

COMPREHENSIVE BUDGET PROCESS REFORM ACT OF 1999

—————  
AUGUST 5, 1999.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed  
—————

Mr. DREIER, from the Committee on the Rules,  
submitted the following

REPORT

TOGETHER WITH

DISSENTING VIEWS

[To accompany H.R. 853]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Rules, to whom was referred the bill (H.R. 853) to amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

(b) TABLE OF CONTENTS.—

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

TITLE I—BUDGET WITH FORCE OF LAW

- Sec. 101. Purposes.
- Sec. 102. The timetable.
- Sec. 103. Annual joint resolutions on the budget.

- Sec. 104. Budget required before spending bills may be considered; fall-back procedures if President vetoes joint budget resolution.  
 Sec. 105. Conforming amendments to effectuate joint resolutions on the budget.

TITLE II—RESERVE FUND FOR EMERGENCIES

- Sec. 201. Purpose.  
 Sec. 202. Repeal of adjustments for emergencies.  
 Sec. 203. OMB emergency criteria.  
 Sec. 204. Development of guidelines for application of emergency definition.  
 Sec. 205. Reserve fund for emergencies in President's budget.  
 Sec. 206. Adjustments and reserve fund for emergencies in joint budget resolutions.  
 Sec. 207. Up-to-date tabulations.  
 Sec. 208. Prohibition on amendments to emergency reserve fund.  
 Sec. 209. Effective date.

TITLE III—ENFORCEMENT OF BUDGETARY DECISIONS

- Sec. 301. Purposes.  
     Subtitle A—Application of Points of Order to Unreported Legislation  
 Sec. 311. Application of Budget Act points of order to unreported legislation.  
     Subtitle B—Compliance with Budget Resolution  
 Sec. 321. Budget compliance statements.  
     Subtitle C—Justification for Budget Act Waivers  
 Sec. 331. Justification for Budget Act waivers in the House of Representatives.  
     Subtitle D—CBO Scoring of Conference Reports  
 Sec. 341. CBO scoring of conference reports.

TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING

- Sec. 401. Purposes.  
     Subtitle A—Limitations on Direct Spending  
 Sec. 411. Fixed-year authorizations required for new programs.  
 Sec. 412. Amendments to subject new direct spending to annual appropriations.  
     Subtitle B—Enhanced Congressional Oversight Responsibilities  
 Sec. 421. Ten-year congressional review requirement of permanent budget authority.  
 Sec. 422. Justifications of direct spending.  
 Sec. 423. Survey of activity reports of House committees.  
 Sec. 424. Continuing study of additional budget process reforms.  
 Sec. 425. GAO reports.

Subtitle C—Strengthened Accountability

- Sec. 431. Ten-year CBO estimates.  
 Sec. 432. Repeal of rule XXIII of the Rules of the House of Representatives.

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

- Sec. 501. Purposes.  
     Subtitle A—Budgetary Treatment of Federal Insurance Programs  
 Sec. 511. Federal insurance programs.  
     Subtitle B—Reports on Long-Term Budgetary Trends  
 Sec. 521. Reports on long-term budgetary trends.

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

- Sec. 601. Purpose.  
     Subtitle A—The Baseline  
 Sec. 611. The President's budget.  
 Sec. 612. The congressional budget.  
 Sec. 613. Congressional Budget Office reports to committees.  
 Sec. 614. Outyear assumptions for discretionary spending.

Subtitle B—The Byrd Rule

- Sec. 621. Limitation on Byrd rule.

Subtitle C—Spending Accountability Lock-Box

- Sec. 631. Short title.  
 Sec. 632. Spending accountability lock-box ledger.  
 Sec. 633. Downward adjustment of section 302(a) allocations and section 302(b) suballocations.  
 Sec. 634. Periodic reporting of ledger statements.  
 Sec. 635. Downward adjustment of discretionary spending limits.

Subtitle D—Automatic Continuing Resolution

- Sec. 641. Automatic continuing resolution.

TITLE VII—BUDGETING IN AN ERA OF SURPLUSES

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

**SEC. 2. PURPOSE.**

The purposes of this Act are to—

- (1) give the budget the force of law;
- (2) budget for emergencies;
- (3) display the unfunded liabilities of Federal insurance programs;
- (4) strengthen enforcement of budgetary decisions;
- (5) increase accountability for Federal spending;
- (6) mitigate the bias in the budget process toward higher spending; and
- (7) modify paygo requirements when there is an on-budget surplus.

**SEC. 3. EFFECTIVE DATE.**

Except as otherwise specifically provided, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act and shall apply with respect to fiscal years beginning after September 30, 2000.

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

Paragraphs (1) and (2) of section 2 of the Congressional Budget and Impoundment Control Act of 1974 are amended to read as follows:

- “(1) to assure effective control over the budgetary process;
- “(2) to facilitate the determination each year of the appropriate level of Federal revenues and expenditures by the Congress and the President;”.

**TITLE I—BUDGET WITH FORCE OF LAW**

**SEC. 101. PURPOSES.**

The purposes of this title are to—

- (1) focus initial budgetary deliberations on aggregate levels of Federal spending and taxation;
- (2) encourage cooperation between Congress and the President in developing overall budgetary priorities; and
- (3) reach budgetary decisions early in the legislative cycle.

**SEC. 102. THE TIMETABLE.**

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

“TIMETABLE

“SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

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

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

(a) **CONTENT OF ANNUAL JOINT RESOLUTIONS ON THE BUDGET.**—Section 301(a) of the Congressional Budget Act of 1974 is amended as follows:

- (1) Strike paragraph (4) and insert the following new paragraph:  
“(4) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), and interest; and for fiscal years to which the amendments made by title II of the Comprehensive Budget Process Reform Act of 1999 apply, subtotals of new budget authority and outlays for emergencies;”.
- (2) Strike the last sentence of such subsection.

(b) **ADDITIONAL MATTERS IN JOINT RESOLUTION.**—Section 301(b) of the Congressional Budget Act of 1974 is amended as follows:

- (1) Strike paragraphs (2), (4), (6), (8), and (9) and redesignate paragraph (7) as paragraph (6).
- (2) After paragraph (1), insert the following new paragraph:

“(2) if submitted by the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate to the Committee on the Budget of that House of Congress, amend section 3101 of title 31, United States Code, to change the statutory limit on the public debt;”.

(3) After paragraph (3), insert the following new paragraph:

“(4) require such other congressional procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act;”.

(c) REQUIRED CONTENTS OF REPORT.—Section 301(e)(2) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A), (B), (C), (D), (E), and (F) as subparagraphs (B), (C), (E), (F), (H), and (I), respectively.

(2) Before subparagraph (B) (as redesignated), insert the following new subparagraph:

“(A) new budget authority and outlays for each major functional category, based on allocations of the total levels set forth pursuant to subsection (a)(1);”.

(3) In subparagraph (C) (as redesignated), strike “mandatory” and insert “direct spending”.

(4) After subparagraph (C) (as redesignated), insert the following new subparagraph:

“(D) a measure, as a percentage of gross domestic product, of total outlays, total Federal revenues, the surplus or deficit, and new outlays for non-defense discretionary spending, defense spending, and direct spending as set forth in such resolution;”.

(5) After subparagraph (F) (as redesignated), insert the following new subparagraph:

“(G) if the joint resolution on the budget includes any allocation to a committee (other than the Committee on Appropriations) of levels in excess of current law levels, a justification for not subjecting any program, project, or activity (for which the allocation is made) to annual discretionary appropriations;”.

(d) ADDITIONAL CONTENTS OF REPORT.—Section 301(e)(3) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively, strike subparagraphs (C) and (D), and redesignate subparagraph (E) as subparagraph (D).

(2) Before subparagraph (B), insert the following new subparagraph:

“(A) reconciliation directives described in section 310;”.

(e) PRESIDENT’S BUDGET SUBMISSION TO THE CONGRESS.—(1) The first two sentences of section 1105(a) of title 31, United States Code, are amended to read as follows:

“On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year which shall set forth the following levels:

“(A) totals of new budget authority and outlays;

“(B) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

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

“(D) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending, and interest; and for fiscal years to which the amendments made by title II of the Comprehensive Budget Process Reform Act of 1999 apply, subtotals of new budget authority and outlays for emergencies; and

“(E) the public debt.

Each budget submission shall include a budget message and summary and supporting information and, as a separately delineated statement, the levels required in the preceding sentence for at least each of the 9 ensuing fiscal years.”.

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

(f) LIMITATION ON CONTENTS OF BUDGET RESOLUTIONS.—Section 305 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(e) LIMITATION ON CONTENTS.—(1) It shall not be in order in the House of Representatives or in the Senate to consider any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter referred to in paragraph (2).

“(2) Any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter not permitted in section 301(a) or (b) shall

not be treated in the House of Representatives or the Senate as a budget resolution under subsection (a) or (b) or as a conference report on a budget resolution under subsection (c) of this section.”

**SEC. 104. BUDGET REQUIRED BEFORE SPENDING BILLS MAY BE CONSIDERED; FALL-BACK PROCEDURES IF PRESIDENT VETOES JOINT BUDGET RESOLUTION.**

(a) AMENDMENTS TO SECTION 302.—Section 302(a) of the Congressional Budget Act of 1974 is amended by striking paragraph (5).

(b) AMENDMENTS TO SECTION 303 AND CONFORMING AMENDMENTS.—(1) Section 303 of the Congressional Budget Act of 1974 is amended—

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

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

(2) Section 302(g)(1) of the Congressional Budget Act of 1974 is amended by striking “and, after April 15, section 303(a)”.

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

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

(c) EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET.—(1) Title III of the Congressional Budget Act of 1974 is amended by adding after section 315 the following new section:

“EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET

“SEC. 316. (a) SPECIAL RULE.—If the President vetoes a joint resolution on the budget for a fiscal year, the majority leader of the House of Representatives or Senate (or his designee) may introduce a concurrent resolution on the budget or joint resolution on the budget for such fiscal year. If the Committee on the Budget of either House fails to report such concurrent or joint resolution referred to it within five calendar days (excluding Saturdays, Sundays, or legal holidays except when that House of Congress is in session) after the date of such referral, the committee shall be automatically discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar.

“(b) PROCEDURE IN THE HOUSE OF REPRESENTATIVES AND THE SENATE.—

“(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the House of Representatives and in the Senate of joint resolutions on the budget and conference reports thereon shall also apply to the consideration of concurrent resolutions on the budget introduced under subsection (a) and conference reports thereon.

“(2) Debate in the Senate on any concurrent resolution on the budget or joint resolution on the budget introduced under subsection (a), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours and in the House such debate shall be limited to not more than 3 hours.

“(c) CONTENTS OF CONCURRENT RESOLUTIONS.—Any concurrent resolution on the budget introduced under subsection (a) shall be in compliance with section 301.

“(d) EFFECT OF CONCURRENT RESOLUTION ON THE BUDGET.—Notwithstanding any other provision of this title, whenever a concurrent resolution on the budget described in subsection (a) is agreed to, then the aggregates, allocations, and reconciliation directives (if any) contained in the report accompanying such concurrent resolution or in such concurrent resolution shall be considered to be the aggregates, allocations, and reconciliation directives for all purposes of sections 302, 303, and 311 for the applicable fiscal years and such concurrent resolution shall be deemed to be a joint resolution for all purposes of this title and the Rules of the House of Representatives and any reference to the date of enactment of a joint resolution on the budget shall be deemed to be a reference to the date agreed to when applied to such concurrent resolution.”

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

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

**SEC. 105. CONFORMING AMENDMENTS TO EFFECTUATE JOINT RESOLUTIONS ON THE BUDGET.**

(a) CONFORMING AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.—(1)(A) Sections 301, 302, 303, 305, 308, 310, 311, 312, 314, 405, and 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 et seq.) are amended by striking “concurrent” each place it appears and by inserting “joint”.

(B)(i) Sections 302(d), 302(g), 308(a)(1)(A), and 310(d)(1) of the Congressional Budget Act of 1974 are amended by striking “most recently agreed to concurrent resolution on the budget” each place it occurs and inserting “most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable)”.

(ii) The section heading of section 301 is amended by striking “adoption of concurrent resolution” and inserting “joint resolutions”;

(iii) Section 304 of such Act is amended to read as follows:

“PERMISSIBLE REVISIONS OF BUDGET RESOLUTIONS

“SEC. 304. At any time after the joint resolution on the budget for a fiscal year has been enacted pursuant to section 301, and before the end of such fiscal year, the two Houses and the President may enact a joint resolution on the budget which revises or reaffirms the joint resolution on the budget for such fiscal year most recently enacted. If a concurrent resolution on the budget has been agreed to pursuant to section 316, then before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises or reaffirms the concurrent resolution on the budget for such fiscal year most recently agreed to.”

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

(2)(A) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “concurrent” each place it appears and by inserting “joint”.

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

(i) in the item relating to section 301, by striking “adoption of concurrent resolution” and inserting “joint resolutions”;

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

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

(iii) in the item relating to section 304, by striking “concurrent” and inserting “budget” the first place it appears and by striking “on the budget”; and

(iv) by striking “concurrent” and inserting “joint” in the item relating to section 305.

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

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

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

(B) by striking paragraph (c).

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

(d) CONFORMING AMENDMENTS TO SECTION 310 REGARDING RECONCILIATION DIRECTIVES.—(1) The side heading of section 310(a) of the Congressional Budget Act of 1974 (as amended by section 105(a)) is further amended by inserting “JOINT EXPLANATORY STATEMENT ACCOMPANYING CONFERENCE REPORT ON” before “JOINT”.

(2) Section 310(a) of such Act is amended by striking “A” and inserting “The joint explanatory statement accompanying the conference report on a”.

(3) The first sentence of section 310(b) of such Act is amended by striking “If” and inserting “If the joint explanatory statement accompanying the conference report on”.

(4) Section 310(c)(1) of such Act is amended by inserting “the joint explanatory statement accompanying the conference report on” after “pursuant to”.

(5) Subsection (g) of section 310 of such Act is repealed.

(e) CONFORMING AMENDMENTS TO SECTION 3 REGARDING DIRECT SPENDING.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

“(11) The term ‘direct spending’ has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.”.

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

(1) striking “REPORTING” in the side heading, by inserting “the chairmen of” before “the Committees”, and by striking “may report” and inserting “shall make and have published in the Congressional Record”; and

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

## TITLE II—RESERVE FUND FOR EMERGENCIES

### SEC. 201. PURPOSE.

The purposes of this title are to—

- (1) develop budgetary and fiscal procedures for emergencies;
- (2) subject spending for emergencies to budgetary procedures and controls;
- and
- (3) establish criteria for determining compliance with emergency requirements.

### SEC. 202. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.

(a) DISCRETIONARY SPENDING LIMITS.—(1) Section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(2) Such section 251(b)(2) is further amended by redesignating subparagraphs (B) through (G) as subparagraphs (A) through (F).

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

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

(d) AMOUNT OF ADJUSTMENTS.—Section 314(b) of the Congressional Budget Act of 1974 is amended by striking paragraph (1) and by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

### SEC. 203. OMB EMERGENCY CRITERIA.

Section 3 of the Congressional Budget and Impoundment Control Act of 1974 (as amended by section 105(e)) is further amended by adding at the end the following new paragraph:

“(12)(A) The term ‘emergency’ means a situation that—

- “(i) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and
- “(ii) is unanticipated.

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

- “(i) sudden, which means quickly coming into being or not building up over time;
- “(ii) urgent, which means a pressing and compelling need requiring immediate action;
- “(iii) unforeseen, which means not predicted or anticipated as an emerging need; and
- “(iv) temporary, which means not of a permanent duration.”.

### SEC. 204. DEVELOPMENT OF GUIDELINES FOR APPLICATION OF EMERGENCY DEFINITION.

Not later than 5 months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for application of the definition of emergency set forth in section 3(12) of the Congressional Budget and Impoundment Control Act of 1974.

### SEC. 205. RESERVE FUND FOR EMERGENCIES IN PRESIDENT’S BUDGET.

Section 1105(f) of title 31, United States Code is amended by adding at the end the following new sentences: “Such budget submission shall also comply with the requirements of section 317(b) of the Congressional Budget Act of 1974 and, in the case of any budget authority requested for an emergency, such submission shall include a detailed justification of why such emergency is an emergency within the meaning of section 3(12) of the Congressional Budget Act of 1974.”.

### SEC. 206. ADJUSTMENTS AND RESERVE FUND FOR EMERGENCIES IN JOINT BUDGET RESOLUTIONS.

(a) EMERGENCIES.—Title III of the Congressional Budget Act of 1974 (as amended by section 104(c)) is further amended by adding at the end the following new section:

## “EMERGENCIES

## “SEC. 317. (a) ADJUSTMENTS.—

“(1) IN GENERAL.—After the reporting of a bill or joint resolution or the submission of a conference report thereon that provides budget authority for any emergency as identified pursuant to subsection (c), the Committee on the Budget of the House of Representatives or the Senate shall—

“(A) determine and certify, pursuant to the guidelines referred to in section 204 of the Comprehensive Budget Process Reform Act of 1999, the portion (if any) of the amount so specified that is for an emergency within the meaning of section 3(12); and

“(B) make the adjustment set forth in paragraph (2) for the amount of new budget authority (or outlays) in that measure and the outlays flowing from that budget authority.

“(2) MATTERS TO BE ADJUSTED.—The adjustments referred to in paragraph (1) are to be made to the allocations made pursuant to the appropriate joint resolution on the budget (or concurrent resolution on the budget, as the case may be) pursuant to section 302(a) and shall be in an amount not to exceed the amount reserved for emergencies pursuant to the requirements of subsection (b).

## “(b) RESERVE FUND FOR EMERGENCIES.—

“(1) AMOUNTS.—The amount set forth in the reserve fund for emergencies for budget authority and outlays for a fiscal year pursuant to section 301(a)(4) shall equal—

“(A) the average of the enacted levels of budget authority for emergencies in the 5 fiscal years preceding the current year; and

“(B) the average of the levels of outlays for emergencies in the 5 fiscal years preceding the current year flowing from the budget authority referred to in subparagraph (A), but only in the fiscal year for which such budget authority first becomes available for obligation.

“(2) AVERAGE LEVELS.—For purposes of paragraph (1), the amount used for a fiscal year to calculate the average of the enacted levels when one or more of such 5 preceding fiscal years is any of fiscal years 1994 through 1998 is as follows: the amount of enacted levels of budget authority and the amount of new outlays flowing therefrom for emergencies, but only in the fiscal year for which such budget authority first becomes available for obligation for each of such 5 fiscal years, which shall be determined by the Committees on the Budget of the House of Representatives and the Senate after receipt of a report on such matter transmitted to such committees by the Director of the Congressional Budget Office 6 months after the date of enactment of this section and thereafter in February of each calendar year.

“(c) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever any committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines referred to in section 204 of the Comprehensive Budget Process Reform Act of 1999.”

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 316 the following new item:

“Sec. 317. Emergencies.”.

**SEC. 207. UP-TO-DATE TABULATIONS.**

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

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

**SEC. 208. PROHIBITION ON AMENDMENTS TO EMERGENCY RESERVE FUND.**

(a) POINT OF ORDER.—Section 305 of the Congressional Budget Act of 1974 (as amended by section 103(c)) is further amended by adding at the end the following new subsection:

“(f) POINT OF ORDER REGARDING EMERGENCY RESERVE FUND.—It shall not be in order in the House of Representatives or in the Senate to consider an amendment to a joint resolution on the budget (or concurrent resolution on the budget, as the

case may be) which changes the amount of budget authority and outlays set forth in section 301(a)(4) for emergency reserve fund.”

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

(2) Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting “305(e), 305(f),” after “305(c)(4).”

**SEC. 209. EFFECTIVE DATE.**

The amendments made by this title shall apply to fiscal year 2001 and subsequent fiscal years, but such amendments shall take effect only after the enactment of legislation changing or extending for any fiscal year the budgetary procedures set forth in sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

## **TITLE III—ENFORCEMENT OF BUDGETARY DECISIONS**

**SEC. 301. PURPOSES.**

The purposes of this title are to—

- (1) close loopholes in the enforcement of budget resolutions;
- (2) require committees of the House of Representatives to include budget compliance statements in reports accompanying all legislation; and
- (3) require committees of the House of Representatives to justify the need for waivers of the Congressional Budget Act of 1974;
- (4) provide cost estimates of conference reports.

### **Subtitle A—Application of Points of Order to Unreported Legislation**

**SEC. 311. APPLICATION OF BUDGET ACT POINTS OF ORDER TO UNREPORTED LEGISLATION.**

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

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

- (1) in paragraph (1), by striking “(A)” and by redesignating subparagraph (B) as paragraph (2) and by striking the semicolon at the end of such new paragraph (2) and inserting a period; and
- (2) by striking paragraph (2) (as redesignated by such section 104(b)(1)).

### **Subtitle B—Compliance with Budget Resolution**

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

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

“(4) A budget compliance statement prepared by the chairman of the Committee on the Budget, if timely submitted prior to the filing of the report, which shall include assessment by such chairman as to whether the bill or joint resolution complies with the requirements of sections 302, 303, 306, 311, and 401 of the Congressional Budget Act of 1974 and may include the budgetary implications of that bill or joint resolution under section 251 or 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as applicable.”

### **Subtitle C—Justification for Budget Act Waivers**

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

Clause 6 of rule XIII of the Rules of the House of Representatives is amended by adding at the end the following new paragraph:

“(h) It shall not be in order to consider any resolution from the Committee on Rules for the consideration of any reported bill or joint resolution which waives section 302, 303, 311, or 401 of the Congressional Budget Act of 1974, unless the report accompanying such resolution includes a description of the provision proposed to be waived, an identification of the section being waived, the reasons why such waiver

should be granted, and an estimated cost of the provisions to which the waiver applies.”.

## **Subtitle D—CBO Scoring of Conference Reports**

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

(a) The first sentence of section 402 of the Congressional Budget Act of 1974 is amended as follows:

- (1) Insert “or conference report thereon,” before “and submit”.
- (2) In paragraph (1), strike “bill or resolution” and insert “bill, joint resolution, or conference report”.
- (3) At the end of paragraph (2) strike “and”, at the end of paragraph (3) strike the period and insert “; and”, and after such paragraph (3) add the following new paragraph:  
“(4) A determination of whether such bill, joint resolution, or conference report provides direct spending.”.

(b) The second sentence of section 402 of the Congressional Budget Act of 1974 is amended by inserting before the period the following: “, or in the case of a conference report, shall be included in the joint explanatory statement of managers accompanying such conference report if timely submitted before such report is filed”.

## **TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING**

### **SEC. 401. PURPOSES.**

The purposes of this title are to—

- (1) require committees to develop a schedule for reauthorizing all programs within their jurisdictions;
- (2) facilitate amendments to subject new entitlement programs to annual discretionary appropriations;
- (3) require the Committee on the Budget to justify any allocation to an authorizing committee for legislation that would not be subject to annual discretionary appropriation;
- (4) provide estimates of the long-term impact of spending and tax legislation;
- (5) provide a point of order for legislation creating a new direct spending program that does not expire within 10 years; and
- (6) require a vote in the House of Representatives on any measure that increases the statutory limit on the public debt.

## **Subtitle A—Limitations on Direct Spending**

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

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

- (1) by striking subsections (a) and (b) and inserting the following new subsection:

“(a) **LIMITATION ON DIRECT SPENDING.**—It shall not be in order in the House of Representatives or in the Senate to consider a bill or joint resolution, or an amendment, motion, or conference report that provides direct spending for a new program, unless such spending is limited to a period of 10 or fewer fiscal years.”;

- (2) by redesignating subsection (c) as subsection (b) and by striking “Subsections (a) and (b) each place it appears and inserting “Subsection (a)” in such redesignated subsection (b); and

- (3) by amending the section heading to read as follows:

“FIXED-YEAR AUTHORIZATIONS REQUIRED FOR DIRECT SPENDING”.

(b) **CONFORMING AMENDMENT.**—The item relating to section 401 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

“Sec. 401. Fixed-year authorizations required for direct spending.”.

(c) **LIMITATION ON AUTHORIZATION OF DISCRETIONARY APPROPRIATIONS.**—Rule XXI of the Rules of the House of Representatives is amended by adding at the end the following new clause:

“6. It shall not be in order to consider any bill, joint resolution, amendment, or conference report that authorizes the appropriation of new budget authority (as defined in section 3(2)(C) of the Congressional Budget and Impoundment Control Act of 1974) for a new program, unless such authorization is specifically provided for a period of 10 or fewer fiscal years.”

**SEC. 412. AMENDMENTS TO SUBJECT NEW DIRECT SPENDING TO ANNUAL APPROPRIATIONS.**

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

“(c)(1) In the Committee of the Whole, an amendment only to subject a new program which provides direct spending to discretionary appropriations, if offered by the chairman of the Committee on the Budget (or his designee) or the chairman of the Committee of Appropriations (or his designee), may be precluded from consideration only by the specific terms of a special order of the House. Any such amendment, if offered, shall be debatable for twenty minutes equally divided and controlled by the proponent of the amendment and a Member opposed and shall not be subject to amendment.

“(2) As used in subparagraph (1), the term ‘direct spending’ has the meaning given such term in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974.”

(b) **ADJUSTMENT OF DISCRETIONARY SPENDING LIMITS FOR DISCRETIONARY APPROPRIATIONS OFFSET BY DIRECT SPENDING SAVINGS.**—

(1) **PURPOSE.**—The purpose of the amendments made by this subsection is to hold the discretionary spending limits and the allocations made to the Committee on Appropriations under section 302(a) of the Congressional Budget Act of 1974 harmless for legislation that offsets a new discretionary program with a designated reduction in direct spending.

(2) **DESIGNATING DIRECT SPENDING SAVINGS IN AUTHORIZATION LEGISLATION FOR NEW DISCRETIONARY PROGRAMS.**—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by section 202) is further amended by adding at the end the following new subsection:

“(e) **OFFSETS.**—If a provision of direct spending legislation is enacted that—

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

“(2) is designated as an offset pursuant to this subsection and such designation specifically identifies an authorization of discretionary appropriations (contained in such legislation) for a new program,

then the reductions in new budget authority and outlays in all fiscal years resulting from that provision shall be designated as an offset in the reports required under subsection (d).”

(3) **EXEMPTING SUCH DESIGNATED DIRECT SPENDING SAVINGS FROM PAYGO SCORECARD.**—Section 252(d)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by section 202(b)) is further amended by adding at the end the following new subparagraph:

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

(4) **ADJUSTMENT IN DISCRETIONARY SPENDING LIMITS.**—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by section 202(a)(2)) is further amended by adding at the end the following new subparagraph:

“(G) **DISCRETIONARY AUTHORIZATION OFFSETS.**—If an Act other than an appropriation Act includes any provision reducing direct spending and specifically identifies any such provision as an offset pursuant to section 252(e), the adjustments shall be an increase in the discretionary spending limits for budget authority and outlays in each fiscal year equal to the amount of the budget authority and outlay reductions, respectively, achieved by the specified offset in that fiscal year, except that the adjustments for the budget year in which the offsetting provision takes effect shall not exceed the amount of discretionary new budget authority provided for the new program (authorized in that Act) in an Act making discretionary appropriations and the outlays flowing therefrom.”

(5) **ADJUSTMENT IN APPROPRIATION COMMITTEE’S ALLOCATIONS.**—Section 314(b) of the Congressional Budget Act of 1974 (as amended by section 202(d)) is further amended by striking “; or” at the end of paragraph (4), by striking the period and inserting “; or” at the end of paragraph (5), and by adding at the end the following new paragraph:

“(6) the amount provided in an Act making discretionary appropriations for the program for which an offset was designated pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 and any outlays flowing therefrom, but not to exceed the amount of the designated decrease in direct spending for that year for that program in a prior law.”

(6) ADJUSTMENT IN AUTHORIZING COMMITTEE'S ALLOCATIONS.—Section 314 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(f) ADJUSTMENT IN AUTHORIZING COMMITTEE'S ALLOCATIONS BY AMOUNT OF DIRECT SPENDING OFFSET.—After the reporting of a bill or joint resolution (by a committee other than the Committee on Appropriations), or the offering of an amendment thereto or the submission of a conference report thereon, that contains a provision that decreases direct spending for any fiscal year and that is designated as an offset pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the chairman of the Committee on the Budget shall reduce the allocations of new budget authority and outlays made to such committee under section 302(a)(1) by the amount so designated.”.

## **Subtitle B—Enhanced Congressional Oversight Responsibilities**

### **SEC. 421. TEN-YEAR CONGRESSIONAL REVIEW REQUIREMENT OF PERMANENT BUDGET AUTHORITY.**

(a) TIMETABLE FOR REVIEW.—Clause 2(d)(1) of rule X of the Rules of the House of Representatives is amended by striking subdivisions (B) and (C) and inserting the following new subdivision:

“(B) provide in its plans a specific timetable for its review of those laws, programs, or agencies within its jurisdiction, including those that operate under permanent budget authority or permanent statutory authority and such timetable shall demonstrate that each law, program, or agency within the committee's jurisdiction will be reauthorized at least once every ten years.”.

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

- (1) by striking subparagraph (2); and
- (2) by redesignating subparagraphs (3) and (4) as subparagraphs (2) and (3) and by striking “from time to time” and inserting “at least once each Congress” in subparagraph (2) (as redesignated).

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

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

(a) SECTION 302 ALLOCATIONS.—Section 302(a) of the Congressional Budget Act of 1974 (as amended by section 104(a)) is further amended by adding at the end the following new paragraph:

“(5) JUSTIFICATION OF CERTAIN SPENDING ALLOCATIONS.—The joint explanatory statement accompanying a conference report on a joint resolution on the budget that includes any allocation to a committee (other than the Committee on Appropriations) of levels in excess of current law levels shall set forth a justification for not subjecting any program, project, or activity (for which the allocation is made) to annual discretionary appropriation.”.

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

“(33) a justification for not subjecting each new program, project, or activity to discretionary appropriations.”.

(c) COMMITTEE JUSTIFICATION FOR DIRECT SPENDING.—Clause 4(e)(2) of rule X of the Rules of the House of Representatives is amended by inserting before the period the following: “, and will provide specific information in any report accompanying such bills and joint resolutions to the greatest extent practicable to justify why the programs, projects, and activities involved would not be subject to annual appropriation”.

### **SEC. 423. SURVEY OF ACTIVITY REPORTS OF HOUSE COMMITTEES.**

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

“(4) Such report shall include a summary of and justifications for all bills and joint resolutions reported by such committee that—

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

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

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

Such report shall also specify the total amount by which legislation reported by that committee exceeded its allocation under section 302(a) or breached the revenue floor under section 311(a) of such Act for each fiscal year during that Congress.”.

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

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

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

“(5) evaluating whether existing programs, projects, and activities should be subject to discretionary appropriations and establishing guidelines for subjecting new or expanded programs, projects, and activities to annual appropriation and recommend any necessary changes in statutory enforcement mechanisms and scoring conventions to effectuate such changes.”.

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

**SEC. 425. GAO REPORTS.**

The last sentence of section 404 of the Congressional Budget Act of 1974 is amended to read as follows: “Such report shall be revised at least once every five years and shall be transmitted to the chairman and ranking minority member of each committee of the House of Representatives and the Senate.”.

## **Subtitle C—Strengthened Accountability**

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

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

(b) ANALYSIS BY CBO.—Section 402(1) of the Congressional Budget Act of 1974 is amended by striking “4” and inserting “nine”.

(c) COST ESTIMATES.—Clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives is amended by striking “five” each place it appears and inserting “10”.

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

Rule XXIII of the Rules of the House of Representatives (relating to the establishment of the statutory limit on the public debt) is repealed.

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

**SEC. 501. PURPOSES.**

The purposes of this title are to—

- (1) budget for the long-term costs of Federal insurance programs;
- (2) improve congressional control of those costs; and
- (3) periodically report on long-term budgetary trends.

## **Subtitle A—Budgetary Treatment of Federal Insurance Programs**

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

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

### **“TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS**

**“SEC. 601. SHORT TITLE.**

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

**“SEC. 602. BUDGETARY TREATMENT.**

“(a) **PRESIDENT’S BUDGET.**—Beginning with fiscal year 2006, the budget of the Government pursuant to section 1105(a) of title 31, United States Code, shall be based on the risk-assumed cost of Federal insurance programs.

“(b) **BUDGET ACCOUNTING.**—For any Federal insurance program—

“(1) the program account shall—

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

“(B) pay actual insurance program administrative costs;

“(2) the financing account shall—

“(A) receive premiums and other income,

“(B) pay all claims for insurance and receive all recoveries,

“(C) transfer to the program account on not less than an annual basis amounts necessary to pay insurance program administrative costs;

“(3) a negative risk-assumed cost shall be transferred from the financing account to the program account, and shall be transferred from the program account to the general fund; and

“(4) all payments by or receipts of the financing accounts shall be treated in the budget as a means of financing.

“(c) **APPROPRIATIONS REQUIRED.**—(1) Notwithstanding any other provision of law, insurance commitments may be made for fiscal year 2006 and thereafter only to the extent that new budget authority to cover their risk-assumed cost is provided in advance in an appropriation Act.

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

“(3) Paragraph (1) shall not apply to Federal insurance programs that constitute entitlements.

“(d) **REESTIMATES.**—The risk-assumed cost for a fiscal year shall be reestimated in each subsequent year. Such reestimate can equal zero. In the case of a positive reestimate, the amount of the reestimate shall be paid from the program account to the financing account. In the case of a negative reestimate, the amount of the reestimate shall be paid from the financing account to the program account, and shall be transferred from the program account to the general fund. Reestimates shall be displayed as a distinct and separately identified subaccount in the program account.

“(e) **ADMINISTRATIVE EXPENSES.**—All funding for an agency’s administration of a Federal insurance program shall be displayed as a distinct and separately identified subaccount in the program account.

**“SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL BUDGETING FOR FEDERAL INSURANCE PROGRAMS.**

“(a) **AGENCY REQUIREMENTS.**—Agencies with responsibility for Federal insurance programs shall develop models to estimate their risk-assumed cost by year through the budget horizon and shall submit those models, all relevant data, a justification for critical assumptions, and the annual projected risk-assumed costs to OMB with their budget requests each year starting with the request for fiscal year 2002. Agencies will likewise provide OMB with annual estimates of modifications, if any, and reestimates of program costs.

“(b) **DISCLOSURE.**—When the President submits a budget of the Government pursuant to section 1105(a) of title 31, United States Code, for fiscal year 2002, OMB shall publish a notice in the Federal Register advising interested persons of the availability of information describing the models, data (including sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it or other executive branch entities would use to estimate the risk-assumed cost of Federal insurance programs and giving such persons an opportunity to submit comments. At the same time, the chairman of the Committee on the Budget shall publish a notice for CBO in the Federal Register advising interested persons of the availability of information describing the models, data (including sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it would use to estimate the risk-assumed cost of Federal insurance programs and giving such interested persons an opportunity to submit comments.

“(c) **REVISION.**—(1) After consideration of comments pursuant to subsection (b), and in consultation with the Committees on the Budget of the House of Representatives and the Senate, OMB and CBO shall revise the models, data, and major assumptions they would use to estimate the risk-assumed cost of Federal insurance programs.

“(2) When the President submits a budget of the Government pursuant to section 1105(a) of title 31, United States Code, for fiscal year 2003, OMB shall publish a notice in the Federal Register advising interested persons of the availability of infor-

mation describing the models, data (including sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it or other executive branch entities used to estimate the risk-assumed cost of Federal insurance programs.

“(d) DISPLAY.—

“(1) IN GENERAL.—For fiscal years 2003, 2004, and 2005 the budget submissions of the President pursuant to section 1105(a) of title 31, United States Code, and CBO’s reports on the economic and budget outlook pursuant to section 202(e)(1) and the President’s budgets, shall for display purposes only, estimate the risk-assumed cost of existing or proposed Federal insurance programs.

“(2) OMB.—The display in the budget submissions of the President for fiscal years 2003, 2004, and 2005 shall include—

“(A) a presentation for each Federal insurance program in budget-account level detail of estimates of risk-assumed cost;

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

“(C) an alternate summary table of budget functions and aggregates using risk-assumed rather than cash-based cost estimates for Federal insurance programs.

“(3) CBO.—In the second session of the 107th Congress and the 108th Congress, CBO shall include in its estimates under section 308, for display purposes only, the risk-assumed cost of existing Federal insurance programs, or legislation that CBO, in consultation with the Committees on the Budget of the House of Representatives and the Senate, determines would create a new Federal insurance program.

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

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

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

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

“(C) The appropriateness of the explicit or implicit discount rate used in the various risk-assumed estimation models.

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

“(E) The ability of OMB, CBO, or GAO, as applicable, to secure any data or information directly from any Federal agency necessary to enable it to carry out this title.

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

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

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

“SEC. 604. DEFINITIONS.

“For purposes of this title:

“(1) The term ‘Federal insurance program’ means a program that makes insurance commitments and includes the list of such programs included in the joint explanatory statement of managers accompanying the conference report on the Comprehensive Budget Process Reform Act of 1999.

“(2) The term ‘insurance commitment’ means an agreement in advance by a Federal agency to indemnify a nonfederal entity against specified losses. This term does not include loan guarantees as defined in title V or benefit programs such as social security, medicare, and similar existing social insurance programs.

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

“(B) The cash flows associated with an insurance commitment include—

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

“(ii) net premiums (expected premium collections received from or on behalf of the insured less expected administrative expenses);

“(iii) expected recoveries; and

“(iv) expected changes in claims, premiums, or recoveries resulting from the exercise by the insured of any option included in the insurance commitment.

“(C) The cost of a modification is the difference between the current estimate of the net present value of the remaining cash flows under the terms of the insurance commitment, and the current estimate of the net present value of the remaining cash flows under the terms of the insurance commitment as modified.

“(D) The cost of a reestimate is the difference between the net present value of the amount currently required by the financing account to pay estimated claims and other expenditures and the amount currently available in the financing account. The cost of a reestimate shall be accounted for in the current year in the budget of the Government pursuant to section 1105(a) of title 31, United States Code.

“(E) For purposes of this definition, expected administrative expenses shall be construed as the amount estimated to be necessary for the proper administration of the insurance program. This amount may differ from amounts actually appropriated or otherwise made available for the administration of the program.

“(4) The term ‘program account’ means the budget account for the risk-assumed cost, and for paying all costs of administering the insurance program, and is the account from which the risk-assumed cost is disbursed to the financing account.

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

“(6) The term ‘modification’ means any Government action that alters the risk-assumed cost of an existing insurance commitment from the current estimate of cash flows. This includes any action resulting from new legislation, or from the exercise of administrative discretion under existing law, that directly or indirectly alters the estimated cost of existing insurance commitments.

“(7) The term ‘model’ means any actuarial, financial, econometric, probabilistic, or other methodology used to estimate the expected frequency and magnitude of loss-producing events, expected premiums or collections from or on behalf of the insured, expected recoveries, and administrative expenses.

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

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

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

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

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

“(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$600,000 for each of fiscal years 2000 through 2005 to the Director of the Office of Management and Budget and each agency responsible for administering a Federal program to carry out this title.

