 2012, for the pur-
9	pose of enforcing section 201 of S. Con. Res. 21
10	(110th Congress), the Chairman of the Senate Com-
11	mittee on the Budget shall reduce any balances of
12	direct spending and revenues for any fiscal year to
13	0 (zero).
14	(3) Upon resetting the Senate paygo scorecard
15	pursuant to paragraph (2), the Chairman shall pub-
16	lish a notification of such action in the Congress
17	sional Record.
18	(d) Further Adjustments.—
19	(1) The Chairman of the Committee on the
20	Budget of the Senate may revise any allocations, ag-
21	gregates, or levels set pursuant to this section to ac
22	count for any subsequent adjustments to discre-
23	tionary spending limits made pursuant to this Act
24	(2) With respect to any allocations, aggregates

or levels set or adjustments made pursuant to this

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1	section, sections 412 through 414 of S. Con. Res. 13
2	(111th Congress) shall remain in effect.
3	(e) Expiration.—
4	(1) Subections (a)(1), (b)(1), and (c)(1) shall
5	expire if a concurrent resolution on the budget for
6	fiscal year 2012 is agreed to by the Senate and
7	House of Representatives pursuant to section 301 of
8	the Congressional Budget Act of 1974.
9	(2) Subections $(a)(2)$, $(b)(2)$, and $(c)(2)$ shall
10	expire if a concurrent resolution on the budget for
11	fiscal year 2013 is agreed to by the Senate and
12	House of Representatives pursuant to section 301 of
13	the Congressional Budget Act of 1974.
14	TITLE II—VOTE ON THE BAL-
15	ANCED BUDGET AMENDMENT
16	SEC. 201. VOTE ON THE BALANCED BUDGET AMENDMENT.
16 17	SEC. 201. VOTE ON THE BALANCED BUDGET AMENDMENT. After September 30, 2011, and not later than Decem-
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17	After September 30, 2011, and not later than Decem-
17 18	After September 30, 2011, and not later than December 31, 2011, the House of Representatives and Senate, respectively, shall vote on passage of a joint resolution,
17 18 19	After September 30, 2011, and not later than December 31, 2011, the House of Representatives and Senate, respectively, shall vote on passage of a joint resolution,
17 18 19 20	After September 30, 2011, and not later than December 31, 2011, the House of Representatives and Senate, respectively, shall vote on passage of a joint resolution, the title of which is as follows: "Joint resolution proposing
17 18 19 20 21	After September 30, 2011, and not later than December 31, 2011, the House of Representatives and Senate, respectively, shall vote on passage of a joint resolution, the title of which is as follows: "Joint resolution proposing a balanced budget amendment to the Constitution of the

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(1) Referral.—If the House receives a joint resolution described in section 201 from the Senate, such joint resolution shall be referred to the Committee on the Judiciary. If the committee fails to report the joint resolution within five legislative days, it shall be in order to move that the House discharge the committee from further consideration of the joint resolution. Such a motion shall not be in order after the House has disposed of a motion to discharge the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion except twenty minutes of debate equally divided and controlled by the proponent and an opponent. If such a motion is adopted, the House shall proceed immediately to consider the joint resolution in accordance with paragraph (3). A motion to reconsider the vote by which the motion is disposed of shall not be in order. (2) Proceeding to Consideration.—After the joint resolution has been referred to the appropriate calendar or the committee has been discharged (other than by motion) from its consideration, it shall be in order to move to proceed to consider the joint resolution in the House. Such a motion shall not be in order after the House has dis-

- 1 posed of a motion to proceed with respect to the 2 joint resolution. The previous question shall be con-3 sidered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not 6 be in order. 7 (3)CONSIDERATION.—The ioint resolution 8 shall be considered as read. All points of order 9 against the joint resolution and against its consider-10 ation are waived. The previous question shall be con-11 sidered as ordered on the joint resolution to its pas-
- sage without intervening motion except two hours of debate equally divided and controlled by the proponent and an opponent and one motion to limit debate on the joint resolution. A motion to reconsider
- the vote on passage of the joint resolution shall not
- be in order.
- 18 (b) Senate Consideration.—(1) If the Senate re-
- 19 ceives a joint resolution described in section 201 from the
- 20 House of Representatives, such joint resolution shall be
- 21 referred to the appropriate committee of the Senate. If
- 22 such committee has not reported the joint resolution at
- 23 the close of the fifth session day after its receipt by the
- 24 Senate, such committee shall be automatically discharged

- 1 from further consideration of the joint resolution and it
- 2 shall be placed on the appropriate calendar.
- 3 (2) Consideration of the joint resolution and on all
- 4 debatable motions and appeals in connection therewith,
- 5 shall be limited to not more than 20 hours, which shall
- 6 be divided equally between the majority and minority lead-
- 7 ers or their designees. A motion further to limit debate
- 8 is in order and not debatable. An amendment to, or a mo-
- 9 tion to postpone, or a motion to proceed to the consider-
- 10 ation of other business, or a motion to recommit the joint
- 11 resolution is not in order. Any debatable motion or appeal
- 12 is debatable for not to exceed 1 hour, to be divided equally
- 13 between those favoring and those opposing the motion or
- 14 appeal. All time used for consideration of the joint resolu-
- 15 tion, including time used for quorum calls and voting,
- 16 shall be counted against the total 20 hours of consider-
- 17 ation.
- 18 (3) If the Senate has voted to proceed to a joint reso-
- 19 lution, the vote on passage of the joint resolution shall
- 20 be taken on or before the close of the seventh session day
- 21 after such joint resolution has been reported or discharged
- 22 or immediately following the conclusion of consideration
- 23 of the joint resolution, and a single quorum call at the
- 24 conclusion of the debate if requested in accordance with
- 25 the rules of the Senate.

