

112TH CONGRESS
1ST SESSION

H. R. 1848

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2011

Mr. MACK (for himself, Mr. BROUN of Georgia, Mrs. LUMMIS, Mr. RIBBLE, Mr. STUTZMAN, Mr. CAMPBELL, Mr. BARTLETT, Mr. KING of Iowa, Mr. ROSS of Florida, Mr. MILLER of Florida, Mr. DUNCAN of Tennessee, Mr. WEST, Mr. GARRETT, and Mr. GINGREY of Georgia) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, 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 prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

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.**

4 This Act may be cited as the “One Percent Spending
5 Reduction Act of 2011”.

6 **SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds the following:

1 (1) The fiscal crisis faced by the Federal Gov-
2 ernment demands immediate action.

3 (2) The dramatic growth in spending and debt
4 in recent years threatens our economic and national
5 security:

6 (A) Federal spending has grown from 18
7 percent of GDP in 2001 to 24 percent of GDP
8 in 2010.

9 (B) Total Federal debt exceeds \$14 trillion
10 and has increased \$4 trillion in the past three
11 years alone.

12 (C) Without action, the Federal govern-
13 ment will continue to run massive deficits in the
14 next decade and total Federal debt will rise to
15 \$24 trillion by 2021.

16 (D) Interest payments on this debt will
17 soon rise to the point where balancing the
18 budget as a matter of policy is beyond the reach
19 of Congress.

20 (3) From 1980 to 2010, Federal revenues aver-
21 aged 18 percent of GDP and are projected to return
22 to that level within the next decade.

23 (4) Absent reform, the growth of Social Secu-
24 rity, Medicare, and Medicaid will overwhelm all

1 other Federal programs and consume all projected
2 tax revenues.

3 (b) PURPOSE.—The purpose of this Act is to address
4 the fiscal crisis by—

5 (1) acting quickly to balance the Federal budg-
6 et and eliminate the parade of deficits and bal-
7 looning interest payments;

8 (2) achieving balance by reducing spending one
9 percent per year until spending equals projected
10 long-term revenues; and

11 (3) reforming entitlement programs to ensure
12 long-term fiscal stability and balance.

13 **SEC. 3. ESTABLISHMENT AND ENFORCEMENT OF SPEND-**
14 **ING CAPS.**

15 (a) OUTLAY CAPS.—The Balanced Budget and
16 Emergency Deficit Control Act of 1985 is amended by in-
17 serting after section 253 the following new section:

18 **“SEC. 253A. ESTABLISHING OUTLAY CAPS.**

19 “(a) OUTLAY CAPS.—In this section, the term ‘outlay
20 cap’ means:

21 “(1) FISCAL YEAR 2012.—For fiscal year 2012,
22 the aggregate projected outlays (less net interest
23 payments) for fiscal year 2012 shall be
24 \$3,382,000,000,000, less one percent.

1 “(2) FISCAL YEAR 2013.—For fiscal year 2013,
2 the aggregate projected outlays (less net interest
3 payments) for fiscal year 2013 shall be the amount
4 computed under paragraph (1), less one percent.

5 “(3) FISCAL YEAR 2014.—For fiscal year 2014,
6 the aggregate projected outlays (less net interest
7 payments) for fiscal year 2014 shall be the amount
8 computed under paragraph (2), less one percent.

9 “(4) FISCAL YEAR 2015.—For fiscal year 2015,
10 the aggregate projected outlays (less net interest
11 payments) for fiscal year 2015 shall be the amount
12 computed under paragraph (3), less one percent.

13 “(5) FISCAL YEAR 2016.—For fiscal year 2016,
14 the aggregate projected outlays (less net interest
15 payments) for fiscal year 2016 shall be the amount
16 computed under paragraph (4), less one percent.

17 “(6) FISCAL YEAR 2017.—For fiscal year 2017,
18 the aggregate projected outlays (less net interest
19 payments) for fiscal year 2017 shall be the amount
20 computed under paragraph (5), less one percent.

21 “(7) FISCAL YEAR 2018 AND SUBSEQUENT FIS-
22 CAL YEARS.—(A) For fiscal year 2018 and each sub-
23 sequent fiscal year, the aggregate projected outlays
24 shall be 18 percent of the gross domestic product for

1 that fiscal year as estimated by OMB prior to March
2 of the previous fiscal year.

3 “(B) Notwithstanding paragraph (A), for any
4 fiscal year beginning with fiscal year 2019, the ag-
5 gregate projected outlays may not be less than the
6 aggregate projected outlays for the preceding fiscal
7 year.

8 “(b) SEQUESTRATION.—

9 “(1) IN GENERAL.—

10 “(A) EXCESS SPENDING.—Not later than
11 45 calendar days after the beginning of a fiscal
12 year, OMB shall conduct a sequestration to
13 eliminate the excess outlay amount.

14 “(B) DEFINITIONS.—

15 “(i) For fiscal years 2012 through
16 2017 and for purposes of this subsection,
17 the term ‘excess outlay amount’ means the
18 amount by which total Federal outlays
19 (less net interest payments) for a fiscal
20 year exceeds the outlay cap for that fiscal
21 year.

22 “(ii) For fiscal year 2018 and in sub-
23 sequent fiscal years and for purposes of
24 this subsection, the term ‘excess outlay
25 amount’ means the amount by which total

1 Federal outlays for a fiscal year exceeds
2 the outlay cap for that fiscal year.

3 “(2) SEQUESTRATION.—

4 “(A) On August 15 of each year, CBO
5 shall issue a sequestration preview report as de-
6 scribed in section 254(c)(4).