“(b) TREASURY TRANSACTIONS WITH THE FINANCING ACCOUNTS.—The Secretary of the Treasury shall borrow from, receive from, lend to, or pay the insurance financing accounts such amounts as may be appropriate. The Secretary of the Treasury may prescribe forms and denominations, maturities, and terms and conditions for the transactions described above. The authorities described above shall not be construed to supersede or override the authority of the head of a Federal agency to administer and operate an insurance program. All the transactions provided in this subsection shall be subject to the provisions of subchapter II of chapter 15 of title 31, United States Code. Cash balances of the financing accounts in excess of current requirements shall be maintained in a form of uninvested funds, and the Secretary of the Treasury shall pay interest on these funds.

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

“(2) There is appropriated to each financing account the amount of the risk-assumed cost of Federal insurance commitments outstanding for that program as of the close of September 30, 2005.

“(3) These financing accounts shall be used in implementing the budget accounting required by this title.

**“SEC. 606. EFFECTIVE DATE.**

“(a) IN GENERAL.—This title shall take effect immediately and shall expire on September 30, 2007.

“(b) SPECIAL RULE.—If this title is not reauthorized by September 30, 2007, then the accounting structure and budgetary treatment of Federal insurance programs shall revert to the accounting structure and budgetary treatment in effect immediately before the date of enactment of this title.”.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 507 the following new items:

“TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS

“Sec. 601. Short title.

“Sec. 602. Budgetary treatment.

“Sec. 603. Timetable for implementation of accrual budgeting for Federal insurance programs.

“Sec. 604. Definitions.

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

“Sec. 606. Effective date.”.

## Subtitle B—Reports on Long-Term Budgetary Trends

### SEC. 521. REPORTS ON LONG-TERM BUDGETARY TRENDS.

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

“(34) an analysis based upon current law and an analysis based upon the policy assumptions underlying the budget submission for every fifth year of the period of 75 fiscal years beginning with such fiscal year, of the estimated levels of total new budget authority and total budget outlays, estimated revenues, estimated surpluses and deficits, and, for social security, medicare, medicaid, and all other direct spending, estimated levels of total new budget authority and total budget outlays; and a specification of its underlying assumptions and a sensitivity analysis of factors that have a significant effect on the projections made in each analysis; and a comparison of the effects of each of the two analyses on the economy, including such factors as inflation, foreign investment, interest rates, and economic growth.”.

(b) CBO REPORTS.—Section 202(e)(1) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentences: “Such report shall also include an analysis based upon current law for every fifth year of the period of 75 fiscal years beginning with such fiscal year, of the estimated levels of total new budget authority and total budget outlays, estimated revenues, estimated surpluses and deficits, and, for social security, medicare, medicaid, and all other direct spending, estimated levels of total new budget authority and total budget outlays. The report described in the preceding sentence shall also specify its underlying assumptions and set forth a sensitivity analysis of factors that have a significant effect on the projections made in the report.”.

## TITLE VI—BASELINES, BYRD RULE, AND LOCK-BOX

### SEC. 601. PURPOSE.

The purposes of this title are to—

- (1) require budgetary comparisons to prior year levels;
- (2) restrict the application of the Byrd rule to measures other than conference reports; and
- (3) establish a procedure to allow savings from spending cuts in appropriation measures to be locked-in to increase the surplus or reduce the deficit.

## Subtitle A—The Baseline

### SEC. 611. THE PRESIDENT’S BUDGET.

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

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

years following that year, and, except for detailed budget estimates, the percentage change from the current year to the fiscal year for which the budget is submitted for estimated expenditures and for appropriations.”.

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

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

“(A) laws in effect when the budget is submitted; and

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

and the percentage change (in the case of each category referred to in subparagraphs (A) and (B)) between the current year and the fiscal year for which the budget is submitted and between the current year and each of the 9 fiscal years after the fiscal year for which the budget is submitted.”.

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

“(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

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

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

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

and, except for detailed budget estimates, the percentage change (in the case of each category referred to in subparagraphs (A), (B), and (C)) between the current year and the fiscal year for which the budget is submitted.”.

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

(e) Section 1105(a) of title 31, United States Code, (as amended by sections 412(b) and 521(a)) is further amended by adding at the end the following new paragraphs:

“(35) a comparison of levels of estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.

“(36) a table on sources of growth in total direct spending under current law and as proposed in this budget submission for the budget year and the ensuing 9 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.”.

(f) Section 1109(a) of title 31, United States Code, is amended by inserting after the first sentence the following new sentence: “For discretionary spending, these estimates shall assume the levels set forth in the discretionary spending limits under section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted, for the appropriate fiscal years (and if no such limits are in effect, these estimates shall assume the adjusted levels for the most recent fiscal year for which such levels were in effect).”.

#### SEC. 612. THE CONGRESSIONAL BUDGET.

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

(1) in paragraph (1), by inserting at the end the following: “The basis of deliberations in developing such joint resolution shall be the estimated budgetary levels for the preceding fiscal year. Any budgetary levels pending before the committee and the text of the joint resolution shall be accompanied by a document comparing such levels or such text to the estimated levels of the prior fiscal year. Any amendment offered in the committee that changes a budgetary level and is based upon a specific policy assumption for a program, project, or activity shall be accompanied by a document indicating the estimated amount for such program, project, or activity in the current year.”; and

(2) in paragraph (2), by striking “and” at the end of subparagraph (H) (as redesignated), by striking the period and inserting “; and” at the end of subparagraph (I) (as redesignated), and by adding at the end the following new subparagraph:

“(J) a comparison of levels for the current fiscal year with proposed spending and revenue levels for the subsequent fiscal years along with the

proposed increase or decrease of spending in percentage terms for each function.”.

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

(a) The first sentence of section 202(e)(1) of the Congressional Budget Act of 1974 is amended by inserting “compared to comparable levels for the current year” before the comma at the end of subparagraph (A) and before the comma at the end of subparagraph (B).

(b) Section 202(e)(1) of the Congressional Budget Act of 1974 is amended by inserting after the first sentence the following new sentence: “Such report shall also include a table on sources of spending growth in total direct spending for the budget year and the ensuing 9 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.”.

(c) Section 308(a)(1)(B) of the Congressional Budget Act of 1974 is amended by inserting “and shall include a comparison of those levels to comparable levels for the current fiscal year” before “if timely submitted”.

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

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

## Subtitle B—The Byrd Rule

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

(a) PROTECTION OF CONFERENCE REPORTS.—Section 313 of the Congressional Budget Act of 1974 is amended—

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

(2) by striking subsection (d);

(3) by redesignating subsection (e) as subsection (d); and

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

(A) by striking “, motion, or conference report” the first place it appears and inserting “, or motion”; and

(B) by striking “, motion, or conference report” the second and third places it appears and inserting “or motion”.

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

## Subtitle C—Spending Accountability Lock-box

**SEC. 631. SHORT TITLE.**

This subtitle may be cited as the “Spending Accountability Lock-box Act of 1999”.

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

(a) ESTABLISHMENT OF LEDGER.—Title III of the Congressional Budget Act of 1974 (as amended by sections 104(c) and 206(a)) is further amended by adding after section 317 the following new section:

“SPENDING ACCOUNTABILITY LOCK-BOX LEDGER

“SEC. 318. (a) ESTABLISHMENT OF LEDGER.—The chairman of the Committee on the Budget of the House of Representatives and the chairman of the Committee on the Budget of the Senate shall each maintain a ledger to be known as the ‘Spending Accountability Lock-box Ledger’. The Ledger shall be divided into entries corresponding to the subcommittees of the Committees on Appropriations. Each entry shall consist of three components: the ‘House Lock-box Balance’; the ‘Senate Lock-box Balance’; and the ‘Joint House-Senate Lock-box Balance’.

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

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

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

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

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

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

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

“(B) When computing the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the House of Representatives or the Senate to an appropriation bill, the chairmen of the Committees on the Budget shall only count those portions of such amendments agreed to that were so designated by the Members offering such amendments as amounts to be credited to the House or Senate Lock-box Balance, as applicable, or that fall within the last sentence of paragraph (1).

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

“(A) an amount equal to one-half of the sum of (i) the amount of new budget authority in the House Lock-box Balance plus (ii) the amount of new budget authority in the Senate Lock-box Balance for that subcommittee; and

“(B) an amount equal to one-half of the sum of (i) the amount of outlays in the House Lock-box Balance plus (ii) the amount of outlays in the Senate Lock-box Balance for that subcommittee.

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

“(d) DEFINITION.—As used in this section, the term ‘appropriation bill’ means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.

“(e) TALLY DURING HOUSE CONSIDERATION.—The chairman of the Committee on the Budget of the House of Representatives shall maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported. This tally shall be available to Members in the House of Representatives during consideration of any appropriations bill by the House.”

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 317 the following new item:

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

**SEC. 633. DOWNWARD ADJUSTMENT OF SECTION 302(a) ALLOCATIONS AND SECTION 302(b) SUBALLOCATIONS.**

(a) ALLOCATIONS.—Section 302(a) of the Congressional Budget Act of 1974 (as amended by section 422) is further amended by adding at the end the following new paragraph:

“(6) ADJUSTMENT OF ALLOCATIONS.—Upon the engrossment of Senate amendments to any appropriation bill (as defined in section 318(d)) for a fiscal year, the amounts allocated under paragraph (1) or (2) to the Committee on Appropriations of each House upon the adoption of the most recent joint resolution on the budget for that fiscal year shall be adjusted downward by the amounts credited to the applicable Joint House-Senate Lock-box Balance under section 318(c)(2). The revised levels of new budget authority and outlays shall be submitted to each House by the chairman of the Committee on the Budget of that House and shall be printed in the Congressional Record.”

(b) SUBALLOCATIONS.—Section 302(b) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: “Whenever an adjustment is made under subsection (a)(7) to an allocation under that subsection, the Committee on Appropriations of each House shall make downward adjustments in

the most recent suballocations of new budget authority and outlays under this subparagraph to the appropriate subcommittees of that committee in the total amounts of those adjustments under section 318(c)(2). The revised suballocations shall be submitted to each House by the chairman of the Committee on Appropriations of that House and shall be printed in the Congressional Record.”

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

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

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

The discretionary spending limits for new budget authority and outlays for any fiscal year set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amounts set forth in the final regular appropriation bill for that fiscal year or joint resolution making continuing appropriations through the end of that fiscal year. Those amounts shall be the sums of the Joint House-Senate Lock-box Balances for that fiscal year, as calculated under section 302(a)(6) of the Congressional Budget Act of 1974. That bill or joint resolution shall contain the following statement of law: “As required by section 636 of the Spending Accountability Lock-box Act of 1999, for fiscal year [insert appropriate fiscal year] and each outyear, the adjusted discretionary spending limit for new budget authority shall be reduced by \$ [insert appropriate amount of reduction] and the adjusted discretionary limit for outlays shall be reduced by \$ [insert appropriate amount of reduction] for the fiscal year and each outyear.”. Notwithstanding section 904(c) of the Congressional Budget Act of 1974, section 306 as it applies to this statement shall not apply. This adjustment shall be reflected in reports under sections 254(f) and 254(g) of the Balanced Budget and Emergency Deficit Control Act of 1985.

## **Subtitle D—Automatic Continuing Resolution**

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

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

**“§ 1311. Continuing appropriations**

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

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

“(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.

“(2)(A) Except as provided by subparagraph (B), appropriations and funds made available, and authority granted, for a program, project, or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the rate of operations provided for in the regular appropriation Act providing for such program, project, or activity for the preceding fiscal year, or in the absence of such an Act, the rate of operations provided for such program, project, or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year (but not including amounts for such program, project, or activity designated as an emergency for that fiscal year before the date of enactment of this section).

“(B) The applicable rate of operations for a program, project, or activity pursuant to this section shall exclude amounts—

“(i) for which any adjustment was made under section 251(b)(2)(A) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 before the date of enactment of this section; or

“(ii) for which any adjustment is made under section 251(b)(2)(D) or (E) of such Act.

“(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a program, project, or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

“(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such program, project, or activity) or a continuing resolution making appropriations becomes law, as the case may be, or

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

“(b) An appropriation or funds made available, or authority granted, for a program, project, or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such program, project, or activity under current law.

“(c) Appropriations and funds made available, and authority granted, for any program, project, or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such program, project, or activity during the portion of such fiscal year for which this section applies to such program, project, or activity.

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

“(e) This section shall not apply to a program, project, or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

“(1) makes an appropriation, makes funds available, or grants authority for such program, project, or activity to continue for such period, or

“(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such program, project, or activity to continue for such period; or

“(f) For purposes of this section, the term ‘regular appropriation bill’ means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of programs, projects, and activities:

“(1) Agriculture, rural development, and related agencies programs.

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

“(3) The Department of Defense.

“(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

“(5) The Departments of Labor, Health and Human Services, and Education, and related agencies.

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

“(7) Energy and water development.

“(8) Foreign assistance and related programs.

“(9) The Department of the Interior and related agencies.

“(10) Military construction.

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

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

“(13) The legislative branch.”.

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

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

“1311. Continuing appropriations.”.

(d) EFFECT OF AMENDMENTS.—Nothing in the amendments made by this section shall be construed to affect Government obligations mandated by other law, including obligations with respect to social security, medicare, and medicaid.

## TITLE VII—BUDGETING IN AN ERA OF SURPLUSES

### SEC. 701. PAYGO REQUIREMENTS AND THE ON-BUDGET SURPLUS.

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

“(a) PURPOSE.—The purpose of this section is to trigger an offsetting sequestration in the amount by which any excess of decreases in receipts and increases in direct spending over increases in receipts and decreases in direct spending, caused by all

direct spending and receipts legislation enacted prior to October 1, 2002, exceeds estimates of the on-budget surplus.”

(b) TIMING AND CALCULATION OF SEQUESTRATION.—Section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(b) SEQUESTRATION.—

“(1) TIMING.—Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 251, there shall be a sequestration to offset an amount equal to—

“(A) any excess of decreases in receipts and increases in direct spending over increases in receipts and decreases in direct spending for legislation enacted prior to October 1, 2002; minus

“(B) the estimated on-budget surplus,  
as calculated under paragraph (2).

“(2) CALCULATION OF SEQUESTRATION.—OMB shall calculate the amount of the sequestration by adding—

“(A) all OMB estimates for the budget year of direct spending and receipts legislation transmitted under subsection (d) for legislation enacted prior to October 1, 2002;

“(B) the estimated amount of savings in direct spending programs applicable to the budget year resulting from the prior year’s sequestration under this section, if any, as published in OMB’s final sequestration report for that prior year; and

“(C) all OMB estimates for the current year that were not reflected in the final OMB sequestration report for that year; and  
then by subtracting from such sum the OMB estimate for the budget year of the on-budget surplus (if any) as set forth in the OMB sequestration update report.”

(c) PREVIEW REPORTS.—Section 254(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating subparagraph (C) as subparagraph (D) and by adding after subparagraph (B) the following new subparagraph:

“(C) The estimated on-budget surplus for the budget year (if any) shall exclude all estimates of direct spending and receipts legislation for such year enacted after the date of enactment of this subparagraph (as estimated by OMB when such legislation was originally enacted). Except as provided by the preceding sentence, the following assumptions shall apply to the calculation of such estimated surplus: Budgetary resources other than unobligated balances shall be at the level provided for the budget year in a regular appropriation Act or a joint resolution (other than pursuant to section 1311 of title 31, United States Code) continuing appropriations through the end of the budget year, but if for any account a full-year appropriation has not yet been enacted, budgetary resources other than unobligated balances shall be at the level available in the current year, adjusted using the assumptions set forth in section 257(c).”

(d) FINAL SEQUESTRATION REPORT.—Section 254(f)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: “In calculating the estimated on-budget surplus pursuant to section 252(b)(2), notwithstanding section 254(j), OMB shall use economic and technical assumptions that are up-to-date as of the date of issuance of the sequestration preview reports.”

(e) DEFINITION OF ON-BUDGET SURPLUS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

“(20) The term ‘on-budget surplus’ means, with respect to a fiscal year, the amount by which receipts exceed outlays for all spending and receipt accounts of the United States Government that are designated as on-budget. Such term does not include outlays and receipts of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or any other off-budget entity.”

(f) EXPEDITED RECONCILIATION PROCESS.—Section 258C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) The side heading of subsection (a) is amended by inserting “OR IN THE HOUSE OF REPRESENTATIVES” after “SENATE”.

(2) In paragraphs (1), (2), (3), and (4) of subsection (a), insert “or House” after “Senate” each place it appears.

(3) In subsection (a)(7), strike “For” and insert “In the Senate, for”.

(4) In subsection (b)(1), insert “or House” after “Senate”.

(5) In the side heading of subsection (b)(4), insert “OTHER” after “THE”.

(6) In subsection (b)(4), strike “in the Senate from the House” and insert “in the Senate or House of Representatives from the other House”, strike “Senate” the second place it appears and insert “Senate or House of Representatives, as the case may be,”, and strike “Senate” the third place it appears and insert “in the applicable House”.

#### PURPOSES OF LEGISLATION

The purpose of H.R. 853 is to give the budget the force of law by providing for joint resolutions on the budget; to budget prospectively for emergencies by creating reserve funds for emergency spending; to strengthen enforcement of budgetary decisions by providing for more informed decision-making; to increase accountability for Federal spending by allowing for accrual budgeting for federal insurance programs; to increase accountability for entitlement spending by limiting indefinite spending authorizations; to mitigate the bias in the budget process toward higher spending by eliminating various procedural impediments to spending restraint; and to move the budget process into the 21st century by modifying PAYGO requirements when there is an on-budget surplus.

#### LEGISLATIVE HISTORY AND COMMITTEE ACTION

H.R. 853 was introduced by a bipartisan coalition of Members on February 25, 1999. Included among the bill’s prime sponsors are Rules Committee Chairman David Dreier and Legislative and Budget Process Subcommittee Chairman Porter Goss. The legislation, which is nearly identical to a bill introduced at the end of the 105th Congress (H.R. 4837), is the product of approximately two years of cooperative work between the Rules Committee and the Budget Committee (the two House committees with primary jurisdiction over the Congressional budget process). H.R. 853 was referred to the Committee on Budget and Rules, and additionally to the Committee on Appropriations. The legislation currently carries 30 bipartisan cosponsors.

On Thursday, June 17, the Budget Committee marked up the measure during a four-hour meeting in which it adopted an amendment in the nature of a substitute, offered by the bill’s prime sponsor Mr. Nussle (R-IA). The amendment in the nature of a substitute was amended by one amendment to title II (relating to emergencies), offered, by Mr. Bentsen (D-TX). The amendment in nature of a substitute incorporated a series of technical and clarifying changes to the introduced text.

On Wednesday, June 23, 1999, the Rules Committee exercised its original jurisdiction in marking up the procedural provisions of H.R. 853, which seeks to fundamentally reform the Congressional budget process through a series of changes to the Congressional Budget Act of 1974 and the rules of the House. H.R. 853, as amended, was favorably reported by a voice vote. On Tuesday, June 22, 1999, the Committee on Appropriations ordered H.R. 853 reported adversely with an amendment striking out section 641 relating to an automatic continuing appropriation.

Starting in 1995, staff of the Rules Committee and the Budget Committee, by direction of their two chairmen, have met to review the existing process, assess proposals for change and devise a comprehensive reform package. During the 104th and 105th Congress, the Rules Committee held three joint subcommittee hearings on

budget process reform issues (July 13, July 19 and September 13, 1995), and conducted a Member briefing on the existing parameters of the process (September 26, 1997). For a more detailed discussion of these reform hearings, see the following Rules Committee Prints: “Joint hearings before the Subcommittee on Legislative and Budget Process and the Subcommittee on Rules and Organization of the House” 104th Congress, First Session; “The Congressional Budget Process: September 26, 1997 Briefing and Selected Printed Materials before the Subcommittee on Legislative and Budget Process”, 105th Congress, First Session.

In 1997, the Budget Committee established a bipartisan Budget Process Task Force, whose chairman was Representative Jim Nussle (IA) and whose ranking member was Representative Ben Cardin (MD). The Task Force held a series of hearings throughout the 105th Congress on issues relating to the Budget process.

The culmination of the bipartisan, two-committee effort was the introduction, in October 1998, of H.R. 4837. The legislative product, modified to reflect the recodification of House rules that occurred at the outset of the 106th Congress, is reflected in H.R. 853. This two-year bipartisan coalition could not have been successful without the commitment of Members of both the Budget and the Rules Committees to reforming the budget process. The Budget Committee and its Task Force in the 105th Congress contributed mightily to this effort and the resulting legislative product epitomized in H.R. 853.

In the 106th Congress, the Rules Committee held two days of hearings on H.R. 853. On May 12, the Committee heard from the Director of the Congressional Budget Office, Dan Crippen; the Associate Director for Budget Issues at the General Accounting Office, Susan Irving; Ms. Martha Phillips of the Concord Coalition; Professor Tim Muris of the George Mason School of Law; Mr. Robert Greenstein of the Center for Budget and Policy Priorities; and Representatives Jim Nussle (R-IA), Ben Cardin (D-MD) and David Minge (D-MN), three of the primary sponsors of the legislation. On May 13, the Committee heard testimony from Representatives Joe Barton (R-TX), Nick Smith (R-MI), George Gekas (R-PA), Mike Castle (R-DE), Ralph Regula (R-OH) and John Spratt (D-SC).

Many of the major provisions of H.R. 853 are based on the work of a variety of bipartisan Members who have developed innovative proposals for reform. H.R. 853 reflects the work of Representative Chris Cox (R-CA) and Representative Joe Barton (TX) on the fundamental question of the form of the budget resolution and was to increase accountability for federal spending. Likewise, the work of Representative Mike Castle (DE) on emergency spending, Representative Nick Smith (MI) on the debt limit and Representatives George Gekas (PA) and Dana Rohrabacher (R-CA) on automatic continuing resolutions is reflected in H.R. 853 as well. The bill also includes provisions similar to legislation authored in the past by Representative Joe Moakley (D-MA) on the application of Budget Act points of order to unreported bills, by Representative Martin Sabo (D-MN) on the Senate’s Byrd Rule, by Representative Charles Stenholm (D-TX) and former Representative Tim Penny (D-MN) on baselines, by Senator Bob Kerrey (D-NE) and former Senator Alan Simpson (R-WY) on long-term budgetary trends, and

by former Representatives (now Senators) Mike Crapo (R-ID) and Charles Schumer (D-NY) on the spending accountability lock-box.

#### BACKGROUND AND NEED FOR LEGISLATION

The effort to reform the existing congressional budget process is certainly not new. Since the inception of the Congressional Budget Act of 1974 (formally the Congressional Budget and Impoundment Control Act of 1974 P.L. 93-344), proposals for modification of the procedures governing the consideration by Congress of the nation's spending and revenue plans have been plentiful.

The Rules Committee, as part of its original jurisdiction is charged under clause 3(i) of House rule X to "review and study on a continuing basis the congressional budget process, [to] report its findings and recommendations to the House from time to time." The development of H.R. 853 is a culmination of four years of work by the Rules Committee in reviewing the current process, assessing its strengths and weaknesses, studying proposals for reform and considering a comprehensive overhaul of the existing process.

The Committee notes that the House has already responded to the need to bolster the protection given to Social Security within the budget process. Through the FY 2000 Congressional Budget Resolution (H. Con. Res. 68), and in the overwhelming, bipartisan House vote in favor of H.R. 1259, the Social Security and Medicare Safe Deposit Lock Box Act, Members have guaranteed their commitment to locking away the Social Security trust fund. It is the view of the Committee that, because of the unquestioned importance of protecting Social Security, it was necessary to address this issue as a separate legislative effort, rather than incorporating it as part of this budget process reform initiative.

#### HISTORY OF THE PROCESS: 25 YEARS OF THE BUDGET ACT

In the quarter century since the landmark Congressional Budget Act was enacted into law, much has changed in the environment in which Congress and the President must develop, implement and manage the nation's budget.

According to the historical tables presented in the President's 2000 Budget Submission, in 1974 the nation's Gross Domestic Product (GDP) was more than \$1.4 trillion and the nation carried a budget deficit of \$6.1 billion, or .4 percent of GDP. For 1999 the President's Budget Submission estimates GDP to be more than \$8.74 trillion with a surplus of nearly \$80 billion, or .9 percent of GDP. At its peak in the intervening years, the budget deficit logged in at \$290 billion, or 4.7 percent of GDP in 1992. As a percentage of GDP, the deficit was at its highest in 1983, at 6.1 percent of \$3.4 trillion, or \$207.8 billion.

Looking back an additional 25 years to 1949, the pendulum moved in much less dramatic swings, with the budget moving from deficit to surplus and back again, reflecting much smaller percentages of GDP. After 1969, deficits began to rise markedly, and persistently through 1997.

Development and enactment of the Congressional Budget Act in 1974 was fueled in large part by the conflict that existed at the time between the Congress and the Executive regarding the President's use of impoundment authority. The 93rd Congress responded

in an effort to assert the prerogatives of the Legislative branch into the budget cycle in a more formal way than had occurred previously. "The fact of the matter is that there is no congressional budget process, only an agglomeration of separate actions and decisions," ("Background Section," House Report No. 93-658 to accompany H.R. 7130, the Budget and Impoundment Control Act of 1973, November 20, 1973).

Prior to 1974, for example, there was no formal process for a Congressional budget resolution. The development of a formal congressional budget process was a long evolutionary process since the beginning of the Republic. "Budgeting in the 19th century was thus quite different from the way it is understood and practiced today; there was an annual statement of what the Federal Government had done with revenues in the previous year, including whether there was a surplus or deficit, but no unified, formal proposal for the coming year and little attention to spending as a whole." ("Policy Analysis and Historical Background," Final Report of the Joint Committee on the Organization of Congress, December 1993).

The Congressional Budget Act sought to exert the role of the Legislative Branch more forcefully into the process of budgeting. "Budget reform and impoundment control have a joint purpose: to restore responsibility for the spending policy of the United States to the legislative branch. One without the other would leave Congress in a weak and ineffective position \* \* \* By joining budget and impoundment control in a complete overhaul of the budget process, H.R. 7130 seeks to ensure that the power of appropriation assigned to Congress by the Constitution is responsibly and effectively exercised." ("Purpose and Brief Summary Section", House Report No. 93-658 to accompany H.R. 7130, the Budget and Impoundment Control Act of 1973, November 20, 1973).

In the legislative history of the Congressional Budget Act, Congress declared that "it is essential to provide for the Congressional determination each year of the appropriate level of Federal revenues and expenditures." (Section 2(2), Declaration of Purposes). At that time, the Congress determined that the process should not be pre-disposed to any particular budgetary outcome, but rather should remain neutral on fiscal policy.

However, in the years following 1974, as federal deficits began to mount and the nation began to conclude that stricter enforcement for fiscal discipline was necessary, Congress enacted several major reforms to its process. These reforms, unlike the original budget law, were geared toward a desired outcome of eventual elimination of the federal deficit. Among the most significant revisions of the budget process were the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177), known as Gramm-Rudman-Hollings for its chief sponsors in the Senate, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (P.L. 100-119) and the Budget Enforcement Act of 1990 (Title XIII of the Omnibus Budget Reconciliation Act of 1990, P.L. 101-508). Additional changes were made after the budget summit in 1993, with the enactment of Title XIV of the Omnibus Budget Reconciliation Act of 1993. Most recently, with the enactment of the Budget Enforcement Act of 1997 (Title X of the Balanced Budget Act of 1997, P.L. 105-33), Congress and the President extended through 2002 the fundamental enforcement mechanisms of the current process:

the discretionary spending limits known as “the caps” and the pay-as-you-go requirement known as PAYGO.

*The Balanced Budget and Emergency Deficit Control Act of 1985 (GRH)*

In an effort to gain control over mounting federal budget deficits, Congress developed a new framework for the budget process, one that was geared toward the desired outcome of a balanced budget. The Balanced Budget and Emergency Deficit Control Act (known as Gramm-Rudman-Hollings or GRH) established a series of declining annual deficit targets and implemented an across-the-board sequestration process of enforcement. Sequestration is carried out by Presidential order that permanently cancels budgetary resources to achieve the necessary amount of savings in all programs (except those specifically exempted) using an established formula. This formula stipulated that half of any savings needed must come from defense accounts and the other half from non-defense programs.

*The Budget Enforcement Act of 1990 (BEA)*

After five years of experience with the requirements of the GRH deficit targets, the Congress recognized the difficulty in meeting such targets, especially given the many factors that were beyond the direct control of the legislative process. As a result, in 1990, the Congress and the President enacted the Budget Enforcement Act (BEA), which changed the focus of enforcement away from deficit targets and toward spending and revenue levels. The BEA established adjustable annual limits for discretionary spending, to be enforced by sequester, with separate limits for budget authority and outlays in three categories: defense; international and domestic spending. After 1993 those categories were collapsed into one, and a separate but parallel process was set up for the Violent Crime Control Trust Fund. In 1997, the categories were once again broken out, this time to reflect defense and non-defense discretionary spending.

The BEA also implemented the pay-as-you-go (PAYGO) process for mandatory spending revenues, creating a scorecard on which legislation affecting either would be reflected and, if a net increase in the deficit occurred, a sequester would be triggered. This process requires that legislation creating a net decrease in revenues or increase in mandatory spending must be offset either by an increase in revenues or a decrease in mandatory spending. Exempt from this requirement are increases in the cost of mandatory spending programs under existing law. The point of the law is to hold the Congress and the President accountable for the spending and revenue implications of changes in existing law, and to hold them harmless for changes that occur outside the legislative arena.

The BEA of 1997 extended the discretionary spending limits and the PAYGO process until 2002 and made minor revisions to the Congressional Budget Act of 1974.

SUMMARY OF THE CURRENT PROCESS

The Congressional budget process envisions a series of milestones involving action by one or both Houses of Congress. It begins and ends with the President, who must submit a budget at the

start of the cycle and who, ultimately, must sign into law the legislation enacting the details of the budget plan.

It is certainly true that the process has not, in recent years, adhered strictly to these basic milestones. For example in 1990, 1993 and 1997 the Congress and the White House engaged in so-called “budget summits” which involved efforts to bring the two branches of government to agreement on the outlines of an overall budget plan and the details necessary to implement it. In other years, the end of a fiscal year has seen occasions where all regular appropriations bill were not enacted in time, leading to the enactment of one or more continuing resolutions covering certain elements of the government for a specific period of time. Recently, failure to conclude individual appropriations bills by the end of the fiscal year has led to the passage of omnibus spending bills, covering more than one of the regular spending bills. Finally, recent years have also seen a series of supplemental spending bills originated during the fiscal year to cover emergency matters that often end up carrying a variety of additional, less urgent spending elements. (See appendix A)

Despite the aberrations from year to year, however, the underlying guideposts of the Congressional process remain constant. What follows is a basic summary of how the process is designed to work.

Although the Constitution does not require the President to present an annual budget, in 1921 the Budget and Accounting Act became law and lay the foundation for the modern budget process, which includes the President’s budget. The Budget Act established a timetable for the annual budget process, which is kicked off each year by the Presidential budget submission. The Budget Act specifies that the President’s budget should be presented to the Congress on or before the first Monday in February.

The President’s budget is generally viewed as a detailed outline of the Administration’s policy and funding priorities, as well as a presentation of the economic outlook for the coming fiscal year. The President’s budget, which estimates spending, revenue and borrowing levels, is compiled from input by the various federal agencies, with funding broken down by budget function categories.

The Congressional Budget Act specifies a series of provisions that must be included in the annual Congressional Budget Resolution, a concurrent resolution that must ultimately pass both the House and the Senate in identical form—but does not require signature by the President.

The budget resolution provides the Congress with an opportunity to lay out its spending, revenue, borrowing and economic goals—as well as providing the vehicle for imposing internal budget discipline through established enforcement mechanisms.

The budget resolution, which covers the upcoming fiscal year and at least five ensuing fiscal years, must contain spending allocations that serve as an internal control on spending through the appropriations and authorization process.

The congressional budget resolution also classifies federal budgetary activities into functional and subfunctional categories that represent the major purposes of the federal government. Each budgetary activity of the federal government, including budget authority, outlays, tax expenditures, and credit authority, is classified

into a subfunction based on the primary purpose it serves without regard to the agency or other unit responsible for it. The functional categories provide a broad statement of budget priorities and facilitate the analysis of trends in related programs regardless of the type of financial transaction or agency organization.

While the use of functional classifications can be traced historically back to the first appropriation acts, the current federal budget uses 20 functional categories as well as subfunctions. General, the first 17 functional categories reflect major policy areas, while the remaining three represent non-programmatic elements of the budget that must be included to complete the presentation. Every budgetary account is assigned an identification code, and the last three digits of these codes designate the subfunction into which it is classified. This allows for a relatively organized budgeting structure.

The current 20 budget functions include the following: National Defense, International Affairs, General Science, Space, and Technology, Energy, Natural Resources and Environment, Agriculture, Commerce and Housing Credit, Transportation, Community and Regional Development, Education, Training, Employment, and Social Services, Health, Medicare, Income Security, Social Security, Veterans Benefits and Services, Administration of Justice, General Government, Net Interest, Allowances, and Undistributed Offsetting Receipts.

The budget resolution may contain reconciliation instructions for various committees of the House and Senate to make changes in the laws governing mandatory spending programs or changes in our nation's laws. In addition the budget resolution must include a projection of annual budget deficits or surplus, as well as a statement of the aggregate federal debt.

The Budget Act timetable specifies that the Budget Committees of the House and Senate should receive the views on the President's Budget Submission from other committees by February 25 of each year. The Budget Act also specifies that the Senate Budget Committee should report its versions of the budget resolution by April 1 of each year. No specific reporting date is specified for the House although it is generally understood that House Budget Committee action will proceed concurrently with or prior to that in the Senate.

Once the Budget Committees have marked-up and reported their budget resolutions, the full House and Senate take action. Section 305 of the Budget Act outlines the procedures for floor consideration of the budget resolution in both bodies. However, in the House the budget resolution traditionally is granted a special rule by the Rules Committee to dictate the terms of floor consideration.

Both the House and the Senate must pass (by majority vote) the conference agreement version of the budget resolution. In the House, this conference agreement usually is considered first by the Rules Committee, which sets the terms of the floor debate. In the Senate, debate on the conference agreement is proscribed by the Budget Act or by unanimous consent agreements on the Senate floor. The Budget Act specifies that Congress should complete action on its budget resolution by April 15 of each year.

The aggregate spending allocations required by section 302(a) of the Budget Act and provided by the budget resolution for discretionary and direct spending (budget authority and outlays) serve as

an internal control, enforceable through points of order and other procedural mechanisms. The committees in the House and the Senate may not exceed these aggregate totals in their work on the annual appropriations process or in authorizing direct spending.

When the Appropriations Committees receive the totals from the budget resolution, they divide the aggregate allocations into suballocations (known as 302(b)'s after the operative section of the Budget Act) for each of their 13 Appropriations subcommittees. Once the subcommittees complete their work, the 13 spending bills are considered, can be amended and ultimately must be approved by the full Appropriations Committee.

The ideal model for this process is that all funding that is approved for spending programs through the appropriations cycle should have already been authorized (established in law) by the Congress. The authorizing committees cover all aspects of the federal government and frequently consider one or multi-year authorization bills for the programs in their jurisdiction. Clause 2 of rule XXI prohibits appropriating funds for programs that have not been authorized.

By tradition Appropriations bills originate in the House. The Budget Act specifies that the House may begin consideration of annual Appropriations bills by May 15 and the Appropriations Committee should be finished with its committee work on the 13 bills by June 10. In the House, Appropriations bills have privileged status and may come straight from the Appropriations Committee to the floor, unless they violate any of the standing rules of the House.

The Budget Act specifies that final House action on conference agreements for the 13 spending bills should occur by June 30. All 13 Appropriations bills must be completed before the start of the new fiscal year on October 1.

Because discretionary spending accounts for only one-third of the total funding budget, in order to maintain control of the entire federal budget picture and enforce fiscal discipline, Congress must grapple with the spending that occurs through entitlement and other mandatory spending programs and make decisions about appropriate levels of federal revenues. Since there is no requirement that these spending and revenue policies be addressed on an annual basis—because they are provided for in permanent law—Congress has instituted a process known as reconciliation.

If the Congress determines that it wishes to trigger the reconciliation process, the budget resolution that is adopted will contain reconciliation instructions. These provisions are instructions to the authorizing committees with jurisdiction over entitlement and tax policy. The instructions require those committees to make changes in those programs to effect a specified level of budgetary savings. When the Congress adopts an annual budget resolution that includes reconciliation instructions, it agrees to enforce those levels of savings, although the authorizing committees have some leeway in terms of how they wish to achieve them.

The budget resolution normally includes a timetable by which the authorizing committees must report legislation that meets the savings specified in the reconciliation instructions. Once the relevant authorizing committees have reported their legislation to the Budget Committees, it is the Budget Committees' responsibility to

combine those bills into a reconciliation package (or packages) as specified by the budget resolution.

The Budget Committees' function is largely administrative at this point in the process, since the Budget Act provides that, if the savings targets are met, the Budget Committee may not make substantive changes in the legislation. However, if one or more authorizing committees do not report legislation meeting the savings targets specified in the reconciliation instructions, then the Budget Committees are authorized to develop legislation to find that savings. The Rules Committee serves as the "facilitator" for ensuring that these reconciliation targets are met and also claims an original jurisdictional referral for any matters contained within the budget resolution or a reconciliation bill that seek to amend House rules.

The Budget Act specifies that Congressional action on reconciliation legislation should be complete by June 15. The Budget Act also provides specific procedures and restrictions for floor consideration of reconciliation measures, particularly in the Senate, to ensure timely completion. In the House, reconciliation legislation is brought from the Budget Committee to the Rules Committee, which grants special rules governing floor consideration of the measure.

The House and Senate must each by majority vote pass the conference agreement on the reconciliation legislation. Although conference reports are privileged for floor consideration under the Rules of the House, generally a conference agreement on reconciliation goes first to the Rules Committee for a special rule waiving points of order. In the Senate, the floor debate is governed by Senate rules and specific provisions of the Budget Act.

### *Enforcement*

Within the Congressional budget process there are a series of mechanisms in place to enforce the fiscal decisions made by the Congress. In general, the Budget Act relies on points of order to enforce its requirements of timing, deadlines and the allocations found in the budget resolution. These points of order are established in law and are in force through the rulemaking authority of the House and Senate. In the House, points of order can be waived by special rule granted from the Rules Committee or by unanimous consent, just as requirements of the rules of the House may be waived. In the Senate, waivers of certain points of order in the Budget Act require a supermajority 60-vote margin. Points of order are not self-enforcing; they must be raised at the appropriate time during floor consideration.

Among the most significant enforcement mechanisms related to the budget process is the prohibition on consideration of legislation that would cause total spending to exceed the level set in the budget resolution or total revenues to fall below the budgeted level (Section 311 of the Budget Act). Additionally, there is a prohibition on consideration of legislation that would exceed a particular committee's spending allocation, or in the case of the Appropriations Committee, the subcommittee's suballocation (Section 302 of the Budget Act).

The Budget Act also relies on points of order to enforce the rigors of the budget process, including requirements relating to the order

and timing of consideration of legislation. For example, no revenue, spending, entitlement or debt-limit measure may be considered prior to the adoption of the budget resolution (Section 303 of the Budget Act). This prohibition currently includes an exception, however allowing the House to begin work on its annual appropriations bills after May 15, even if a budget resolution is not in place.