1 TITLE III—DEBT CEILING 2 DISAPPROVAL PROCESS

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3	SEC. 301. DEBT CEILING DISAPPROVAL PROCESS.
4	(a) In General.—Subchapter I of chapter 31 of
5	subtitle III of title 31, United States Code, is amended—
6	(1) in section 3101(b), by striking "or other-
7	wise" and inserting "or as provided by section
8	3101A or otherwise"; and
9	(2) by inserting after section 3101 the fol-
10	lowing:
11	" $\S 3101A$. Presidential modification of the debt ceil-
12	ing
13	"(a) In General.—
14	"(1) \$900 BILLION.—
15	"(A) CERTIFICATION.—If, not later than
16	December 31, 2011, the President submits a
17	written certification to Congress that the Presi-
18	dent has determined that the debt subject to
19	limit is within \$100,000,000,000 of the limit in
20	section 3101(b) and that further borrowing is
21	required to meet existing commitments, the
22	Secretary of the Treasury may exercise author-
23	ity to borrow an additional \$900,000,000,000,
24	subject to the enactment of a joint resolution of
25	disapproval enacted pursuant to this section.

1 Upon submission of such certification, the limit 2 on debt provided in section 3101(b) (referred to in this section as the 'debt limit') is increased 3 4 by \$400,000,000,000. "(B) Resolution of Disapproval.— 6 Congress may consider a joint resolution of dis-7 approval of the authority under subparagraph 8 (A) as provided in subsections (b) through (f). 9 The joint resolution of disapproval considered under this section shall contain only the lan-10 11 guage provided in subsection (b)(2). If the time 12 for disapproval has lapsed without enactment of 13 a joint resolution of disapproval under this sec-14 tion, the debt limit is increased by an additional 15 \$500,000,000,000. "(2) Additional amount.— 16 17 "(A) CERTIFICATION.—If, after the debt 18 limit is increased by \$900,000,000,000 under 19 paragraph (1), the President submits a written 20 certification to Congress that the President has 21 determined that the debt subject to limit is 22 within \$100,000,000,000 of the limit in section 23 3101(b) and that further borrowing is required 24 to meet existing commitments, the Secretary of

the Treasury may, subject to the enactment of

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1	a joint resolution of disapproval enacted pursu-
2	ant to this section, exercise authority to borrow
3	an additional amount equal to—
4	(i) \$1,200,000,000,000, unless
5	clause (ii) or (iii) applies;
6	"(ii) \$1,500,000,000,000 if the Archi-
7	vist of the United States has submitted to
8	the States for their ratification a proposed
9	amendment to the Constitution of the
10	United States pursuant to a joint resolu-
11	tion entitled 'Joint resolution proposing a
12	balanced budget amendment to the Con-
13	stitution of the United States'; or
14	"(iii) if a joint committee bill to
15	achieve an amount greater than
16	\$1,200,000,000,000 in deficit reduction as
17	provided in section $401(b)(3)(B)(i)(II)$ of
18	the Budget Control Act of 2011 is enacted,
19	an amount equal to the amount of that
20	deficit reduction, but not greater than
21	\$1,500,000,000,000, unless clause (ii) ap-
22	plies.
23	"(B) RESOLUTION OF DISAPPROVAL.—
24	Congress may consider a joint resolution of dis-
25	approval of the authority under subparagraph

1	(A) as provided in subsections (b) through (f).
2	The joint resolution of disapproval considered
3	under this section shall contain only the lan-
4	guage provided in subsection (b)(2). If the time
5	for disapproval has lapsed without enactment of
6	a joint resolution of disapproval under this sec-
7	tion, the debt limit is increased by the amount
8	authorized under subparagraph (A).
9	"(b) Joint Resolution of Disapproval.—
10	"(1) IN GENERAL.—Except for the
11	\$400,000,000,000 increase in the debt limit pro-
12	vided by subsection (a)(1)(A), the debt limit may not
13	be raised under this section if, within 50 calendar
14	days after the date on which Congress receives a
15	certification described in subsection (a)(1) or within
16	15 calendar days after Congress receives the certifi-
17	cation described in subsection (a)(2) (regardless of
18	whether Congress is in session), there is enacted into
19	law a joint resolution disapproving the President's
20	exercise of authority with respect to such additional
21	amount.
22	"(2) Contents of joint resolution.—For
23	the purpose of this section, the term 'joint resolu-
24	tion' means only a joint resolution—

1	"(A)(i) for the certification described in
2	subsection (a)(1), that is introduced on Sep-
3	tember 6, 7, 8, or 9, 2011 (or, if the Senate
4	was not in session, the next calendar day on
5	which the Senate is in session); and
6	"(ii) for the certification described in
7	subsection (a)(2), that is introduced be-
8	tween the date the certification is received
9	and 3 calendar days after that date;
10	"(B) which does not have a preamble;
11	"(C) the title of which is only as follows:
12	'Joint resolution relating to the disapproval of
13	the President's exercise of authority to increase
14	the debt limit, as submitted under section
15	3101A of title 31, United States Code, on
16	' (with the blank containing the
17	date of such submission); and
18	"(D) the matter after the resolving clause
19	of which is only as follows: 'That Congress dis-
20	approves of the President's exercise of authority
21	to increase the debt limit, as exercised pursuant
22	to the certification under section 3101A(a) of
23	title 31, United States Code.'.
24	"(c) Expedited Consideration in House of
25	Representatives.—

"(1) RECONVENING.—Upon receipt of a certification described in subsection (a)(2), the Speaker, if the House would otherwise be adjourned, shall notify the Members of the House that, pursuant to this section, the House shall convene not later than the second calendar day after receipt of such certification.

"(2) Reporting and discharge.—Any committee of the House of Representatives to which a joint resolution is referred shall report it to the House without amendment not later than 5 calendar days after the date of introduction of a joint resolution described in subsection (a). If a committee fails to report the joint resolution within that period, the committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be referred to the appropriate calendar.

"(3) Proceeding to consider a joint resolution reports it to the House or has been discharged from its consideration, it shall be in order, not later than the sixth day after introduction of a joint resolution under subsection (a), to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a mo-

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tion shall not be in order after the House has dis-2 posed of a motion to proceed on a joint resolution 3 addressing a particular submission. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The 5 6 motion shall not be debatable. A motion to recon-7 sider the vote by which the motion is disposed of 8 shall not be in order. 9

"(4) Consideration.—The joint resolution shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to its passage without intervening motion except two hours of debate equally divided and controlled by the proponent and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order.

"(d) Expedited Procedure in Senate.—

"(1) Reconvening.—Upon receipt of a certification under subsection (a)(2), if the Senate has adjourned or recessed for more than 2 days, the majority leader of the Senate, after consultation with the minority leader of the Senate, shall notify the Members of the Senate that, pursuant to this section, the

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1 Senate shall convene not later than the second cal-2 endar day after receipt of such message.