7 “(B) On August 20 of each year, OMB
8 shall issue a sequestration preview report as de-
9 scribed in section 254(c)(4).

10 “(C) On October 31 of each year, OMB
11 shall issue its final sequestration report as de-
12 scribed in section 254(f)(3). It shall be accom-
13 panied by a Presidential order detailing uniform
14 spending reductions equal to the excess outlay
15 amount as defined in this section.

16 “(D) The reductions shall generally follow
17 the process set forth in section 253 and 254,
18 except as provided in this section.

19 “(3) CONGRESSIONAL ACTION.—If the August
20 OMB report projects a sequestration, the Com-
21 mittees on Budget of the Senate and House of Rep-
22 resentatives may report a resolution directing their
23 committees to change the existing law to achieve the
24 spending reductions outlined in the August 20 re-
25 port necessary to meet the outlay limits.

1 “(c) NO EXEMPT PROGRAMS.—Section 255 and sec-
2 tion 256 shall not apply to this section, except that pay-
3 ments for net interest (budget function 900) shall be ex-
4 empt from the spending reductions under sequestration.

5 “(d) LOOK BACK.—If, after November 15, a bill re-
6 sulting in outlays for the fiscal year in progress is enacted
7 that causes excess outlays, the excess outlay amount for
8 the next fiscal year shall be increased by the amount or
9 amounts of that breach.”.

10 (b) CONFORMING AMENDMENTS TO BBEDCA.—

11 (1) SEQUESTRATION PREVIEW REPORTS.—Sec-
12 tion 254(c)(4) of the Balanced Budget and Emer-
13 gency Deficit Control Act of 1985 is amended to
14 read as follows:

15 “(4) OUTLAY CAP SEQUESTRATION REPORTS.—
16 The preview reports shall set forth for the budget
17 year estimates for the following:

18 “(A)(i) For each of budget years 2012
19 through 2017: the aggregate projected outlays
20 (less net interest payment), less one percent.

21 “(ii) For budget year 2018 and each sub-
22 sequent budget year: the estimated gross do-
23 mestic product (GDP) for that budget year.

24 “(B) The amount of reductions required
25 under section 253A.

1 “(C) The sequestration percentage nec-
2 essary to achieve the required reduction under
3 section 253A.”.

4 (2) FINAL SEQUESTRATION REPORTS.—Section
5 254(f)(3) of the Balanced Budget and Emergency
6 Deficit Control Act of 1985 is amended to read as
7 follows:

8 “(3) OUTLAY CAPS SEQUESTRATION RE-
9 PORTS.—The final reports shall contain all the infor-
10 mation required in the outlay cap sequestration pre-
11 view reports. In addition, these report shall contain,
12 for the budget year, for each account to be seques-
13 tered, estimates of the baseline level of sequestrable
14 budgetary resources and resulting outlays and the
15 amount of budgetary sources to be sequestered and
16 result in outlay reductions. The report shall also
17 contain estimates of the effects on outlays on the se-
18 questration of each outyear for direct spending pro-
19 grams.”.

20 (3) REPEAL OF EXPIRATION DATE.—Section
21 275 of the Balanced Budget and Emergency Deficit
22 Control Act of 1985 is repealed.

23 (c) ENFORCEMENT.—Title III of the Congressional
24 Budget Act of 1974 is amended by adding after section
25 315 the following:

1 **“SEC. 316. ENFORCEMENT PROCEDURES.**

2 “(a) **OUTLAY CAPS.**—It shall not be in order in the
3 House of Representatives or the Senate to consider any
4 bill, joint resolution, amendment, or conference report that
5 includes any provision that would cause the most recently
6 reported, current outlay cap set forth in section 253A of
7 the Balanced Budget and Emergency Deficit Control Act
8 of 1985 to be breached.

9 “(b) **WAIVER OR SUSPENSION.**—

10 “(1) **IN THE SENATE.**—The provisions of this
11 section may be waived or suspended in the Senate
12 only by the affirmative vote of two-thirds of the
13 Members, duly chosen and sworn.

14 “(2) **IN THE HOUSE.**—The provisions of this
15 section may be waived or suspended in the House of
16 Representatives only by a rule or order proposing
17 only to waive such provisions by an affirmative vote
18 of two-thirds of the Members, duly chosen and
19 sworn.

20 “(c) **POINT OF ORDER PROTECTION.**—In the House,
21 it shall not be in order to consider a rule or order that
22 waives the application of paragraph (2) of subsection (b).

23 “(d) **MOTION TO SUSPEND.**—It shall not be in order
24 for the Speaker to entertain a motion to suspend the appli-
25 cation of this section under clause 1 of rule XV.”.

1 **SEC. 4. CONFORMING AMENDMENTS.**

2 The table of contents set forth in—

3 (1) section 1(b) of the Congressional Budget
4 and Impoundment Control Act of 1974 is amended
5 by inserting after the item relating to section 315
6 the following new item:

“Sec. 316. Enforcement procedures.”;

7 and

8 (2) section 250(a) of the Balanced Budget and
9 Emergency Deficit Control Act of 1985 is amended
10 by inserting after the item relating to section 253
11 the following new item:

“Sec. 253A. Establishing outlay caps.”.

12 **SEC. 5. EFFECTIVE DATE.**

13 This Act and the amendments made by it shall apply
14 to fiscal year 2012 and subsequent fiscal years, including
15 any reports and calculations required for implementation
16 in fiscal year 2012.

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