Enforcement of the Congressional budget process operates in concert with the statutory requirements, most significantly the discretionary spending limits and the pay-as-you-go (PAYGO) requirement for mandatory spending and revenues. The discretionary spending limits (often referred to as “the caps”) were implemented in 1990 by the Budget enforcement Act (BEA) and have been extended twice. They remain in force until 2002. PAYGO relies on a scorecard approach which takes into account all legislation that impacts upon mandatory spending and revenues. If there is a breach of either the discretionary limits or the PAYGO scorecard, a sequester is ordered by the Director of the Office of Management and Budget for relevant programs, subject to a series of exceptions that have been written into the law.

#### JUSTIFICATION FOR REFORM

After 25 years of experience with the Budget Act, and despite several major modifications to the process, Members and the public still conclude that the process does not work. Layer upon layer of procedures have combined to make the process confusing, lacking in accountability, inefficient and vulnerable to break downs. The result has been a pervasive lack of public trust.

The Committee recognizes that process alone cannot substitute for political will on the part of Members and the President. It is a basic tenet of our representative democracy that elected leaders must make tough decisions and balance competing priorities. However, it is equally clear that the process can provide obstacles to achieving those results. It can provide cover for avoidance of the tough decisions, while offering the temptation for scoring political points at the expense of responsibly accomplishing the nation’s business.

Sue Irving, Associate Director of Budget Issue at the General Accounting Office (GAO) put it this way in her testimony to the Committee: “[E]veryone involved in the budget process shares some frustration with it. The public finds it confusing. Executive branch agencies say it is burdensome and time-consuming. Members of Congress say it seems too lengthy with too many votes on authorizations, budget resolutions, reconciliation, appropriations, emergency supplementals, and the debt limit.” Professor Tim Muris, of the George Mason School of Law testified that “[T]he budget process has lost its flexibility to respond quickly to unforeseen events, at least to unpleasant ones.” In her prepared statement to the Committee, Martha Phillips, of the Concord coalition, said “[A]s with discipline in almost any situation, it’s understood that limits are, on balance, good for us. But often we don’t like them when they get in the way of what we want to do. So, the natural response is to test the limits in an attempt to get our way without getting caught. And, as loopholes are discovered and exploited, it becomes necessary to amend the budget process to close them.”

The Committee shares the view of many who have testified on this subject that the current process, as it has evolved over 25 years, is in need of fundamental reform.

#### AREAS OF FOCUS

##### *Securing agreement*

Under the current process, there is little incentive for the Congress and the President to come to agreement on the big budget picture before working on the details of spending and revenue legislation. Rather, the process by which a President submits his budget—which oftens serves more as a political statement than a realistic outline of the possible outcome of the budget cycle—and then Congress develops its own blueprint, tends to encourage political rhetoric to supplant serious negotiating for most of the year. The process spawns posturing for protracted periods of time while lines are drawn in the sand.

This often leaves the two branches far apart in their positions when the time comes to implement the spending bills necessary to fund the government. As a result, as has been the case too often in recent years, the fiscal year draws to a frantic and chaotic close. There is a flurry of legislative activity ending with enactment of large spending and revenue bills whose details are not known and generally not well understood by the Members asked to consider them.

Martha Phillips of the Concord Coalition described the problem as follows: “[l]ately, the closing days of the session have deteriorated into a very costly and unstatesmanlike cross between a food fight and a game of budgetary chicken in which the aim of each side seems to be to inflict maximum political embarrassment on the other while getting as much as possible for one’s own spending or tax priorities.”

Members and the public reacted with dismay to the most recent example of this spending spiral that occurred in the fall of 1998, when a massive spending bill, the Omnibus Appropriations Act for 1999, incorporated several regular appropriations bills and billions of dollars of emergency spending and far exceeded the fiscal controls that were in place.

Additionally, the process suffers from the threat of a government shutdown in the event of failure to enact spending bills prior to the October 1 start of a new fiscal year. This threat and the actual partial shutdowns that have occurred have further erodes public trust in the ability of public officials to get this job done.

The most recent of these situations occurred in the winter of 1995–1996, when the Congress and the President were unable to enact necessary appropriations bills and the stalemate led to an extended shutdown of parts of the government. Historically, shutdowns have been narrow in their scope and their duration, often occurring over a weekend and thus viewed to have limited impact on the public. Based on that history, some have argued that the threat of shutdown is an important deterrent to inaction and stalemate.

However, a growing census—based on experience at the federal and state level—has developed among members and the public that the process is not productive. Every state in the union has a re-

quirement that both the legislature and the governor must approve the state budget (with most states requiring that this budget be in balance). (See appendix B)

The Committee believes that the federal government could take a lesson from the states and make the effort to secure government between the Congress and the President regarding the “big picture” on the budget early in the process.

#### *Emergencies*

The Committee is also troubled by the process by which the Congress and the President respond to emergency situations. Most states have established contingency or reserve funds in the knowledge that while the specifics may not be knowable in advance, it can be predicted that some form of emergency situation will occur every year.

The federal government, on the other hand, generally reacts to emergencies—natural disasters or national security crises—by moving a supplemental spending bill for the current fiscal year, and using an “emergency designation” to circumvent existing budget controls.

The only constraint on this process is that the President and the Congress must agree about what spending should be classified as “emergency,” a requirement that typically leads to more spending (including spending for programs that most Americans would not view as necessary to meet “emergency” needs) to take into account the priorities of both branches of government.

As the stringent fiscal controls enacted in recent years in pursuant of a balanced budget have clamped down on spending through the normal annual appropriations process, the use of “emergency supplementals has become a popular release valve for pressure to spend more of the taxpayers’ money without having to acknowledge that the fiscal controls in place are not being upheld. Data from the Congressional Budget Office (CBO) confirms that, for fiscal year 1999, emergency spending totaled more than \$34 billion, which is more than three times the annual average of emergency appropriations, excluding the Desert Storm/Desert Shield funding. (See appendix C).

The Committee shares the view espoused by the Concord Coalition’s Martha Phillips that “[E]mergency spending, particularly end of session appropriations, has become arguably the largest loophole in the Congressional budget process \* \* \* in the last several months, all sense of restraint and proportion regarding the emergency designation has been lost.”

The Committee sees this as another area where the states can teach the federal government a lesson in planning ahead and gaining more control over expenditures. The Committee concludes that the “emergency designation” process has not worked and needs fundamental revision.

#### *Enforcement and accountability*

The enforcement mechanisms that govern the budget process are primarily implemented through the rules of the House and Senate. Points of order in the Budget Act, as well as the constraints imposed by the standing rules of the House, seek to require adherence to fiscal decisions that have been made. It is clear, however, that

the Congress has had a mixed record in maintaining its commitment to fiscal discipline.

The Committee notes certain loopholes in the process, specifically in the exemption from Budget Act points or order that exist for unreported legislation. In addition, the Committee sees a need to increase the understanding of the budget process among other committees of the House, and specifically to boost committees' accountability for living within budget constraints as legislation moves through the process.

One area that is ripe for improvement is the way in which conference agreements are reached. Not only are House and Senate rules different in many ways, but the timing of the completion of conference agreements often makes it difficult to ensure that detailed information—particularly related to budget constraints—is available to Members and the public in a timely way. The Committee notes the inherent difficulty in this effort, but believes that there is opportunity to make meaningful change in this area.

Over the years, attempts have been made to address a serious problem involving the failure of Congress and the President to periodically re-authorize spending programs. The process is built around the model that Congress should first authorize programs and then, subsequently, should appropriate the funds necessary to carry them out. However, as has been documented annually by the Congressional Budget Office (CBO), a multitude of ongoing federal programs do not receive regular reauthorization—or, in some cases, any renewal in authorization at all. (See appendix D) The result is the impression that, once created, a program will live on forever and may never receive the proper oversight review by the Congress to determine whether it has outlived its usefulness, or whether it is redundant or wasteful.

The standing rules of the House already prohibit appropriations for unauthorized programs (clause 2 of rule XXI), but because so many programs have not been authorized, this prohibition is not always effective.

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Further, the Committee believes that periodic review should also apply to mandatory spending programs, which are often referred to as “uncontrollables” in the federal budget because they exist outside the annual appropriations process. The General Accounting Office (GAO) found that in 1996 there were 145 more mandatory programs than there had been a decade earlier. The Committee hopes to reverse this trend, making the House more accountable for its decision not to subject a program to annual appropriations and bringing about more frequent and regular review of all federal spending. It is the Committee’s view that no program should be exempt from congressional oversight.

*Bias toward higher spending*

The Congress has repeatedly grappled with the problem of year-to-year comparisons of spending levels for federal programs. Because of the complexity of the U.S. economy, as well as changes in the implementation of beneficiary-based programs that are not due to legislation initiatives, it has been difficult to ensure an accurate portrayal of the impact that new legislation will have on existing spending.

As a result, there has been ongoing confusion about what constitutes a “cut” in spending. Some have argued that the comparisons from one year to the next should take into account economic and other factors in developing the “baseline” for provision of current services. However, this has led to a situation in which a legislative initiative that simply reduces the rate of projected growth of an existing program can be described as a “cut.” The resulting political dynamic has led to an insidious bias within the process toward higher and higher spending.

Professor Muris stated his critique of the baseline in this way: “Created to give policy makes a better handle on budgetary decisions, in practice the current policy baseline has given rise to a charade divorced from political realities. It should be scrapped.” The Committee believes that more can and should be done to correct the higher spending bias in the baseline.

With respect to the nation’s debt, which continues to rise despite recent success in enhancing annual fiscal discipline, the Committee sees a need to revise House rules (rule XXIII), which provide the opportunity for Members to avoid accountability for increasing the nation’s debt limit. Although recent years have seen a commitment by the House leadership to avoid the temptation to provide Members with a “free pass” on having to vote for an increase in the debt, the Committee believes that the temptation that now exists within the rules should be removed. As in most areas, greater accountability for Members and an enhanced transparency of the process should help to reverse the bias toward higher federal spending.

An issue that has attracted bipartisan concern relates to the process by which, despite a vote of the House or Senate to cut funding for a program within an appropriations bill, that funding can be redesignated for that or any other program by the Appropriations Committee, thus negating any real savings to the taxpayer. The Committee sees a need to attempt once again to implement a savings lockbox for such circumstances, as yet another means to re-

duce the bias toward spending. The Committee notes that the full House has overwhelmingly approved the lockbox on four different occasions since 1995.

*Looming unfunded liabilities*

An issue that Members on both sides of the aisle have begun to grapple with is the long-term implications of our budgetary decision-making. Much credit should be given to the 1993–1994 Bipartisan Commission on Entitlement and Tax Reform, chaired by Senator Bob Kerrey (D–NE), for focusing the attention of policy makers on the critical task at hand. The work of that commission clearly demonstrated that the present budgetary trends are not sustainable. As we enter an era of unprecedented changes in demographics, where the ratio of workers to retirees will shrink from 5:1 to 3:1 or even 2:1, we simply cannot afford to ignore the long-term budget picture. The first recommendation of the so-called “Kerrey Commission” was to begin long-term budgeting.

Testimony from budget experts as well as Members on both sides of the aisle underscored this point. Sue Irving, Associate Director for Federal Budget Issues at the General Accounting Office, testified that the committee’s long-term budgeting provision allows Members to look ahead and understand the implied commitments of our budget decisions in context and not merely in isolation. As the first Congressional support agency to utilize long-term forecasting, it was her experience that this type of provision could give Congress an important “sense of direction and order of magnitude.”

The phase-in of accrual accounting for major federal insurance programs is a complementary provision to the long-term forecasting model. Representative Jim Nussle (R–IA), Chairman of the Budget Process Reform Task Force of the Budget Committee in the 105th Congress and Representative Ben Cardin (D–MD), the Ranking Member on that task force, both strongly supported this provision in their testimony before the committee. In her testimony, Ms. Irving stressed that while it will be difficult to construct a good model, the approach the committee endorsed in this legislation “has a lot to recommend it.”

*Reflecting the era of surplus*

As the pendulum has swung from deficit to surplus, there have been calls from across the political spectrum for decisions about how the surplus should be used, once Social Security’s trust fund has been locked away. Some have argued for more spending, which effectively translates into increasing the size and reach of the federal government. Others have argued that it is necessary now to provide a return to the taxpayers in the form of tax cuts. However, current budget rules, based upon years of soaring deficits, are out of date and ill-equipped to address the new circumstance of surplus. The Committee believes it is necessary to revise the current pay-as-you-go (PAYGO) process to allow for prudent use of the burgeoning surplus.

MEETING THE CHALLENGE

Defenders of the status quo argue that the “process has worked.” In testimony before the Committee and in other venues, opponents

of reform credited the current process with the remarkable transformation of our budget situation from one of serial deficits to one of substantial surplus today and far into the future.

The Committee has reached the opposite conclusion: the current era of budget surplus has come about in spite of, not because of, our existing budget process. After years of exhortations on the part of those advocating fiscal discipline, the American people and the majority in Congress committed to the idea of achieving balance in the federal budget. The challenge now is to use this historic opportunity to bring about meaningful reform in the budget process to help maintain balance and continue the effort of making government more responsive to the people it serves and more efficient in its use of taxpayers' money. It is the Committee's view that H.R. 853 meets that challenge.

#### SECTION-BY-SECTION SUMMARY

##### *Sec. 1. Short title; table of contents*

The title of this bill is the "Comprehensive Budget Process Reform Act of 1999." This section also outlines the table of contents of the seven titles of the bill.

##### *Sec. 2. Purpose*

The purpose of this bill is to give the budget the force of law, to budget prospectively for emergencies, to strengthen enforcement of budgetary decisions, to increase accountability for Federal spending, to increase accountability for entitlement spending, to mitigate the bias in the budget process toward higher spending, and to modify PAYGO requirements when there is an on-budget surplus.

##### *Sec. 3. Effective date*

This Act and the amendments made by it become effective on the date of enactment and apply to fiscal years beginning after September 30, 1999, except as otherwise specifically provided for by this Act.

#### TITLE I—BUDGET WITH FORCE OF LAW

##### *Sec. 101. Purposes*

The purposes of this title are to focus initial budgetary deliberations on the aggregate levels of Federal spending and taxation; to encourage cooperation between Congress and the President in developing overall budgetary priorities; and to reach budgetary decisions early in the legislative cycle.

##### *Sec. 102. The timetable*

Section 102 amends section 300 of the Congressional Budget Act of 1974 to modify the timetable of the congressional budget process. The main effect of these modifications is to change the action to be completed from action on a concurrent resolution on the budget to action on a joint resolution on the budget. This section also removes the May 15 exception that allows the Committee on Appropriations of the House of Representatives to move appropriations bills in the absence of an agreement on a budget resolution.

*Sec. 103. Annual joint resolutions on the budget*

Section 103(a)(1) amends section 301(a) of the Congressional Budget Act of 1974 to change the current concurrent resolution on the budget to the structure of a joint resolution on the budget. This amended section 301(a) sets forth both the required and optional contents of the joint resolution on the budget. Under section 301, as amended, the joint resolution shall set forth the appropriate levels for the fiscal year and for at least each of the 4 ensuing fiscal years for the following: (1) totals of new budget authority and outlays; (2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees; (3) the surplus or deficit in the budget; (4) subtotals of new budget authority and outlays for non-defense discretionary spending, defense discretionary spending, and direct spending (excluding interest), and interest, and subtotals of new budget authority and outlays for emergencies. Section 103 (a) (2) makes conforming amendments to section 301 (a).

Section 103 (b) (1) strikes subsections 301(b)(2), (4), (6), (8), and (9). These subsections detail some of the additional matters which may be included in the budget resolution, namely reconciliation directives to committees, any matters and procedures necessary to carry out the purposes of the Budget Act, a "Display of Federal Retirement Trust Fund Balances," Senate procedures allowing for deficit neutral revisions in allocations, aggregates and other levels, House procedures to effectuate pay-as-you-go procedures, and direct loan obligation and primary loan guarantee commitment levels.

Sections 103(b)(2) and (3) adds two new optional matters which may be included in the joint resolution. If submitted by the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate to the Committees on the Budget of the House and Senate, respectively, a change in the statutory limit on the public debt may be included in the budget resolution. The budget resolution may also include other congressional procedures, relating to the budget, as may be appropriate to carry out the purposes of the Budget Act.

Section 103(c)(1) makes conforming changes and redesignations to section 301(e)(2) of the Congressional Budget Act of 1974. Section 103(c)(2) amends section 301(e)(2) to require that the report accompanying the joint resolution include the new budget authority and outlays for each major functional category, based on the allocations of the total levels set forth pursuant to subsection 301(a)(1).

Section 103(c)(3) amends section 301(e)(2)(C), as redesignated, of the Congressional Budget Act of 1974 to strike the term mandatory spending and replace it with the term direct spending.

Section 103(c)(4) amends section 301(e)(2) of the Congressional Budget Act of 1974 to require that the report accompanying the joint resolution include a measure, as a percentage of the gross domestic product, of total outlays, total Federal revenues, the surplus or deficit, and new outlays for nondefense discretionary spending, defense spending, and direct spending as called for in the budget resolution.

Section 103(c)(5) amends section 301(e)(2) of the Congressional Budget Act of 1974 to require that the report accompanying the joint resolution include a justification for not subjecting any program, project or activity (for which an allocation to a committee is made) to annual discretionary appropriations. This applies only if the joint resolution on the budget includes any allocation to a committee other than the Committee on Appropriations of levels in excess of current law levels. Section 103(d)(1) makes conforming changes and redesignations to section 301(e)(3) of the Congressional Budget Act of 1974. Section 103(d)(2) amends section 301(e)(3) of the Congressional Budget Act of 1974 to provide that the report accompanying the joint resolution on the budget may contain reconciliation directives to committees pursuant to section 310 of the Congressional Budget Act of 1974.

Section 103(e)(1) amends section 1105(a) of title 31 of the United States Code to modify the required elements of the President's annual budget submission. The President is required to submit on or after the first Monday in January but not later than the first Monday in February of each year a budget for the United States government that sets forth the following levels: totals of new budget authority and outlays; total Federal revenues and the amount, if any by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions reported by the appropriate committees; the surplus or deficit in the budget; subtotals of new budget authority and outlays for nondefense discretionary spending, and direct spending, and interest and subtotals of new budget authority and outlays for emergencies; and the public debt. This section further provides that each budget submission shall include a budget message and summary and supporting information, and as a separately delineated statement, the levels required by this section for at least each of the nine ensuing fiscal years. Section 103(e)(2) contains a conforming amendment.

Section 103(f) amends section 305 of the Congressional Budget Act of 1974 to place a limit on the contents of the budget resolution. The new section 305(e)(1) provides that it shall not be in order in the House or the Senate to consider any joint resolution on the budget or any amendment thereto or conference report thereon that contains matters not referred to in section 301(a) or (b) of the Congressional Budget Act of 1974, as amended. Section 305(e)(2) provides that any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter not referred to in section 301(a) or (b) shall not be treated in the House or the Senate as a budget resolution or a conference report thereon under section 305(a), (b), or (c).

*Sec. 104. Budget required before spending bills may be considered; fall-back procedures if President vetoes joint budget resolution*

Section 104(a) amends section 302(a) of the Congressional Budget Act of 1974 by striking paragraph (5) relating to the adjustment of the allocation for discretionary spending of the Committee on Appropriations in the House of Representatives when the budget resolution has not been adopted by April 15.

Section 104(b)(1) amends section 303 of the Congressional Budget Act of 1974 to strike paragraph (b)(2), relating to the May 15th

exception to the prohibition on considering budget-related legislation prior to the completion of the budget resolution for House consideration of appropriation bills. This section makes further conforming amendments.

Section 104(b)(2) amends section 302(g)(1) of the Congressional Budget Act of 1974 to strike the exception from section 303(a) of the Congressional Budget Act and PAYGO granted to the House consideration of budget-related legislation after April 15th of a fiscal year.

Section 104(b)(3)(A) amends section 904(c)(1) of the Congressional Budget Act of 1974 to add section 303(a) of the Budget Act as another point of order that requires the affirmative vote of three-fifths of the Senate to be waived or suspended.

Section 104(b)(3)(B) amends section 904(d)(2) of the Congressional Budget Act of 1974 to add section 303(a) of the Budget Act as another point of order that requires the affirmative vote of three-fifths of the Senate to sustain an appeal of the ruling of the Chair on any point of order raised under section 303(a).

Section 104(c)(1) amends title III of the Congressional Budget Act of 1974 to add a new section 316 of the Budget Act which establishes expedited procedures for consideration of a concurrent resolution on the budget if the joint resolution on the budget has been vetoed. This new section 316(a) of the Budget Act provides that if the President vetoes a joint resolution on the budget for a fiscal year, the chairman of the Committee on Budget of the House of Representatives or Senate may introduce a concurrent resolution on the budget or joint resolution on the budget for such fiscal year. If the Committee on the Budget of either House fails to report such concurrent or joint resolution referred to it within five legislative days after the date of such referral, the committee shall be automatically discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar. Section 316(b)(1) provides that, except as provided in paragraph (2), the provisions of section 305 of the Congressional Budget Act of 1974 providing for the consideration in the House and the Senate of joint resolutions on the budget and conference reports thereon shall also apply to the consideration of concurrent resolutions on the budget introduced under subsection (a) and conference reports thereon.

Section 316(b)(1) provides that debate in the Senate on any concurrent resolution on the budget or joint resolution on the budget introduced under subsection (a), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours and in the House such debate shall be limited to not more than 3 hours. Section 316(c) provides that the contents of any concurrent resolution on the budget introduced under subsection (a) must be in compliance with sections 301 and 305 of the Congressional Budget Act of 1974 which specify the required contents of any joint resolution on the budget.

Section 316(d) provides that notwithstanding any other provision of this title, whenever a concurrent resolution on the budget described in subsection (a) is agreed to, then the aggregates, allocations, and reconciliation directives (if any) contained in the accompanying report to such a concurrent resolution shall be considered

to be the aggregates, allocations, and reconciliation directives for all purposes of sections 301, 303 and 311 of the Congressional Budget Act of 1974 for the applicable fiscal years. It further provides that such concurrent resolution shall be deemed to be a joint resolution for all purposes of this title and the Rules of the House of Representatives and any reference to the date of enactment of a joint resolution on the budget shall be deemed to be a reference to the date agreed to when applied to such a concurrent resolution on the budget.

Section 104(b) makes conforming amendments to the table of contents of the Budget Act.

*Sec. 105. Conforming amendments to effective joint resolutions on the budget*

Section 105(a)(1)(A) makes conforming amendments to sections 301, 302, 303, 305, 308, 310, 311, 312, 314, 405, and 904 of the Congressional Budget Act of 1974 to replace the terms “concurrent resolution on the budget” with the terms “joint resolution on the budget.”

Section 105(a)(1)(B)(i) makes conforming amendments to sections 302(d), 302(g), 308(a)(1)(A), and 310(d)(1) of the Congressional Budget Act of 1974 to replace the terms “most recently agreed to concurrent resolution on the budget” with the terms “most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable).”

Section 105(a)(1)(B)(ii) makes conforming amendments to section 301 of the Congressional Budget Act of 1974 by striking the terms “adoption of concurrent resolution” and inserting the terms “joint resolutions.”

Section 105(a)(1)(B)(iii) amends section 304 of the Congressional Budget Act of 1974 regarding permissible revisions of budget resolutions. This new section 304 provides that at any time after the joint resolution on the budget for a fiscal year has been enacted pursuant to section 301 of the Budget Act, and before the end of such fiscal year, the two Houses and the President may enact a joint resolution on the budget which revises or reaffirms the joint resolution on the budget for such fiscal year most recently enacted. If a concurrent resolution on the budget has been agreed to pursuant to section 316 of the Budget Act, then before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises or reaffirms the concurrent resolution most recently agreed to.

Section 105(a)(1)(C) amends sections 302, 303, 310, and 311 of the Congressional Budget Act of 1974 to strike the terms “agreed to” and insert in its place the term “enacted.”

Section 105(a)(2)(A) amends paragraph 4 of section 3 of the Congressional Budget Act of 1974 to strike the term “concurrent” each place it appears and replace it with the term “joint.”

Section 105(a)(2)(B) amends the table of contents set forth in section 1(b) of the Congressional Budget Act of 1974 to account for the conversion of the concurrent resolution on the budget into a joint resolution on the budget.

Section 105(b)(1) makes conforming amendments to clauses 1(e)(1), 4(a)(4), 4(b)(2), 4(f)(1)(A) and 4(f)(2) of rule X and clause 10

of rule XVIII and clause 10 of rule XX of the Rules of the House of Representatives to replace the term “concurrent” with the term “joint.” Sections (b)(2)(A) and (B) make conforming amendments to clause 10 of House rule XVIII relating to the consideration of budget resolutions in the Committee of the Whole House on the state of the Union.

Section 105(c) makes conforming amendments to section 258C(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 to strike the term “concurrent” and replace it with the term “joint.”

Sections 105(d)(1), (d)(2), (d)(3), (d)(4), and (d)(5) make conforming amendments to section 310 of the Congressional Budget Act of 1974, regarding reconciliation directives, to account for the role of the joint explanatory statement accompanying a conference report on a joint resolution on the budget.

Section 105(e) amends section 3 of the Congressional Budget Act of 1974 to provide that the term “direct spending” shall have the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Section 105(f) makes several technical amendments to section 314(d) of the Congressional Budget Act of 1974 regarding revised suballocations.

#### TITLE II—RESERVE FUND FOR EMERGENCIES

##### *Sec. 201. Purpose*

The purposes of this title are to develop budgetary and fiscal procedures for emergencies; subject spending for emergencies to budgetary procedures and controls; and establish criteria for determining compliance with emergency requirements.

##### *Sec. 202. Repeal of adjustments for emergencies*

Section 202(a) repeals section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 relating to adjustments in the discretionary spending limits pursuant to an emergency designation and makes conforming amendments to the section.

Section 202(b) repeals section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 relating to the designation of direct spending or receipts legislation as an emergency and makes conforming amendments to the section.

Section 202(c) repeals clause 2(e) of rule XXI of the Rules of the House of Representatives relating to the inclusion of non-emergency provisions in any appropriation bill or joint resolution containing an emergency designation pursuant to section 251(b)(2)(D) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act, or the offering of any amendment thereto not designated as an emergency.

##### *Sec. 203. OMB emergency criteria*

Section 203 amends section 3 of the Congressional Budget Act of 1974 to define the terms “emergency” and “unanticipated” using as a basis the definition laid out in the OMB A–11 Circular. The term “emergency” is defined as a situation that requires new budget au-

thority and outlays for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security and a situation that is unanticipated. The term “unanticipated” means that the underlying situation is “sudden,” which means quickly coming into being or not building up over time; “urgent,” which means a pressing and compelling need requiring immediate action; “unforeseen,” which means not predictable or anticipated as an emerging need; and, “temporary,” which means not of a permanent duration.

*Sec. 204. Development of guidelines for application of emergency definition*

Section 204 of the bill provides that not later than five months after the date of enactment of this Act, the chairmen of the Committees on the Budget (in consultation with the President) shall, after consulting with the chairmen of the Committees on Appropriations and applicable authorizing committees of their respective Houses and the Directors of the Congressional Budget Office and the Office of Management and Budget, jointly publish in the Congressional Record guidelines for the application of the definition of emergency set forth in section 3(13) of the Congressional Budget Act of 1974.

*Sec. 205. Reserve funds for emergencies in President’s budget*

Section 205 of the bill amends section 1105(f) of title 31 of the United States Code to conform the President’s budget submission to the requirements of section 317 of the Congressional Budget Act of 1974 with respect to the allocation of budget authority and outlays (based on the preceding five year rolling average of enacted levels of such spending) into reserve funds for emergencies and to require the President, when requesting budget authority for an emergency, to include a detailed justification of why such emergency is an emergency within the meaning of section 3(12) of the Congressional Budget Act of 1974.

*Sec. 206. Adjustments and reserve funds for emergencies in joint budget resolutions*

Section 206(a) further amends title III of the Congressional Budget Act of 1974 by adding at the end a new section 317 on Emergencies. This new section provides that the Committee on the Budget shall determine or certify whether amounts specified as an emergency in any bill, joint resolution or conference report meet the criteria, pursuant to the guidelines published pursuant to section 204 of this Act.

Section 206(a) further provides that, if such a determination of certification is made, the Committee on the Budget shall adjust the allocations of new budget authority or outlays made pursuant to the appropriate joint resolution on the budget in an amount not to exceed the amount reserved for emergencies.

Section 206(b) requires a separate reserve fund for emergency spending and stipulates that the reserve fund must equal the historical average for the five preceding years. For calculation of such average when one or more of the five preceding years is any of the fiscal years 1994 through 1998, the amount used shall be the en-

acted levels of budget authority and the amount of new outlays flowing therefrom for emergencies, but only in the first fiscal year for which such budget authority first becomes available for obligation for each of those five fiscal years. This amount shall be determined by the Budget Committees of the House and Senate after receipt of a report from the Congressional Budget Office due six months after the enactment of this section, and every February thereafter.

Section 206(c) provides that whenever any committee of the House or Senate (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and shall include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines referred to in section 204 of this Act.

*Sec. 207. Up-to-date tabulations*

Section 207 amends section 308(b)(2) of the Congressional Budget Act of 1974 to require that the Congressional Budget Office include an up-to-date tabulation of amounts remaining in the reverse funds for emergencies in its reports on reported legislation providing new budget authority or changes in revenues or tax expenditures.

*Sec. 208. Prohibition on amendments to emergency reserve funds*

Section 208 amends section 305 of the Congressional Budget Act of 1974 by adding at the end a new point of order prohibiting consideration in the House or the Senate of an amendment to a joint resolution on the budget which changes the amount of budget authority and outlays set forth in section 301(a)(4) for emergency reserve funds.

Section 208(b) provides that this point of order, and the limitation specified in section 305(e) relating to the contents of the budget resolution, may only be waived by a three-fifths vote in the Senate as provided in section 904 of the Congressional Budget Act of 1974.

*Sec. 209. Effective date*

Section 209 provides that the amendments made by this title shall apply to fiscal year 2001 and subsequent fiscal years, but shall only take effect after the enactment of legislation changing or extending for any fiscal year the budgetary procedures in sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE III—ENFORCEMENT OF BUDGETARY DECISIONS

*Sec. 301. Purposes*

The purposes of this title are to close loopholes in the enforcement of budget resolutions, require committees of the House of

Representatives to include budget compliance statements in reports accompanying all legislation, require committees of the House of Representatives to justify the need for waivers of the Congressional Budget Act of 1974, and provide cost estimates of conference reports.

Subtitle A—Application of Points of Order to Unreported  
Legislation

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

Section 311(a) amends section 315 of the Congressional Budget Act of 1974 to apply it to all bills or joint resolutions. Therefore, the special effect of the adoption of any special order of business in the House of Representatives that corrects a Budget Act violation under titles 3 or 4 provided by section 315 would now apply to all bills or joint resolutions. This has the effect of closing an existing loophole that exempts unreported legislation from Budget Act points of order.

Section 311(b) further amends section 303(b) of the Congressional Budget Act of 1974 to make those points of order arising under section 303, prohibiting the consideration of new budget authority, changes in revenues or changes in the public debt for a fiscal year until the budget resolution for that year has been agreed to, applicable to all bills or joint resolutions.

Subtitle B—Compliance with Budget Resolution

*Sec. 321. Budget compliance statements*

Section 321 amends clause 3(d) of rule XIII of the House of Representatives to add a new required item to the contents of reports accompanying each bill or joint resolution of a public character reported by a committee. This new clause 3(d) will require committees to include a budget compliance statement prepared by the Chairman of the Committee on the Budget, if timely submitted prior to the filing of the report, in any report filed on any bill or joint resolution. This report shall include an assessment by the Chairman of the Budget Committee as to whether the bill or joint resolution complies with sections 302, 303, 306, 311 and 401 of the Congressional Budget Act of 1974 and may include the budgetary implications of that bill or joint resolution under sections 251 or 252 of the Balanced Budget and Emergency Deficit Control Act of 1984, as applicable.

Subtitle C—Justification for Budget Act Waivers

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

Section 331 amends clause 6 of rule XI of the House of Representatives to prohibit consideration of resolutions from the Committee on Rules unless the reports accompanying such resolutions contain certain information. Any special rule that waives sections 302, 303, 311 or 401 of the Congressional Budget Act of 1974 must include in its report a description of the waiver, the object of the waiver, any justification for the waiver submitted to the Committee

on Rules by the committee of jurisdiction, and an estimated cost of the provisions to which the waiver applies.

#### Subtitle D—CBO Scoring of Conference Reports

##### *Sec. 341. Scoring of conference reports*

Section 341 amends section 402 of the Congressional Budget Act of 1974 to require the Congressional Budget Office (CBO) to score conference reports. Such cost estimates would be included in the joint explanatory statement of managers accompanying the conference report. Section 341 would also require CBO to determine whether or not a bill, resolution or conference report provides direct spending.

#### TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING

##### *Sec. 401. Purposes*

The purposes of this title are to require committees to develop a schedule for reauthorizing all programs within their jurisdiction, to facilitate amendments to subject new entitlement programs to annual discretionary appropriations, to require the Committee on the Budget to justify any allocation to an authorizing committee for legislation that would not be subject to annual discretionary appropriations, to provide estimates of the long-term impact of spending and tax legislation, to provide a point of order for legislation creating a new entitlement program that does not expire within 10 years, and to require a vote in the House of Representatives on any measure that increases the statutory limit on the public debt.

#### Subtitle A—Limitations on Direct Spending

##### *Sec. 411. Fixed-year authorizations required for new program*

Section 411(a) amends section 401 of the Congressional Budget Act of 1974 by striking the existing subsections (a) and (b) and inserting a new (a). This new section 401(a) limits the consideration in the House of Representatives or in the Senate of any bill, joint resolution, amendment, motion or conference report that provides direct spending for a new program unless such spending is limited to a period of 10 or fewer fiscal years. Section 411(a) contains further conforming amendments to section 401.

Section 411(b) of the bill contains a conforming amendment to the table of contents of the Congressional Budget Act of 1974 reflecting the addition of the new section 401 “Fixed-year Authorizations Required for Direct Spending.”

Section 411(c) amends rule XXI of the House of Representatives by adding a new clause 6. This new clause would prohibit the consideration of any bill, joint resolution, amendment, or conference report that authorizes new budget authority, as defined in section 3(2)(C) of the Congressional Budget Act of 1974, unless such authorization is specifically provided for a period of 10 or fewer fiscal years.

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

Section 412(a) amends clause 5 of rule XVII of the Rules of the House of Representatives to allow for amendments in the Committee of the Whole to subject a new program providing direct spending, contained in the measure under consideration, to discretionary appropriations. This privileged amendment may be offered by the chairman of the Committee on the Budget (or his designee) or the chairman of the Committee on Appropriations (or his designee). It is not in order for such an amendment to be precluded from consideration unless done so by the specific terms of a special order of the House. Any such amendment, if offered, shall be debatable for twenty minutes equally divided and controlled by the proponent of the amendment and a Member opposed and shall not be subject to amendment. The section further provides that the term direct spending shall have the meaning given such term in section 3(12) of the Congressional Budget and Impoundment Control Act of 1974.

Section 412(b) provides for the adjustment of the discretionary spending limits for any discretionary appropriations offset by direct spending savings. Section 412(b)(1) provides that the purpose of the amendments made by this subsection is to hold the discretionary spending limits and the allocations made to the Committee on Appropriations under section 302(a) of the Congressional Budget Act of 1974 harmless for legislation that offsets a new discretionary spending program with a designated reduction in direct spending.

Section 412(b)(2) amends section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to address the designation of direct spending savings in authorization legislation for new discretionary spending programs. If a provision of direct spending legislation is enacted that (1) decreases direct spending for any fiscal year; and, (2) is designated as an offset pursuant to section 252 and such designation specifically identifies an authorization of discretionary appropriations (contained in such legislation) for the new program, then the reductions in new budget authority and outlays in all fiscal years resulting from that provision shall be designated as an offset in the reports required by the Office of Management and Budget and the Congressional Budget Office under section 252(d). Section 421(b)(3) amends section 252(d)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to exempt such designated direct spending savings from the PAYGO scorecard. Section 412(b)(4) amends section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to adjust the discretionary spending limits. If an Act other than an appropriation Act includes any provision reducing direct spending and specifically identifies any such provision as an offset pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the adjustments shall be an increase in the budget authority and outlay caps in each fiscal year equal to the amount of the budget authority and outlay reductions, respectively, achieved by the specified offset in that fiscal year, except that the adjustments for the budget year in which the offsetting provision takes effect shall not exceed the amount of discretionary new budget authority enacted for

the new program (authorized in that Act) in an Act making discretionary appropriations, and the outlays flowing therefrom.

Section 412(b)(5) amends section 314(b) of the Congressional Budget Act of 1974, as amended, to provide for an adjustment in the respective Appropriation Committee's allocation. The amount of such an adjustment shall be the amount provided in the Act making discretionary appropriations for the program for which an offset was designated pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 and any outlays flowing therefrom. However, this amount cannot exceed the amount of the designated decrease in direct spending for that year for that program in a prior law.

Section 412(b)(6) amends section 314 of the Congressional Budget Act of 1974 to provide for an adjustment in the respective authorizing committee's allocation by the amount of the direct spending offset. After the reporting of a bill or joint resolution (by a committee other than the Committee on Appropriations), or the offering of an amendment thereto, or the submission of a conference report thereon, that contains a provision that decreases direct spending for any fiscal year and that is designated as an offset pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the chairman of the Committee on the Budget shall reduce the allocations of new budget authority and outlays made to such committee under section 302(a)(1) of the Budget Act by the amount so designated.

#### Subtitle B—Enhanced Congressional Oversight Responsibilities

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

Section 403(a) amends clause 2(d)(1) of rule X of the House of Representatives by striking subdivisions (B) and (C) and inserting a new (B). This new clause 2(d)(1)(B) of rule X directs standing committees of the House to provide in their oversight plans a specific timetable for review of those laws, programs, or agencies within their jurisdiction, including those that operate under permanent budget authority or permanent statutory authority. This new clause further provides that such a timetable must demonstrate that each law, program, or agency within a committee's jurisdiction will be authorized at least once every ten years.

Section 421(b)(1) amends clause 4(a) of rule X of the Rules of the House of Representatives to strike the current subparagraph (2), relating to the referral of a bill or joint resolution providing new entitlement authority as defined in section 3(9) of the Congressional Budget Act of 1974 to the Committee on Appropriations of The House of Representatives. Section 421(b)(2) further amends clause 4(a) of rule X of the Rules of the House of Representatives with respect to the requirement that the Committee on Appropriations study on a continuing basis those provisions of law that provide spending authority or permanent budget authority and that the Committee report to the House its recommendations for terminating or modifying such programs. Specifically, this subsection requires the Committee on Appropriations to report its findings at least once every ten years.

*Sec. 422. Justifications of direct spending*

Section 422(a) amends section 302(a) of the Congressional Budget Act of 1974 to add a new paragraph (5) which would require any joint explanatory statement of managers accompanying a conference report on a joint resolution that includes an allocation to a committee (other than the Committee on Appropriations) that creates or increases direct spending for any program, project or activity to also set forth a justification for not subjecting that new or increased spending to annual discretionary appropriation.

Section 422(b) amends section 1105(a) of title 31 of the United States Code to require the President in the annual budget submission to provide a justification for not subjecting each new program, project or activity to discretionary appropriations.