> "(2) PLACEMENT ON CALENDAR.—Upon introduction in the Senate, the joint resolution shall be immediately placed on the calendar.

"(3) Floor consideration.—

"(A) IN GENERAL.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time during the period beginning on the day after the date on which Congress receives a certification under subsection (a) and, for the certification described in subsection (a)(1), ending on September 14, 2011, and for the certification described in subsection (a)(2), on the 6th day after the date on which Congress receives a certification under subsection (a) (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or

1	disagreed to shall not be in order. If a motion
2	to proceed to the consideration of the resolution
3	is agreed to, the joint resolution shall remain
4	the unfinished business until disposed of.
5	"(B) Consideration.—Consideration of
6	the joint resolution, and on all debatable mo-
7	tions and appeals in connection therewith, shall
8	be limited to not more than 10 hours, which
9	shall be divided equally between the majority
10	and minority leaders or their designees. A mo-
11	tion further to limit debate is in order and not
12	debatable. An amendment to, or a motion to
13	postpone, or a motion to proceed to the consid-
14	eration of other business, or a motion to recom-
15	mit the joint resolution is not in order.
16	"(C) VOTE ON PASSAGE.—If the Senate
17	has voted to proceed to a joint resolution, the
18	vote on passage of the joint resolution shall
19	occur immediately following the conclusion of
20	consideration of the joint resolution, and a sin-
21	gle quorum call at the conclusion of the debate
22	if requested in accordance with the rules of the
23	Senate.
24	"(D) Rulings of the chair on proce-
25	DURE.—Appeals from the decisions of the Chair

1	relating to the application of the rules of the
2	Senate, as the case may be, to the procedure re-
3	lating to a joint resolution shall be decided
4	without debate.
5	"(e) Amendment Not in Order.—A joint resolu-
6	tion of disapproval considered pursuant to this section
7	shall not be subject to amendment in either the House
8	of Representatives or the Senate.
9	"(f) Coordination With Action by Other
10	House.—
11	"(1) In general.—If, before passing the joint
12	resolution, one House receives from the other a joint
13	resolution—
14	"(A) the joint resolution of the other
15	House shall not be referred to a committee; and
16	"(B) the procedure in the receiving House
17	shall be the same as if no joint resolution had
18	been received from the other House until the
19	vote on passage, when the joint resolution re-
20	ceived from the other House shall supplant the
21	joint resolution of the receiving House.
22	"(2) Treatment of joint resolution of
23	OTHER HOUSE.—If the Senate fails to introduce or
24	consider a joint resolution under this section, the

1	joint resolution of the House shall be entitled to ex-
2	pedited floor procedures under this section.
3	"(3) Treatment of companion measures.—
4	If, following passage of the joint resolution in the
5	Senate, the Senate then receives the companion
6	measure from the House of Representatives, the
7	companion measure shall not be debatable.
8	"(4) Consideration after passage.—(A) If
9	Congress passes a joint resolution, the period begin-
10	ning on the date the President is presented with the
11	joint resolution and ending on the date the President
12	signs, allows to become law without his signature, or
13	vetoes and returns the joint resolution (but exclud-
14	ing days when either House is not in session) shall
15	be disregarded in computing the appropriate cal-
16	endar day period described in subsection $(b)(1)$.
17	"(B) Debate on a veto message in the Senate
18	under this section shall be 1 hour equally divided be-
19	tween the majority and minority leaders or their des-
20	ignees.
21	"(5) Veto override.—If within the appro-
22	priate calendar day period described in subsection
23	(b)(1), Congress overrides a veto of the joint resolu-
24	tion with respect to authority exercised pursuant to
25	paragraph (1) or (2) of subsection (a), the limit on

1	debt provided in section 3101(b) shall not be raised,
2	except for the \$400,000,000,000 increase in the
3	limit provided by subsection (a)(1)(A).
4	"(6) Sequestration.—(A) If within the 50-
5	calendar day period described in subsection $(b)(1)$,
6	the President signs the joint resolution, the Presi-
7	dent allows the joint resolution to become law with-
8	out his signature, or Congress overrides a veto of the
9	joint resolution with respect to authority exercised
10	pursuant to paragraph (1) of subsection (a), there
11	shall be a sequestration to reduce spending by
12	\$400,000,000,000. OMB shall implement the se-
13	questration forthwith.
14	"(B) OMB shall implement each half of such
15	sequestration in accordance with section 255, section
16	256, and subsections (c), (d), (e), and (f) of section
17	253 of the Balanced Budget and Emergency Deficit
18	Control Act of 1985, and for the purpose of such
19	implementation the term 'excess deficit' means the
20	amount specified in subparagraph (A).
21	"(g) Rules of House of Representatives and
22	SENATE.—This subsection and subsections (b), (c), (d),
23	(e), and (f) (other than paragraph (6)) are enacted by
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1	"(1) as an exercise of the rulemaking power of
2	the Senate and House of Representatives, respec-
3	tively, and as such it is deemed a part of the rules
4	of each House, respectively, but applicable only with
5	respect to the procedure to be followed in that
6	House in the case of a joint resolution, and it super-
7	sedes other rules only to the extent that it is incon-
8	sistent with such rules; and
9	"(2) with full recognition of the constitutional
10	right of either House to change the rules (so far as
11	relating to the procedure of that House) at any time,
12	in the same manner, and to the same extent as in
13	the case of any other rule of that House.".
14	(b) Conforming Amendment.—The table of sec-
15	tions for chapter 31 of title 31, United States Code, is
16	amended by inserting after the item relating to section
17	3101 the following new item:
	"3101A. Presidential modification of the debt ceiling.".
18	SEC. 302. ENFORCEMENT OF BUDGET GOAL.
19	(a) In General.—The Balanced Budget and Emer-
20	gency Deficit Control Act of 1985 is amended by inserting
21	after section 251 the following new section:
22	"SEC. 251A. ENFORCEMENT OF BUDGET GOAL.
23	"Unless a joint committee bill achieving an amount
24	greater than \$1,200,000,000,000 in deficit reduction as
25	provided in section 401(b)(3)(B)(i)(II) of the Budget Con-