Section 422(c) amends clause 4(e)(2) of rule X of the Rules of the House of Representatives to require that each standing committee review at least once every ten years (instead of “from time to time” as under current practice) each continuing program within its jurisdiction for which appropriations are not made annually to ascertain whether the program should be modified to provide for annual appropriations. This section further provides that each standing committee provide specific information in any report accompanying such bills and joint resolutions to the greatest extent practicable to justify why the programs, projects, and activities involved would not be subject to annual appropriations.

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

Section 423 amends clause 1(d) of rule XI of the Rules of the House of Representatives to add a new paragraph (4). This section would expand the catalogue of information required to be included in committee activity reports to include a summary of and justification for all bills and joint resolutions reported by that committee that violate Sections 302(a), 303(b), 311 or 401(a) of the Congressional Budget Act of 1974. This section also requires committees to specify the total amount by which legislation reported by that committee exceeded that committee’s allocation under section 302(a) or breached the revenue floor under section 311(a) of the Budget Act for each fiscal year during that Congress.

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

Section 424 amends Section 703 of the Congressional Budget Act of 1974 to add a new requirement that the Committees on the Budget of the House of Representatives and the Senate evaluate whether existing programs, projects, and activities should be subject to annual appropriations. Section 424 also requires the Committees on the Budget to establish guidelines for funding new and expanded programs, projects or activities by means other than annual appropriations and to recommend during the 106th Congress any necessary changes in statutory enforcement mechanisms and scoring changes to effectuate such changes.

*Sec. 425. GAO reports*

Section 425 amends section 404 of the Congressional Budget Act of 1974 to require the General Accounting Office to revise its re-

ports on direct spending programs and activities once every five years, instead of “from time to time” as under current law.

#### Subtitle C—Strengthened Accountability

##### *Sec. 431. Ten-year CBO estimates*

Section 431(a) amends Section 308(a)(1)(B) of the Congressional Budget Act of 1974 and section 431(b) amends Section 402(1) of the Budget Act to require the Congressional Budget Office (CBO) to provide ten-year cost estimates for bills and resolutions, reported by any committee of the House of Representatives or Senate, that provide new budget authority or provide an increase or decrease in revenues or tax expenditures.

Section 431(c) amends clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives to require committees to provide ten-year cost estimates for bills and joint resolutions reported by any committee of the House.

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

Section 432 repeals rule XXIII of the Rules of the House of Representatives, relating to the establishment of a statutory limit on the public debt.

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

##### *Sec. 501. Purposes*

The purposes of this title are to budget for unfunded liabilities of federal insurance and to periodically report on long-term budgetary trends.

#### Subtitle A—Budgetary Treatment of Federal Insurance Programs

##### *Sec. 511. Federal insurance programs*

Section 511 adds a new Title VI to the Congressional Budget Act of 1974 which contains the “Federal Insurance Budgeting Act of 1974.” This Act requires that the President’s budget be based on the risk-assumed cost of federal insurance programs beginning with fiscal year 2006. An accounting system is established for all federal insurance programs.

The new section 601 contains the short title for the act. New section 602 requires that annual appropriations for discretionary insurance programs be made on a risk-assumed basis beginning in fiscal year 2006. New section 603 provides the timetable for phasing in accrual budgeting, including the development and refinement of models for estimating risk, the display of accrual measures alongside traditional cash measures, and the ultimate integration into the Federal budget is established. New section 604 defines the terms Federal insurance program, insurance commitment, risk-assumed cost, cash flows associated with an insurance commitment, financing account, the cost of a modification, the cost of a re-estimate, expected administrative expenses, program account, financing account, modification, model, current, GAO, OMB and CBO.

New section 605 authorizes appropriations for the Director of Office of Management and Budget at \$600,000 for each of the fiscal years 2000 through 2005. New section 606 sets the effective date for the new title as enactment and the expiration date as September 30, 2007.

#### Subtitle B—Reports on Long-Term Budgetary Trends

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

Section 521(a) further amends Section 1105(a) of title 31 of the United States Code to require the Director of the Office of Management and Budget (OMB) to provide an analysis based upon current law and an analysis based upon the policy assumptions underlying the budget submission for every fifth year of the period of 75 fiscal years of total new budget authority and total budget outlays, estimated revenues, estimated surpluses and deficits, and, for Social Security, Medicare, Medicaid, and all other direct spending, estimated levels of total new budget authority and total budget outlays. Section 521(a) would also require OMB to provide a specification of its underlying assumptions as well as a sensitivity analyses of factors that have a significant effect on the projections made in each analysis. The Director of OMB would also be required to provide a comparison of the effects of each of the two analysis on the economy, including such factors as inflation, foreign investment, interest rates and economic growth. Such analysis shall also include the Social Security trust funds.

Section 521(b) amends section 202(e)(1) of the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare a similar analysis in the required reports to the Committees on the Budget of the House and Senate made on or before February 15 of each year.

#### Title VI—Baselines, Byrd Rule and Lock-Box

##### *Sec. 601. Purposes*

The purposes of this title are to require budgetary comparisons to prior year levels, to restrict the application of the Senate's Byrd rule to measures other than conference reports, and to establish a procedure to allow savings from spending cuts in appropriation measures to be locked-in to increase the surplus or reduce the deficit.

#### Subtitle A—The Baseline

##### *Sec. 611. The President's budget*

Section 611(a), (b), (c), and (d) amends paragraphs (5), (6), (12) and (18) of section 1105(a) of title 31 of the United States Code to require the President's budget submission to include comparisons of his budget proposals for the ensuing four fiscal years to the comparable levels of the prior fiscal year. The President's budget submission would also be required to include the percentage change from the current year to the fiscal year for which the budget is submitted for estimated expenditures and appropriations.

Section 611(e) further amends section 1105(a) to add a new paragraph (35) to require a comparison of the levels of estimated ex-

penditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction. A new paragraph (36) is also added to require a table on the sources of growth in total direct spending under current law and as proposed in the budget submission for the budget year and the ensuing 9 fiscal years. This table must include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.

Section 611(f) amends section 1109(a) of title 31 of the United States Code to stipulate that these budgetary projections shall not include an adjustment for discretionary spending but shall assume the levels set forth under section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted, for the appropriate fiscal years. This section further provides that if no such limits are in effect, these estimates shall assume the adjusted levels of the most recent fiscal year for which such discretionary spending levels were in effect.

*Sec. 612. The Congressional Budget*

Section 612(1) amends section 301(e)(1) of the Congressional Budget Act of 1974 to require that the basis of deliberations in developing a joint budget resolution in the Committee on the Budget be the estimated budgetary levels for the preceding fiscal year. Any budgetary levels pending before the Committee on the Budget and the text of the joint budget resolution is to be accompanied by a document, such as the committee report, comparing such levels or such text to the estimated levels of the prior fiscal year. This section also requires that any amendment offered in the Committee on the Budget that changes a budgetary level and is based upon a specific policy assumption for a program, project or activity must be accompanied by a document indicating the estimated amount for such program, project to activity in the current year.

Section 612(2) amends section 301(e)(2) of the Budget Act to direct the Committee on the Budget to express reconciliation instructions as total levels of spending and revenue and in percentage terms for each function.

*Sec. 613. Congressional Budget Office reports to committees*

Section 613(a) amends section 202(e)(1) of the Congressional Budget Act of 1974 to require the Congressional Budget Office (CBO) to issue cost estimates compared to comparable levels for the current fiscal year.

Section 613(b) also amends section 202(e)(1) to require that CBO reports include a table on the sources of spending growth in total direct spending under current law and as proposed in the budget submission for the budget year and the ensuing 9 fiscal years. This table must include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors. Section 613(c) amends section 308(a)(1)(B) of the Congressional Budget Act of 1974 to require

that the Congressional Budget Office's reports to committees of the House of Representatives and the Senate contain estimates compared to comparable levels for the current fiscal year.

*Sec. 614. Outyear assumptions for discretionary spending*

Section 614 provides that, for the purposes of chapter 11 of title 31 of the United States Code or the Congressional Budget Act of 1974, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office should assume the discretionary levels of the last year for which discretionary spending limits were in effect when making budgetary projections for years for which there are no such limits.

Subtitle B—The Byrd Rule

*Sec. 621. Limitation on Byrd rule*

Section 621(a) amends section 313 of the Congressional Budget Act of 1974 to provide that the application of a point of order against extraneous material in a reconciliation bill shall apply to the bill or resolution or to any amendment thereto and not to any conference report on such reconciliation bill.

Section 621(b) contains a conforming amendment to section 312(e) of the Congressional Budget Act of 1974 to provide that the point of order under section 313 does not apply to amendments between the Houses.

Subtitle C—Spending Accountability Lock-box

*Sec. 631. Short title*

The short title of this subtitle is the "Spending Accountability Lock-box Act of 1999."

*Sec. 632. Spending Accountability Lock-box Ledger*

Subsection (a) of the subtitle would add a new section 320 to Title III of the Congressional Budget Act of 1974, entitled, "Spending Accountability Lock-Box Ledger." Section 320(a) would establish a "Spending Accountability Lock-box Ledger" to be maintained by the Chairman of the Committee on the Budget of the House and the Chairman of the Committee on the Budget of the Senate. The Ledger would be divided into 13 entries corresponding to the 13 subcommittees of the Committees on Appropriations of the House and Senate. Each entry would consist of three parts: the "House Lock-box Balance," the "Senate Lock-box Balance," and the "Joint House-Senate Lock-box Balance." Section 320(b) provides that each component of an entry would consist only of amounts credited to it under subsection (c), but that no negative amount would be entered.

Section 320(c)(1) specifies the manner in which amounts are to be credited to the entry of each House. Each entry for the House and Senate would consist of amounts credited to it by the Chairman of the Committee on the Budget of the House and Senate upon the engrossment of any appropriations bill or resolution by the House and by the Senate. The amount to be credited to the balance of the House involved would equal the net amounts of reduc-

tions in budget authority and outlays resulting from amendments agreed to by that House, as calculated by the respective chairman of the Committee on the Budget. A Member may state the portion of such reduction that would be credited to the House Lock-Box Balance or used to offset an increase in new budget authority in any other account or allowed to remain within the applicable allocation or any combination thereof. If no such statement is made by the Member, the amount of the reduction in budget authority would be credited to the applicable Lock-box balance, should that amendment be adopted.

Section 320(c)(2) specifies the methods by which the amounts to be credited to the House or Senate Lock-box Balance, as applicable, would be calculated by the Chairman of the Committees on the Budget of each House.

Section 320(c)(3) and (4) specifies the manner in which amounts are to be credited to the Joint House-Senate Lock-box Balance. The joint lock-box balance would be the average of the House and Senate balances for that bill at the time the Senate bill or Senate amendments to a House bill is engrossed, as calculated by the Chairman of the Committees on the Budget of the House and Senate.

Section 320(d) defines an appropriation bill as any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.

Section 632(b) of the bill contains a conforming amendment to the table of contents of the Congressional Budget Act of 1974 reflecting the addition to the new section 320 "Spending Accountability Lock-box Ledger."

*Sec. 633. Tally during House consideration*

Section 633 of the bill requires that a running tally be made available to Members of the House during the consideration of any appropriations bill resulting from the adoption of amendments which increase or decrease budget authority in the bill as reported.

*Sec. 634. Downward adjustment of 302(a) allocations and section 302(b) suballocations*

Section 634 of the bill provides for the downward adjustments of the 302(a) allocations and section 302(b) suballocations.

Subsection (a), "Allocations," amends section 302(a) of the Budget Act by adding a new paragraph (5) providing that, upon the engrossment of any appropriation bill by the House or Senate, the amounts allocated to the Committee on Appropriations of each House under the most recent budget resolution would be adjusted downward by the amounts credited to the applicable Joint House-Senate Lock-box Balance under section 314(c)(2), as calculated by the Chairmen of the Committee on the Budget of each House, and the revised levels of budget authority and outlays would be submitted to each House in the Congressional Record.

Subsection (b), "Suballocations," amends section 302(b)(1) of the Budget Act by adding at the end a new sentence providing that whenever an adjustment is made under subsection (a)(5) to an allocation, the Committee on Appropriations would make downward

adjustments in the most recent suballocations to the appropriate subcommittees of that House. The Chairmen of the Committees on Appropriations of each House would submit the revised suballocations to that House in the Congressional Record.

*Sec. 635. Periodic reporting of account statements*

Section 308(b)(1) of the Congressional Budget Act of 1974 would be amended to require the Director of CBO to include in the periodic score-keeping reports an up-to-date tabulation of the amounts contained in the Spending Accountability Lock-box Ledger and each subaccount established by section 320(a).

*Sec. 636. Downward adjustment of discretionary spending limits*

The Director of OMB would be required to adjust the statutory discretionary spending limits for new budget authority, as adjusted, by the amounts of reductions in the 302(a) allocations made under section 302(a)(5), as calculated by the Chairmen of the Committees on the Budget of the House and Senate. The amounts of the adjusted discretionary spending for outlays would be reduced for that fiscal year as a result of the reduction of budget authority, as calculated by the Director of OMB. The reductions would be made upon the enactment of all regular appropriations bills for a fiscal year or a resolution making continuing appropriations through the end of that fiscal year. The adjustments would be reflected in the reports required to be made by the OMB Director under sections 254(g) and 254(h) of the Balanced Budget and Emergency Deficit Control Act.

Subtitle D—Automatic Continuing Resolution

*Sec. 641. Automatic continuing resolution*

Section 641(a) amends chapter 13 of title 31 of the United States Code to add a new section 1311 dealing with continuing appropriations. This section provides that if any regular appropriation bill for a fiscal year does not become law prior to the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there is appropriated, out of any moneys in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any program, project or activity for which funds were provided in the preceding fiscal year in the corresponding regular appropriation Act for such preceding fiscal year; or if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.

Appropriations and funds made available, and authority granted, for a program, project or activity for any fiscal year shall be at a rate of operations not in excess of the rate of operation provided for in the regular appropriation Act providing for such program, project or activity for the preceding fiscal year, or in the absence of such an Act, the rate of operations provided for such program, project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year.

Appropriations and funds made available, and authority granted, for any fiscal year for a program, project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be, or the last day of such fiscal year.

An appropriation or funds made available, or authority granted, for a program, project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such program, project or activity under current law. Appropriations and funds made available, and authority granted, for any program, project or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such program, project or activity during the portion of such fiscal year for which this section applies to such program, project or activity.

Expenditures made for a program, project or activity for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a regular appropriation bill or a joint resolution making continuing appropriations until the end of a fiscal year providing for such program, project or activity for such period becomes law. This section shall not apply to a program, project or activity during a fiscal year if any other provision of law (other than an authorization of appropriations) makes an appropriation, makes funds available, or grants authority for such program, project or activity to continue for such period, or specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such program, project or activity to continue for such period.

For the purposes of this section, the term "regular appropriation bill" means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the thirteen regular appropriation bills including: Agriculture; Commerce, Justice, and State; Defense, District of Columbia; Labor, Health and Human Services, and Education; Housing and Urban Development, and sundry independent agencies; Energy and Water Development; Foreign Assistance; Interior; Military Construction; Transportation; Treasury, Postal Service, and the Executive Office of the President; and the Legislative Branch.

Section 641(b) makes conforming amendments to section 202(e)(3) of the Congressional Budget Act of 1974. Section 641(c) makes conforming amendments to chapter 13 of title 31, United States Code.

Section 641(d) provides that nothing in the amendments made by this subsection shall be construed to affect Government obligations mandated by other law, including obligations with respect to social security, medicare, and medicaid.

## TITLE VII—BUDGETING IN AN ERA OF SURPLUSES

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

Title VII restates many of the PAYGO requirements stated in section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 to ensure that there is no sequester if there is an on-budget surplus, to require additional offsets if the on-budget surplus declines, and to clarify that the costs of all direct spending or receipts legislation are included in sequestration calculations.

Section 701(a) amends Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 to state that the purpose of this section is to trigger an offsetting sequestration in the amount by which any excess of decreases in receipts and increases in direct spending over increases in receipts and decreases in direct spending, caused by all direct spending and receipts legislation enacted prior to October 1, 2002, exceeds estimates of the on-budget surplus.

Section 701(b)(1) amends section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 to reduce the amount of any sequester by the Office of Management and Budget (OMB), which is determined by the net costs of all PAYGO legislation for that fiscal year, by the amount of OMB's estimate of the non-budget surplus. Section 701(b)(2) adds a new section 252(b)(3) of the Deficit Control Act of 1985 that specifies that such excess of receipts over outlays do not include the balances from Social Security and other off-budget entities.

Section 701(c) amends section 254(c)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 by redesignating subparagraph (C) as subparagraph (D) and adding a new subparagraph (C) requiring the Office of Management and Budget to include the estimated on-budget surplus for the budget year in its preview reports. This section also specifies several assumptions for OMB and CBO to make in estimating the on-budget surplus, if any, in the sequester reports.

Section 701(d) amends section 254(f)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 to require the Office of Management and Budget to use economic and technical assumptions that are up-to-date as of the date of the sequestration preview reports. Consequently, OMB is required to re-estimate its projection of the on-budget deficit in its Preview Report that is submitted with the President's budget submission in January or early February. This section further provides that it is on the basis of this projection of the on-budget surplus that OMB calculates the amount of any sequester. The significance of this update is that sequestration is not held harmless in any change in the on-budget surplus to the extent that such surplus is being used to offset the costs of enacted PAYGO legislation.

Section 701(e) amends section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 to again clarify that the estimates of the on-budget surplus do not include the outlays of the Social Security trust funds (both retirement and disability) and other off-budget entities. By excluding these cash flows, these PAYGO changes will have no bearing on the amounts credited to the Social Security trust funds or the actuarial status of these

funds. An on-budget surplus is defined as the amount by which receipts exceed outlays for all spending and receipt accounts that are designated as on-budget, and specifically excludes the Social Security Trust Fund.

Section 701(f) amends section 258(C) of the Balanced Budget and Emergency Deficit Control Act of 1985 to extend to the House a Senate expedited procedure for considering reconciliation legislation designed to preempt any PAYCO sequester. Under this procedure, each standing committee can submit to the Budget Committee of its House legislative alternatives to avoid such a sequester. After the standing committees have submitted such a report and not later than October 15, the House and Senate may pass a simple resolution instructing the committees to submit legislation offsetting at least part of the sequester. The standing committees are then required to report their recommendations to the Committee on the Budget, which shall report the recommendations in the form of a reconciliation bill to its House.

#### ANALYSIS OF LEGISLATION

##### TITLE I—BUDGET WITH FORCE OF LAW

The Congressional Budget Act of 1974 was proposed under the banner of reasserting congressional prerogatives in the budget process vis-a-vis the executive branch. The budget resolution provides an annual statement of Congressional priorities, or more simply stated, an annual vision of the government's priorities. For 25 years this role has evolved to the point where congressional consideration of a budget resolution—the first of the legislative branch in the budget process—is often done without consultation with the executive branch. This policy developed in isolation often leads to a protracted budget process and an unmanageable budgeting scenario at the end of the fiscal year. Because the decision made by the budget resolution provide procedural restraints on the rest of the congressional budget process, negotiations with Administration are often hampered, discouraged and, as a result, are generally difficult to implement.

The Committee believes that this balance between the roles of the executive and legislative branches must be retooled in a manner that encourages early cooperation on the macro targets in the budget while allowing the micro elements of the federal budget to be worked out through the regular, orderly legislative process. To this end, H.R. 853 converts the concurrent resolution on the budget into a joint resolution on the budget.

The mechanics of this proposal operate in many respects similar to that under current law with a few notable exceptions. First, the timing for consideration of the budget resolution under section 300 of the Budget Act remains the same except that appropriation bills are not longer granted consideration in the House of Representatives after May 15th in the absence of the final adoption of the budget resolution. This exception under the current law is intended to ensure that the appropriation process is not held up so long that completion of the entire process by the beginning of the fiscal year becomes jeopardized. Removing this exception provides a greater incentive for the two branches to come to an early agreement in the

budget year on the broad parameters of the budget as outlined in the joint budget resolution. In the absence of such an agreement, considering appropriations bills would run afoul of section 303 of the Budget Act in the House. The Committee believes that the current law exception provides an escape valve on the process that, contrary to its intent, actually fosters greater delay in reaching an agreement on the budget resolution.

The Committee also notes that despite H.R. 853's proposed changes in the timetable of the budget process and the conversion of the budget resolution to a joint resolution, the enforcement nature of these deadlines remains the same. Currently, the deadlines, in and of themselves, are not binding in the House or Senate unless otherwise stated in the Budget Act or the rules of the House or Senate. Specifically, these changes are not designed to alter the current manner in which the deadlines are utilized for enforcement purposes and points of order in the Senate.

Second, the contents of the joint budget resolution have been simplified to require only the inclusion of broad categories for spending and revenue including: (1) totals of new budget authority and outlays; (2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees; (3) the surplus or deficit in the budget; (4) subtotals of new budget authority and outlays for non-defense discretionary spending; (5) subtotals of new budget authority and outlays for defense discretionary spending; (6) subtotals of new budget authority and outlays for direct spending (excluding interest); (7) subtotals of new budget authority and outlays for interest; and (8) subtotals of new budget authority and outlays for emergencies. This is intended to simplify the contents of the joint budget resolution, thereby fostering an agreement on the broad macro parameters of the budget prior to negotiations on specific programs, project or activities.

Among the most familiar elements included in the concurrent resolution on the budget under current law are the spending allocations and reconciliation directives to committees on the House and Senate. H.R. 853 moves these allocations and directives to the report accompanying the joint resolution on the budget in recognition of the fact that these two primary functions of the budget resolution are sole congressional prerogatives. However, it is anticipated that the committee allocations and reconciliation directives would be commensurate with the total levels of budget authority, outlays and revenues included in the text of the joint resolution.

The Committee would also note that these newly constructed content requirements include for the first time one category encompassing all budget authority and outlays of direct spending, excluding interest. Under the current construct of the budget resolution, there is no similar unified category. The Committee believes that this highlighted measurement will increase the accountability of the Congress and the President in determining the nature or type of Federal spending as well as add further transparency to the budget process.

Nevertheless, these levels in the joint resolution have no direct enforcement relationship to the sequestration mechanisms under

the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. These levels are also not intended to supersede or replace the procedural enforcement for revenues and direct spending of the PAYGO scorecard or the enforcement of the discretionary spending limits.

Another important item which may be included in the joint resolution is the statutory limit on the public debt. Under current law, the concurrent resolution may include a line item which sets out the level of the public debt. However, since this resolution is not presented to the President for signature, it cannot bring about a direct change in the statutory limit on the public debt. As a result, House rule XXIII currently provides for a spin-off joint resolution carrying a change in such a limit should the levels assumed in the budget resolution require such a change. In this way, under the existing process the House is not required to vote directly on a measure containing such a change. In addition to repealing House rule XXIII under Title IV, H.R. 853 actually provides for the inclusion of the debt limit change in the text of the budget resolution. The Committees on the Budget of the House and Senate may only include a change in the statutory limit on the public debt only if submitted by the Committee on Ways and Means of the Committee on Finance. The Committee notes that this submission is pursuant to a collegial action by the Committee on Ways and Means or the Committee on Finance. These committees would act as a body and then submit the approved change to the Budget Committees for inclusion in the joint budget resolution.

If the change in the debt limit included in the joint resolution pursuant to this procedure, the reporting of a joint resolution on the budget containing it would trigger a referral to the Ways and Means Committee after the resolution as reported by the Budget Committee. It is also intended that the inclusion of such a provision should not trigger a violation of clause 5(a) of rule XXI of the Rules of the House of Representatives, which prohibits a tax or tariff provision from being included in a bill unless that bill has been reported by a committee with jurisdiction over revenue measures.

Finally, H.R. 853 provides that the joint resolution may contain matters "which require such other congressional procedures, relating to the budget, as may be appropriate to carry out the purposes of [the Budget] Act." This takes the place of the existing section 301(d)(4) which states that the resolution may "set forth such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of [the Budget] Act." This current "elastic clause," as this subparagraph is often called, allows for the resolution to contain other matters, many of which have no direct implications on the budget. These matters have most often taken the form of Sense of the House and/or Senate resolutions on various policy matters. The Committee notes that H. Con. Res. 68 the concurrent resolution on the budget for FY 2000 contained 8 Sense of the House resolutions and 62 Sense of the Senate resolutions when passed by each House respectively and contained 35 such resolutions in the conference report.

Since under H.R. 853 the budget resolution becomes a joint resolution, the bill seeks to narrow the scope of this elastic clause. The repeal of the existing clause is intended to break with the prece-

dent of its broad application and replace it with a new, more narrowly tailored one. The Committee specifically notes that this clause allows for the inclusion of matters relating to congressional procedures, not just general procedures relating to the budget. These may include matters within the jurisdiction of the Committee on the Budget and the Committee on Rules but should follow the procedures laid out in sections 301 and 306 of the Budget Act relating to committee considerations of such matters. The Committee particularly urges that matters relating to the rules of the House be addressed pursuant to section 301(c) of the Budget Act, while noting the committee's preference that such matters not be included in any such joint resolution.

This new narrowed elastic clause should also be viewed in context with the new section 305(e) of the Budget Act. This section places a strict limitation on the contents of the budget resolution enforceable through points of order on the floors of the House and Senate. Specifically, any joint resolution or any amendment thereto or any conference report thereon may not contain any matter that is not permitted to be included in such resolution, amendment, or conference report pursuant to section 301(a) of (b), as amended by H.R. 853. If a joint resolution contains such a prohibited matter, a point of order may lie against its consideration in the House and the Senate, it is ineligible for the expedited procedures outlined in sections 301 and 316 for the consideration of joint and concurrent resolutions (respectively) and it forgoes the protections from unlimited amendments granted budget resolutions in the Senate.

Taken together these two provisions of H.R. 853—the narrowed elastic clause and the limitation on the contents of the budget resolution—are designed to provide Congress with some necessary flexibility to reach agreement with the President and/or to achieve the broad objectives of the budget resolution. However, this flexibility is granted within a procedural box to preserve the sanctity of the budget resolutions as a vehicle for a broad agreement on budgetary aggregates.

Third, the required contents of the report accompanying the joint resolution and the joint explanatory statement accompanying any conference report on the joint resolution have been modified. Under current law, the text of the budget resolution is required to contain the allocations of budget authority and outlays outlined in section 302(a) of the Budget Act for each relevant committee of the House and Senate. H.R. 853 moves these required elements from the text of the resolution to required elements of the committee report and joint explanatory statement accompanying any such resolution. The Committee notes that allocations of spending authority to committees of the House and Senate are solely congressional prerogatives and should remain so under the construct of a joint resolution on the budget. Likewise, the reconciliation directives under section 310, now an optional matter for inclusion in the concurrent resolution, are changed to be an optional matter for inclusion in the committee report and joint explanatory statement accompanying any such budget resolution, if they are necessary.

H.R. 853 also adds a number of new matters to the list of optional items which may be included in the report accompanying the joint resolution. First, the report may include a measure, as a per-

centage of the gross domestic product, of total outlays, total Federal revenues, the surplus or deficit, and new outlays for nondefense discretionary spending, defense spending and direct spending as outlined in the joint resolution. This is designed to provide the Congress, the President, and the public with a regular measure of budgetary aggregates as a percentage of the economy.

H.R. 853 also establishes a fallback concurrent resolution on the budget should the joint resolution be vetoed by the President. This soft landing for disagreements in the budget process will ensure that Congress can complete its work on the annual appropriation bills and any necessary reconciliation legislation even when there is a failure to reach an up front agreement with the Administration. However, this fallback procedure does not kick in until a joint resolution on the budget is actually vetoed. The Committee notes the concerns of some cynics that the mere existence of a fallback concurrent resolution will guarantee that its use will become the norm rather than the exception. The assertion is that a joint resolution will actually make the budget resolution even more of a political document than it is under the current budget process.

To the contrary, the Committee believes that since the expedited procedures and the option of a concurrent resolution only kick in once the entire process for considering a joint resolution (including House and Senate Budget Committee consideration, House and Senate floor consideration, conference consideration, House and Senate consideration of the conference report and presentment of the conference report to the President) is complete the budget and legislative processes provide a strong disincentive to presenting the President with a purely political joint resolution. Furthermore, the Committee notes that H.R. 853 repeals the existing loopholes in the budget process for considering the annual appropriation bills in the House in the absence of completing agreement on the budget resolution. Not being able to proceed in the House on these appropriation bills will provide an additional hammer on both the Congress and the President to reach some form of an agreement on the budget resolution.

To ensure that Congress can still complete its work in the event of a Presidential veto of the joint budget resolution, consideration of this fallback concurrent resolution would occur under expedited procedures in the House and the Senate. Upon the veto of the joint resolution, the Majority Leader of the House and Senate may introduce either a concurrent or another joint resolution on the budget. If the Committee on the Budget of the respective House fails to report the resolution within five calendar days from the day in which the matter was referred to it, the committee is automatically discharged from further consideration of the resolution and the resolution is placed on the appropriate calendar of the House or Senate. The five calendar days excludes Saturdays, Sundays or legal holidays unless that House is in session one of those days. Once discharged consideration of the budget resolution, amendments thereto or a conference report thereon will be in accordance with consideration of the provisions of section 305 of the Budget Act with a few minor modifications. In the Senate, debate on the budget resolution, amendments thereto or a conference report thereon shall be limited to not more than 10 hours and in the House to not more

than 3 hours. H.R. 853 further provides that the content of the budget resolution considered pursuant to these expedited procedures must conform to the content requirements outlined in section 301 for the report accompanying the resolution and the resolution itself.

Finally, H.R. 853 provides that, for the purposes of the Rules of the House of Representatives and sections 302, 303, and 311 of the Budget Act, the adoption of such a concurrent resolution on the budget is considered to be the adoption of a joint resolution. This specifically applies to the implementation of the aggregates, allocations and reconciliation directives called for in such a resolution. Consequently, a concurrent resolution agreed to by both Houses pursuant to these expedited procedures is deemed to have the same procedural force and effect as the enactment of a joint resolution.

#### TITLE II—EMERGENCIES

There is nearly universal agreement that the manner in which the federal government responds with financial assistance to emergencies is in need of fundamental reform. The lack of predictability of natural disasters and national security crises makes this a difficult problem. What makes it even more vexing is the way in which emergencies are handled within the budget process and the complex set of pressures and counter-pressures that have resulted in costly and embarrassing delay and partisan wrangling over disaster relief.

Under the current process, the President and the Congress together determine that funding is necessary to meet an emergency, and, when that occurs, money can be spent beyond the reach of the procedural constraints in the budget process. This framework provides significant opportunity for spending excess, as the incentives are there to pad emergency spending bills with funding for non-emergency matters as a way to get around the discipline imposed by the spending limits. Recent history is replete with examples of legislative "Christmas trees," where bona fide emergencies have become the underlying vehicle for legislators and the Administration to secure billions of dollars of non-emergency funding for unrelated programs.

The Committee recommends revising the process to put an end to this kind of abuse, establishing instead a reserve fund for emergency spending based on an historical rolling-average of spending on emergencies in the previous five years. This recommendation is based in large part on the work of Representative Mike Castle (R-DE), who has repeatedly presented to the Congress legislation to establish a so-called "rainy day fund" for responding to emergencies in much the same way as the process is handled by most states.

The process envisioned by H.R. 853 is based upon implementation of a set of criteria for determining whether a situation meets the test of "emergency," and expanding accountability by requiring the Budget Committee to certify whether funds may be allocated from the emergency reserve fund.

In section 203, the bill establishes a statutory definition for emergency, relying on the criteria already in use by the Administration and outlined in an Office of Management and Budget (OMB) Circular (A-11). This definition is designed to assist the

Congress and the Administration in ensuring that funds drawn from the emergency reserve fund are used only for circumstances that can truly be described as emergencies. It is the view of the Committee that the term “unanticipated”, defined in H.R. 853 as “sudden,” “urgent,” “unforeseen,” and “temporary” provides a workable framework for this process. The Committee believes that the definition is specific enough to accomplish this goal, while providing sufficient flexibility to be practical in meeting unforeseen events in the future.

Section 204 provides that, in implementing this new process, the chairmen of the Budget Committees in each House are charged with establishing guidelines for applying this definition within five months of enactment of this bill. The Committee expects that the chairman of either Budget Committee, if no agreement can be reached between the two Houses, would file guidelines for that House within the allotted time. Further, the Committee expects that those guidelines would be reviewed periodically.

The Committee has reviewed the types of events in recent months and years that have prompted calls for emergency spending—including acts of nature and rapidly evolving national security crises. There is little disagreement about whether a massive earthquake, flood, hurricane or tornado qualifies as a true emergency. The problem is that spending for unrelated programs—a program for midnight basketball for troubled young people, for example—is often tacked onto these so-called “must pass” bills. In addition, the Committee notes that Administration requests for responding to the onset of the Year 2000 computer crisis or ongoing funding of military action, such as the mission in Bosnia, while legitimate matters for debate and competition for federal funds, do not necessarily constitute emergencies. The Committee intends that, with a specific statutory definition and guidelines for applying that definition, the Administration and the Congress should limit their use of emergency funds to those situations that truly meet the test.

H.R. 853 repeals the current “emergency designation” and the procedures associated with it in the Balanced Budget and Emergency Deficit Control Act of 1985. This designation is no longer necessary under the new procedures as outlined in the bill.

As part of the annual budget process as proposed by H.R. 853, section 205 provides that, when the President and the Congress agree on the aggregate numbers for the joint budget resolution, they would also agree on a level for budget authority and outlays in the emergency reserve fund. This level is to be based upon historical data reflecting a rolling average of spending for emergencies during the past five years.

If the President has vetoed the joint resolution on the budget, and the Congress has agreed to a concurrent resolution, that concurrent resolution would also contain the levels for the reserve fund for emergencies.

In order to ensure that the process is not manipulated at the outset in an effort to pad the fund up front to allow for enhanced spending later on, section 208 of H.R. 853 creates a point of order in the House and Senate against any amendment to a budget resolution that seeks to change the amount of budget authority and

outlays that is set for the emergency reserve fund. This point of order may only be waived by a three-fifths vote in the Senate.

H.R. 853 provides a series of accountability measures to ensure that funding from the reserve is used for bona fide emergencies. Under section 205 of the bill, when the President submits a request for spending for an emergency, he is required to justify why that situation meets the definition of an emergency. Once a committee reports a bill providing budget authority for an emergency that it believes complies with the new definition, it must identify all provisions that provide budget authority for an emergency and explain how that emergency meets the definition. The Budget Committee is then charged with certifying that the test has been met and then making the necessary adjustment to the allocation for the reserve fund under section 302(a). The amount of the adjustment may not exceed the total that is provided in the reserve fund.

The Committee has modified H.R. 853 from its introduced form and from the form reported by the Budget Committee, to delete the provision of the bill that provides for amounts in excess of the reserve. It is the view of the Committee that establishing a complex procedure for addressing amounts beyond those provided in the reserve fund could result in a costly loophole to the fiscal discipline and advance planning that the legislation seeks to accomplish. A review of the historical data suggests that, when only those situations that legitimately can be described as emergencies are taken into account, there is some consistency in amounts needed on an annual basis to cover natural disaster and national security crises. The Committee does not believe it is necessary to assume at the outset of this new process that the reserve fund will be exhausted.

Under the existing budget process, in order for spending to occur outside of the budget constraints (i.e. the discretionary spending limits and the PAYGO scorecard) such spending must either be designated as an emergency and consequently as exempted from these constraints or this spending must be accompanied by a change in the statutory levels assumed in these constraints. This averts a sequester of the requisite amounts of already expended funds. In recent years, both of these approaches have been utilized by Congress and the Administration to expend funds for an emergency. H.R. 853 repeals the process by which Congress and the President designate certain spending as emergency spending. This repeal precludes the Budget Act from assuming that there will be "allowable spending" outside of the budget constraints. However, H.R. 853 continues and assumes that the regular legislative process with Congress and the President calling for emergency spending and their answering this call with a change in the statutory constraints. The Committee believes this process provides a legitimate, above broad approach to responding to emergency spending needs above and beyond the levels budgeted up front in the emergency reserve fund.

This title of H.R. 853 applies beginning in fiscal year 2001, but it only takes effect after the discretionary spending limits and PAYGO requirements outlined in sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 have been changed or extended. The Committee notes that this is necessary

in order to allow for adjustments to those statutory constraints that will take into account this new process for emergencies.

TITLE III—ENFORCEMENT OF BUDGETARY DECISIONS

The Committee notes the frustration among members and the public that existing strictures on the process are not always enforced. It is certainly true that no amount of procedural roadblocks can force an unwilling Congress and/or Administration to make sound fiscal decisions or even to resist the temptation to circumvent the rules. However, it is possible to tighten up the existing process and to make it harder to avoid fiscal discipline. In addition, it is vital to establish public accountability for the decisions that are made in this regard, to ensure that Members and the President are open to public scrutiny for their actions.

Based on those goals, the purposes of this title are to close loopholes in the enforcement of budget resolutions, to require committees of the House of Representatives to include budget compliance statements in reports accompanying all legislation, to require committees of the House of Representatives to justify the need for waivers of the Congressional Budget Act of 1974, and to provide cost estimates of conference reports.

*Subtitle A—Application of points of order to unreported legislation*

Under the Congressional Budget and Impoundment Control Act of 1974, as amended, points of order against legislative measures under sections 302, 303, 311 and 401 do not apply to any measure that has not been reported by a committee. Current law often provides a proponent of legislation with a significant incentive to bypass the committee system if that legislation contains significant violations of the Budget Act. Committee hearings and mark-ups provide the entire House and the public the opportunity to review legislation and to force it rigorous consideration. The bias in the Budget Act should not be against such deliberative and violation-preventing debate. The Committee notes that often major legislation moves to the House floor for consideration without having passed through the formal committee process. The result is that procedural constraints in the Budget Act have been avoided, as has the accountability that accompanies the act of waiving the structures of fiscal discipline.

Also, recent history has shown that while an unreported measure may not be subject to the constraint of the Budget Act, amendments to that measure are. House consideration of an unreported bill, advocated by the majority, often requires the Rules Committee to waive the Budget Act against an amendment in the nature of a substitute to that bill, advocated by the minority. Thus under regular order the budget process establishes an inequity between the application of points of order to measures of original text and amendments to that base text. This inequity is erased by the provisions of H.R. 853.

Furthermore, applying the Budget Act to unreported legislation brings House procedures in line with the Senate. In the Senate the provisions of Titles III and IV are already applied to unreported bills. It makes little sense to have the same rule but to enforce it differently in each House. Under current law, this makes the

House more dependent on the Senate to enforce the budget resolution. Finally, the disparity in the treatment of unreported bills in the House and Senate contributes to the inefficiency of the current process. It makes no sense to agree to a common set of levels between the House and the Senate, with or without the President's formal input in the process, if the House can unilaterally circumvent any budgetary level as it agreed to in a budget resolution. H.R. 853 corrects this disparity.

Numerous proposals have been advanced by Members of both parties over the years to close this loophole in the budget process. Most recently, the ranking minority Member of the Committee on Rules, Representative Moakley introduced H.R. 4343 on July 29, 1998, to amend sections 303 and 315 of the Budget Act to apply points of order to unreported measures in the House of Representatives. The language included in this subtitle of H.R. 853 is similar to that included in the bill introduced by Representative Moakley in the 105th Congress.

In the Balanced Budget Act of 1997 a new section 315 was added to the Budget Act. This new section corrected a sort of "double jeopardy" that had previously existed in the world of Budget Act waivers. This new section 315 provided that it is no longer necessary to waive the Budget Act when the source of the Budget Act violation in the reported bill is eliminated through a special rule or unanimous consent request. However, the application of this section keys off the words "as reported", continuing the practice of allowing unreported bills to avoid being subject to Budget Act points of order.

The Committee believes that the change made by H.R. 853 is an important step in the ongoing effort of making sure that budget constraints are consistently enforced.

*Subtitle B—Compliance with budget resolution*

One of the consistent laments that is heard throughout the budget process is that Members, and entire committees, do not generally maintain enough focus on the constraints of the Budget Act. The result is that legislation often moves through the committee process and is brought to the Rules Committee without having enough attention paid to whether it squares with budget restrictions. The following charts breaks down each of the specific Budget Act waivers granted by the Rules Committee during the 105th, 104th, and 103th Congress by the committee of jurisdiction.

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Currently, there exists an informal mechanism within the process whereby the Budget Committee provides input to legislative committees and the Rules Committee regarding Budget Act compliance. The Committee proposes formalizing that process by incorporating an additional item—a budget compliance report—into committee reports, one that requires committees to work with the Budget Committee in assessing whether legislation complies with the Budget Act. It is the Committee’s view that this requirement will add an important new level of accountability into the early stages of the legislative process. The result should be that more Members and committee chairmen are more cognizant of their responsibilities within the budget process, and that the outcome will be fewer bills headed to the floor with major Budget Act violations.

The Committee recognizes, however, that it may not always be possible for the Budget Committee to provide the Budget Compliance Statement in time for filing of a committee report, and for that reason H.R. 853 incorporates the reference to timely submission of those compliance reports. Nonetheless, the Committee intends and expects committees to make their work with the Budget Committee an ongoing process to allow for the time necessary to have these compliance reports complete. Likewise, the Committee intends and expects the Budget Committee to make every effort to complete compliance statements in a timely and efficient fashion.

*Subtitle C—Justification for Budget Act waivers*

Currently the Rules Committee is required, where practicable, to provide supporting information to explain the object of and reasons for waivers granted in special rules for consideration of legislation. One of the fundamental principles underlying the Rules Committees’ approach to all waivers of rules is to force the committees of the House of Representatives and sponsors of the legislation to justify why they require such waivers.

One of the frequent problems the Rules Committee confronts is the lack of attention often given by other committees to adhering to the rules of the House and the Budget Act. Bills are drafted, introduced and even often marked up before committees check to see whether the bill violates the rules of the House or the Budget Act. The presumption should be on compliance rather than on a waiver.

To this end, H.R. 853 proposes that the rules of the House be amended to require that any report accompanying a rule from the Rules Committee that includes a waiver of sections 302, 303, 311 or 401 of the Budget Act include the following: a description of the waiver, the object of the waiver in the bill, the justification for the waiver submitted to the Rules Committee by the committee of jurisdiction and an estimated cost of the provisions to which the waiver applies. This approach maximizes the flexibility of the Rules Committee, places the burden for justifying the need for the waiver on the committees of jurisdiction, and provides greater information to the House on the waiver and its implications than what is required under current law.

Furthermore, should the Rules Committee fail to provide such information in its report, the rule would be subject to a point of order on the floor of the House. The Committee has included in this list those points of order relating to the timing of legislation within the

budget process, allocation levels and creation of new direct spending.

The Committee would also note that some Members of the House, from both sides of the aisle, continue to advocate that a three-fifths supermajority requirement be placed on the ability of the House Rules Committee to waive the Budget Act. While the intent of placing these stringent requirements on the House is laudable, namely to enforce the budget, the impact of these proposals could significantly prevent a majority of the House from implementing priority legislative initiatives and cripple the inherent ability of the Rules Committee to draft and pass rules for the majority.

The House of Representatives is a majoritarian institution and has been since its inception in 1789. As stated by Lewis D. Deschler in "Deschler's Precedents" (v. 1, p. viii), "[i]f the precedents of the House can be said to have an overriding function, it is to enable the Members to govern themselves democratically and fairly and at the same time execute the will of the majority. The precedents of the House are utilized in such a way as to expedite business and protect the minority, and at the same time enable the assembly to take action in accordance with the views of the majority." Requiring a supermajority vote to waive violations of the Budget Act would undermine this overriding function of the House's 210 years of rule and precedent.

Furthermore, there are serious technical concerns with these proposals which have been raised by the Parliamentarians. First, with respect to the sections of the Budget Act involved, the Rules Committee waived these sections 126 times during the 105th Congress, 151 times during the 104th Congress and 123 times during the 103rd Congress. The following charts demonstrate the extent to which the Budget Act is waived in the House of Representatives.

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Many of these waivers were technical in nature, i.e., not resulting in any real budgetary effect. Secondly, under such a proposal every time the Rules Committee provides a waiver of all points of order for anything—a bill, an amendment or a motion—the Committee is in effect waiving all of these provisions of the Budget Act. This means that potentially every blanket waiver could require a supermajority vote to adopt it on the Floor. In contrast to this approach the Committee believes that H.R. 853 increases the accountability of the Rules Committee and of the House as a whole without undermining the ability of a majority of the House to govern. H.R. 853 provides an alternative approach that still strengthens budget enforcement, provides the House with more detailed information upon which to cast votes on Budget Act waivers, and preserves the prerogative of the majority to advance its agenda.

*Subtitle D—CBO scoring of conference reports*

It is often said that Congress does something “in the dead of night” when a conference committee takes action on legislation, the conference report moves quickly through both Houses and the President signs it into law, often before the budget implications of that legislation are fully understood. Members and the public have responded to these situations by expressing outrage that better and more complete information about the budget impact of bills was not available prior to final consideration of a conference agreement. The Committee believes that this problem could be addressed by requiring Congressional Budget Office (CBO) scoring of conference reports.

Currently, CBO scores House and Senate bills as they move through their respective Houses, but not conference agreements. Although the Committee is aware that the timing of conference negotiations and the speed with which bills often move through their final steps in the legislative process make this new requirement a challenge for CBO to meet, it is the intent and expectation of the Committee that the effort should be made.

TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING

Accountability is a goal in the budget process that all Members, regardless of political stripes, seek, yet there are many different approaches to securing it. H.R. 853 seeks to enhance existing accountability mechanisms in the Budget Act and the rules of the House. It would foster greater oversight by committees of the House of Representatives particularly over programs that provide direct spending and are of an indefinite duration and by providing disincentives in the congressional budget process for creating new direct spending programs.

*Subtitle A—Limitations on direct spending*

The Committee believes that direct spending should be the exception, rather than the rule. When committees take the extraordinary step of moving spending away from the annual appropriations process of the Congress, they should provide a justification for that action up front and as early in the legislative process as possible. Similarly, the President should be required to provide the same justification for any direct spending that the Executive

Branch proposes in its annual budget submissions. To this end, H.R. 853 establishes a number of new requirements and procedural mechanisms in the Budget Act, Title 31 of the United States Code and House rules.

First, H.R. 853 repeals the current restrictions on mandatory spending in section 401 of the Budget Act, which prohibit consideration of budget-related legislation, as reported, that is not subject to annual appropriations. In its place, H.R. 853 places a limitation on the consideration in the House or the Senate of any bill, joint resolution, amendment, motion, or conference report that provides direct spending authority for a new program that is not limited to a period of 10 or fewer years. Direct spending is defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to be budget authority provided by law other than appropriation acts, entitlement authority and the food stamp program.

The report of the Committee on the Budget and this report of the Committee on Rules on H.R. 853 both contain the following identical language with respect to the application of this new section 401 point or order.

*Section 411: Fixed-year authorizations required for new programs*

This point of order applies only to “new” programs. It neither applies to expansions in existing programs nor the underlying programs that may be subject to amendment. The Committee does not intend for the exception for new programs to provide a loophole for fundamentally new programs that are grafting new direct spending programs into existing programs. Therefore, the burden falls on the proponents of a bill or amendment that is subject to the point of order to show that it does not create a new entitlement.

In applying this point of order, it is essential to determine whether a program is “new” or simply a change in an existing one. Such a determination is made by assessing the qualities and nature of the legislative language, rather than any baseline projections.

A program is new if it meets any of the following three criteria:

It has a fundamental purpose that is distinct from an existing program,

It has a substantially different method by which a fundamental purpose is carried out or administered, or

It serves a class of persons or entities distinct from the existing program to which the authorizing language may be appended.

*The Fundamental Purpose.*—If a program has a fundamental purpose which is distinct from any other program, and does not relate to an existing program, then it would be considered new. In determining the fundamental purpose of authorizing language, the broad scope and the stated purpose of the language are indicative, and ancillary purposes merely suggested by the language need not be determinative. Authorizing language which would amend an existing program to such an extent as to change its fundamental purpose would also be considered new. This might include broadening a very specific purpose to a more general one. Expanding on the

fundamental purpose, such as offering additional services, does not constitute changing it, and hence language which might offer a new benefit, if it is related to the fundamental purpose of an existing program would not be considered a new program.

*A Substantially Different Method.*—Authorizing language which may have a similar fundamental purpose as an existing program, but contemplates a method of accomplishing that end that is not closely similar to the existing program, then that authorization would be considered as creating a new program. For instance, under the existing Medicare program, expenses for prescription drugs are not now provided for in the overall benefit for senior Americans. Legislation that would expand the basic Medicare benefit to include prescription drugs would serve the same fundamental purpose as the existing Medicare program because it is a related facet of the health care coverage benefit. Were Medicare, on the other hand, to be reformed by providing a voucher to Seniors so that they were able to purchase their entire health insurance benefit on the private market, the method by which the assistance is provided would be substantially different and thus constitute a new program.

If an existing program has a fundamental purpose which is broad in scope and has a general method of achieving that purpose, and authorizing language is included in a modification or reform of the program which proposes to achieve the same end through a related but more specific method, then the authorizing language would not be considered to have created a new program. The reverse would not be the case, a program which has a very specific method of achieving its fundamental purpose which would be reformed by providing a related but more general method would be considered to be creating a new program.

*A Distinct Class of Persons or Entities.*—A program may have a fundamental purpose to assist a class. A class may be made up of persons or entities, the latter having a broad range of possibilities like local governments, states, corporations, non-profit groups or schools. A class may be defined as any identifiable group that relates to the fundamental purpose of a program. If the fundamental purpose seeks to achieve a policy goal by benefiting or serving an identifiable group, then that group would constitute a class. When authorizing language has the same fundamental purpose as an existing program, and would use the same method of achieving that purpose, but would serve a wholly new class, then that authorizing language would be considered to create a new program. However, authorizing language that provides for additional benefits or services to a more specific group that is substantially within the class, then that would not constitute a new program. Authorizing language which provides for a substantially broader class, even though wholly including the existing program class, would also be considered to create a new program.

Second, H.R. 853 creates a new mechanism in the rules of the House to facilitate amendments to subject new entitlement programs to annual discretionary appropriations. Patterned after the motion to strike unfunded intergovernmental mandates in the Committee of the Whole created in the Unfunded Mandate Reform Act of 1995, this new clause of rule XVIII provides a new obstacle

to the creation of new entitlement programs. This privileged amendment may be offered by the Chairman of the Committee on the Budget (or his designee) of the Chairman of the Committee on Appropriations (or his designee). It is not in order for such an amendment to be precluded from consideration unless done so by the specific terms of a special order of the House. Any such amendment, if offered, shall be debatable for twenty minutes equally divided and controlled by the proponent of the amendment and a Member opposed and shall not be subject to amendment. The reason for limiting the right to offer such amendments to the chairman of the Appropriations and Budget Committees is two-fold: to ensure that Members with institutional interests in curbing the proliferation of mandatory spending programs have the opportunity to offer the amendments; and to prevent dilatory amendments whose intent is to delay legislative deliberations rather than to curb the proliferation of mandatory programs.

In an attempt to shift the balance in favor of creating an annually appropriated program as opposed to a mandatory spending program, H.R. 853 creates an additional incentive to the Appropriations Committee to offer such a privileged amendment. If such an amendment is agreed to, the discretionary spending limits and allocations to the Appropriations Committee for that fiscal year would be held harmless for any legislation that offsets a new discretionary program with a designated reduction in direct spending.

H.R. 853 also amends the Rules of the House to establish a new point of order under House rule XXI that no new program authorization of budget authority may be provided for an indefinite period of time. A point of order would lie in the House against any bill, joint resolution, amendment or conference report that authorized spending for a new program if that authorization was not limited to 10 or fewer years. This point of order is intended to cover all bills and joint resolutions providing new budget authority as defined in section 3(2)(c) of the Budget Act. The Committee again believes that programs should be periodically reviewed to determine the appropriate method of financing for that program within the Federal budget.

*Subtitle B—Enhanced Congressional oversight responsibilities*

H.R. 853 also establishes a number of new incentives within the Budget Act and the Rules of the House to encourage more of a systematic review of all Federal programs, projects and agencies. Congressional programmatic oversight is an aspect of the legislative process that all Members, regardless of political affiliation, believe should be improved. In its 1994 report, the Joint Committee on the Organization of Congress stated the following in its recommendations with respect to committee oversight agendas and reports:

These changes will make oversight more regularized systematic, and comprehensive. Better coordination among committees will eliminate duplication while preventing matters from being overlooked. Requiring oversight at least every 10 years assures that nothing falls between the cracks and mitigates against “crisis oversight.” Giving priority to permanent programs guarantees oversight of pro-

grams not scrutinized regularly as part of the funding process.

H.R. 853 requires each committee of the House to set out within the oversight plans it is required to adopt by February 15th (under clause 2(d) of rule X) a specific timetable for the periodic authorization of all programs within that committee's jurisdiction. This timetable must provide for a specific review of those laws, programs, and agencies, including those that operate under permanent budget authority, that will allow for each of these laws, programs and agencies to be reauthorized at least once every ten years. Committees are encouraged to coordinate their reauthorization activity with the performance budgeting requirements set forth under the Government Performance and Results Act. The Committee also advises all House committees to stagger the schedule for reauthorizing all programs, projects or activities within their jurisdictions so that their workload is evenly distributed over the 10-year period of the review cycle.

This bill also revises the current requirement in House rules that the Committee on Appropriations study on a continuing basis those provisions of law that provide permanent spending authority and whether these provisions should retain such a status to require that the Committee report its findings to the House at least once every Congress. In keeping with the Committee's fundamental principle that an annually controlled spending program is a preferred budgetary status than that of a permanent spending program, this rule change further charges the Appropriations Committee with this responsibility.

H.R. 853 also places new requirements on the Budget Committee, the President and other House Committees who may seek to provide new direct spending for an existing or a new federal program, project or activity. Whenever a budget resolution includes an allocation to a committee in excess of current law, the Budget Committee must include in the report accompanying the resolution a justification for not subjecting that spending to an annual appropriation. Whenever the President submits a budget that specifically calls for direct spending, the budget submission must also contain a justification for granting this status to this spending. Finally, whenever a committee provides an authorization of direct spending in a reported bill or joint resolution, it must include in the committee report accompanying the measure a justification for doing so. However, it should be noted that a failure to include such a justification does not give rise to a point of order against consideration of the bill or joint resolution.

As stated earlier, the Committee has also sought to increase the accountability of committees that draft legislation and then request special rules from the Rules Committee providing for consideration of that legislation as well as for members of the House at large with respect to the constraints of the Budget Act. Specifically, Committees will not be required in their survey of activity reports to include a look-back section that will include a summary and justification for each bill and joint resolution reported by the committee that did one or more of the following: was considered before the adoption of the budget resolution and violated section 303(a) of the Budget Act; exceeded a committee allocation under section

302(a) of the Budget Act or breached an aggregate level under section 311 of the Budget Act; or contained provisions in violation of section 401(a) of the Budget Act relating to the provision of indefinite spending authority.

Rounding out this required new examination of the status of spending authority granted to federal programs, projects and activities is a new requirement on the Committees on the Budget of the House and Senate. Section 703 of the Budget Act already requires the Budget Committees to perform such an evaluation of federal programs, however, a report to Congress on these evaluations is not a routine function of these committees. H.R. 853 requires these committees to issue such a report during the 106th Congress. The Committee would also hope that this report would become a regular part of the budget Committees' annual oversight of the nature of spending authority and its implications on the matters within the jurisdiction of our two committees.

Finally, H.R. 853 also amends section 404 of the Budget Act to require the General Accounting Office to revise these reports on direct spending programs and activities at least once every 5 years. These reports are intended to be an analysis of the provisions of law that provide direct spending and of whether the GAO recommends changes in this form of financing. While the GAO has prepared this report a number of times, the Committee believes such an analysis should become a regular report to the committees of the House and Senate. The Committee also intends and expects the Office of Management and Budget and the agencies of the Executive Branch to cooperate and assist GAO in its procurement of the information necessary to timely preparation and completion of these reports.

#### *Subtitle C—Strengthened accountability*

H.R. 853 would also repeal rule XXIII of the Rules of the House of Representatives, commonly referred to as the "Gephardt Rule." Public Law 96-78, approved on September 29, 1979, amended the Rules of the House of Representatives by adding a new Rule XLIX. With the recodification of the rules of the House on the opening day of the 106th Congress, rule XLIX was changed to House Rule XXIII. Rule XXIII provides for an automatic increase or decrease in the public debt limit by authorizing the Enrolling Clerk of the House of Representatives to prepare a joint resolution for delivery to the Senate containing the debt limit figure approved by the House of Representatives by virtue of its adoption of a conference report of a concurrent budget resolution.

Section 432 attempts to restore needed accountability to the budget process by requiring a separate vote on an increase in the debt limit. Rule XXIII was a transparent attempt to avoid the politically sensitive issue of raising the debt limit. Unlike many budget-related rules, Rule XXIII is almost always implemented. The majority of the last three Congresses has specifically sought not to hide behind this rule when it was necessary to vote to increase the debt limit. In fact, it has only been waived five times since its implementation. Rule XXIII was waived in the 98th Congress for consideration of the FY 1984 Budget Resolution; in the 101st Congress for consideration of the Conference Report on the FY 1991 Budget

Resolution; in the 103rd Congress for consideration of the Conference Report on the FY 1995 Budget Resolution; and in the 104th Congress for consideration of the FY 1996 and FY 1997 Budget Resolution. Further, the budget resolution for FY 1996 (H. Con. Res. 67) included a sense of the House statement in section 313 calling for a repeal of Rule XLIX. By repealing Rule XXIII, Congress will restore needed oversight over the public debt limit to Members of the House of Representatives.

The Committee would also note that Title I of H.R. 853 allows the proposed joint resolution on the budget to include an increase in the statutory debt. However, the Committee would also note that this proposed stripped down and simplified budget resolution would allow such an increase in the debt to be a highlighted provision of such a resolution. Furthermore, under the rules changes adopted at the beginning of the 104th Congress, any increase in the debt limit is guaranteed a record vote on the floor of the House of Representatives. Clause 10 of rule XX states the following:

The yeas and nays shall be considered as ordered when the Speaker puts the question on passage of a bill or joint resolution, or on adoption of a conference report, making general appropriations, or increasing Federal income tax rates (within the meaning of clause 5 of rule XXI), or on final adoption of concurrent resolution on the budget or conference report thereon.

Thus, a record floor vote on a budget resolution is automatically ordered under the rules of the House.

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

The federal budget contains a number of insurance-based programs but the manner in which we budget for those unique needs remains an antiquated one. While the private sector has improved its procedures for accrual accounting, the federal government continues to utilize static models that do not truly reflect the total federal commitments made to many large insurance programs. Put simply, Congress and the president do not always have an accurate reflection of the long-term consequences of their actions. H.R. 853 seeks to address these problems.

Many outside think tanks, congressional support agencies and Members of Congress have increasingly expressed concerns regarding the long term liabilities of the federal government. Specifically, these concerns have centered around how the government anticipates the long term accounting and fiscal pressures in its current budget process. Currently, the budget process only considers the current liabilities (1–5–10 year budget windows) of proposed legislative actions. There is a growing call for the budget process to develop methods for requiring current costs estimates to base projections on expected future costs or to move in the direction of accrual-based budgeting.

The concern over unfunded liabilities is particularly relevant in the federal insurance-based programs. As defined by GAO, these include Bank Deposit Insurance, Thrift Deposit Insurance, Credit Union Share Insurance, Flood Insurance, Crop Insurance, OPIC's

Political Risk Insurance, Federal Employees' Group Life Insurance, PBGC's Pension Insurance, Service-Disabled Veterans Service, Veterans Mortgage Life Insurance, Vaccine Injury Compensation, Aviation War-Risk Insurance and Maritime War-Risk Insurance.

Moving cost estimates to an accrual basis for pure insurance-based programs would require any new legislative initiative to pay for the short-and long-term costs up-front. Such a new scoring procedure is akin to the Credit Reform Act of 1990 which instituted a similar mechanism for the direct loan and loan guarantee programs of the federal government. The GAO has done an extensive study on looming liabilities (GAO 97-16) in which they review the pros and cons of these budgeting changes for pure insurance based programs.

Many programs contain looming liabilities which in the perfect world would best be deliberated in the context of their long term implications. However, as a shift to accrual-based budgeting would be a significant change in the budget process and even in the way in which Members, the press and the public characterize budget debates, it is prudent to distinguish between non-insurance-based programs such as Social Security and Medicaid and pure insurance-based programs such as crop and flood insurance.

The Committee recognizes that this type of major structural change cannot happen overnight. For that reason, Subtitle A accommodates a gradual phase-in and phase-out trial period for accrual accounting. By providing this flexibility, the committee believes Members and the public will be able to evaluate whether a permanent shift to accrual accounting will be beneficial. The Budget Committee has primary jurisdiction over these provisions. For an expanded analysis of the impact of these provisions, refer to Part 2 of the committee reports on H.R. 853, which was filed by the House Committee on the Budget.

The Committee also believes that it is important for Members to have a wider "snapshot" picture of the economic effects of proposed budget resolutions because the current short-term outlook lulls Members into complacency and, often, a false sense of security. The provisions of H.R. 853 are almost identical to S. 823, legislation introduced in the 104th Congress by Senators Simpson (R-WY) and Kerrey (D-NE), both members of the Bipartisan Commission on Entitlement and Tax Reform. In fact, long-term budgeting was the first and most important recommendation endorsed by a majority of the members of that commission, commonly referred to as the "Kerrey Commission" after its chairman.

When discretionary spending was the largest share of our budget, five year planning may have been appropriate. But now that the majority of federal spending is direct spending, we need to have a larger framework in which to make budgetary decisions. H.R. 853 is intended to show the ramifications of policy decisions for future generations, and not merely what may occur in the next four or five years.

#### TITLE VI—BASELINES, BYRD RULE AND LOCK-BOX

Twenty-five years of an evolving budget process has produced many procedural mechanisms that have been true to their original objectives, only to have created newly perceived procedural dilem-

mas. This is particularly true in the area of baseline budgeting, House-Senate relations, and the consideration of appropriation bills.

*Subtitle A—The baseline*

For years the problems associated with baseline budgeting have been well known to both Members and to the public. The baseline is the projection of revenue, spending and deficit or surplus levels into future years based on the status quo. These projections rest upon technical and economic assumptions that assume that the policies consistent with existing law will be maintained. As a result the baseline becomes the benchmark for assessing policy changes inherent in budget proposals. Both the legislative and executive branches develop separate baselines for the fulfillment of their respective responsibilities. Currently, the baseline is also the foundation for enforcement of PAYGO under section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985. Prior to 1995, the appropriations committees used inflated baselines as benchmarks for comparing annual spending levels.

Some Members think that with rules changes enacted at the beginning of the 104th Congress, many of these problems were addressed. Clause 3(b)(2) of rule XIII states that any committee report on a measure approved by the committee shall include, separately set out and clearly identified the statement required by Section 308(a) of the Congressional Budget Act of 1974, except that an estimate of new budget authority shall include, when practicable, a comparison of the total estimated funding level for the relevant programs to the appropriate levels under current law. These cost estimates show aggregate levels as they exist under current law. This has also led to committees using the prior year's spending levels as comparisons in committee markups. The House Budget Committee has a committee rule requiring that all cost estimates utilized by the committee during a markup reflect this new approach. Since the beginning of the 104th Congress, the Committee believes that the provision of this supplementary information by committees of the House has assisted Members in their deliberations on pending legislation. H.R. 853 seeks to codify this House rule in the Budget Act and Title 31 of the United States Code.

*Subtitle B—The Byrd rule*

For years Members of the House from both parties have been frustrated by the Senate's Byrd rule, named after its author Senator Robert C. Byrd (D-WV). The Byrd rule states that a point of order can be raised on the Senate floor against the inclusion of any extraneous material included in a reconciliation bill, any amendment thereto or any conference report thereon. The Byrd rule originated on October 24, 1985, as an amendment offered by Senator Byrd to the Consolidated Omnibus Budget Reconciliation Act of 1985. The temporary rule was extended and modified six times and made permanent in 1990 as Section 313 of the Congressional Budget Act of 1974 (2 U.S.C. 644). Section 313 of the Congressional Budget Act of 1974, as amended, defines matter to be extraneous in six cases:

- (1) if it does not produce a change in outlays or revenues;

(2) if it produces an outlay increase or revenue decrease when the instructed committee is not in compliance with its instructions;

(3) if it is outside the jurisdiction of the committee that submitted the title or provision for inclusion in the reconciliation measure;

(4) if it produces a change in outlays or revenues which is merely incidental to the non-budgetary components of the provision;

(5) if it would increase the deficit for a fiscal year beyond those covered by the reconciliation measure; and

(6) if it recommends changes in Social Security.

The Byrd rule has increasingly become a poster child for the protection of the House's institutional prerogatives in its negotiations with the Senate. In 1993, the House of Representatives ran into the Byrd rule when 11 provisions were stripped from the Omnibus Budget Reconciliation Act of 1993 and its conference report by a point of order on the Senate floor. In 1995, the House of Representatives again ran into the Byrd rule when 50 provisions (primarily dealing with welfare reform) were stripped from the Balanced Budget Act of 1995 and its conference report on the Senate floor. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 saw 24 provisions stripped by the Byrd rule. In 1997 the Balanced Budget Act had 4 provisions struck by a point of order and the Taxpayer Relief Act had one provision struck.

Overall the Byrd rule has been applied to 10 reconciliation measures considered by the Senate from 1985 through 1997. On the whole, actions under the Byrd rule have occurred more frequently in recent years and opponents of extraneous matter in reconciliation bills have used the rule successfully. In 36 of the 47 actions involving the Byrd rule, opponents were able to strike extraneous matter from legislation (17 cases) or bar the consideration of extraneous amendments (19 cases) by raising points of order. Eight of 34 motions to waive the Byrd rule, in order to retain or add extraneous matter, were successful.

H.R. 853 is patterned after a bill introduced by Rep. Martin Sabo (D-MN) in the 103rd Congress (while he was chairman of the House Budget Committee). In an attempt to reassert the House's prerogatives in conferencing with the Senate, H.R. 853 limits the application of the Byrd rule to only apply to the initial consideration of a reconciliation bill or any amendment thereto. Consequently, the provisions of the Byrd rule would not apply to a conference report on a budget reconciliation bill.

Four major reasons have been advanced for eliminating the application of the Byrd rule to conference reports. First, it will remove an obstacle to enacting policies that are often critical to achieving savings required by the budget resolution. Second, it removes a source of leverage that the Senate has during negotiations on conference reports. Third, it will eliminate a source of enormous power for unelected congressional staff. Fourth, it will eliminate a procedure that leads to poorly designed policies and awkward drafting. H.R. 853 achieves these objectives through this slight modification to section 313 of the Budget Act.

*Subtitle C—Spending Accountability Lock-box*

Proposals to capture savings made during consideration of appropriations bills and credit them toward spending or deficit reduction—commonly known as Lock-box proposals—have been offered repeatedly in recent congresses. The various proposals, although differing in their approach, all seek to ensure that reductions in spending achieved through the legislative process are used to lower overall spending and that the spending “saved” is not allocated to other programs. Many members have become increasingly concerned about this issue in recent years, when funds “cut” from appropriations bill through floor amendments were subsequently “spent” on other projects (particularly through the conference committee process), rather than being used to lower spending.

H.R. 853, established a procedure to ensure that savings from reductions in spending in Appropriations measures during House and Senate Floor consideration will be captured for spending reduction. This legislation amends the Congressional Budget Act of 1974 to establish a spending accountability Lock-box process and to provide for the downward adjustment of the discretionary spending caps.

H.R. 853 amends Title III of the Congressional Budget Act of 1974 to add a new Section 320 entitled the “Spending Accountability Lock-Box.” This Section establishes, in the House and Senate Committees on the Budget a “Spending Accountability Lock-box Ledger,” to be divided into entries corresponding to each of the thirteen subcommittees of the Committees on Appropriations. Each entry shall consist of three parts: the “House Lock-box Balance”; the “Senate Lock-box Balance”; and the “Joint House-Senate Lock-box Balance”. No negative amounts shall be placed into these entries.

Each entry for the House and Senate would consist of amounts credited to it by the chairmen of the Committee on the Budget of the House and Senate upon the engrossment of any appropriations bill or resolution by the House and by the Senate. The amount to be credited to the balance of the House involved would equal the net amounts of reductions in budget authority and outlays resulting from amendments agreed to by that House, as calculated by the respective chairman of the Committee on the Budget. A Member may state (orally on the House or Senate floor) the portion of such reduction that would be credited to the House Lock-Box Balance or used to offset an increase in new budget authority in any other account or allowed to remain within the applicable allocation or any combination thereof.

In other words, Members have the ability designate savings to be placed in the lock-box, to be spent on another program or to be made available for the Members of the Appropriations Committee to reallocate elsewhere in that bill as the legislative process moves forward. If no such statement is made by the member, the amount of the reduction in budget authority would be credited to the applicable Lock-box balance, should that amendment be adopted. This places the bias in the process against spending the cut funds.

H.R. 853 provides that the chairmen of the Committee on the Budget of the House and Senate shall credit to the applicable entry balance for each House amounts of new budget authority and outlays equal to the net amounts of reductions resulting from amend-

ments designated for the applicable lock-box and agreed to by each House to that bill. This credit shall be made upon the engrossment of any appropriation bill by the House and by the Senate.

In addition, the bill provides that the chairmen of the Committee on the Budget of the House and Senate shall credit to the applicable Joint-House Senate Lock-box Balance the amounts of new budget authority and outlays equal to one half the sum of the amounts in the House Lock-box Balance and the amounts in the Senate Lock-box Balance. This credit shall be made upon engrossment of any appropriation bill by the Senate. In other words, the amount of savings credited to the Joint House-Senate Lock-box Balance for any appropriation bill shall be an amount that splits the difference between savings agreed to through cutting amendments by the House and savings agreed to through cutting amendments by the Senate.

The bill defines "appropriation bill" to include any general or special appropriations bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.

To help ensure that members and the public are aware of actions taken through the amendment process on each appropriation bill in the House, H.R. 853 provides that there shall be a running tally kept of the amendments adopted by the House reflecting increases and decreases of budget authority in the bill as reported by the Appropriations Committee. This provision is designed to inform members about the level of savings for the Lock-box accomplished by each amendment—and to ensure that people understand that amendments designed to add back money into a spending bill would be reducing the total savings that could be credited to the Spending Accountability Lock-box.

To guarantee that savings credited to the Lock-box are truly "locked in" for spending reduction, the H.R. 853 provides for the downward adjustment of the 302(a) allocations for the House and the Senate, upon engrossment of any amendments to any appropriation bill by the Senate. The 302(a) allocation will be reduced by the amount credited to the Joint House-Senate Lock-box for that bill, as calculated by the chairmen of the Committee on the Budget of the House and Senate. The revised levels of budget authority and outlays shall be submitted to each House by the Chairman of the Committee on the Budget of that House and such revisions shall be printed in the Congressional Record. When this occurs, the chairmen of the Committee on the Appropriations of the House and Senate shall make downward adjustments in the most recent suballocations (302)(b)'s to the appropriate subcommittees to reflect the new, lower 302(a) allocations. These revised suballocations shall be submitted to each House by the Chairman of the Committee on Appropriations for that House and shall be printed in the Congressional Record.

By reducing the 302(a) allocations before the House-Senate conference on any appropriation bill, this provision locks in savings for spending or deficit reduction and ensures that conferees cannot spend money set aside for such reduction. This provision also attempts to ensure that savings cannot be syphoned off from one appropriations bill to be spent in another. The revisions in the 302(b)

suballocations that follow from the revised 302(a) allocations are done in a formulaic manner to reflect mathematical consistency.

H.R. 853 amends Section 308(b)(1) of the Congressional Budget Act of 1974 to require that reports made under that Section include an up-to-date tabulation of the amounts contained in the Spending Accountability Lock-box Account and each entry.

The bill further provides for a downward adjustment in the discretionary spending limit for new budget authority set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 by the amount of the adjustment to the 302(a) allocation. The discretionary spending limit for outlays shall be similarly adjusted. These adjustments shall be based on the levels set forth in the final regular appropriation bill for that fiscal year or joint resolution making continuing appropriations through the end of that fiscal year. This final appropriation measure is required to contain a statement of law that sets forth the fiscal year (or years) and the amount of new budget authority and outlays for which and by which the discretionary spending limits will be reduced by the Director of the Office of Management and Budget. This statement is intended to reflect the sums of the Joint House-Senate Lock-box Balances for that fiscal year. As this statement of law will be included in an appropriation measure and the content of this statement will include provisions within the jurisdiction of the Committee on the Budget, the point of order under Section 306 in the House and under Section 904(c) in the Senate of the Congressional Budget Act of 1974 shall not apply to this final bill required to carry such a provision. Finally, these adjustments shall be reflected in the reports from the Office of Management and Budget under sections 254(f) and 254(g) of the Balanced Budget and Emergency Deficit Control Act of 1985.

*Subtitle D—Automatic continuing resolution*

The Committee recognizes and shares the concern of many Americans and members regarding the annual “game of legislative chicken” that occurs surrounding the end of the fiscal year. Although the threat of a government shutdown—at least of temporary shutdowns of certain agencies and programs—is viewed by some as a necessary incentive to bring conclusion to the appropriations process, recent experiences with prolonged shutdowns have led many to seek change.

The most dramatic of recent events was the extended shutdown during the winter of 1995–1996. Despite the fact that the Congress did pass and submit to the President legislation that could have averted the closures of many federal agencies, the President’s vetoes left a gap in funding that resulted in hardship and anxiety for many families. The public responded with a call for Congress to revise the process by which the budgetary endgames are concluded.

H.R. 853 responds to that call. Section 641 of the legislation establishes an automatic continuing resolution—a fail-safe mechanism to fund programs, projects and activities of the government that are subject to annual appropriations at the prior year’s level of spending until new appropriations bills are enacted. This provision is modeled after legislation introduced persistently by Representative George Gekas (R-PA).

The Committee views this provision as offering the necessary incentives for Congress and the President to reach agreement on the annual spending bills each year, while offering some comfort to the public that failure to achieve agreement will not disrupt the proceedings of the government. By relying on prior year's funding levels, H.R. 853 encourages those seeking to spend more for a program or less for a program, or seeking to change the mix of programs, to seek to avoid the automatic continuing resolution. The Committee rejects the notion that reliance on prior year's levels will bias the process toward the status quo. Given the lengthy and often heated debates that accompany consideration of annual spending bills, and the significant differences that result from one year to the next, the Committee concludes that the fail-safe option will not be overly attractive to most people.

The Committee is aware of the concerns expressed by Members of the Appropriations Committee with regard to further complicating the important annual work that they do. The Committee intends and expects that Members and the Administration will continue to work in good faith toward achieving timely enactment of annual spending legislation. In developing this legislation, the Committee explored competing proposals for percentage reductions from prior year's levels, to make the automatic continuing resolution more "painful" in terms of cutting programs. The Committee rejected this approach, however, because it did not want to develop incentives against the annual spending process.

Section 641 of H.R. 853 should be viewed in context of the reforms made elsewhere in the bill specifically establishment of a joint budget resolution, which proposes to bring the President into the process at the beginning. With an automatic continuing resolution in place should the appropriations process break down, the President will know that failing to achieve agreement early in the process cannot yield him the advantage of threatening to shut down the government at the end of the process. This is an important leveling of the playing field with respect to leverage in the negotiations and tradeoffs of implementing the federal budget.

The Committee also recognizes that many believe that breakdowns in the appropriations process at the end of the fiscal year stem from the Appropriations Committee being granted an "initial discretionary spending allocation that is too low." The recent history of budget resolutions in the last two congresses would seem to indicate that the discretionary spending allocation was too low for the President not for the Congress. At the end of the fiscal year when omnibus appropriation measures often contain levels of discretionary spending in excess of the committee's allocation, this is usually in sharp contrast to the levels utilized during the initial individual consideration of these measures by the House and Senate. The House and Senate adopted bills within the discretionary spending allocation and then the conference committees on these bills, after negotiations with the White House, would recommend conference reports that exceed the allocation in the budget resolution. The Committee notes that requiring the Congress and the President to negotiate an overall discretionary spending level, in the context of a joint budget resolution, which would result in an agreed upon allocation of discretionary spending to the Appropria-

tions Committee, would force many of these end of the year closed-door spending spree out into the open six months earlier in the legislative process.

H.R. 853 is designed to force more Executive and Legislative Branch negotiations earlier in the budget year to create less such negotiations at the end of the budget year. Furthermore, this bill will actually move the role of the budget resolution back to its original intent—a mechanism for reaching congressional agreement on the aggregate levels of spending. It will also let the appropriations process return to its original intent—a debate over the distribution of resources among individually competing government programs.

The Committee agrees that the appropriations process should not be used as a surrogate for macro federal budget negotiations but should be focused on the micro elements of distributing limited fiscal resources among a set number of government programs, projects and activities. The Committee believes that the combination of the joint budget resolution and the automatic continuing resolution at the prior year's spending levels achieves this objective.

The Committee has recommended a revision to section 641 of the bill to remove from calculation of prior year's funding levels for purposes of the automatic continuing resolution any one-time increase to certain accounts that occur in response to emergencies.

Section 641 reinforces that fact that nothing in the automatic continuing resolution procedures shall be constructed to impact upon the government's ongoing obligations with respect to important entitlement programs such as social security, medicare and medicaid.

#### TITLE VII—BUDGETING IN AN ERA OF SURPLUSES

The PAYGO provisions of current law were first enacted in the Budget Enforcement Act 1990, at a time when deficits soared and the Congress and the President agreed that the process needed to include tougher measures to enforce fiscal discipline, particularly with respect to direct spending and revenue measures. The resulting procedures, which rely on a scorecard and the sequester process, have resulted in a debate of experience with the idea of "paying as you go" for tax cuts and new mandatory spending.

In the current budget environment, however, the era of budget surpluses demands a review of the existing procedures. The Committee believes it is necessary to modify and update PAYGO to reflect the changing times, without abandoning the structuring that are in place to prevent future deficits. It is the Committee's view that this minor process change offers the necessary flexibility for future policy decisions with respect to either tax cuts or new mandatory spending,

Title VII, therefore, establishes the procedures necessary to turn off PAYGO when there is an on-budget surplus. An on-budget surplus is defined as the amount by which receipts exceed outlays for all spending and receipt accounts that are designated as on-budget, and specifically excludes the Social Security Tax Fund.