1	trol Act of 2011 is enacted by January 15, 2012, the dis-
2	cretionary spending limits listed in section 251(c) shall be
3	revised, and discretionary appropriations and direct
4	spending shall be reduced, as follows:
5	"(1) Revised security category; revised
6	NONSECURITY CATEGORY.— (A) The term 'revised
7	security category' means discretionary appropria-
8	tions in budget function 050.
9	"(B) The term 'revised nonsecurity category'
10	means discretionary appropriations other than in
11	budget function 050.
12	"(2) Revised discretionary spending lim-
13	ITS.—The discretionary spending limits for fiscal
14	years 2013 through 2021 under section 251(c) shall
15	be replaced with the following:
16	"(A) For fiscal year 2013—
17	"(i) for the security category,
18	\$546,000,000,000 in budget authority; and
19	"(ii) for the nonsecurity category,
20	\$501,000,000,000 in budget authority.
21	"(B) For fiscal year 2014—
22	"(i) for the security category,
23	\$556,000,000,000 in budget authority; and
24	"(ii) for the nonsecurity category,
25	\$510,000,000,000 in budget authority.

1	"(C) For fiscal year 2015—
2	"(i) for the security category,
3	\$566,000,000,000 in budget authority; and
4	"(ii) for the nonsecurity category,
5	\$520,000,000,000 in budget authority.
6	"(D) For fiscal year 2016—
7	"(i) for the security category,
8	\$577,000,000,000 in budget authority; and
9	"(ii) for the nonsecurity category,
10	\$530,000,000,000 in budget authority.
11	"(E) For fiscal year 2017—
12	"(i) for the security category,
13	\$590,000,000,000 in budget authority; and
14	"(ii) for the nonsecurity category,
15	\$541,000,000,000 in budget authority.
16	"(F) For fiscal year 2018—
17	"(i) for the security category,
18	\$603,000,000,000 in budget authority; and
19	"(ii) for the nonsecurity category,
20	\$553,000,000,000 in budget authority.
21	"(G) For fiscal year 2019—
22	"(i) for the security category,
23	\$616,000,000,000 in budget authority; and
24	"(ii) for the nonsecurity category,
25	\$566,000,000,000 in budget authority.

1	"(H) For fiscal year 2020—
2	"(i) for the security category,
3	\$630,000,000,000 in budget authority; and
4	"(ii) for the nonsecurity category,
5	\$578,000,000,000 in budget authority.
6	"(I) For fiscal year 2021—
7	"(i) for the security category,
8	\$644,000,000,000 in budget authority; and
9	"(ii) for the nonsecurity category,
10	\$590,000,000,000 in budget authority.
11	"(3) Calculation of total deficit reduc-
12	TION.—OMB shall calculate the amount of the def-
13	icit reduction required by this section for each of fis-
14	cal years 2013 through 2021 by—
15	"(A) starting with \$1,200,000,000,000;
16	"(B) subtracting the amount of deficit re-
17	duction achieved by the enactment of a joint
18	committee bill, as provided in section
19	401(b)(3)(B)(i)(II) of the Budget Control Act
20	of 2011;
21	"(C) reducing the difference by 18 percent
22	to account for debt service; and
23	"(D) dividing the result by 9.
24	"(4) Allocation to functions.—On Janu-
25	ary 2, 2013, for fiscal year 2013, and in its seques-

1	tration preview report for fiscal years 2014 through
2	2021 pursuant to section 254(c), OMB shall allocate
3	half of the total reduction calculated pursuant to
4	paragraph (3) for that year to discretionary appro-
5	priations and direct spending accounts within func-
6	tion 050 (defense function) and half to accounts in
7	all other functions (nondefense functions).
8	"(5) Defense function reduction.—OMB
9	shall calculate the reductions to discretionary appro-
10	priations and direct spending for each of fiscal years
11	2013 through 2021 for defense function spending as
12	follows:
13	"(A) DISCRETIONARY.—OMB shall cal-
14	culate the reduction to discretionary appropria-
15	tions by—
16	"(i) taking the total reduction for the
17	defense function allocated for that year
18	under paragraph (4);
19	"(ii) multiplying by the discretionary
20	spending limit for the revised security cat-
21	egory for that year; and
22	"(iii) dividing by the sum of the dis-
23	cretionary spending limit for the security
24	category and OMB's baseline estimate of
25	nonexempt outlays for direct spending pro-

1	grams within the defense function for that
2	year.
3	"(B) DIRECT SPENDING.—OMB shall cal-
4	culate the reduction to direct spending by tak-
5	ing the total reduction for the defense function
6	required for that year under paragraph (4) and
7	subtracting the discretionary reduction cal-
8	culated pursuant to subparagraph (A).
9	"(6) Nondefense function reduction.—
10	OMB shall calculate the reduction to discretionary
11	appropriations and to direct spending for each of fis-
12	cal years 2013 through 2021 for programs in non-
13	defense functions as follows:
14	"(A) DISCRETIONARY.—OMB shall cal-
15	culate the reduction to discretionary appropria-
16	tions by—
17	"(i) taking the total reduction for
18	nondefense functions allocated for that
19	year under paragraph (4);
20	"(ii) multiplying by the discretionary
21	spending limit for the revised nonsecurity
22	category for that year; and
23	"(iii) dividing by the sum of the dis-
24	cretionary spending limit for the revised
25	nonsecurity category and OMB's baseline

1	estimate of nonexempt outlays for direct
2	spending programs in nondefense functions
3	for that year.
4	"(B) DIRECT SPENDING.—OMB shall cal-
5	culate the reduction to direct spending pro-
6	grams by taking the total reduction for non-
7	defense functions required for that year under
8	paragraph (4) and subtracting the discretionary
9	reduction calculated pursuant to subparagraph
10	(A).
11	"(7) Implementing discretionary reduc-
12	TIONS.—
13	"(A) FISCAL YEAR 2013.—On January 2,
14	2013, for fiscal year 2013, OMB shall calculate
15	and the President shall order a sequestration,
16	effective upon issuance and under the proce-
17	dures set forth in section 253(f), to reduce each
18	account within the security category or non-
19	security category by a dollar amount calculated
20	by multiplying the baseline level of budgetary
21	resources in that account at that time by a uni-
22	form percentage necessary to achieve—
	form percentage necessary to acmeve
23	"(i) for the revised security category,