First, title VII restate much of the PAYGO requirements in section 252 of the Balanced Budget and Emergency Deficit Control Act

of 1985 to ensure there is no sequester if there is an on-budget surplus, to require additional offsets if the on-budget surplus declines, and to clarify that the costs of all direct spending or receipts legislation are included in sequestration calculations.

The purpose of PAYGO set forth in section 252(a) of the Deficit Control Act is modified from that of assuring that direct spending and receipts legislation do not increase the deficit to that of assuring that the costs of such legislation do not exceed the on-budget deficit. Further more, the calculation of any sequester under section 252(b) of the Deficit Control Act is modified to reduce the amount of any sequester by OMB, which is determined by the net costs of all PAYGO legislation for that fiscal year, by the amount of OMB's estimate of the on-budget surplus. In other words, if the estimated on-budget surplus is larger than the net cost of all PAYGO legislation for that year there is no sequester. If the on-budget surplus is less than the costs of the legislation, then the amount of the sequester is reduced by the difference between the costs of the legislation and the amount of the PAYGO surplus.

To take a simple example, there would be no sequester, if, for a given fiscal year, legislation was enacted providing for a \$2 billion tax cut and a \$1 billion entitlement expansion if the on-budget surplus is at least \$3 billion in that same fiscal year (assuming no other direct spending or receipts legislation have been enacted). It is important to note that section 701 does not require the Congress to use the on-budget surplus to offset tax cuts. If Congress does not pass legislation that reduces revenues by the amount of the surplus, then the surplus would be implicitly used to reduce the Federal debt. Similarly, the Congress could use the surplus to offset an entitlement expansion.

Secondly, Title VII also specifies several assumptions for OMB and CBO to use in estimating the on-budget surplus, if any, in the sequester reports. First of all, these estimates are to exclude any savings or costs associated with PAYGO legislation because the budgetary effects of such legislation is already counted in the sequester calculation required under section 252(b)(2) of the Deficit Control Act. Secondly, the estimates of the on-budget surplus are to assume the enacted level of discretionary appropriations and if no such appropriations were enacted for the budget year, an amount from the prior year adjusted for inflation.

OMB is also required to re-estimate its projection of the on-budget deficit in its Preview Report which is submitted with the President's budget submission in January or early February. It is on the basis of this projection of the on-budget surplus that OMB calculates the amount of any sequester. The significance of this update is that sequestration is not held harmless in any change in the on-budget surplus to the extent that such a surplus is being used to offset the costs of enacted PAYGO legislation.

Consequently, it may be necessary to realize additional savings in order to prevent a PAYGO sequester if legislation is enacted reducing revenue or increasing direct spending that is offset with a current estimate of the surplus which is subsequently revised downward. To take another example, assume a tax bill is passed that reduces revenues by \$20 billion in each of five fiscal years. No offsets were initially necessary because the on-budget surplus ex-

ceeded the revenue loss from the tax cuts in each year. In the final year, however, the estimated on-budget surplus drops to zero. Assuming no other legislation has been enacted for that fiscal year, Congress and the Administration would have to enact \$20 billion in offsets to avoid triggering a sequester. Thus, the fiscal discipline of PAYGO and the protection of Social Security are maintained by H.R. 853.

H.R. 853 also clarifies that the estimates of the on-budget surplus do not include the outlays of the Social Security trust funds (both retirement and disability) or any other off-budget entities. By excluding these cash flows, these PAYGO changes will have no bearing on the amounts credited to the Social Security trust funds or the actuarial status of these funds.

Finally, H.R. 853 extends to the House a Senate expedited procedure for considering reconciliation legislation designed to preempt any PAYGO sequester. Under this procedure, each standing committee can submit to the Budget Committee of its House legislative alternatives to avoid such a sequester. After these standing committees have submitted such a report and not later than October 15, the House and Senate may pass a simple resolution instructing the committees to submit legislation offsetting at least part of the sequester. The standing committees are then required to report their recommendations to the Committee on the Budget, which shall report the recommendations in the form of a reconciliation bill to its House.

#### MATTERS REQUIRED UNDER THE RULES OF THE HOUSE

##### COMMITTEE VOTE

Clause 2(1)(2)(B) of rule XI requires, with respect to each record vote on a motion to report any measure or matter of a public character, and on any amendment offered to the measure or matter, each committee report to include the total number of votes cast for an against, and the names of those members voting for and against.

##### *Rules Committee Record Vote No. 47*

Date: June 23, 1999.

Measure: H.R. 853, the Comprehensive Budget Process Reform Act of 1999.

Motion By: Mr. Moakley.

Summary of Motion: To report H.R. 853 adversely.

Results: Defeated 2 to 8.

Vote By Member: Goss—Nay; Linder—Nay; Pryce—Nay; Hastings (WA)—Nay; Myrick—Nay; Sessions—Nay; Reynolds—Nays; Moakley—Yea; Frost—Yea; Dreier—Nay.

##### COMMITTEE COST ESTIMATE

Clause 2(1)(3)(B) of rule XI requires each committee report that accompanies a measure providing new budget authority, new spending authority, or new credit authority or changing revenues or tax expenditures to contain a cost estimate, as required by section 308(a)(1) of the Congressional Budget Act of 1974, as amended, and, where practicable with respect to estimates of new budget

authority, a comparison of the total estimated funding level for the relevant program (or programs) to the appropriate levels under current law.

Clause 7(a) of rule XIII requires committees to include their own cost estimates in certain committee reports, which include, when practicable, a comparison of the total estimated funding level for the relevant program (or programs) with the appropriate levels under current law.

The Committee has reviewed the cost estimate for this legislation provided by the Congressional Budget Office (CBO) and adopts that estimate as its own. Nevertheless, the Committee wishes to reinforce the explanation CBO provided for its conclusion regarding the \$566 billion in direct spending for fiscal year 2000.

CBO is required to assess direct spending implications of legislation based on a definition of direct spending as budget authority provided by law other than appropriation acts. The automatic continuing resolution envisioned by section 641 of H.R. 853 is not, strictly speaking, an appropriation act, and therefore the spending that could result from it would be considered to be direct spending for the purpose of scoring by CBO. However, the Committee notes that this is an anomaly caused by the necessities of a strict definition. In fact, spending resulting from the automatic continuing resolution would occur only if enactment of regular appropriations bills did not occur prior to the start of the fiscal year. This spending would in effect be discretionary spending—spending subject to appropriation at the prior year's levels.

#### CONGRESSIONAL BUDGET OFFICE ESTIMATES

Clause 2(1)(3)(C) of rule XI requires each committee to include a cost estimate prepared by the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget Act of 1974, if the cost estimate is timely submitted. The following is the CBO cost estimate as required:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE  
*Washington, DC, June 24, 1999.*

Hon. DAVID DREIER,  
*Chairman, Committee on Rules,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN. The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 853, the Comprehensive Budget Process Reform Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mary B. Maginniss, James R. Horney, and Priscilla M. Aycock.

Sincerely,

BARRY B. ANDERSON  
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 853—Comprehensive Budget Process Reform Act of 1999*

Summary: H.R. 853 would make a number of changes to the process used to develop, analyze, and control the federal budget. Only one provision of the bill—the automatic continuing resolution—would affect direct spending. CBO estimates that the administrative costs of implementing the proposed changes in the budget process would largely affect discretionary programs and would total about \$2 million annually, assuming appropriation of the necessary amounts. The budgetary procedures established by the bill could further alter budgetary outcomes, but any additional changes in spending or receipts would depend on future legislation.

To avoid future government shutdowns, the bill would put in place an automatic continuing resolution beginning in fiscal year 2000 that would take effect if the Congress and the President fail to agree on regular or temporary appropriation bills by October 1 of each fiscal year. The appropriation for each project or activity would be the lower of the previous year's appropriated level or the annualized level provided in the most recent continuing resolution if the regular bill for that year did not become law. By providing an automatic funding source for 2000 that would take effect without further legislative action, H.R. 853 would provide direct spending authority, and pay-as-you-go procedures would apply to the bill. CBO estimates that enacting H.R. 853 would provide budget authority of about \$566 billion in 2000, resulting in outlays of \$338 billion in 2000 and \$571 billion over the 2000–2004 period. By itself, the bill would not provide any new funding for 2001 or beyond.

H.R. 853 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on the budgets of state, local, or tribal governments.

Description of the bill's major provisions: H.R. 853 would change the budget process by:

- Converting the budget resolution into a measure that would become law;

- Creating a reserve fund for emergency spending;

- Establishing new requirements for the review and reauthorization of federal programs;

- Shifting the budgeting for federal insurance programs from a cash to an accrual basis;

- Providing for automatic continuing appropriations;

- Modifying pay-as-you-go rules to permit a tax cut or new direct spending up to the level of projected on-budget surpluses;

- Establishing a lock-box that would allow reductions in total discretionary spending if an individual appropriation bill is amended to reduce spending; and

- Requiring additional reporting on long-term budgetary trends.

Estimated cost to the Federal government: The estimated budgetary impact of H.R. 853 is shown in the following table. For the purposes of this estimate, CBO assumes the bill will be enacted by the end of fiscal year 1999. The costs of this legislation fall within multiple budget functions.

*Basis of estimate**Direct spending*

H.R. 853 would provide funding for fiscal year 2000 for projects and activities funded in 1999 appropriation acts. The appropriation provided for each project or activity would be the amount sufficient to continue funding for that project and activity at the level of operations provided in 1999 appropriation acts. Upon enactment of an applicable regular appropriation bill or a continuing resolution for 2000, the appropriation for a project or activity provided by H.R. 853 would no longer be available.

	By fiscal year, in millions of dollars—				
	2000	2001	2002	2003	2004
CHANGES IN DIRECT SPENDING					
Estimated budget authority .....	566	0	0	0	0
Estimated outlays <sup>1</sup> .....	338	131	60	30	12
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization level					
Specified .....	1	1	1	1	1
Estimated .....	1	1	1	1	1
Total .....	2	2	2	2	2
Estimated Outlays .....	1	2	2	2	2

<sup>1</sup> Outlays include amounts for transportation programs that are controlled by annual obligation limitations set in appropriation acts. Such limitations are not considered budget authority.

Because scorekeeping guidelines adopted by the Congress and the Administration require that estimates of a bill not take into account possible future legislation, and no regular appropriation bills or continuing resolution for 2000 have been enacted, CBO estimates the effect that H.R. 853 would have if no appropriation bills providing funding for 2000 are enacted. In addition, though H.R. 853 would provide funding for discretionary programs, budget authority provided by law other than appropriation acts is defined as direct spending for purposes of budget enforcement. (If the same provisions were enacted in an appropriation bill, the resulting spending would be considered discretionary.)

CBO estimates that continuing projects and activities funded in 1999 appropriations acts would require new budget authority of about \$566 billion in 2000. (This figure does not include almost \$10 billion already enacted as advance appropriations for 2000.) CBO estimates that the new budget authority for 2000 would result in outlays of \$338 billion in 2000 and about \$571 billion over the 2000–2004 period.

H.R. 853 also would establish an automatic continuing resolution at the previous year's level in the absence of regular appropriations for a given year. Because the appropriations for 2001 (and beyond) provided by H.R. 853 are contingent on future appropriation bills, H.R. 853 by itself would not provide any new funding for 2001 or any subsequent years. Under the provisions of H.R. 853, however, enactment of an appropriation bill for a given year would trigger appropriations for the following year to continue the projects and activities funded for the preceding fiscal year in the appropriation acts.

*Spending subject to appropriation*

Title V would change the budgetary treatment of federal insurance from a cash to an accrual basis. To allow the Office of Management and Budget (OMB), CBO, and the various agencies with operating responsibilities for insurance programs sufficient time to develop, test, and revise the models needed to implement the change, the bill would provide a lengthy transition, delaying full implementation until fiscal year 2006. H.R. 853 would authorize the appropriation of \$600,000 for each fiscal year 2000 through 2005 for OMB and the 11 agencies responsible for administering the insurance programs affected by title V.

In addition, the bill would impose other new requirements on OMB and on Congressional staff, including the General Accounting Office, CBO, the budget committees, and the appropriations committees. CBO estimates these costs would total about \$1 million annually, assuming appropriation of the necessary amounts.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. The bill would not affect governmental receipts.

By fiscal year, in billions of dollars—	1999	2000	2001	2002	2003	2004
Changes in outlays .....	0	338	131	60	30	12
Changes in receipts .....			Not applicable			

Intergovernmental and private-sector impact: H.R. 853 contains no intergovernmental mandates as defined in UMRA and would impose no costs on the budgets of state, local, or tribal governments.

Previous CBO estimate: On June 23, 1999, CBO prepared a cost estimate for H.R. 853, as ordered reported by the House Committee on the Budget on June 17, 1999. The Rules Committee deleted procedures in title II allowing emergency spending in excess of amounts in the proposed reserve fund.

Estimate prepared by: Mary B. Maginniss; James R. Horney; Priscilla M. Aycock.

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

## CONSTITUTIONAL AUTHORITY

Clause 2(1)(4) of rule XI requires each committee report on a bill or joint resolution of a public character to include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution. The Committee cites Article 1, Section 5, paragraph 2 which grants each House of Congress the authority to determine the rules of its proceedings.

## FEDERAL MANDATES

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution that includes any Federal mandate to include specific information about such

mandates. The Committee states that H.R. 853 does not include any Federal mandate.

#### PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution to include a committee statement on the extent to which the bill or joint resolution is intended to preempt state or local law. The Committee states that H.R. 853 is not intended to preempt any state or local law.

#### OVERSIGHT FINDINGS

Clause 2(1)(3)(A) of rule XI requires each committee report to contain oversight findings and recommendations required pursuant to clause 2(b)(1) of rule X. Clause 2(b)(1) of rule X calls on each standing committee, other than the Committees on Appropriations and Budget, to review and study the effectiveness of laws and other matters within its jurisdiction. The oversight findings and recommendations of the Committee on Rules are reflected in the body of this report.

Under clause 3(i) of rule X the Committee on Rules has the function of reviewing and studying, on a continuing basis, the congressional budget process and to report its findings and recommendations to the House from time to time. Under this authority the Committee recommends the passage of H.R. 853 as means to improve the effectiveness of the congressional budget process.

#### OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Clause 2(1)(3)(D) of rule XI requires each committee report to contain a summary of the oversight findings and recommendations made by the Government Reform and Oversight Committee pursuant to clause 4(c)(2) of rule X, whenever such findings have been timely submitted.

The Committee has received no such findings or recommendations.

#### COMPARATIVE PRINT

Clauses 3(e) (1) and (2) of rule XIII require each committee report on a bill or joint resolution proposing to repeal or amend a statute or part of a statute to include the text of the statute or part that is proposed to be repealed and a comparative print showing the changes proposed to the statute.

Clause 4(d) of rule XI requires that, whenever the Committee on Rules reports a resolution amending or repealing the Rules of the House of Representatives, the accompanying report must contain a comparative print showing the changes in existing rules proposed to be made by the resolution.

H.R. 853, as amended, makes the following changes in existing law and the rules of the House.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974**

SHORT TITLES; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLES.—This Act may be cited as the “Congressional Budget and Impoundment Control Act of 1974”. Titles I through IX may be cited as the “Congressional Budget Act of 1974”. Parts A and B of title X may be cited as the “Impoundment Control Act of 1974”. Part C of title X may be cited as the “Line Item Veto Act of 1996”.

(b) TABLE OF CONTENTS.—

Sec. 1. Short titles; table of contents.

\* \* \* \* \*

TITLE III—CONGRESSIONAL BUDGET PROCESS

- Sec. 300. Timetable.
  - Sec. 301. Annual [adoption of concurrent resolution] *joint resolutions* on the budget.
  - Sec. 302. Committee allocations.
  - [Sec. 303. Concurrent resolution on the budget must be adopted before budget-related legislation is considered.]
  - Sec. 303. Consideration of budget-related legislation before budget becomes law.*
  - Sec. 304. Permissible revisions of [concurrent] *budget resolutions* [on the budget].
  - Sec. 305. Procedures relating to consideration of [concurrent] *joint resolutions* on the budget.
- \* \* \* \* \*
- Sec. 316. Expedited procedures upon veto of joint resolution on the budget.*
  - Sec. 317. Emergencies.*
  - Sec. 318. Spending accountability lock-box ledger.*

TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

PART A—GENERAL PROVISIONS

- [Sec. 401. Budget-related legislation not subject to appropriations.]
  - Sec. 401. Fixed-year authorizations required for direct spending.*
- \* \* \* \* \*

TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS

- Sec. 601. Short title.*
  - Sec. 602. Budgetary treatment.*
  - Sec. 603. Timetable for implementation of accrual budgeting for Federal insurance programs.*
  - Sec. 604. Definitions.*
  - Sec. 605. Authorizations to enter into contracts; actuarial cost account.*
  - Sec. 606. Effective date.*
- \* \* \* \* \*

DECLARATION OF PURPOSES

SEC. 2. The Congress declares that it is essential—  
 [(1) to assure effective congressional control over the budgetary process;

【(2) to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures;】  
 (1) *to assure effective control over the budgetary process;*  
 (2) *to facilitate the determination each year of the appropriate level of Federal revenues and expenditures by the Congress and the President;*

\* \* \* \* \*

DEFINITIONS

SEC. 3. IN GENERAL.—For purposes of this Act—

(1) \* \* \*

\* \* \* \* \*

(4) The term “【concurrent】 *joint* resolution on the budget” means—

(A) a 【concurrent】 *joint* resolution setting forth the congressional budget for the United States Government for a fiscal year as provided in section 301; and

(B) any other 【concurrent】 *joint* resolution revising the congressional budget for the United States Government for a fiscal year as described in section 304.

\* \* \* \* \*

(11) *The term “direct spending” has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.*

(12)(A) *The term “emergency” means a situation that—*

(i) *requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and*

(ii) *is unanticipated.*

(B) *As used in subparagraph (A), the term “unanticipated” means that the situation is—*

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

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

(iii) *unforeseen, which means not predicted or anticipated as an emerging need; and*

(iv) *temporary, which means not of a permanent duration.*

TITLE II—CONGRESSIONAL BUDGET OFFICE

\* \* \* \* \*

DUTIES AND FUNCTIONS

SEC. 202. (a) \* \* \*

\* \* \* \* \*

(e) REPORTS TO BUDGET COMMITTEES.—

(1) On or before February 15 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate, a report for the fiscal year com-

mencing on October 1 of that year, with respect to fiscal policy, including (A) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits) *compared to comparable levels for the current year*, (B) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year *compared to comparable levels for the current year*, and (C) a statement of the levels of budget authority and outlays for each program assumed to be extended in the baseline, as provided in section 257(b)(2)(A) and for excise taxes assumed to be extended under section 257(b)(2)(C) of the Balanced Budget and Emergency Deficit Control Act of 1985. *Such report shall also include a table on sources of spending growth in total direct spending for the budget year and the ensuing 9 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.* Such report shall also include a discussion of national budget priorities, including alternative ways of allocating new budget authority and budget outlays for such fiscal year among major programs or functional categories, taking into account how such alternative allocations will meet major national needs and affect balanced growth and development of the United States. *Such report shall also include an analysis based upon current law for every fifth year of the period of 75 fiscal years beginning with such fiscal year, of the estimated levels of total new budget authority and total budget outlays, estimated revenues, estimated surpluses and deficits, and, for social security, medicare, medicaid, and all other direct spending, estimated levels of total new budget authority and total budget outlays. The report described in the preceding sentence shall also specify its underlying assumptions and set forth a sensitivity analysis of factors that have a significant effect on the projections made in the report.*

\* \* \* \* \*

TITLE III—CONGRESSIONAL BUDGET PROCESS

TIMETABLE

[SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

<b>[On or before:</b>	<b>Action to be completed:</b>
First Monday in February .....	President submits his budget.
February 15 .....	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after President submits budget.	Committees submit views and estimates to Budget Committees.
April 1 .....	Senate Budget Committee reports concurrent resolution on the budget.
April 15 .....	Congress completes action on concurrent resolution on the budget.
May 15 .....	Annual appropriation bills may be considered in the House.

<b>[On or before:</b>	<b>Action to be completed:</b>
June 10 .....	House Appropriations Committee reports last annual appropriation bill.
June 15 .....	Congress completes action on reconciliation legislation.
June 30 .....	House completes action on annual appropriation bills.
October 1 .....	Fiscal year begins.】

*TIMETABLE*

*SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:*

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

ANNUAL **[ADOPTION OF CONCURRENT RESOLUTION] JOINT RESOLUTIONS ON THE BUDGET**

**SEC. 301. (a) CONTENT OF [CONCURRENT] JOINT RESOLUTION ON THE BUDGET.**—On or before April 15 of each year, the Congress shall complete action on a [concurrent] joint resolution on the budget for the fiscal year beginning on October 1 of such year. The [concurrent] joint resolution shall set forth appropriate levels for the fiscal year beginning on October 1 of such year and for at least each of the 4 ensuing fiscal years for the following—

(1) \* \* \*

\* \* \* \* \*

**[(4) new budget authority and outlays for each major functional category, based on allocations of the total levels set forth pursuant to paragraph (1);]**

*(4) subtotals of new budget authority and outlays for non-defense discretionary spending, defense discretionary spending, direct spending (excluding interest), and interest; and for fiscal years to which the amendments made by title II of the Comprehensive Budget Process Reform Act of 1999 apply, subtotals of new budget authority and outlays for emergencies;*

\* \* \* \* \*

(7) For purposes of Senate enforcement under this title, revenues of the old-age, survivors, and disability insurance program established under title II of the Social Security Act (and the related provisions of the Internal Revenue Code of 1986)

for the fiscal year of the resolution and for each of the 4 succeeding fiscal years.

The **concurrent** *joint* resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.

(b) **ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.**—The concurrent resolution on the budget may—

(1) set forth, if required by subsection (f), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved;

**[(2) include reconciliation directives described in section 310;]**

*(2) if submitted by the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate to the Committee on the Budget of that House of Congress, amend section 3101 of title 31, United States Code, to change the statutory limit on the public debt;*

(3) require a procedure under which all or certain bills or resolutions providing new budget authority or new entitlement authority for such fiscal year shall not be enrolled until the Congress has completed action on any reconciliation bill or reconciliation resolution or both required by such concurrent resolution to be reported in accordance with section 310(b);

**[(4) set forth such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act;]**

*(4) require such other congressional procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act;*

(5) include a heading entitled “Debt Increase as Measure of Deficit” in which the concurrent resolution shall set forth the amounts by which the debt subject to limit (in section 3101 of title 31 of the United States Code) has increased or would increase in each of the relevant fiscal years;

**[(6) include a heading entitled “Display of Federal Retirement Trust Fund Balances” in which the concurrent resolution shall set forth the balances of the Federal retirement trust funds;]**

**[(7)]** (6) set forth procedures in the Senate whereby committee allocations, aggregates, and other levels can be revised for legislation if that legislation would not increase the deficit, or would not increase the deficit when taken with other legislation enacted after the adoption of the resolution, for the first fiscal year or the total period of fiscal years covered by the resolution;

**[(8) set forth procedures to effectuate pay-as-you-go in the House of Representatives; and]**

**[(9) set forth direct loan obligation and primary loan guarantee commitment levels.]**

(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—If the Committee on the Budget of the House of Representatives reports any **[concurrent]** *joint* resolution on the budget which includes any procedure or matter which has the effect of changing any rule of the House of Representatives, such **[concurrent]** *joint* resolution shall then be referred to the Committee on Rules with instructions to report it within five calendar days (not counting any day on which the House is not in session). The Committee on Rules shall have jurisdiction to report any **[concurrent]** *joint* resolution referred to it under this paragraph with an amendment or amendments changing or striking out any such procedure or matter.

\* \* \* \* \*

(e) HEARINGS AND REPORT.—

(1) IN GENERAL.—In developing the **[concurrent]** *joint* resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (d) may be considered by the Committee on the Budget of each House as part of its consideration of such **[concurrent]** *joint* resolution, and its report may reflect its views thereon, including its views on how the estimates of revenues and levels of budget authority and outlays set forth in such **[concurrent]** *joint* resolution are designed to achieve any goals it is recommending. *The basis of deliberations in developing such joint resolution shall be the estimated budgetary levels for the preceding fiscal year. Any budgetary levels pending before the committee and the text of the joint resolution shall be accompanied by a document comparing such levels or such text to the estimated levels of the prior fiscal year. Any amendment offered in the committee that changes a budgetary level and is based upon a specific policy assumption for a program, project, or activity shall be accompanied by a document indicating the estimated amount for such program, project, or activity in the current year.*

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

(A) *new budget authority and outlays for each major functional category, based on allocations of the total levels set forth pursuant to subsection (a)(1);*

**[(A)]** (B) a comparison of the levels of total new budget authority, total outlays, total revenues, and the surplus or deficit for each fiscal year set forth in the resolution with those requested in the budget submitted by the President;

**[(B)]** (C) with respect to each major functional category, an estimate of total new budget authority and total outlays, with the estimates divided between discretionary and **[mandatory]** *direct spending* amounts;

*(D) a measure, as a percentage of gross domestic product, of total outlays, total Federal revenues, the surplus or deficit, and new outlays for nondefense discretionary spending, defense spending, and direct spending as set forth in such resolution;*

[(C)] *(E) the economic assumptions that underlie each of the matters set forth in the resolution and any alternative economic assumptions and objectives the committee considered;*

[(D)] *(F) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the resolution;*

*(G) if the joint resolution on the budget includes any allocation to a committee (other than the Committee on Appropriations) of levels in excess of current law levels, a justification for not subjecting any program, project, or activity (for which the allocation is made) to annual discretionary appropriations;*

[(E)] *(H) the estimated levels of tax expenditures (the tax expenditures budget) by major items and functional categories for the President's budget and in the resolution; and*

[(F)] *(I) allocations described in section 302(a)[.]; and (J) a comparison of levels for the current fiscal year with proposed spending and revenue levels for the subsequent fiscal years along with the proposed increase or decrease of spending in percentage terms for each function.*

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

*(A) reconciliation directives described in section 310;*

[(A)] *(B) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments;*

[(B)] *(C) an allocation of the level of Federal revenues recommended in the resolution among the major sources of such revenues;*

[(C)] *information, data, and comparisons on the share of total Federal budget outlays and of gross domestic product devoted to investment in the budget submitted by the President and in the resolution;*

[(D)] *the assumed levels of budget authority and outlays for public buildings, with a division between amounts for construction and repair and for rental payments; and*

[(E)] *(D) other matters, relating to the budget and to fiscal policy, that the committee deems appropriate.*

(f) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

(1) If, pursuant to section 4(c) of the Employment Act of 1946, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the [concurrent] joint resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by

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

(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or in its most recent action pursuant to this paragraph, the **[concurrent]** *joint* resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

\* \* \* \* \*

(g) ECONOMIC ASSUMPTIONS.—

(1) It shall not be in order in the Senate to consider any **[concurrent]** *joint* resolution on the budget for a fiscal year, or any amendment thereto, or any conference report thereon, that sets forth amounts and levels that are determined on the basis of more than one set of economic and technical assumptions.

(2) The joint explanatory statement accompanying a conference report on a **[concurrent]** *joint* resolution on the budget shall set forth the common economic assumptions upon which such joint statement and conference report are based, or upon which any amendment contained in the joint explanatory statement to be proposed by the conferees in the case of technical disagreement, is based.

(3) Subject to periodic reestimation based on changed economic conditions or technical estimates, determinations under titles III and IV of the Congressional Budget Act of 1974 shall be based upon such common economic and technical assumptions.

\* \* \* \* \*

(i) SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the Senate to consider any **[concurrent]** *joint* resolution on the budget (or amendment, motion, or conference report on the resolution) that would decrease the excess of social security revenues over social security outlays in any of the fiscal years covered by the **[concurrent]** *joint* resolution. No change in chapter 1 of the Internal Revenue Code of 1986 shall be treated as affecting the amount of social security revenues unless such provision changes the income tax treatment of social security benefits.

COMMITTEE ALLOCATIONS

SEC. 302. (a) COMMITTEE SPENDING ALLOCATIONS.—

(1) ALLOCATION AMONG COMMITTEES.—The joint explanatory statement accompanying a conference report on a **[concurrent]** *joint* resolution on the budget shall include an allocation, consistent with the resolution recommended in the conference report, of the levels for the first fiscal year of the resolution, for

at least each of the ensuing 4 fiscal years, and a total for that period of fiscal years (except in the case of the Committee on Appropriations only for the fiscal year of that resolution) of—

(A) \* \* \*

\* \* \* \* \*

[(5) ADJUSTING ALLOCATION OF DISCRETIONARY SPENDING IN THE HOUSE OF REPRESENTATIVES.—(A) If a concurrent resolution on the budget is not adopted by April 15, the chairman of the Committee on the Budget of the House of Representatives shall submit to the House, as soon as practicable, an allocation under paragraph (1) to the Committee on Appropriations consistent with the discretionary spending levels in the most recently agreed to concurrent resolution on the budget for the appropriate fiscal year covered by that resolution.

[(B) As soon as practicable after an allocation under paragraph (1) is submitted under this section, the Committee on Appropriations shall make suballocations and report those suballocations to the House of Representatives.]

(5) *JUSTIFICATION OF CERTAIN SPENDING ALLOCATIONS.*—*The joint explanatory statement accompanying a conference report on a joint resolution on the budget that includes any allocation to a committee (other than the Committee on Appropriations) of levels in excess of current law levels shall set forth a justification for not subjecting any program, project, or activity (for which the allocation is made) to annual discretionary appropriation.*

(6) *ADJUSTMENT OF ALLOCATIONS.*—*Upon the engrossment of Senate amendments to any appropriation bill (as defined in section 318(d)) for a fiscal year, the amounts allocated under paragraph (1) or (2) to the Committee on Appropriations of each House upon the adoption of the most recent joint resolution on the budget for that fiscal year shall be adjusted downward by the amounts credited to the applicable Joint House-Senate Lock-box Balance under section 318(c)(2). The revised levels of new budget authority and outlays shall be submitted to each House by the chairman of the Committee on the Budget of that House and shall be printed in the Congressional Record.*

(b) *SUBALLOCATIONS BY APPROPRIATIONS COMMITTEES.*—As soon as practicable after a [concurrent] joint resolution on the budget is [agreed to] enacted, the Committee on Appropriations of each House (after consulting with the Committee on Appropriations of the other House) shall suballocate each amount allocated to it for the budget year under subsection (a) among its subcommittees. Each Committee on Appropriations shall promptly report to its House suballocations made or revised under this subsection. The Committee on Appropriations of the House of Representatives shall further divide among its subcommittees the divisions made under subsection (a)(3)(B) and promptly report those divisions to the House. *Whenever an adjustment is made under subsection (a)(7) to an allocation under that subsection, the Committee on Appropriations of each House shall make downward adjustments in the most recent suballocations of new budget authority and outlays under this subparagraph to the appropriate subcommittees of that committee in the total amounts of those adjustments under section*

318(c)(2). *The revised suballocations shall be submitted to each House by the chairman of the Committee on Appropriations of that House and shall be printed in the Congressional Record.*

\* \* \* \* \*

(d) **SUBSEQUENT [CONCURRENT] JOINT RESOLUTIONS.**—In the case of a [concurrent] *joint* resolution on the budget referred to in section 304, the allocations under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the [most recently agreed to concurrent resolution on the budget] *most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable)*.

\* \* \* \* \*

(f) **LEGISLATION SUBJECT TO POINT OF ORDER.**—

(1) \* \* \*

(2) **IN THE SENATE.**—After a [concurrent] *joint* resolution on the budget is [agreed to] *enacted*, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause—

(A) \* \* \*

\* \* \* \* \*

(g) **PAY-AS-YOU-GO EXCEPTION IN THE HOUSE.**—

(1) **IN GENERAL.**—(A) Subsection (f)(1) [and, after April 15, section 303(a)] shall not apply to any bill or joint resolution, as reported, amendment thereto, or conference report thereon if, for each fiscal year covered by the [most recently agreed to concurrent resolution on the budget] *most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable)*—

(i) \* \* \*

\* \* \* \* \*

would not increase the deficit, and, if the sum of any revenue increases provided in legislation already enacted during the current session (when added to revenue increases, if any, in excess of any outlay increase provided by the legislation proposed for consideration) is at least as great as the sum of the amount, if any, by which the aggregate level of Federal revenues should be increased as set forth in that [concurrent] *joint* resolution and the amount, if any, by which revenues are to be increased pursuant to pay-as-you-go procedures under section 301(b)(8), if included in that [concurrent] *joint* resolution.

(B) Section 311(a), as that section applies to revenues, shall not apply to any bill, joint resolution, amendment thereto, or conference report thereon if, for each fiscal year covered by the most recently [agreed to concurrent] *enacted joint* resolution on the budget—

(i) \* \* \*

\* \* \* \* \*

would not increase the deficit, and, if the sum of any outlay reductions provided in legislation already enacted during the current session (when added to outlay reductions, if any, in excess

of any revenue reduction provided by the legislation proposed for consideration) is at least as great as the sum of the amount, if any, by which the aggregate level of Federal outlays should be reduced as required by that **concurrent** joint resolution and the amount, if any, by which outlays are to be reduced pursuant to pay-as-you-go procedures under section 301(b)(8), if included in that **concurrent** joint resolution.

(2) REVISED ALLOCATIONS.—(A) \* \* \*

(B) Such revised allocations, functional levels, and budget aggregates shall be considered for the purposes of this Act as allocations, functional levels, and budget aggregates contained in the **most recently agreed to concurrent resolution on the budget** most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable).

**CONCURRENT JOINT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE BUDGET-RELATED LEGISLATION IS CONSIDERED**

*CONSIDERATION OF BUDGET-RELATED LEGISLATION BEFORE BUDGET BECOMES LAW*

SEC. 303. (a) IN GENERAL.—Until the **concurrent** joint resolution on the budget for a fiscal year has been **agreed to** enacted, it shall not be in order in the House of Representatives, with respect to the first fiscal year covered by that resolution, or the Senate, with respect to any fiscal year covered by that resolution, to consider any bill or joint resolution, amendment or motion thereto, or conference report thereon that—

(1) \* \* \*

\* \* \* \* \*

(b) EXCEPTIONS IN THE HOUSE.— In the House of Representatives, subsection (a) does not apply—

(1) **[(A)]** to any bill or joint resolution, as reported, providing advance discretionary new budget authority that first becomes available for the first or second fiscal year after the budget year; or

**[(B)]** (2) to any bill or joint resolution, as reported, first increasing or decreasing revenues in a fiscal year following the fiscal year to which the **concurrent** joint resolution applies[;].

**[(2)]** after May 15, to any general appropriation bill or amendment thereto; or

**[(3)]** to any bill or joint resolution unless it is reported by a committee.]

(c) APPLICATION TO APPROPRIATION MEASURES IN THE SENATE.—

(1) IN GENERAL.—Until the **concurrent** joint resolution on the budget for a fiscal year has been **agreed to** enacted and an allocation has been made to the Committee on Appropriations of the Senate under section 302(a) for that year, it shall not be in order in the Senate to consider any appropriation bill or joint resolution, amendment or motion thereto, or conference report thereon for that year or any subsequent year.

\* \* \* \* \*

【PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE  
BUDGET

【SEC. 304. At any time after the concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises or reaffirms the concurrent resolution on the budget for such fiscal year most recently agreed to.】

*PERMISSIBLE REVISIONS OF BUDGET RESOLUTIONS*

*SEC. 304. At any time after the joint resolution on the budget for a fiscal year has been enacted pursuant to section 301, and before the end of such fiscal year, the two Houses and the President may enact a joint resolution on the budget which revises or reaffirms the joint resolution on the budget for such fiscal year most recently enacted. If a concurrent resolution on the budget has been agreed to pursuant to section 316, then before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises or reaffirms the concurrent resolution on the budget for such fiscal year most recently agreed to.*

PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT  
RESOLUTIONS ON THE BUDGET

SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.—

(1) When a 【concurrent】 *joint* resolution on the budget has been reported by the Committee on the Budget of the House of Representatives and has been referred to the appropriate calendar of the House, it shall be in order on any day thereafter, subject to clause 2(1)(6) of rule XI of the Rules of the House of Representatives, to move to proceed to the consideration of the 【concurrent】 *joint* resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any 【concurrent】 *joint* resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, plus such additional hours of debate as are consumed pursuant to paragraph (3). A motion further to limit debate is not debatable. A motion to recommit the 【concurrent】 *joint* resolution is not in order, and it is not in order to move to reconsider the vote by which the 【concurrent】 *joint* resolution is agreed to or disagreed to.

(3) Following the presentation of opening statements on the 【concurrent】 *joint* resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

(4) Only if a 【concurrent】 *joint* resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and (4)(b) of the Full Employment Act of 1946) which the estimates,

amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

(5) Consideration of any **[concurrent]** *joint* resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be considered for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

(6) Debate in the House of Representatives on the conference report on any **[concurrent]** *joint* resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(7) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any **[concurrent]** *joint* resolution on the budget shall be decided without debate.

(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—

(1) Debate in the Senate on any **[concurrent]** *joint* resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that with respect to any **[concurrent]** *joint* resolution referred to in section 304(a) all such debate shall be limited to not more than 15 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to a **[concurrent]** *joint* resolution on the budget shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the **[concurrent]** *joint* resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the **[concurrent]** *joint* resolution, except that in the event the manager of the **[concurrent]** *joint* resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his des-

ignee. No amendment that is not germane to the provisions of such **【concurrent】** *joint* resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the **【concurrent】** *joint* resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) Following the presentation of opening statements on the **【concurrent】** *joint* resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic goals and policies.

(4) Subject to the other limitations of this Act, only if a **【concurrent】** *joint* resolution on the budget reported by the Committee on the Budget of the Senate sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

(5) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the **【concurrent】** *joint* resolution.

(6) Notwithstanding any other rule, an amendment or series of amendments to a **【concurrent】** *joint* resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such **【concurrent】** *joint* resolution so as to make such **【concurrent】** *joint* resolution mathematically consistent or so as to maintain such consistency.

(c) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

(1) A motion to proceed to the consideration of the conference report on any **【concurrent】** *joint* resolution on the budget (or a reconciliation bill or resolution) may be made even though a previous motion to the same effect has been disagreed to.

(2) During the consideration in the Senate of the conference report (or a message between Houses) on any **【concurrent】** *joint* resolution on the budget, and all amendments in disagreement, and all amendments thereto, and debatable motions and appeals in connection therewith, debate shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report (or a message between Houses) shall be limited to 1 hour, to be equally divided between, and controlled by, the

mover and the manager of the conference report (or a message between Houses).

\* \* \* \* \*

(d) **【CONCURRENT】** *JOINT Resolution Must be Consistent in the Senate.*—It shall not be in order in the Senate to vote on the question of agreeing to—

(1) a **【concurrent】** *joint* resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

(2) a conference report on a **【concurrent】** *joint* resolution on the budget unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

(e) *LIMITATION ON CONTENTS.*—(1) *It shall not be in order in the House of Representatives or in the Senate to consider any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter referred to in paragraph (2).*

(2) *Any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter not permitted in section 301(a) or (b) shall not be treated in the House of Representatives or the Senate as a budget resolution under subsection (a) or (b) or as a conference report on a budget resolution under subsection (c) of this section.*

(f) *POINT OF ORDER REGARDING EMERGENCY RESERVE FUND.*—*It shall not be in order in the House of Representatives or in the Senate to consider an amendment to a joint resolution on the budget (or concurrent resolution on the budget, as the case may be) which changes the amount of budget authority and outlays set forth in section 301(a)(4) for emergency reserve fund.*

\* \* \* \* \*

#### REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

SEC. 308. (a) **REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY OR PROVIDING AN INCREASE OR DECREASE IN REVENUES OR TAX EXPENDITURES.**—

(1) Whenever a committee of either House reports to its House a bill or joint resolution, or committee amendment thereto, providing new budget authority (other than continuing appropriations) or providing an increase or decrease in revenues or tax expenditures for a fiscal year (or fiscal years), the report accompanying that bill or joint resolution shall contain a statement, or the committee shall make available such a statement in the case of an approved committee amendment which is not reported to its House, prepared after consultation with the Director of the Congressional Budget Office—

(A) comparing the levels in such measure to the appropriate allocations in the reports submitted under section 302(b) for the **【most recently agreed to concurrent resolution on the budget】** *most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable)* for such fiscal year (or fiscal years);

(B) containing a projection by the Congressional Budget Office of how such measure will affect the levels of such budget authority, budget outlays, revenues, or tax expenditures under existing law for such fiscal year (or fiscal years) and each of the **four** *nine* ensuing fiscal years, *and shall include a comparison of those levels to comparable levels for the current fiscal year* if timely submitted before such report is filed; and

\* \* \* \* \*

(b) UP-TO-DATE TABULATIONS OF CONGRESSIONAL BUDGET ACTION.—

(1) The Director of the Congressional Budget Office shall issue to the committees of the House of Representatives and the Senate reports on at least a monthly basis detailing and tabulating the progress of congressional action on bills and joint resolutions providing new budget authority or providing an increase or decrease in revenues or tax expenditures for each fiscal year covered by a **concurrent** *joint* resolution on the budget. Such reports shall include but are not limited to an up-to-date tabulation comparing the appropriate aggregate and functional levels (including outlays) included in the most recently adopted **concurrent** *joint* resolution on the budget with the levels provided in bills and joint resolutions reported by committees or adopted by either House or by the Congress, and with the levels provided by law for the fiscal year preceding the first fiscal year covered by the appropriate **concurrent** *joint* resolution. *Such reports shall also include an up-to-date tabulation of the amounts contained in the ledger and each entry established by section 318(a).*

(2) The Committee on the Budget of each House shall make available to Members of its House summary budget scorekeeping reports. Such reports—

(A) shall be made available on at least a monthly basis, but in any case frequently enough to provide Members of each House an accurate representation of the current status of congressional consideration of the budget;

(B) shall include, but are not limited to summaries of tabulations provided under subsection (b)(1); **and**

(C) shall be based on information provided under subsection (b)(1) without substantive revision~~...~~; *and*

(D) shall include an up-to-date tabulation of amounts remaining in the reserve fund for emergencies.

The chairman of the Committee on the Budget of the House of Representatives shall submit such reports to the Speaker.

\* \* \* \* \*

RECONCILIATION

SEC. 310. (a) INCLUSION OF RECONCILIATION DIRECTIVES IN **CONCURRENT** *JOINT EXPLANATORY STATEMENT ACCOMPANYING CONFERENCE REPORT ON JOINT* Resolutions on the Budget.—**A** *The joint explanatory statement accompanying the conference report on a concurrent joint resolution on the budget for any fiscal year,*

to the extent necessary to effectuate the provisions and requirements of such resolution, shall—

(1) \* \* \*

\* \* \* \* \*

(b) LEGISLATIVE PROCEDURE.—~~【If】~~ *If the joint explanatory statement accompanying the conference report on a 【concurrent】 joint resolution containing directives to one or more committees to determine and recommend changes in laws, bills, or resolutions is 【agreed to】 enacted in accordance with subsection (a), and—*

(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House reconciliation legislation containing such recommendations; or

(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations and submit such recommendations to the Committee on the Budget of its House, which upon receiving all such recommendations, shall report to its House reconciliation legislation carrying out all such make in order amendments to achieve changes specified by reconciliation directives contained in a 【concurrent】 *joint* resolution on the budget if a committee or committees of the House fail to submit recommended changes to its Committee on the Budget pursuant to its instruction.

(c) COMPLIANCE WITH RECONCILIATION DIRECTIONS.—(1) Any committee of the House of Representatives or the Senate that is directed, pursuant to *the joint explanatory statement accompanying the conference report on a 【concurrent】 joint resolution on the budget*, to determine and recommend changes of the type described in paragraphs (1) and (2) of subsection (a) with respect to laws within its jurisdiction, shall be deemed to have complied with such directions—

(A) if—

(i) the amount of the changes of the type described in paragraph (1) of such subsection recommended by such committee do not exceed or fall below the amount of the changes such committee was directed by such 【concurrent】 *joint* resolution to recommend under that paragraph by more than—

(I) \* \* \*

\* \* \* \* \*

(ii) the amount of the changes of the type described in paragraph (2) of such subsection recommended by such committee do not exceed or fall below the amount of the changes such committee was directed by such 【concurrent】 *joint* resolution to recommend under that paragraph by more than—

(I) \* \* \*

\* \* \* \* \*

(2)(A) \* \* \*

\* \* \* \* \*

(C) Allocations, functional levels, and aggregates revised pursuant to this paragraph shall be considered to be allocations, functional levels, and aggregates contained in the **【concurrent】** *joint* resolution on the budget pursuant to section 301.

(D) Upon the filing of revised allocations pursuant to this paragraph, the reporting committee shall report revised allocations pursuant to section 302(b) to carry out this subsection.

(d) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

(1) It shall not be in order in the House of Representatives to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution (for the fiscal years covered by the reconciliation instructions set forth in the **【most recently agreed to concurrent resolution on the budget】** *most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable)*), or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution (for such fiscal years), unless such amendment makes at least an equivalent reduction in other specific budget outlays, an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years), except that a motion to strike a provision providing new budget authority or new entitlement authority may be in order.

\* \* \* \* \*

(5) The Committee on Rules of the House of Representatives may make in order amendments to achieve changes specified by reconciliation directives contained in a **【concurrent】** *joint* resolution on the budget if a committee or committees of the House fail to submit recommended changes to its Committee on the Budget pursuant to its instruction.

(e) PROCEDURE IN THE SENATE.—

(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of **【concurrent】** *joint* resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills reported under subsection (b) and conference reports thereon.

\* \* \* \* \*

(f) COMPLETION OF RECONCILIATION PROCESS.—It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period of more than three calendar days during the month of July until the House of Representatives has completed action on the reconciliation legislation for the fiscal year beginning on October 1 of the calendar year to which the adjournment resolution pertains, if reconciliation legislation is required to be reported by the **【concurrent】** *joint* resolution on the budget for such fiscal year.

[(g) LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.—Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304, or a joint resolution pursuant to section 258C of the Balanced Budget and Emergency Deficit Control Act of 1985, or any amendment thereto or conference report thereon, that contains recommendations with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.]

BUDGET-RELATED LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

SEC. 311. (a) ENFORCEMENT OF BUDGET AGGREGATES.—

(1) IN THE HOUSE OF REPRESENTATIVES.—Except as provided by subsection (c), after the Congress has completed action on a [concurrent] *joint* resolution on the budget for a fiscal year, it shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority or reducing revenues, if—

- (A) the enactment of that bill or resolution as reported;
- (B) the adoption and enactment of that amendment; or
- (C) the enactment of that bill or resolution in the form recommended in that conference report;

would cause the level of total new budget authority or total outlays set forth in the applicable [concurrent] *joint* resolution on the budget for the first fiscal year to be exceeded, or would cause revenues to be less than the level of total revenues set forth in that [concurrent] *joint* resolution for the first fiscal year or for the total of that first fiscal year and the ensuing fiscal years for which allocations are provided under section 302(a), except when a declaration of war by the Congress is in effect.

(2) IN THE SENATE.—After a [concurrent] *joint* resolution on the budget is [agreed to] *enacted*, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that—

- (A) \* \* \*

\* \* \* \* \*

(3) ENFORCEMENT OF SOCIAL SECURITY LEVELS IN THE SENATE.—After a [concurrent] *joint* resolution on the budget is [agreed to] *enacted*, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in social security surpluses or an increase in social security deficits relative to the levels set forth in the applicable resolution for the first fiscal year or for the total of that fiscal year and the ensuing fiscal years for which allocations are provided under section 302(a).

\* \* \* \* \*

DETERMINATIONS AND POINTS OF ORDER

SEC. 312. (a) \* \* \*

\* \* \* \* \*

(c) MAXIMUM DEFICIT AMOUNT POINT OF ORDER IN THE SENATE.—It shall not be in order in the Senate to consider any **[concurrent]** *joint* resolution on the budget for a fiscal year, or to consider any amendment to that **[concurrent]** *joint* resolution, or to consider a conference report on that **[concurrent]** *joint* resolution, if—

- (1) the level of total outlays for the first fiscal year set forth in that **[concurrent]** *joint* resolution or conference report exceeds; or

\* \* \* \* \*

(e) POINTS OF ORDER IN THE SENATE AGAINST AMENDMENTS BETWEEN THE HOUSES.—Each provision of this Act, *except for section 313*, that establishes a point of order against an amendment also establishes a point of order in the Senate against an amendment between the Houses. If a point of order under this Act is raised in the Senate against an amendment between the Houses and the point of order is sustained, the effect shall be the same as if the Senate had disagreed to the amendment.

\* \* \* \* \*

EXTRANEOUS MATTER IN RECONCILIATION LEGISLATION

SEC. 313. (a) \* \* \*

\* \* \* \* \*

(c) EXTRANEOUS MATERIALS.—Upon the reporting or discharge of a reconciliation bill or resolution pursuant to section 310 in the Senate, **[and again upon the submission of a conference report on such a reconciliation bill or resolution,]** the Committee on the Budget of the Senate shall submit for the record a list of material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of this section to the instructions of a committee as provided in this section. The inclusion or exclusion of a provision shall not constitute a determination of extraneousness by the Presiding Officer of the Senate.

**[(d) CONFERENCE REPORTS.—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a reconciliation bill or reconciliation resolution pursuant to section 310, upon—**

- [(1) a point of order being made by any Senator against extraneous material meeting the definition of subsections (b)(1)(A), (b)(1)(B), (b)(1)(D), (b)(1)(E), or (b)(1)(F), and**

**[(2) such point of order being sustained,** such material contained in such conference report or amendment shall be deemed stricken, and the Senate shall proceed, without intervening action or motion, to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House

amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable for two hours. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.]

[(e)] (d) GENERAL POINT OF ORDER.—Notwithstanding any other law or rule of the Senate, it shall be in order for a Senator to raise a single point of order that several provisions of a bill, resolution, amendment[, motion, or conference report], or *motion* violate this section. The Presiding Officer may sustain the point of order as to some or all of the provisions against which the Senator raised the point of order. If the Presiding Officer so sustains the point of order as to some of the provisions (including provisions of an amendment[, motion, or conference report] or *motion*) against which the Senator raised the point of order, then only those provisions (including provisions of an amendment[, motion, or conference report] or *motion*) against which the Presiding Officer sustains the point of order shall be deemed stricken pursuant to this section. Before the Presiding Officer rules on such a point of order, any Senator may move to waive such a point of order as it applies to some or all of the provisions against which the point of order was raised. Such a motion to waive is amendable in accordance with the rules and precedents of the Senate. After the Presiding Officer rules on such a point of order, any Senator may appeal the ruling of the Presiding Officer on such a point of order as it applies to some or all of the provisions on which the Presiding Officer ruled.

#### ADJUSTMENTS

##### SEC. 314. (a) ADJUSTMENTS.—

(1) \* \* \*

(2) MATTERS TO BE ADJUSTED.—The adjustments referred to in paragraph (1) are to be made to—

(A) the discretionary spending limits, if any, set forth in the appropriate [concurrent] *joint* resolution on the budget;

(B) the allocations made pursuant to the appropriate [concurrent] *joint* resolution on the budget pursuant to section 302(a); and

(C) the budgetary aggregates as set forth in the appropriate [concurrent] *joint* resolution on the budget.

(b) AMOUNTS OF ADJUSTMENTS.—The adjustment referred to in subsection (a) shall be—

[(1)] an amount provided and designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985;]

[(2)] (1) an amount provided for continuing disability reviews subject to the limitations in section 251(b)(2)(C) of that Act;

[(3)] (2) for any fiscal year through 2002, an amount provided that is the dollar equivalent of the Special Drawing Rights with respect to—

(A) \* \* \*

\* \* \* \* \*

[(4)] (3) an amount provided not to exceed \$1,884,000,000 for the period of fiscal years 1998 through 2000 for arrearages for international organizations, international peacekeeping, and multilateral development banks;

[(5)] (4) an amount provided for an earned income tax credit compliance initiative but not to exceed—

(A) \* \* \*

\* \* \* \* \*

(E) with respect to fiscal year 2002, \$146,000,000 in new budget authority; [or]

[(6)] (5) in the case of an amount for adoption incentive payments (as defined in section 251(b)(2)(G) of the Balanced Budget and Emergency Deficit Control Act of 1985) for fiscal year 1999, 2000, 2001, 2002, or 2003 for the Department of Health and Human Services, an amount not to exceed \$20,000,000[.];  
or

(6) the amount provided in an Act making discretionary appropriations for the program for which an offset was designated pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 and any outlays flowing therefrom, but not to exceed the amount of the designated decrease in direct spending for that year for that program in a prior law.

\* \* \* \* \*

(d) [REPORTING] REVISED SUBALLOCATIONS.—Following any adjustment made under subsection (a), *the chairmen of the Committees on Appropriations of the Senate and the House of Representatives [may report] shall make and have published in the Congressional Record* appropriately revised suballocations under section 302(b) to carry out this section. *For purposes of considering amendments (other than for amounts for emergencies covered by subsection (b)(1)), suballocations shall be deemed to be so adjusted.*

\* \* \* \* \*

(f) ADJUSTMENT IN AUTHORIZING COMMITTEE'S ALLOCATIONS BY AMOUNT OF DIRECT SPENDING OFFSET.—*After the reporting of a bill or joint resolution (by a committee other than the Committee on Appropriations), or the offering of an amendment thereto or the submission of a conference report thereon, that contains a provision that decreases direct spending for any fiscal year and that is designated as an offset pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the chairman of the Committee on the Budget shall reduce the allocations of new budget authority and outlays made to such committee under section 302(a)(1) by the amount so designated.*

EFFECT OF ADOPTION OF A SPECIAL ORDER OF BUSINESS IN THE HOUSE OF REPRESENTATIVES

SEC. 315. For purposes of a [reported] bill or joint resolution considered in the House of Representatives pursuant to a special order of business, the term “as reported” in this title or title IV shall be considered to refer to the text made in order as an original

bill or joint resolution for the purpose of amendment or to the text on which the previous question is ordered directly to passage, as the case may be.

*EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET*

*SEC. 316. (a) SPECIAL RULE.—If the President vetoes a joint resolution on the budget for a fiscal year, the majority leader of the House of Representatives or Senate (or his designee) may introduce a concurrent resolution on the budget or joint resolution on the budget for such fiscal year. If the Committee on the Budget of either House fails to report such concurrent or joint resolution referred to it within five calendar days (excluding Saturdays, Sundays, or legal holidays except when that House of Congress is in session) after the date of such referral, the committee shall be automatically discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar.*

*(b) PROCEDURE IN THE HOUSE OF REPRESENTATIVES AND THE SENATE.—*

*(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the House of Representatives and in the Senate of joint resolutions on the budget and conference reports thereon shall also apply to the consideration of concurrent resolutions on the budget introduced under subsection (a) and conference reports thereon.*

*(2) Debate in the Senate on any concurrent resolution on the budget or joint resolution on the budget introduced under subsection (a), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours and in the House such debate shall be limited to not more than 3 hours.*

*(c) CONTENTS OF CONCURRENT RESOLUTIONS.—Any concurrent resolution on the budget introduced under subsection (a) shall be in compliance with section 301.*

*(d) EFFECT OF CONCURRENT RESOLUTION ON THE BUDGET.—Notwithstanding any other provision of this title, whenever a concurrent resolution on the budget described in subsection (a) is agreed to, then the aggregates, allocations, and reconciliation directives (if any) contained in the report accompanying such concurrent resolution or in such concurrent resolution shall be considered to be the aggregates, allocations, and reconciliation directives for all purposes of sections 302, 303, and 311 for the applicable fiscal years and such concurrent resolution shall be deemed to be a joint resolution for all purposes of this title and the Rules of the House of Representatives and any reference to the date of enactment of a joint resolution on the budget shall be deemed to be a reference to the date agreed to when applied to such concurrent resolution.*

*EMERGENCIES*

*SEC. 317. (a) ADJUSTMENTS.—*

*(1) IN GENERAL.—After the reporting of a bill or joint resolution or the submission of a conference report thereon that provides budget authority for any emergency as identified pursuant*

to subsection (c), the Committee on the Budget of the House of Representatives or the Senate shall—

(A) determine and certify, pursuant to the guidelines referred to in section 204 of the Comprehensive Budget Process Reform Act of 1999, the portion (if any) of the amount so specified that is for an emergency within the meaning of section 3(12); and

(B) make the adjustment set forth in paragraph (2) for the amount of new budget authority (or outlays) in that measure and the outlays flowing from that budget authority.

(2) **MATTERS TO BE ADJUSTED.**—The adjustments referred to in paragraph (1) are to be made to the allocations made pursuant to the appropriate joint resolution on the budget (or concurrent resolution on the budget, as the case may be) pursuant to section 302(a) and shall be in an amount not to exceed the amount reserved for emergencies pursuant to the requirements of subsection (b).

(b) **RESERVE FUND FOR EMERGENCIES.**—

(1) **AMOUNTS.**—The amount set forth in the reserve fund for emergencies for budget authority and outlays for a fiscal year pursuant to section 301(a)(4) shall equal—

(A) the average of the enacted levels of budget authority for emergencies in the 5 fiscal years preceding the current year; and

(B) the average of the levels of outlays for emergencies in the 5 fiscal years preceding the current year flowing from the budget authority referred to in subparagraph (A), but only in the fiscal year for which such budget authority first becomes available for obligation.

(2) **AVERAGE LEVELS.**—For purposes of paragraph (1), the amount used for a fiscal year to calculate the average of the enacted levels when one or more of such 5 preceding fiscal years is any of fiscal years 1994 through 1998 is as follows: the amount of enacted levels of budget authority and the amount of new outlays flowing therefrom for emergencies, but only in the fiscal year for which such budget authority first becomes available for obligation for each of such 5 fiscal years, which shall be determined by the Committees on the Budget of the House of Representatives and the Senate after receipt of a report on such matter transmitted to such committees by the Director of the Congressional Budget Office 6 months after the date of enactment of this section and thereafter in February of each calendar year.

(c) **COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.**—Whenever any committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition

of an emergency pursuant to the guidelines referred to in section 204 of the Comprehensive Budget Process Reform Act of 1999.

SPENDING ACCOUNTABILITY LOCK-BOX LEDGER

SEC. 318. (a) *ESTABLISHMENT OF LEDGER.*—The chairman of the Committee on the Budget of the House of Representatives and the chairman on the Committee on the Budget of the Senate shall each maintain a ledger to be known as the “Spending Accountability Lock-box Ledger”. The Ledger shall be divided into entries corresponding to the subcommittees of the Committees on Appropriations. Each entry shall consist of three components: the “House Lock-box Balance”; the “Senate Lock-box Balance”; and the “Joint House-Senate Lock-box Balance”.

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

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

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

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

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

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

(2)(A) Except as provided by subparagraph (B), the chairmen of the Committees on the Budget shall, upon the engrossment of any appropriation bill by the House of Representatives and upon the engrossment of Senate amendments to that bill, credit to the applicable entry balance of that House amounts of new budget authority and outlays equal to the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by that House to that bill.

(B) When computing the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the House of Representatives or the Senate to an appropriation bill, the chairmen of the Committees on the Budget shall only count those portions of such amendments agreed to that were so designated by the Members offering such amendments as amounts to be credited to the House or Senate Lock-box Balance, as applicable, or that fall within the last sentence of paragraph (1).

(3) The chairmen of the Committees on the Budget shall, upon the engrossment of Senate amendments to any appropriation bill, credit to the applicable Joint House-Senate Lock-box Balance the amounts of new budget authority and outlays equal to—

(A) an amount equal to one-half of the sum of (i) the amount of new budget authority in the House Lock-box Balance plus (ii)

*the amount of new budget authority in the Senate Lock-box Balance for that subcommittee; and*

*(B) an amount equal to one-half of the sum of (i) the amount of outlays in the House Lock-box Balance plus (ii) the amount of outlays in the Senate Lock-box Balance for that subcommittee.*

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

*(d) DEFINITION.—As used in this section, the term “appropriation bill” means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.*

*(e) TALLY DURING HOUSE CONSIDERATION.—The chairman of the Committee on the Budget of the House of Representatives shall maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported. This tally shall be available to Members in the House of Representatives during consideration of any appropriations bill by the House.*

#### TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

##### PART A—GENERAL PROVISIONS

###### 【BUDGET-RELATED LEGISLATION NOT SUBJECT TO APPROPRIATIONS】

###### FIXED-YEAR AUTHORIZATIONS REQUIRED FOR DIRECT SPENDING

SEC. 401. 【(a) CONTROLS ON CERTAIN BUDGET-RELATED LEGISLATION NOT SUBJECT TO APPROPRIATIONS.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or joint resolution (in the House of Representatives only, as reported), amendment, motion, or conference report that provides—

【(1) new authority to enter into contracts under which the United States is obligated to make outlays;

【(2) new authority to incur indebtedness (other than indebtedness incurred under chapter 31 of title 31 of the United States Code) for the repayment of which the United States is liable; or

【(3) new credit authority;

unless that bill, joint resolution, amendment, motion, or conference report also provides that the new authority is to be effective for any fiscal year only to the extent or in the amounts provided in advance in appropriation Acts.

【(b) LEGISLATION PROVIDING NEW ENTITLEMENT AUTHORITY.—

【(1) POINT OF ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or joint resolution (in the House of Representatives only, as reported), amendment, motion, or conference report that provides new entitlement authority that is to become effective during the current fiscal year.

【(2) If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new entitlement authority which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations of the Senate or may then be referred to the Committee on Appropriations of the House, as the case may be, with instructions to report it, with the committee's recommendations, within 15 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations of either House fails to report a bill or resolution referred to it under this paragraph within such 15-day period, the committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

【(3) The Committee on Appropriations of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (2) with an amendment which limits the total amount of new spending authority provided in such bill or resolution.】

*(a) LIMITATION ON DIRECT SPENDING.—It shall not be in order in the House of Representatives or in the Senate to consider a bill or joint resolution, or an amendment, motion, or conference report that provides direct spending for a new program, unless such spending is limited to a period of 10 or fewer fiscal years.*

【(c)】 (b) EXCEPTIONS.—

(1) 【Subsections (a) and (b)】 *Subsection (a)* shall not apply to new spending authority if the budget authority for outlays which will result from such new spending authority is derived—

(A) \* \* \*

\* \* \* \* \*

(2) 【Subsections (a) and (b)】 *Subsection (a)* shall not apply to new authority described in those subsections to the extent that—

(A) \* \* \*

\* \* \* \* \*

ANALYSIS BY CONGRESSIONAL BUDGET OFFICE

SEC. 402. The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), *or conference report thereon*, and submit to such committee—

(1) an estimate of the costs which would be incurred in carrying out such 【bill or resolution】 *bill, joint resolution, or con-*

*ference report* in the fiscal year in which it is to become effective and in each of the **[4]** *nine* fiscal years following such fiscal year, together with the basis for each such estimate;

(2) a comparison of the estimates of costs described in paragraph (1), with any available estimates of costs made by such committee or by any Federal agency; **[and]**

(3) a description of each method for establishing a Federal financial commitment contained in such bill or resolution**[.]**; *and*

(4) *A determination of whether such bill, joint resolution, or conference report provides direct spending.*

The estimates, comparison, and description so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed, *or in the case of a conference report, shall be included in the joint explanatory statement of managers accompanying such conference report if timely submitted before such report is filed .*

\* \* \* \* \*

STUDY BY THE GENERAL ACCOUNTING OFFICE OF FORMS OF FEDERAL FINANCIAL COMMITMENT THAT ARE NOT REVIEWED ANNUALLY BY CONGRESS

SEC. 404. The General Accounting Office shall study those provisions of law which provide mandatory spending and report to the Congress its recommendations for the appropriate form of financing for activities or programs financed by such provisions not later than eighteen months after the effective date of this section. **[Such report shall be revised from time to time.]** *Such report shall be revised at least once every five years and shall be transmitted to the chairman and ranking minority member of each committee of the House of Representatives and the Senate.*

OFF-BUDGET AGENCIES, PROGRAMS, AND ACTIVITIES

SEC. 405. (a) Notwithstanding any other provision of law, budget authority, credit authority, and estimates of outlays and receipts for activities of the Federal budget which are off-budget immediately prior to the date of enactment of this section, not including activities of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, shall be included in a budget submitted pursuant to section 1105 of title 31, United States Code, and in a **[concurrent]** *joint* resolution on the budget reported pursuant to section 301 or section 304 of this Act and shall be considered, for purposes of this Act, budget authority, outlays, and spending authority in accordance with definitions set forth in this Act.

\* \* \* \* \*

## **TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS**

### **SEC. 601. SHORT TITLE.**

This title may be cited as the “Federal Insurance Budgeting Act of 1999”.

### **SEC. 602. BUDGETARY TREATMENT.**

(a) **PRESIDENT’S BUDGET.**—Beginning with fiscal year 2006, the budget of the Government pursuant to section 1105(a) of title 31, United States Code, shall be based on the risk-assumed cost of Federal insurance programs.

(b) **BUDGET ACCOUNTING.**—For any Federal insurance program—

(1) the program account shall—

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

(B) pay actual insurance program administrative costs;

(2) the financing account shall—

(A) receive premiums and other income,

(B) pay all claims for insurance and receive all recoveries,

(C) transfer to the program account on not less than an annual basis amounts necessary to pay insurance program administrative costs;

(3) a negative risk-assumed cost shall be transferred from the financing account to the program account, and shall be transferred from the program account to the general fund; and

(4) all payments by or receipts of the financing accounts shall be treated in the budget as a means of financing.

(c) **APPROPRIATIONS REQUIRED.**—(1) Notwithstanding any other provision of law, insurance commitments may be made for fiscal year 2006 and thereafter only to the extent that new budget authority to cover their risk-assumed cost is provided in advance in an appropriation Act.

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

(3) Paragraph (1) shall not apply to Federal insurance programs that constitute entitlements.

(d) **REESTIMATES.**—The risk-assumed cost for a fiscal year shall be reestimated in each subsequent year. Such reestimate can equal zero. In the case of a positive reestimate, the amount of the reestimate shall be paid from the program account to the financing account. In the case of a negative reestimate, the amount of the reestimate shall be paid from the financing account to the program account, and shall be transferred from the program account to the general fund. Reestimates shall be displayed as a distinct and separately identified subaccount in the program account.

(e) **ADMINISTRATIVE EXPENSES.**—All funding for an agency’s administration of a Federal insurance program shall be displayed as a distinct and separately identified subaccount in the program account.

**SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL BUDGETING FOR FEDERAL INSURANCE PROGRAMS.**

(a) **AGENCY REQUIREMENTS.**—Agencies with responsibility for Federal insurance programs shall develop models to estimate their risk-assumed cost by year through the budget horizon and shall submit those models, all relevant data, a justification for critical assumptions, and the annual projected risk-assumed costs to OMB with their budget requests each year starting with the request for fiscal year 2002. Agencies will likewise provide OMB with annual estimates of modifications, if any, and reestimates of program costs.

(b) **DISCLOSURE.**—When the President submits a budget of the Government pursuant to section 1105(a) of title 31, United States Code, for fiscal year 2002, OMB shall publish a notice in the Federal Register advising interested persons of the availability of information describing the models, data (including sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it or other executive branch entities would use to estimate the risk-assumed cost of Federal insurance programs and giving such persons an opportunity to submit comments. At the same time, the chairman of the Committee on the Budget shall publish a notice for CBO in the Federal Register advising interested persons of the availability of information describing the models, data (including sources), and critical assumptions (including explicit or implicit discount rate assumptions) that it would use to estimate the risk-assumed cost of Federal insurance programs and giving such interested persons an opportunity to submit comments.

(c) **REVISION.**—(1) After consideration of comments pursuant to subsection (b), and in consultation with the Committees on the Budget of the House of Representatives and the Senate, OMB and CBO shall revise the models, data, and major assumptions they would use to estimate the risk-assumed cost of Federal insurance programs.

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

(d) **DISPLAY.**—

(1) **IN GENERAL.**—For fiscal years 2003, 2004, and 2005 the budget submissions of the President pursuant to section 1105(a) of title 31, United States Code, and CBO's reports on the economic and budget outlook pursuant to section 202(e)(1) and the President's budgets, shall for display purposes only, estimate the risk-assumed cost of existing or proposed Federal insurance programs.

(2) **OMB.**—The display in the budget submissions of the President for fiscal years 2003, 2004, and 2005 shall include—

(A) a presentation for each Federal insurance program in budget-account level detail of estimates of risk-assumed cost;

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

(C) an alternate summary table of budget functions and aggregates using risk-assumed rather than cash-based cost estimates for Federal insurance programs.

(3) CBO.—In the second session of the 107th Congress and the 108th Congress, CBO shall include in its estimates under section 308, for display purposes only, the risk-assumed cost of existing Federal insurance programs, or legislation that CBO, in consultation with the Committees on the Budget of the House of Representatives and the Senate, determines would create a new Federal insurance program.

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

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

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

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

(C) The appropriateness of the explicit or implicit discount rate used in the various risk-assumed estimation models.

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

(E) The ability of OMB, CBO, or GAO, as applicable, to secure any data or information directly from any Federal agency necessary to enable it to carry out this title.

(F) The relationship between risk-assumed accrual budgeting for Federal insurance programs and the specific requirements of the Balanced Budget and Emergency Deficit Control Act of 1985.

(G) Whether Federal budgeting is improved by the inclusion of risk-assumed cost estimates for Federal insurance programs.

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

#### **SEC. 604. DEFINITIONS.**

For purposes of this title:

(1) The term “Federal insurance program” means a program that makes insurance commitments and includes the list of such programs included in the joint explanatory statement of managers accompanying the conference report on the Comprehensive Budget Process Reform Act of 1999.

(2) The term “insurance commitment” means an agreement in advance by a Federal agency to indemnify a nonfederal entity against specified losses. This term does not include loan guarantees as defined in title V or benefit programs such as so-

cial security, medicare, and similar existing social insurance programs.

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

(B) The cash flows associated with an insurance commitment include—

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

(ii) net premiums (expected premium collections received from or on behalf of the insured less expected administrative expenses);

(iii) expected recoveries; and

(iv) expected changes in claims, premiums, or recoveries resulting from the exercise by the insured of any option included in the insurance commitment.

(C) The cost of a modification is the difference between the current estimate of the net present value of the remaining cash flows under the terms of the insurance commitment, and the current estimate of the net present value of the remaining cash flows under the terms of the insurance commitment as modified.

(D) The cost of a reestimate is the difference between the net present value of the amount currently required by the financing account to pay estimated claims and other expenditures and the amount currently available in the financing account. The cost of a reestimate shall be accounted for in the current year in the budget of the Government pursuant to section 1105(a) of title 31, United States Code.

(E) For purposes of this definition, expected administrative expenses shall be construed as the amount estimated to be necessary for the proper administration of the insurance program. This amount may differ from amounts actually appropriated or otherwise made available for the administration of the program.

(4) The term “program account” means the budget account for the risk-assumed cost, and for paying all costs of administering the insurance program, and is the account from which the risk-assumed cost is disbursed to the financing account.

(5) The term “financing account” means the nonbudget account that is associated with each program account which receives payments from or makes payments to the program account, receives premiums and other payments from the public, pays insurance claims, and holds balances.

(6) The term “modification” means any Government action that alters the risk-assumed cost of an existing insurance commitment from the current estimate of cash flows. This includes any action resulting from new legislation, or from the exercise of administrative discretion under existing law, that directly or indirectly alters the estimated cost of existing insurance commitments.

(7) The term “model” means any actuarial, financial, econometric, probabilistic, or other methodology used to estimate the

expected frequency and magnitude of loss-producing events, expected premiums or collections from or on behalf of the insured, expected recoveries, and administrative expenses.

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

(9) The term “OMB” means the Director of the Office of Management and Budget.

(10) The term “CBO” means the Director of the Congressional Budget Office.

(11) The term “GAO” means the Comptroller General of the United States.

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

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$600,000 for each of fiscal years 2000 through 2005 to the Director of the Office of Management and Budget and each agency responsible for administering a Federal program to carry out this title.

(b) TREASURY TRANSACTIONS WITH THE FINANCING ACCOUNTS.—The Secretary of the Treasury shall borrow from, receive from, lend to, or pay the insurance financing accounts such amounts as may be appropriate. The Secretary of the Treasury may prescribe forms and denominations, maturities, and terms and conditions for the transactions described above. The authorities described above shall not be construed to supersede or override the authority of the head of a Federal agency to administer and operate an insurance program. All the transactions provided in this subsection shall be subject to the provisions of subchapter II of chapter 15 of title 31, United States Code. Cash balances of the financing accounts in excess of current requirements shall be maintained in a form of uninvested funds, and the Secretary of the Treasury shall pay interest on these funds.

(c) APPROPRIATION OF AMOUNT NECESSARY TO COVER RISK-ASSUMED COST OF INSURANCE COMMITMENTS AT TRANSITION DATE.—

(1) A financing account is established on September 30, 2005, for each Federal insurance program.

(2) There is appropriated to each financing account the amount of the risk-assumed cost of Federal insurance commitments outstanding for that program as of the close of September 30, 2005.

(3) These financing accounts shall be used in implementing the budget accounting required by this title.

**SEC. 606. EFFECTIVE DATE.**

(a) IN GENERAL.—This title shall take effect immediately and shall expire on September 30, 2007.

(b) SPECIAL RULE.—If this title is not reauthorized by September 30, 2007, then the accounting structure and budgetary treatment of Federal insurance programs shall revert to the accounting structure and budgetary treatment in effect immediately before the date of enactment of this title.

**TITLE VII—PROGRAM REVIEW AND EVALUATION**

\* \* \* \* \*

CONTINUING STUDY OF ADDITIONAL BUDGET REFORM PROPOSALS

SEC. 703. (a) The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis proposals designed to improve and facilitate methods of congressional budgetmaking. The proposals to be studied shall include, but are not limited to, proposals for—

(1) \* \* \*

\* \* \* \* \*

(3) establishing maximum and minimum time limitations for program authorization; **[and]**

(4) developing techniques of human resource accounting and other means of providing noneconomic as well as economic evaluation measures~~...~~; *and*

(5) *evaluating whether existing programs, projects, and activities should be subject to discretionary appropriations and establishing guidelines for subjecting new or expanded programs, projects, and activities to annual appropriation and recommend any necessary changes in statutory enforcement mechanisms and scoring conventions to effectuate such changes.*

(b) The Committee on the Budget of each House shall, **[from time to time]** *during the One Hundred Sixth Congress*, report to its House the results of the study carried on by it under subsection (a), together with its recommendations.

\* \* \* \* \*

TITLE IX—MISCELLANEOUS PROVISIONS; EFFECTIVE DATES

\* \* \* \* \*

EXERCISE OF RULEMAKING POWERS

SEC. 904. (a) \* \* \*

\* \* \* \* \*

(c) WAIVERS.—

(1) PERMANENT.—Sections 303(a), 305(b)(2), 305(c)(4), 305(e), 305(f), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

\* \* \* \* \*

(d) APPEALS.—

(1) PROCEDURE.—Appeals in the Senate from the decisions of the Chair relating to any provision of title III or IV or section 1017 shall, except as otherwise provided therein, be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, **[concurrent]** *joint* resolution, reconciliation bill, or rescission bill, as the case may be.

(2) PERMANENT.—An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point

of order raised under sections 303(a), 305(b)(2), 305(c)(4), 305(e), 305(f), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act.

\* \* \* \* \*

**TITLE 31, UNITED STATES CODE**

\* \* \* \* \*

**Subtitle II—The Budget Process**

\* \* \* \* \*

**CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION**

\* \* \* \* \*

**§ 1105. Budget contents and submission to Congress**

(a) [On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information.] *On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year which shall set forth the following levels:*

(A) *totals of new budget authority and outlays;*

(B) *total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;*

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

(D) *subtotals of new budget authority and outlays for non-defense discretionary spending, defense discretionary spending, direct spending, and interest; and for fiscal years to which the amendments made by title II of the Comprehensive Budget Process Reform Act of 1999 apply, subtotals of new budget authority and outlays for emergencies; and*

(E) *the public debt.*

*Each budget submission shall include a budget message and summary and supporting information and, as a separately delineated statement, the levels required in the preceding sentence for at least each of the 9 ensuing fiscal years. THE PRESIDENT SHALL INCLUDE IN EACH BUDGET SUBMISSION THE FOLLOWING:*

(1) \* \* \*

\* \* \* \* \*

[(5) except as provided in subsection (b) of this section, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year.

[(6) estimated receipts of the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year under—

- [(A) laws in effect when the budget is submitted; and
- [(B) proposals in the budget to increase revenues.]

(5) *except as provided in subsection (b) of this section, estimated expenditures and appropriations for the current year and estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years following that year, and, except for detailed budget estimates, the percentage change from the current year to the fiscal year for which the budget is submitted for estimated expenditures and for appropriations.*

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

- (A) *laws in effect when the budget is submitted; and*
- (B) *proposals in the budget to increase revenues,*

*and the percentage change (in the case of each category referred to in subparagraphs (A) and (B)) between the current year and the fiscal year for which the budget is submitted and between the current year and each of the 9 fiscal years after the fiscal year for which the budget is submitted.*

\* \* \* \* \*

[(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

[(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted; and

[(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect.]

(12) *for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—*

(A) *the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted;*

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

(C) *the estimated amount for the same activity or function, if any, in the current fiscal year,*

*and, except for detailed budget estimates, the percentage change (in the case of each category referred to in subparagraphs (A), (B), and (C)) between the current year and the fiscal year for which the budget is submitted.*

\* \* \* \* \*

(18) a comparison of the total amount of *new budget authority* and budget outlays for the prior fiscal year, estimated in the budget submitted for that year, for each major program

having relatively uncontrollable outlays with the total amount of outlays for that program in that year.

\* \* \* \* \*

(33) a justification for not subjecting each new program, project, or activity to discretionary appropriations.

(34) an analysis based upon current law and an analysis based upon the policy assumptions underlying the budget submission for every fifth year of the period of 75 fiscal years beginning with such fiscal year, of the estimated levels of total new budget authority and total budget outlays, estimated revenues, estimated surpluses and deficits, and, for social security, medicare, medicaid, and all other direct spending, estimated levels of total new budget authority and total budget outlays; and a specification of its underlying assumptions and a sensitivity analysis of factors that have a significant effect on the projections made in each analysis; and a comparison of the effects of each of the two analyses on the economy, including such factors as inflation, foreign investment, interest rates, and economic growth.