1	discretionary reduction calculated pursuant
2	to paragraph (5); and
3	"(ii) for the revised nonsecurity cat-
4	egory, an amount equal to the nondefense
5	function discretionary reduction calculated
6	pursuant to paragraph (6).
7	"(B) FISCAL YEARS 2014-2021.—On the
8	date of the submission of its sequestration pre-
9	view report for fiscal years 2014 through 2021
10	pursuant to section 254(c) for each of fiscal
11	years 2014 through 2021, OMB shall reduce
12	the discretionary spending limit—
13	"(i) for the revised security category
14	by the amount of the defense function dis-
15	cretionary reduction calculated pursuant to
16	paragraph (5); and
17	"(ii) for the revised nonsecurity cat-
18	egory by the amount of the nondefense
19	function discretionary reduction calculated
20	pursuant to paragraph (6).
21	"(8) Implementing direct spending reduc-
22	TIONS.—On the date specified in paragraph (4) dur-
23	ing each applicable year, OMB shall prepare and the
24	President shall order a sequestration, effective upon
25	issuance, of nonexempt direct spending to achieve

1 the direct spending reduction calculated pursuant to 2 paragraphs (5) and (6). When implementing the se-3 questration of direct spending pursuant to this paragraph, OMB shall follow the procedures specified in 5 section 6 of the Statutory Pay-As-You-Go Act of 6 2010, the exemptions specified in section 255, and 7 the special rules specified in section 256, except that 8 the percentage reduction for the Medicare programs 9 specified in section 256(d) shall not be more than 2 10 percent for a fiscal year. 11 "(9) Adjustment for medicare.—If the per-12 centage reduction for the Medicare programs would 13 exceed 2 percent for a fiscal year in the absence of 14 paragraph (8), OMB shall increase the reduction for 15 all other discretionary appropriations and direct 16 spending under paragraph (6) by a uniform percent-17 age to a level sufficient to achieve the reduction re-18 quired by paragraph (6) in the non-defense function. 19 "(10) Implementation of reductions.— 20 Any reductions imposed under this section shall be 21 implemented in accordance with section 256(k). 22 "(11) Report.—On the dates specified in 23 paragraph (4), OMB shall submit a report to Con-24 gress containing information about the calculations 25 required under this section, the adjusted discre-

52 1 tionary spending limits, a listing of the reductions 2 required for each nonexempt direct spending ac-3 count, and any other data and explanations that enhance public understanding of this title and actions taken under it.". 5 6 (b) Conforming Amendment.—The table of contents set forth in section 250(a) of the Balanced Budget 8 and Emergency Deficit Control Act of 1985 is amended by inserting after the item relating to section 251 the fol-10 lowing: "Sec. 251A. Enforcement of budget goal.". TITLE IV—JOINT SELECT COM-11 MITTEE ON DEFICIT REDUC-12 TION 13 14 SEC. 401. ESTABLISHMENT OF JOINT SELECT COMMITTEE. 15 (a) DEFINITIONS.—In this title: 16 (1) Joint committee.—The term "joint com-17 mittee" means the Joint Select Committee on Def-18 icit Reduction established under subsection (b)(1). 19 (2) Joint committee bill.—The term "joint 20 committee bill" means a bill consisting of the pro-21 posed legislative language of the joint committee rec-22 ommended under subsection (b)(3)(B) and intro-23 duced under section 402(a).

JOINT

SELECT COM-

Establishment of

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MITTEE.—

1	(1) Establishment.—There is established a
2	joint select committee of Congress to be known as
3	the "Joint Select Committee on Deficit Reduction".
4	(2) Goal.—The goal of the joint committee
5	shall be to reduce the deficit by at least
6	\$1,500,000,000,000 over the period of fiscal years
7	2012 to 2021.
8	(3) Duties.—
9	(A) In general.—
10	(i) Improving the short-term and
11	LONG-TERM FISCAL IMBALANCE.—The
12	joint committee shall provide recommenda-
13	tions and legislative language that will sig-
14	nificantly improve the short-term and long-
15	term fiscal imbalance of the Federal Gov-
16	ernment.
17	(ii) Recommendations of commit-
18	TEES.—Not later than October 14, 2011,
19	each committee of the House of Represent-
20	atives and the Senate may transmit to the
21	joint committee its recommendations for
22	changes in law to reduce the deficit con-
23	sistent with the goal described in para-
24	graph (2) for the joint committee's consid-
25	eration.

1	(B) REPORT, RECOMMENDATIONS, AND
2	LEGISLATIVE LANGUAGE.—
3	(i) IN GENERAL.—Not later than No-
4	vember 23, 2011, the joint committee shall
5	vote on—
6	(I) a report that contains a de-
7	tailed statement of the findings, con-
8	clusions, and recommendations of the
9	joint committee and the estimate of
10	the Congressional Budget Office re-
11	quired by paragraph (5)(D)(ii); and
12	(II) proposed legislative language
13	to carry out such recommendations as
14	described in subclause (I), which shall
15	include a statement of the deficit re-
16	duction achieved by the legislation
17	over the period of fiscal years 2012 to
18	2021.
19	Any change to the Rules of the House of
20	Representatives or the Standing Rules of
21	the Senate included in the report or legis-
22	lative language shall be considered to be
23	merely advisory.
24	(ii) Approval of report and leg-
25	ISLATIVE LANGUAGE.—The report of the

1	joint committee and the proposed legisla-
2	tive language described in clause (i) shall
3	require the approval of a majority of the
4	members of the joint committee.
5	(iii) Additional views.—A member
6	of the joint committee who gives notice of
7	an intention to file supplemental, minority,
8	or additional views at the time of final
9	joint committee vote on the approval of the
10	report and legislative language under
11	clause (ii) shall be entitled to 3 calendar
12	days in which to file such views in writing
13	with the staff director of the joint com-
14	mittee. Such views shall then be included
15	in the joint committee report and printed
16	in the same volume, or part thereof, and
17	their inclusion shall be noted on the cover
18	of the report. In the absence of timely no-
19	tice, the joint committee report may be
20	printed and transmitted immediately with-
21	out such views.
22	(iv) Transmission of Report and
23	LEGISLATIVE LANGUAGE.—If the report
24	and legislative language are approved by
25	the joint committee pursuant to clause (ii),

1	then not later than December 2, 2011, the
2	joint committee shall submit the joint com-
3	mittee report and legislative language de-
4	scribed in clause (i) to the President, the
5	Vice President, the Speaker of the House
6	of Representatives, and the majority and
7	minority Leaders of each House of Con-
8	gress.
9	(v) REPORT AND LEGISLATIVE LAN-
10	GUAGE TO BE MADE PUBLIC.—Upon the
11	approval or disapproval of the joint com-
12	mittee report and legislative language pur-
13	suant to clause (ii), the joint committee
14	shall promptly make the full report and
15	legislative language, and a record of the
16	vote, available to the public.
17	(4) Membership.—
18	(A) IN GENERAL.—The joint committee
19	shall be composed of 12 members appointed
20	pursuant to subparagraph (B).
21	(B) APPOINTMENT.—Members of the joint
22	committee shall be appointed as follows:
23	(i) The majority leader of the Senate
24	shall appoint 3 members from among
25	Members of the Senate.

1	(ii) The minority leader of the Senate
2	shall appoint 3 members from among
3	Members of the Senate.
4	(iii) The Speaker of the House of
5	Representatives shall appoint 3 members
6	from among Members of the House of
7	Representatives.
8	(iv) The minority leader of the House
9	of Representatives shall appoint 3 mem-
10	bers from among Members of the House of
11	Representatives.
12	(C) Co-chairs.—
13	(i) In general.—There shall be 2
14	Co-Chairs of the joint committee. The ma-
15	jority leader of the Senate shall appoint
16	one Co-Chair from among the members of
17	the joint committee. The Speaker of the
18	House of Representatives shall appoint the
19	second Co-Chair from among the members
20	of the joint committee. The Co-Chairs shall
21	be appointed not later than 14 calendar
22	days after the date of enactment of this
23	Act.

1	(ii) Staff director.—The Co-
2	Chairs, acting jointly, shall hire the staff
3	director of the joint committee.
4	(D) Date.—Members of the joint com-
5	mittee shall be appointed not later than 14 cal-
6	endar days after the date of enactment of this
7	Act.
8	(E) Period of Appointment.—Members
9	shall be appointed for the life of the joint com-
10	mittee. Any vacancy in the joint committee
11	shall not affect its powers, but shall be filled
12	not later than 14 calendar days after the date
13	on which the vacancy occurs, in the same man-
14	ner as the original designation was made. If a
15	member of the joint committee ceases to be a
16	Member of the House of Representatives or the
17	Senate, as the case may be, the member is no
18	longer a member of the joint committee and a
19	vacancy shall exist.
20	(5) Administration.—
21	(A) IN GENERAL.—To enable the joint
22	committee to exercise its powers, functions, and
23	duties, there are authorized to be disbursed by
24	the Senate the actual and necessary expenses of
25	the joint committee approved by the co-chairs,

1	subject to the rules and regulations of the Sen-
2	ate.
3	(B) Expenses.—In carrying out its func-
4	tions, the joint committee is authorized to incur
5	expenses in the same manner and under the
6	same conditions as the Joint Economic Com-
7	mittee is authorized by section 11 of Public
8	Law 79–304 (15 U.S.C. 1024 (d)).
9	(C) QUORUM.—Seven members of the joint
10	committee shall constitute a quorum for pur-
11	poses of voting, meeting, and holding hearings.
12	(D) Voting.—
13	(i) Proxy voting.—No proxy voting
14	shall be allowed on behalf of the members
15	of the joint committee.
16	(ii) Congressional budget office
17	ESTIMATES.—The Congressional Budget
18	Office shall provide estimates of the legis-
19	lation (as described in paragraph (3)(B))
20	in accordance with sections 308(a) and
21	201(f) of the Congressional Budget Act of
22	1974 (2 U.S.C. 639(a) and
23	601(f))(including estimates of the effect of
24	interest payment on the debt). In addition,
25	the Congressional Budget Office shall pro-

1	vide information on the budgetary effect of
2	the legislation beyond the year 2021. The
3	joint committee may not vote on any
4	version of the report, recommendations, or
5	legislative language unless such estimates
6	are available for consideration by all mem-
7	bers of the joint committee at least 48
8	hours prior to the vote as certified by the
9	Co-Chairs.
10	(E) Meetings.—
11	(i) Initial meeting.—Not later than
12	45 calendar days after the date of enact-
13	ment of this Act, the joint committee shall
14	hold its first meeting.
15	(ii) AGENDA.—The Co-Chairs of the
16	joint committee shall provide an agenda to
17	the joint committee members not less than
18	48 hours in advance of any meeting.
19	(F) Hearings.—
20	(i) In general.—The joint com-
21	mittee may, for the purpose of carrying
22	out this section, hold such hearings, sit
23	and act at such times and places, require
24	attendance of witnesses and production of
25	books, papers, and documents, take such

1	testimony, receive such evidence, and ad-
2	minister such oaths as the joint committee
3	considers advisable.
4	(ii) Hearing procedures and re-
5	SPONSIBILITIES OF CO-CHAIRS.—
6	(I) Announcement.—The Co-
7	Chairs of the joint committee shall
8	make a public announcement of the
9	date, place, time, and subject matter
10	of any hearing to be conducted, not
11	less than 7 days in advance of such
12	hearing, unless the Co-Chairs deter-
13	mine that there is good cause to begin
14	such hearing at an earlier date.
15	(II) Written statement.—A
16	witness appearing before the joint
17	committee shall file a written state-
18	ment of proposed testimony at least 2
19	calendar days before the appearance
20	of the witness, unless the requirement
21	is waived by the Co-Chairs, following
22	their determination that there is good
23	cause for failure to comply with such
24	requirement.