(35) a comparison of levels of estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.

(36) a table on sources of growth in total direct spending under current law and as proposed in this budget submission for the budget year and the ensuing 9 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.

\* \* \* \* \*

(f) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared in a manner consistent with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 that apply to that and subsequent fiscal years. *Such budget submission shall also comply with the requirements of section 317(b) of the Congressional Budget Act of 1974 and, in the case of any budget authority requested for an emergency, such submission shall include a detailed justification of why such emergency is an emergency within the meaning of section 3(12) of the Congressional Budget Act of 1974.*

\* \* \* \* \*

**§ 1109. Current programs and activities estimates**

(a) On or before the first Monday after January 3 of each year (on or before February 5 in 1986), the President shall submit to both Houses of Congress the estimated budget outlays and proposed budget authority that would be included in the budget for the following fiscal year if programs and activities of the United States Government were carried on during that year at the same

level as the current fiscal year without a change in policy. *For discretionary spending, these estimates shall assume the levels set forth in the discretionary spending limits under section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted, for the appropriate fiscal years (and if no such limits are in effect, these estimates shall assume the adjusted levels for the most recent fiscal year for which such levels were in effect).* The President shall state the estimated budget outlays and proposed budget authority by function and subfunction under the classifications in the budget summary table under the heading “Budget Authority and Outlays by Function and Agency”, by major programs in each function, and by agency. The President also shall include a statement of the economic and program assumptions on which those budget outlays and budget authority are based, including inflation, real economic growth, and unemployment rates, program caseloads, and pay increases.

\* \* \* \* \*

**CHAPTER 13—APPROPRIATIONS**

SUBCHAPTER I—GENERAL

Sec.						
1301.	Application.	*	*	*	*	*
1311.	Continuing appropriations.	*	*	*	*	*

**Subchapter I—General**

**§ 1311. Continuing appropriations**

(a)(1) *If any regular appropriation bill for a fiscal year does not become law prior to the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there is appropriated, out of any moneys in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any program, project, or activity for which funds were provided in the preceding fiscal year—*

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

*(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.*

(2)(A) *Except as provided by subparagraph (B), appropriations and funds made available, and authority granted, for a program, project, or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the rate of operations provided for in the regular appropriation Act providing for such program, project, or activity for the preceding fiscal year, or in the absence of such an Act, the rate of operations provided for such program, project, or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year (but not including amounts for such program, project, or activity designated as*

an emergency for that fiscal year before the date of enactment of this section).

(B) The applicable rate of operations for a program, project, or activity pursuant to this section shall exclude amounts—

(i) for which any adjustment was made under section 251(b)(2)(A) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 before the date of enactment of this section; or

(ii) for which any adjustment is made under section 251(b)(2)(D) or (E) of such Act.

(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a program, project, or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such program, project, or activity) or a continuing resolution making appropriations becomes law, as the case may be, or

(B) the last day of such fiscal year.

(b) An appropriation or funds made available, or authority granted, for a program, project, or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such program, project, or activity under current law.

(c) Appropriations and funds made available, and authority granted, for any program, project, or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such program, project, or activity during the portion of such fiscal year for which this section applies to such program, project, or activity.

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

(e) This section shall not apply to a program, project, or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

(1) makes an appropriation, makes funds available, or grants authority for such program, project, or activity to continue for such period, or

(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such program, project, or activity to continue for such period; or

(f) For purposes of this section, the term “regular appropriation bill” means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of programs, projects, and activities:

- (1) *Agriculture, rural development, and related agencies programs.*
- (2) *The Departments of Commerce, Justice, and State, the judiciary, and related agencies.*
- (3) *The Department of Defense.*
- (4) *The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.*
- (5) *The Departments of Labor, Health and Human Services, and Education, and related agencies.*
- (6) *The Department of Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.*
- (7) *Energy and water development.*
- (8) *Foreign assistance and related programs.*
- (9) *The Department of the Interior and related agencies.*
- (10) *Military construction.*
- (11) *The Department of Transportation and related agencies.*
- (12) *The Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies.*
- (13) *The legislative branch.*

\* \* \* \* \*

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**RULES OF THE HOUSE OF REPRESENTATIVES**

\* \* \* \* \*

**RULE X**

**ORGANIZATION OF COMMITTEES**

***Committees and their legislative jurisdictions***

1. There shall be in the House the following standing committees, each of which shall have the jurisdiction and related functions assigned by this clause and clauses 2, 3, and 4. All bills, resolutions, and other matters relating to subjects within the jurisdiction of the standing committees listed in this clause shall be referred to those committees, in accordance with clause 2 of rule XII, as follows:

(a) \* \* \*

\* \* \* \* \*

(e) **Committee on the Budget.**

(1) **[Concurrent]** *Joint* resolutions on the budget (as defined in section 3(4) of the Congressional Budget Act of 1974), other matters required to be referred to the committee under titles III and IV of that Act, and other measures setting forth appropriate levels of budget totals for the United States Government.

\* \* \* \* \*

**General oversight responsibilities**

2. (a) \* \* \*

\* \* \* \* \*

(d)(1) Not later than February 15 of the first session of a Congress, each standing committee shall, in a meeting that is open to the public and with a quorum present, adopt its oversight plan for that Congress. Such plan shall be submitted simultaneously to the Committee on Government Reform and to the Committee on House Administration. In developing its plan each committee shall, to the maximum extent feasible—

(A) \* \* \*

[(B) give priority consideration to including in its plan the review of those laws, programs, or agencies operating under permanent budget authority or permanent statutory authority; and

[(C) have a view toward ensuring that all significant laws, programs, or agencies within its jurisdiction are subject to review every 10 years.]

*(B) provide in its plans a specific timetable for its review of those laws, programs, or agencies within its jurisdiction, including those that operate under permanent budget authority or permanent statutory authority and such timetable shall demonstrate that each law, program, or agency within the committee's jurisdiction will be reauthorized at least once every ten years.*

\* \* \* \* \*

**Additional functions of committees**

4. (a)(1) \* \* \*

[(2) Pursuant to section 401(b)(2) of the Congressional Budget Act of 1974, when a committee reports a bill or joint resolution that provides new entitlement authority as defined in section 3(9) of that Act, and enactment of the bill or joint resolution, as reported, would cause a breach of the committee's pertinent allocation of new budget authority under section 302(a) of that Act, the bill or joint resolution may be referred to the Committee on Appropriations with instructions to report it with recommendations (which may include an amendment limiting the total amount of new entitlement authority provided in the bill or joint resolution). If the Committee on Appropriations fails to report a bill or joint resolution so referred within 15 calendar days (not counting any day on which the House is not in session), the committee automatically shall be discharged from consideration of the bill or joint resolution, and the bill or joint resolution shall be placed on the appropriate calendar.]

[(3)] (2) In addition, the Committee on Appropriations shall study on a continuing basis those provisions of law that (on the first day of the first fiscal year for which the congressional budget process is effective) provide spending authority or permanent budget authority and shall report to the House [from time to time] *at least once each Congress* its recommendations for terminating or modifying such provisions.

[(4)] (3) In the manner provided by section 302 of the Congressional Budget Act of 1974, the Committee on Appropriations (after consulting with the Committee on Appropriations of the Senate)

shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such **【concurrent】** *joint* resolution, and promptly report the subdivisions to the House as soon as practicable after a concurrent resolution on the budget for a fiscal year is agreed to.

\* \* \* \* \*

(b) The Committee on the Budget shall—

(1) \* \* \*

(2) hold hearings and receive testimony from Members, Senators, Delegates, the Resident Commissioner, and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as it considers desirable in developing **【concurrent】** *joint* resolutions on the budget for each fiscal year;

\* \* \* \* \*

(e)(1) \* \* \*

(2) Each standing committee shall review **【from time to time】** *at least once every ten years* each continuing program within its jurisdiction for which appropriations are not made annually to ascertain whether the program should be modified to provide for annual appropriations, *and will provide specific information in any report accompanying such bills and joint resolutions to the greatest extent practicable to justify why the programs, projects, and activities involved would not be subject to annual appropriation.*

(f)(1) Each standing committee shall submit to the Committee on the Budget not later than six weeks after the President submits his budget, or at such time as the Committee on the Budget may request—

(A) its views and estimates with respect to all matters to be set forth in the **【concurrent】** *joint* resolution on the budget for the ensuing fiscal year that are within its jurisdiction or functions; and

\* \* \* \* \*

(2) The views and estimates submitted by the Committee on Ways and Means under subparagraph (1) shall include a specific recommendation, made after holding public hearings, as to the appropriate level of the public debt that should be set forth in the **【concurrent】** *joint* resolution on the budget and serve as the basis for an increase or decrease in the statutory limit on such debt under the procedures provided by rule XXIII.

\* \* \* \* \*

RULE XI.

PROCEDURES OF COMMITTEES AND UNFINISHED BUSINESS.

***In general***

1. (a) \* \* \*

\* \* \* \* \*

(d)(1) \* \* \*

\* \* \* \* \*

(4) Such report shall include a summary of and justifications for all bills and joint resolutions reported by such committee that—

(A) were considered before the adoption of the appropriate budget resolution and did not fall within an exception set forth in section 303(b) of the Congressional Budget Act of 1974;

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

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

Such report shall also specify the total amount by which legislation reported by that committee exceeded its allocation under section 302(a) or breached the revenue floor under section 311(a) of such Act for each fiscal year during that Congress.

[(4)] (5) After an adjournment sine die of the last regular session of a Congress, the chairman of a committee may file an activities report under subparagraph (1) with the Clerk at any time and without approval of the committee, provided that—

(A) a copy of the report has been available to each member of the committee for at least seven calendar days; and

(B) the report includes any supplemental, minority, or additional views submitted by a member of the committee.

\* \* \* \* \*

RULE XIII.

CALENDARS AND COMMITTEE REPORTS.

**Calendars**

1. \* \* \*

\* \* \* \* \*

**Content of reports**

3. (a) \* \* \*

\* \* \* \* \*

(d) Each report of a committee on a public bill or public joint resolution shall contain the following:

(1) \* \* \*

(2)(A) An estimate by the committee of the costs that would be incurred in carrying out the bill or joint resolution in the fiscal year in which it is reported and in each of the [five] 10 fiscal years following that fiscal year (or for the authorized duration of any program authorized by the bill or joint resolution if less than [five] 10 years);

\* \* \* \* \*

(4) A budget compliance statement prepared by the chairman of the Committee on the Budget, if timely submitted prior to the filing of the report, which shall include assessment by such chairman as to whether the bill or joint resolution complies with the requirements of sections 302, 303, 306, 311, and 401 of the Congressional Budget Act of 1974 and may include the budgetary implications of that bill or joint resolution under section 251 or 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as applicable.

**Privileged reports by the Committee on Rules**

6. (a) \* \* \*

\* \* \* \* \*

*(h) It shall not be in order to consider any resolution from the Committee on Rules for the consideration of any reported bill or joint resolution which waives section 302, 303, 311, or 401 of the Congressional Budget Act of 1974, unless the report accompanying such resolution includes a description of the provision proposed to be waived, an identification of the section being waived, the reasons why such waiver should be granted, and an estimated cost of the provisions to which the waiver applies.*

**RULE XVIII.**

THE COMMITTEE OF THE WHOLE HOUSE ON THE STATE OF THE UNION.

**Resolving into the Committee of the Whole**

1. \* \* \*

\* \* \* \* \*

**Reading for amendment**

5. (a) \* \* \*

\* \* \* \* \*

*(c)(1) In the Committee of the Whole, an amendment only to subject a new program which provides direct spending to discretionary appropriations, if offered by the chairman of the Committee on the Budget (or his designee) or the chairman of the Committee of Appropriations (or his designee), may be precluded from consideration only by the specific terms of a special order of the House. Any such amendment, if offered, shall be debatable for twenty minutes equally divided and controlled by the proponent of the amendment and a Member opposed and shall not be subject to amendment.*

*(2) As used in subparagraph (1), the term "direct spending" has the meaning given such term in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974.*

\* \* \* \* \*

**[Concurrent] Joint resolution on the budget**

10. (a) At the conclusion of general debate in the Committee of the Whole House on the state of the Union on a [concurrent] joint resolution on the budget under section 305(a) of the Congressional Budget Act of 1974, the [concurrent] joint resolution shall be considered as read for amendment.

(b) It shall not be in order in the House or in the Committee of the Whole House on the state of the Union to consider an amendment to a [concurrent] joint resolution on the budget, or an amendment thereto, unless the [concurrent] joint resolution, as amended by such amendment or amendments—

(1) would be mathematically consistent except as limited by paragraph (c); and

(2) would contain all the matter set forth in paragraphs (1) through [(5)] (6) of section 301(a) of the Congressional Budget Act of 1974.

[(c)(1) Except as specified in subparagraph (2), it shall not be in order in the House or in the Committee of the Whole House on the state of the Union to consider an amendment to a concurrent resolution on the budget, or an amendment thereto, that proposes to change the amount of the appropriate level of the public debt set forth in the concurrent resolution, as reported.]

[(2) Amendments to achieve mathematical consistency under section 305(a)(5) of the Congressional Budget Act of 1974, if offered by direction of the Committee on the Budget, may propose to adjust the amount of the appropriate level of the public debt set forth in the concurrent resolution, as reported, to reflect changes made in other figures contained in the concurrent resolution.]

\* \* \* \* \*

RULE XX.

VOTING AND QUORUM CALLS.

1. \* \* \*

\* \* \* \* \*

***Automatic yeas and nays***

10. The yeas and nays shall be considered as ordered when the Speaker puts the question on passage of a bill or joint resolution, or on adoption of a conference report, making general appropriations, or increasing Federal income tax rates (within the meaning of clause 5 of rule XXI), or on final adoption of a [concurrent] *joint* resolution on the budget or conference report thereon.

\* \* \* \* \*

RULE XXI.

RESTRICTIONS ON CERTAIN BILLS.

***Reservation of certain points of order***

1. \* \* \*

***General appropriation bills and amendments***

2. (a) \* \* \*

\* \* \* \* \*

[(e) A provision other than an appropriation designated an emergency under section 251(b)(2) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act, a rescission of budget authority, or a reduction in direct spending or an amount for a designated emergency may not be reported in an appropriation bill or joint resolution containing an emergency designation under section 251(b)(2) or section 252(e) of such Act and may not be in order as an amendment thereto.]

[(f)] (e) During the reading of an appropriation bill for amendment in the Committee of the Whole House on the state of the Union, it shall be in order to consider en bloc amendments proposing only to transfer appropriations among objects in the bill without increasing the levels of budget authority or outlays in the bill. When considered en bloc under this paragraph, such amendments may amend portions of the bill not yet read for amendment

(following disposition of any points of order against such portions) and is not subject to a demand for division of the question in the House or in the Committee of the Whole.】

\* \* \* \* \*

6. *It shall not be in order to consider any bill, joint resolution, amendment, or conference report that authorizes the appropriation of new budget authority (as defined in section 3(2)(C) of the Congressional Budget and Impoundment Control Act of 1974) for a new program, unless such authorization is specifically provided for a period of 10 or fewer fiscal years.*

\* \* \* \* \*

### 【RULE XXIII.

#### 【STATUTORY LIMIT ON PUBLIC DEBT.

【1. Upon adoption by Congress of a concurrent resolution on the budget under section 301 or 304 of the Congressional Budget Act of 1974 that sets forth, as the appropriate level of the public debt for the period to which the concurrent resolution relates, an amount that is different from the amount of the statutory limit on the public debt that otherwise would be in effect for that period, the Clerk shall prepare an engrossment of a joint resolution increasing or decreasing, as the case may be, the statutory limit on the public debt in the form prescribed in clause 2. Upon engrossment of the joint resolution, the vote by which the concurrent resolution on the budget was finally agreed to in the House shall also be considered as a vote on passage of the joint resolution in the House, and the joint resolution shall be considered as passed by the House and duly certified and examined. The engrossed copy shall be signed by the Clerk and transmitted to the Senate for further legislative action.

【2. The matter after the resolving clause in a joint resolution described in clause 1 shall be as follows: “That subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof “\$\_\_\_\_\_”, with the blank being filled with a dollar limitation equal to the appropriate level of the public debt set forth pursuant to section 301(a)(5) of the Congressional Budget Act of 1974 in the relevant concurrent resolution described in clause 1. If an adopted concurrent resolution under clause 1 sets forth different appropriate levels of the public debt for separate periods, only one engrossed joint resolution shall be prepared under clause 1; and the blank referred to in the preceding sentence shall be filled with the limitation that is to apply for each period.

【3. (a) The report of the Committee on the Budget on a concurrent resolution described in clause 1 and the joint explanatory statement of the managers on a conference report to accompany such a concurrent resolution each shall contain a clear statement of the effect the eventual enactment of a joint resolution engrossed under this rule would have on the statutory limit on the public debt.

【(b) It shall not be in order for the House to consider a concurrent resolution described in clause 1, or a conference report there-

on, unless the report of the Committee on the Budget or the joint explanatory statement of the managers complies with paragraph (a).

【4. Nothing in this rule shall be construed as limiting or otherwise affecting—

【(a) the power of the House or the Senate to consider and pass bills or joint resolutions, without regard to the procedures under clause 1, that would change the statutory limit on the public debt; or

【(b) the rights of Members, Delegates, the Resident Commissioner, or committees with respect to the introduction, consideration, and reporting of such bills or joint resolutions.

【5. In this rule the term “statutory limit on the public debt” means the maximum face amount of obligations issued under authority of chapter 31 of title 31, United States Code, and obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), as determined under section 3101(b) of such title after the application of section 3101(a) of such title, that may be outstanding at any one time.】

**BALANCED BUDGET AND EMERGENCY DEFICIT  
CONTROL ACT OF 1985**

**PART C—EMERGENCY POWERS TO ELIMINATE  
DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT**

**SEC. 250. TABLE OF CONTENTS; STATEMENT OF BUDGET ENFORCEMENT THROUGH SEQUESTRATION; DEFINITIONS.**

(a) \* \* \*

\* \* \* \* \*

(c) DEFINITIONS.—

As used in this part:

(1) \* \* \*

\* \* \* \* \*

(20) *The term “on-budget surplus” means, with respect to a fiscal year, the amount by which receipts exceed outlays for all spending and receipt accounts of the United States Government that are designated as on-budget. Such term does not include outlays and receipts of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or any other off-budget entity.*

**SEC. 251. ENFORCING DISCRETIONARY SPENDING LIMITS.**

(a) \* \* \*

(b) ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.—

(1) \* \* \*

(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 limits as ad-

justed) for the fiscal year and each succeeding year through 2002, as follows:

[(A) EMERGENCY APPROPRIATIONS.—If, for any fiscal year, appropriations for discretionary accounts are enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all fiscal years from such appropriations. This subparagraph shall not apply to appropriations to cover agricultural crop disaster assistance.]

\* \* \* \* \*

[(B) (A) SPECIAL OUTLAY ALLOWANCE.—If, in any fiscal year, outlays for a category exceed the discretionary spending limit for that category but new budget authority does not exceed its limit for that category (after application of the first step of a sequestration described in subsection (a)(2), if necessary), the adjustment in outlays for a fiscal year is the amount of the excess but not to exceed 0.5 percent of the sum of the adjusted discretionary spending limits on outlays for that fiscal year.

[(C) (B) CONTINUING DISABILITY REVIEWS.—(i) \* \* \*

\* \* \* \* \*

[(D) (C) ALLOWANCE FOR IMF.—If an appropriation bill or joint resolution is enacted for a fiscal year through 2002 that includes an appropriation with respect to clause (i) or (ii), the adjustment shall be the amount of budget authority in the measure that is the dollar equivalent of the Special Drawing Rights with respect to—

(i) \* \* \*

\* \* \* \* \*

[(E) (D) ALLOWANCE FOR INTERNATIONAL ARREARAGES.—

(i) \* \* \*

\* \* \* \* \*

[(F) (E) EITC COMPLIANCE INITIATIVE.—If an appropriation bill or joint resolution is enacted for a fiscal year that includes an appropriation for an earned income tax credit compliance initiative, the adjustment shall be the amount of budget authority in that measure for that initiative and the outlays flowing in all fiscal years from that budget authority, but not to exceed—

(i) \* \* \*

\* \* \* \* \*

[(G) (F) ADOPTION INCENTIVE PAYMENTS.—Whenever a bill or joint resolution making appropriations for fiscal year 1999, 2000, 2001, 2002, or 2003 is enacted that specifies an amount for adoption incentive payments pursuant to this part for the Department of Health and Human Services—

(i) \* \* \*

(G) *DISCRETIONARY AUTHORIZATION OFFSETS.*—If an Act other than an appropriation Act includes any provision reducing direct spending and specifically identifies any such provision as an offset pursuant to section 252(e), the adjustments shall be an increase in the discretionary spending limits for budget authority and outlays in each fiscal year equal to the amount of the budget authority and outlay reductions, respectively, achieved by the specified offset in that fiscal year, except that the adjustments for the budget year in which the offsetting provision takes effect shall not exceed the amount of discretionary new budget authority provided for the new program (authorized in that Act) in an Act making discretionary appropriations and the outlays flowing therefrom.

\* \* \* \* \*

**SEC. 252. ENFORCING PAY-AS-YOU-GO.**

[(a) **PURPOSE.**—The purpose of this section is to assure that any legislation enacted before October 1, 2002, affecting direct spending or receipts that increases the deficit will trigger an offsetting sequestration.

[(b) **SEQUESTRATION.**—

[(1) **TIMING.**—Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 251 or 253, there shall be a sequestration to offset the amount of any net deficit increase caused by all direct spending and receipts legislation enacted before October 1, 2002, as calculated under paragraph (2).

[(2) **CALCULATION OF DEFICIT INCREASE.**—OMB shall calculate the amount of deficit increase or decrease by adding—

[(A) all OMB estimates for the budget year of direct spending and receipts legislation transmitted under subsection (d);

[(B) the estimated amount of savings in direct spending programs applicable to budget year resulting from the prior year's sequestration under this section or section 253, if any, as published in OMB's final sequestration report for that prior year; and

[(C) any net deficit increase or decrease in the current year resulting from all OMB estimates for the current year of direct spending and receipts legislation transmitted under subsection (d) that were not reflected in the final OMB sequestration report for the current year.]

(a) *PURPOSE.*—The purpose of this section is to trigger an offsetting sequestration in the amount by which any excess of decreases in receipts and increases in direct spending over increases in receipts and decreases in direct spending, caused by all direct spending and receipts legislation enacted prior to October 1, 2002, exceeds estimates of the on-budget surplus.

(b) **SEQUESTRATION.**—

(1) *TIMING.*—Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 251, there shall be a sequestration to offset an amount equal to—

(A) any excess of decreases in receipts and increases in direct spending over increases in receipts and decreases in direct spending for legislation enacted prior to October 1, 2002; minus

(B) the estimated on-budget surplus, as calculated under paragraph (2).

(2) CALCULATION OF SEQUESTRATION.—OMB shall calculate the amount of the sequestration by adding—

(A) all OMB estimates for the budget year of direct spending and receipts legislation transmitted under subsection (d) for legislation enacted prior to October 1, 2002;

(B) the estimated amount of savings in direct spending programs applicable to the budget year resulting from the prior year's sequestration under this section, if any, as published in OMB's final sequestration report for that prior year; and

(C) all OMB estimates for the current year that were not reflected in the final OMB sequestration report for that year; and

then by subtracting from such sum the OMB estimate for the budget year of the on-budget surplus (if any) as set forth in the OMB sequestration update report.

\* \* \* \* \*

(d) ESTIMATES.—

(1) \* \* \*

\* \* \* \* \*

(4) SCOPE OF ESTIMATES.—The estimates under this section shall include the amount of change in outlays or receipts for the current year (if applicable), the budget year, and each out-year excluding any amounts resulting from—

(A) full funding of, and continuation of, the deposit insurance guarantee commitment in effect under current estimates; and

[(B) emergency provisions as designated under subsection (e).]

(B) offset provisions as designated under subsection (e).

\* \* \* \* \*

[(e) EMERGENCY LEGISLATION.—If a provision of direct spending or receipts legislation is enacted that the President designates as an emergency requirement and that the Congress so designates in statute, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be designated as an emergency requirement in the reports required under subsection (d). This subsection shall not apply to direct spending provisions to cover agricultural crop disaster assistance.]

(e) OFFSETS.—If a provision of direct spending legislation is enacted that—

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

(2) is designated as an offset pursuant to this subsection and such designation specifically identifies an authorization of discretionary appropriations (contained in such legislation) for a new program,

*then the reductions in new budget authority and outlays in all fiscal years resulting from that provision shall be designated as an offset in the reports required under subsection (d).*

\* \* \* \* \*

**SEC. 254. REPORTS AND ORDERS.**

(a) \* \* \*

\* \* \* \* \*

(c) SEQUESTRATION PREVIEW REPORTS.—

(1) \* \* \*

\* \* \* \* \*

(3) PAY-AS-YOU-GO SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

(A) \* \* \*

\* \* \* \* \*

*(C) The estimated on-budget surplus for the budget year (if any) shall exclude all estimates of direct spending and receipts legislation for such year enacted after the date of enactment of this subparagraph (as estimated by OMB when such legislation was originally enacted). Except as provided by the preceding sentence, the following assumptions shall apply to the calculation of such estimated surplus: Budgetary resources other than unobligated balances shall be at the level provided for the budget year in a regular appropriation Act or a joint resolution (other than pursuant to section 1311 of title 31, United States Code) continuing appropriations through the end of the budget year, but if for any account a full-year appropriation has not yet been enacted, budgetary resources other than unobligated balances shall be at the level available in the current year, adjusted using the assumptions set forth in section 257(c).*

**[(C)] (D)** The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate a deficit increase under section 252(c).

\* \* \* \* \*

(f) FINAL SEQUESTRATION REPORTS.—

(1) \* \* \*

\* \* \* \* \*

(3) PAY-AS-YOU-GO AND DEFICIT SEQUESTRATION REPORTS.—The final reports shall contain all the information required in the pay-as-you-go and deficit sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequestrable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions. The reports shall also contain estimates of the effects on outlays of the sequestration in each out-year for direct spending programs. *In calculating the estimated*

*on-budget surplus pursuant to section 252(b)(2), notwithstanding section 254(j), OMB shall use economic and technical assumptions that are up-to-date as of the date of issuance of the sequestration preview reports.*

\* \* \* \* \*

**SEC. 258C. SPECIAL RECONCILIATION PROCESS.**

(a) REPORTING OF RESOLUTIONS AND RECONCILIATION BILLS AND RESOLUTIONS, IN THE SENATE OR IN THE HOUSE OF REPRESENTATIVES.—

(1) COMMITTEE ALTERNATIVES TO PRESIDENTIAL ORDER.—After the submission of an OMB sequestration update report under section 254 that envisions a sequestration under section 252 or 253, each standing committee of the Senate or House may, not later than October 10, submit to the Committee on the Budget of the Senate or House information of the type described in section 301(d) of the Congressional Budget Act of 1974 with respect to alternatives to the order envisioned by such report insofar as such order affects laws within the jurisdiction of the committee.

(2) INITIAL BUDGET COMMITTEE ACTION.—After the submission of such a report, the Committee on the Budget of the Senate or House may, not later than October 15, report to the Senate or House a resolution. The resolution may affirm the impact of the order envisioned by such report, in whole or in part. To the extent that any part is not affirmed, the resolution shall state which parts are not affirmed and shall contain instructions to committees of the Senate or House of the type referred to in section 310(a) of the Congressional Budget Act of 1974, sufficient to achieve at least the total level of deficit reduction contained in those sections which are not affirmed.

(3) RESPONSE OF COMMITTEES.—Committees instructed pursuant to paragraph (2), or affected thereby, shall submit their responses to the Budget Committee no later than 10 days after the resolution referred to in paragraph (2) is agreed to, except that if only one such Committee is so instructed such Committee shall, by the same date, report to the Senate or House a reconciliation bill or reconciliation resolution containing its recommendations in response to such instructions. A committee shall be considered to have complied with all instructions to it pursuant to a resolution adopted under paragraph (2) if it has made recommendations with respect to matters within its jurisdiction which would result in a reduction in the deficit at least equal to the total reduction directed by such instructions.

(4) BUDGET COMMITTEE ACTION.—Upon receipt of the recommendations received in response to a resolution referred to in paragraph (2), the Budget Committee shall report to the Senate or House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revisions. In the event that a committee instructed in a resolution referred to in paragraph (2) fails to submit any recommendation (or, when only one committee is instructed, fails to report a reconciliation bill or resolution) in

response to such instructions, the Budget Committee shall include in the reconciliation bill or reconciliation resolution reported pursuant to this subparagraph legislative language within the jurisdiction of the noncomplying committee to achieve the amount of deficit reduction directed in such instructions.

\* \* \* \* \*

(7) DEFINITION.—**[For]** *In the Senate*, for purposes of paragraphs (1), (2), and (3), the term “day” shall mean any calendar day on which the Senate is in session.

(b) PROCEDURES.—

(1) IN GENERAL.—Except as provided in paragraph (2), in the Senate or House the provisions of sections 305 and 310 of the Congressional Budget Act of 1974 for the consideration of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration of resolutions, and reconciliation bills and reconciliation resolutions reported under this paragraph and conference reports thereon.

\* \* \* \* \*

(4) BILLS AND RESOLUTIONS RECEIVED FROM THE OTHER HOUSE.—Any bill or resolution received **[in the Senate from the House]** *in the Senate or House of Representatives from the other House*, which is a companion to a reconciliation bill or reconciliation resolution of the **[Senate]** *Senate or House of Representatives, as the case may be*, for the purposes of this subsection, shall be considered in the **[Senate]** *in the applicable House* pursuant to the provisions of this subsection.

\* \* \* \* \*

VIEWS OF COMMITTEE MEMBERS

Clause 2(1)(5) or rule XI requires each committee, except the Committee on Rules, to afford a three-day opportunity for members of the committee to file additional, minority or dissenting views and to include the views in its report. Although the requirement does not apply to the Rules Committee, the Committee always makes the maximum effort to provide its members with an opportunity to submit their views.

The following views were submitted.

## DISSENTING VIEWS

Congress often finds itself re-inventing the wheel. Here we are reinventing the flat tire. H.R. 853 proposes a new way for Congress to make budget decisions, one that guarantees a slow, bumpy ride.

We all agree that the budget process has not run smoothly in recent years. A few examples of the dips in the road:

Last year, Congress failed to adopt a budget resolution for the first time since the Budget Act was enacted because the Republican majority in Congress could not agree with itself on a budget resolution.

In the 104th Congress, the Republican majority would not compromise and failed to enact thirteen regular appropriations bills on time and as a result shut down the federal government for an unprecedented 28 days.

In the 105th Congress, the Republican majority compromised on everything and, as a result, passed a bloated omnibus bill.

This year alone Congress and the President agreed to designate more than \$34 billion as 'emergencies' and enacted another \$2 billion for FY 2000 military pay as an 'emergency.' These emergencies are a transparent ruse to skirt the spending caps.

Are these bumps in the road the fault of the Budget Act? Hardly. The procedural changes recommended in H.R. 853 merely mask the majority's inability to govern. As long as the majority lacks the political will to set realistic spending caps, no change to the Budget Act will smooth the bumpy road ahead.

And major provisions of H.R. 853 actually make the ride more bumpy:

H.R. 853 encourages Republicans to use up projected surpluses on tax cuts before we fix Social Security and Medicare. Current law requires tax cuts to be offset with tax increases or entitlement cuts. H.R. 853 weakens current pay-as-you-go rules, allowing tax cuts to go unpaid for—up to the amount of projected surpluses. Projected surpluses are there for the taking on a first-come, first served basis until the surpluses are completely consumed. By penalizing the last one to the trough, this will encourage Republicans to use up all the surpluses on tax cuts, not reserving the resources that may be needed to fix Social Security and Medicare.

H.R. 853 makes it more difficult to agree on a budget by calling for a joint budget resolution. It is hard enough to adopt a congressional budget resolution on time (last year, the Republican House and Senate could not even agree). Asking the President to sign it will only make it more difficult to come to a quick agreement. Now, proponents may reply that the new joint budget resolution is scaled down and even less substantive than the current congressional resolution. If the budget is merely a symbol, there is even less incentive to come to early agreement.

The congressional budget resolution and the President's budget are both political documents.

As long as one party controls the Congress and another party controls the White House, there will be more posturing than negotiating on a budget resolution. Under H.R. 853, Members of Congress can rely on a soft landing—the fallback of a congressional budget resolution—if they fail to reach agreement with the President. In a divided government, the majority in Congress have little reason to accommodate the President; instead, they will be strongly tempted to pass a budget that forces a presidential veto and delineates the differences between the parties. This will further delay the process.

H.R. 853 changes the emergency spending process without addressing the reason it has been abused. We can stipulate that in 1997 Congress changed the way it makes emergency designations and most of those changes were a mistake. Emergency spending does not count against spending caps; most observers would agree that the term “emergency” has been overused recently as a way to get around the caps.

The Budget Agreement Act of 1990 established caps on discretionary spending and the emergency spending process to allow true emergencies to get around the caps. The Balanced Budget Act of 1997 modified the process but kept the basic idea.

Emergency spending in the first year of the new process was very high, \$45.8 billion. Of that amount, \$44.4 billion was for the Persian Gulf War and that entire amount was promptly offset by foreign contributions, as intended in the appropriations language. Excluding spending for Operations Desert Shield/Desert Storm, emergency spending has been fairly steady. From FY 1991 to FY 1998 emergency spending averaged \$8 billion annually, fluctuating from \$5 billion in FY 1996 to \$13.8 billion in FY 1994. FY 1994 was up because of the California earthquake.

It appears that emergency spending before FY 1999 was, as intended, for unforeseen and non-recurring events, for true emergencies such as Hurricanes Andrew and Iniki, the Loma Prieta and the Northridge earthquakes, the Chicago flood and flooding in the Dakotas, and the Los Angeles riots. Against this background, the \$34 billion in emergency spending in FY 1999 looks suspiciously high.

When spending caps were tight but manageable, the emergency designation was not abused. Now that the caps are impossible to live with, Congress has come to rely on gimmicks such as designating the decennial census as an emergency. Simply tightening the rules on emergencies without addressing the root cause of the abuse—unrealistic spending caps—is not helpful.

The lockbox in H.R. 853 gives extraordinary power to the Senate. The “spending accountability lockbox” establishes a ledger to account for House action, Senate action, and conference on each of the regular appropriation bill. If the House adopts a floor amendment that reduces budget authority, the amount of the cut goes onto the House ledger for that bill unless the proponent explicitly reserves all or a portion of it for another purpose. When the Senate adopts a cutting amendment, that amount goes on the Senate ledger for that bill. The Budget Committees then calculate the average

of the reductions for the bill. The budget allocation and the spending caps are automatically reduced by that amount. The conferees cannot exceed the new level. Because the Senate traditionally acts last on appropriation bills, that body is greatly advantaged by this arrangement. The Senate sees the House ledger and can unilaterally set the allocation and spending cap for the bill.

There are a handful of smaller ideas in this bill which are good. We like Mr. Moakley's proposal to make unreported measures subject to Budget Act points of order. We are pleased to see that Mr. Goss's substitute struck the definition of pocket veto from the bill. We are also pleased that the substitute removed a Budget Committee reported provision with its convoluted process for considering emergency designations that would have prohibited the House from questioning the Budget Committee's decisions on those designations.

However well motivated, and despite a few good ideas, we cannot support this bill. Believing that a fix for one part or several parts of the bill could not repair the basic problems with this measure, Democrats in committee did not offer a series of amendments. Instead, we offered a single motion urging the committee to report the bill adversely.

Taken as a whole, this bill contains too many dangerous changes to our budget process. The spare is in worse shape than the tire it is intended to replace. We are better off summoning the political will to make the current process work.

JOE MOAKLEY.  
TONY P. HALL.  
MARTIN FROST.  
LOUISE SLAUGHTER.

## DISSENTING VIEWS OF HON. MARTIN FROST

There are many reasons to oppose H.R. 853, but chief among them is the codification of an automatic continuing resolution. While the automatic continuing resolution seeks to ensure that the government will not be subjected to the “train wrecks” of recent years, what it will in fact ensure is an appropriations process that has a built-in disincentive to finish the process in any given legislative year, and one which can be dictated and controlled by a obstinate minority in the Senate.

This is especially true if the automatic continuing resolution is seen in the broader context of the budgetary timetable envisioned in H.R. 853. Requiring that the President be brought into the process early in the year by transforming the budget resolution into a joint resolution, while at the same time eliminating the ability of the appropriations committees to move forward if a budget resolution has not been agreed to by May 15, will more than likely delay rather than expedite the process. This might well hold true if spending caps continue to shrink in the coming years and congressional priorities conflict with executive policies. If budget negotiations are protracted or should they break down altogether, H.R. 853 will force appropriators to sit on the sidelines while the Budget Committees and leadership of both houses try to hammer out a “deal” with the Administration. In addition, once a budget resolution agreement has been reached, the fact that the failure to pass appropriations by the beginning of the fiscal year has no real penalty, various interests within the Congress might attempt to slow the process down if it means that their own priorities might be better served. The most likely result will be the failure to enact most of the 13 appropriations bills by October 1 of each year. In this context, it is easy to see how a small minority in the Senate because, or in the House for that matter, might well be able to coerce the rest of the Congress to implement their funding priorities on a particular appropriations bill or risk further stalemate. If we consider that an automatic continuing resolution will continue spending levels for any given appropriations bill for an entire fiscal year at the prior year’s level, some Members might also think that it would be better to continue appropriations at that level rather than risk passing an appropriations bill that may include significant decreases in spending. Indeed, knowing that a prior year’s funding level is in fact higher than what has been agreed to in the budget resolution, might well serve as an incentive to *not* take action on an appropriations and thus avoid alienating interest groups whose projects and programs are funded in a particular appropriations bill.

What an automatic continuing resolution is likely to create, in the current atmosphere of political stalemate, is permanent appropriations, which are in effect permanent entitlements for those pro-

grams that are now funded in the federal budget. Such a process would be unable to address current or changing needs, would provide little or no accountability within the political process in the Congress or in the administrative process in the executive, and in the end, denies Members the ability to represent their constituents effectively.

It is easy to understand how some Members might find the idea of an automatic continuing resolution as an appealing alternative to the “train wreck” that has occurred all too often in the Fall. According to the Congressional Research Service, continuing resolutions have been enacted for all but four fiscal years—FY 1953, 1989, 1995, and 1997 and in most years more than one CR was needed as Congress worked to complete action on the regular appropriations bills. But the fact of the matter is that Congress does get its work done. There may be significant delays and titanic political struggles, but the Congress has, in my experience, met its responsibilities. Codification of an automatic continuing resolution will not do a thing to encourage the Congress to complete its work in a more timely fashion; instead, an automatic continuing resolution takes away the incentive for the Congress to finish its work in a timely manner and may, in the end, encourage the Congress to take a pass on its most fundamental responsibility.

MARTIN FROST.



Offset Folios 191 to 194 Insert Here

Offset Folios 195 to 206 Insert Here

Offset Folios 207 to 218 Insert Here

Offset Folios 219 to 252 Insert Here