1	(G) TECHNICAL ASSISTANCE.—Upon writ-
2	ten request of the Co-Chairs, a Federal agency
3	shall provide technical assistance to the joint
4	committee in order for the joint committee to
5	carry out its duties.
6	(c) Staff of Joint Committee.—
7	(1) In general.—The Co-Chairs of the joint
8	committee may jointly appoint and fix the compensa-
9	tion of staff as they deem necessary, within the
10	guidelines for employees of the Senate and following
11	all applicable rules and employment requirements of
12	the Senate.
13	(2) ETHICAL STANDARDS.—Members on the
14	joint committee who serve in the House of Rep-
15	resentatives shall be governed by the ethics rules and
16	requirements of the House. Members of the Senate
17	who serve on the joint committee and staff of the
18	joint committee shall comply with the ethics rules of
19	the Senate.
20	(d) TERMINATION.—The joint committee shall termi-
21	nate on January 31, 2012.
22	SEC. 402. EXPEDITED CONSIDERATION OF JOINT COM-
23	MITTEE RECOMMENDATIONS.
24	(a) Introduction.—If approved by the majority re-
25	quired by section 401(b)(3)(B)(ii), the proposed legislative

- 1 language submitted pursuant to section 401(b)(3)(B)(iv)
- 2 shall be introduced in the Senate (by request) on the next
- 3 day on which the Senate is in session by the majority lead-
- 4 er of the Senate or by a Member of the Senate designated
- 5 by the majority leader of the Senate and shall be intro-
- 6 duced in the House of Representatives (by request) on the
- 7 next legislative day by the majority leader of the House
- 8 or by a Member of the House designated by the majority
- 9 leader of the House.
- 10 (b) Consideration in the House of Represent-
- 11 ATIVES.—
- 12 (1) Referral and reporting.—Any com-
- mittee of the House of Representatives to which the
- joint committee bill is referred shall report it to the
- House without amendment not later than December
- 9, 2011. If a committee fails to report the joint com-
- mittee bill within that period, it shall be in order to
- move that the House discharge the committee from
- further consideration of the bill. Such a motion shall
- 20 not be in order after the last committee authorized
- 21 to consider the bill reports it to the House or after
- 22 the House has disposed of a motion to discharge the
- bill. The previous question shall be considered as or-
- dered on the motion to its adoption without inter-
- vening motion except 20 minutes of debate equally

- divided and controlled by the proponent and an opponent. If such a motion is adopted, the House shall proceed immediately to consider the joint committee bill in accordance with paragraphs (2) and (3). A motion to reconsider the vote by which the motion is disposed of shall not be in order.
 - (2) PROCEEDING TO CONSIDERATION.—After the last committee authorized to consider a joint committee bill reports it to the House or has been discharged (other than by motion) from its consideration, it shall be in order to move to proceed to consider the joint committee bill in the House. Such a motion shall not be in order after the House has disposed of a motion to proceed with respect to the joint committee bill. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.
 - (3) Considered as read. All points of order against the joint committee bill and against its consideration are waived. The previous question shall be considered as ordered on the joint committee bill to its passage without intervening motion except 2

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1	hours of debate equally divided and controlled by the
2	proponent and an opponent and one motion to limit
3	debate on the joint committee bill. A motion to re-
4	consider the vote on passage of the joint committee
5	bill shall not be in order.
6	(4) Vote on passage.—The vote on passage
7	of the joint committee bill shall occur not later than
8	December 23, 2011.
9	(c) Expedited Procedure in the Senate.—
10	(1) Committee Consideration.—A joint com-
11	mittee bill introduced in the Senate under subsection
12	(a) shall be jointly referred to the committee or com-
13	mittees of jurisdiction, which committees shall report
14	the bill without any revision and with a favorable
15	recommendation, an unfavorable recommendation, or
16	without recommendation, not later than December 9,
17	2011. If any committee fails to report the bill within
18	that period, that committee shall be automatically
19	discharged from consideration of the bill, and the
20	bill shall be placed on the appropriate calendar.
21	(2) MOTION TO PROCEED.—Notwithstanding
22	Rule XXII of the Standing Rules of the Senate, it
23	is in order, not later than 2 days of session after the
24	date on which a joint committee bill is reported or

discharged from all committees to which it was re-

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ferred, for the majority leader of the Senate or the majority leader's designee to move to proceed to the consideration of the joint committee bill. It shall also be in order for any Member of the Senate to move to proceed to the consideration of the joint committee bill at any time after the conclusion of such 2-day period. A motion to proceed is in order even though a previous motion to the same effect has been disagreed to. All points of order against the motion to proceed to the joint committee bill are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint committee bill is agreed to, the joint committee bill shall remain the unfinished business until disposed of. Consideration.—All points against the joint committee bill and against consideration of the joint committee bill are waived. Consideration of the joint committee bill and of all debatable motions and appeals in connection therewith

shall not exceed a total of 30 hours which shall be

divided equally between the Majority and Minority

Leaders or their designees. A motion further to limit debate on the joint committee bill is in order, shall require an affirmative vote of three-fifths of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of the joint committee bill, including time used for quorum calls and voting, shall be counted against the total 30 hours of consideration.

- (4) No amendments.—An amendment to the joint committee bill, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint committee bill, is not in order.
- (5) Vote on Passage.—If the Senate has voted to proceed to the joint committee bill, the vote on passage of the joint committee bill shall occur immediately following the conclusion of the debate on a joint committee bill, and a single quorum call at the conclusion of the debate if requested. The vote on passage of the joint committee bill shall occur not later than December 23, 2011.

1	(6) Rulings of the chair on procedure.—
2	Appeals from the decisions of the Chair relating to
3	the application of the rules of the Senate, as the
4	case may be, to the procedure relating to a joint
5	committee bill shall be decided without debate.
6	(d) AMENDMENT.—The joint committee bill shall not
7	be subject to amendment in either the House of Rep-
8	resentatives or the Senate.
9	(e) Consideration by the Other House.—
10	(1) In general.—If, before passing the joint
11	committee bill, one House receives from the other a
12	joint committee bill—
13	(A) the joint committee bill of the other
14	House shall not be referred to a committee; and
15	(B) the procedure in the receiving House
16	shall be the same as if no joint committee bill
17	had been received from the other House until
18	the vote on passage, when the joint committee
19	bill received from the other House shall sup-
20	plant the joint committee bill of the receiving
21	House.
22	(2) REVENUE MEASURE.—This subsection shall
23	not apply to the House of Representatives if the
24	joint committee bill received from the Senate is a
25	revenue measure.

1	(f) Rules to Coordinate Action With Other
2	House.—
3	(1) Treatment of joint committee bill of
4	OTHER HOUSE.—If the Senate fails to introduce or
5	consider a joint committee bill under this section,
6	the joint committee bill of the House shall be enti-
7	tled to expedited floor procedures under this section.
8	(2) Treatment of companion measures in
9	THE SENATE.—If following passage of the joint com-
10	mittee bill in the Senate, the Senate then receives
11	the joint committee bill from the House of Rep-
12	resentatives, the House-passed joint committee bill
13	shall not be debatable. The vote on passage of the
14	joint committee bill in the Senate shall be considered
15	to be the vote on passage of the joint committee bill
16	received from the House of Representatives.
17	(3) Vetoes.—If the President vetoes the joint
18	committee bill, debate on a veto message in the Sen-
19	ate under this section shall be 1 hour equally divided
20	between the majority and minority leaders or their
21	designees.
22	(g) Loss of Privilege.—The provisions of this sec-
23	tion shall cease to apply to the joint committee bill if—
24	(1) the joint committee fails to vote on the re-
25	port or proposed legislative language required under

1	section 401(b)(3)(B)(i) not later than November 23,
2	2011; or
3	(2) the joint committee bill does not pass both
4	Houses not later than December 23, 2011.
5	SEC. 403. FUNDING.
6	Funding for the joint committee shall be derived in
7	equal portions from—
8	(1) the applicable accounts of the House of
9	Representatives; and
10	(2) the contingent fund of the Senate from the
11	appropriations account "Miscellaneous Items", sub-
12	ject to the rules and regulations of the Senate.
13	SEC. 404. RULEMAKING.
14	The provisions of this title are enacted by Congress—
15	(1) as an exercise of the rulemaking power of
16	the House of Representatives and the Senate, re-
17	spectively, and as such they shall be considered as
18	part of the rules of each House, respectively, or of
19	that House to which they specifically apply, and
20	such rules shall supersede other rules only to the ex-
21	tent that they are inconsistent therewith; and
22	(2) with full recognition of the constitutional
23	right of either House to change such rules (so far
24	as relating to such House) at any time, in the same

1	manner, and to the same extent as in the case of
2	any other rule of such House.
3	TITLE V—PELL GRANT AND STU-
4	DENT LOAN PROGRAM
5	CHANGES
6	SEC. 501. FEDERAL PELL GRANTS.
7	Section 401(b)(7)(A)(iv) of the Higher Education Act
8	of 1965 (20 U.S.C. 1070a(b)(7)(A)(iv)) is amended—
9	(1) in subclause (II), by striking
10	" $\$3,183,000,000$ " and inserting " $\$13,183,000,000$ ";
11	and
12	(2) in subclause (III), by striking "\$0" and in-
13	serting "\$7,000,000,000".
14	SEC. 502. TERMINATION OF AUTHORITY TO MAKE INTER-
15	
10	EST SUBSIDIZED LOANS TO GRADUATE AND
16	EST SUBSIDIZED LOANS TO GRADUATE AND PROFESSIONAL STUDENTS.
16 17	PROFESSIONAL STUDENTS.
16 17	PROFESSIONAL STUDENTS. Section 455(a) of the Higher Education Act of 1965
16 17 18	PROFESSIONAL STUDENTS. Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end
16 17 18 19	PROFESSIONAL STUDENTS. Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following new paragraph:
16 17 18 19 20	PROFESSIONAL STUDENTS. Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following new paragraph: "(3) TERMINATION OF AUTHORITY TO MAKE
16 17 18 19 20 21	PROFESSIONAL STUDENTS. Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following new paragraph: "(3) TERMINATION OF AUTHORITY TO MAKE INTEREST SUBSIDIZED LOANS TO GRADUATE AND

1	this part or part B, for any period of instruc-
2	tion beginning on or after July 1, 2012—
3	"(i) a graduate or professional stu-
4	dent shall not be eligible to receive a Fed-
5	eral Direct Stafford loan under this part;
6	and
7	"(ii) the maximum annual amount of
8	Federal Direct Unsubsidized Stafford
9	loans such a student may borrow in any
10	academic year (as defined in section
11	481(a)(2)) or its equivalent shall be the
12	maximum annual amount for such student
13	determined under section 428H, plus an
14	amount equal to the amount of Federal
15	Direct Stafford loans the student would
16	have received in the absence of this sub-
17	paragraph.
18	"(B) Exception.—Subparagraph (A)
19	shall not apply to an individual enrolled in
20	course work specified in paragraph (3)(B) or
21	(4)(B) of section 484(b).".
22	SEC. 503. TERMINATION OF DIRECT LOAN REPAYMENT IN-
23	CENTIVES.
24	Section 455(b)(8) of the Higher Education Act of
25	1965 (20 U.S.C. 1087e(b)(8)) is amended—

1	(1) in subparagraph (A)—
2	(A) by amending the header to read as fol-
3	lows: "(A) Incentives for loans disbursed
4	BEFORE JULY 1, 2012.—"; and
5	(B) by inserting "with respect to loans for
6	which the first disbursement of principal is
7	made before July 1, 2012," after "of this
8	part";
9	(2) in subparagraph (B), by inserting "with re-
10	spect to loans for which the first disbursement of
11	principal is made before July 1, 2012" after "repay-
12	ment incentives"; and
13	(3) by adding at the end the following new sub-
14	paragraph:
15	"(C) No repayment incentives for
16	NEW LOANS DISBURSED ON OR AFTER JULY 1,
17	2012.—Notwithstanding any other provision of
18	this part, the Secretary is prohibited from au-
19	thorizing or providing any repayment incentive
20	not otherwise authorized under this part to en-
21	courage on-time repayment of a loan under this
22	part for which the first disbursement of prin-
23	cipal is made on or after July 1, 2012, includ-
24	ing any reduction in the interest or origination
25	fee rate paid by a borrower of such a loan, ex-

1	cept that the Secretary may provide for an in-
2	terest rate reduction for a borrower who agrees
3	to have payments on such a loan automatically
4	electronically debited from a bank account.".
5	SEC. 504. INAPPLICABILITY OF TITLE IV NEGOTIATED
6	RULEMAKING AND MASTER CALENDAR EX-
7	CEPTION.
8	Sections 482(c) and 492 of the Higher Education Act
9	of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to
10	the amendments made by this title, or to any regulations
11	promulgated under those amendments.

