

Public Law 100-119
100th Congress

Joint Resolution

Sept. 29, 1987

[H.J. Res. 324]

Increasing the statutory limit on the public debt.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, 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 "\$2,800,000,000,000".

Balanced Budget
and Emergency
Deficit
Control
Reaffirmation
Act
of 1987.

TITLE I—DEFICIT REDUCTION PROCEDURES

SEC. 101. REFERENCES IN TITLE; SHORT TITLE.

(a) REFERENCES IN TITLE.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) SHORT TITLE.—This title may be cited as the "Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987".

SEC. 102. AUTOMATIC TRIGGER FOR FISCAL YEARS 1988 THROUGH 1993; OMB AND CBO REPORTS; PRESIDENTIAL ORDER; COMPUTA- TION OF BUDGET BASE; SEQUESTRATION RULES FOR FISCAL YEARS 1988 THROUGH 1993.

(a) IN GENERAL.—Sections 251 and 252 of the Act are amended to read as follows:

"SEC. 251. REPORTING OF EXCESS DEFICITS.

"(a) INITIAL ESTIMATES, DETERMINATIONS, AND REPORTS BY OMB AND CBO.—

"(1) ESTIMATES AND DETERMINATIONS.—The Director of the Office of Management and Budget and the Director of the Congressional Budget Office (in this part referred to as the 'Directors') shall with respect to each fiscal year and in accordance with the requirements, specifications, definitions, and calculations required by this part—

"(A) estimate the budget levels of total revenues and outlays that may be anticipated for such fiscal year as of August 15 of the calendar year in which such fiscal year begins (or as of October 10, 1987, in the case of fiscal year 1988),

"(B) determine whether the projected deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such deficit excess will be greater than \$10,000,000,000 (zero in the case of fiscal year 1993),

2 USC 901 note.

2 USC 901.

“(C) estimate the amount of net deficit reduction in the budget baseline that has occurred since January 1 of the calendar year in which such fiscal year begins, and

“(D) estimate the rate of real economic growth that will occur during such fiscal year, the rate of real economic growth that will occur during each quarter of such fiscal year, and the rate of real economic growth that will have occurred during each of the last two quarters of the preceding fiscal year.

“(2) REPORTS.—(A) Based on the estimates and determinations required in paragraph (1) and in accordance with the requirements, specifications, definitions, and calculations required by this part, the Director of the Congressional Budget Office (in this part referred to as the ‘Director of CBO’) shall issue a report to the Director of the Office of Management and Budget (in this part referred to as the ‘Director of OMB’) and to the Congress on August 20 of the calendar year in which the fiscal year begins (or on October 15, 1987, in the case of fiscal year 1988) estimating the budget baseline levels of total revenues and total outlays for such fiscal year, identifying the amount of any deficit excess for such fiscal year, stating whether such excess is greater than \$10,000,000,000 (zero in the case of fiscal year 1993), estimating the amount of net deficit reduction in the budget baseline that has occurred since January 1 of the calendar year in which such fiscal year begins, specifying the estimated rate of real economic growth for such fiscal year, for each quarter of such fiscal year, and for each of the last two quarters of the preceding fiscal year, indicating whether the estimate includes two or more consecutive quarters of negative real economic growth, estimating the aggregate amount of required outlay reductions, and specifying, by account for non-defense programs and by account for defense programs the budget baseline from which reductions are taken and the amounts and percentages by which such accounts must be reduced during such fiscal year in order to make the reductions required by this part.

“(B) The Director of OMB shall issue a report to the President and the Congress on August 25 of the calendar year in which the fiscal year begins (or on October 20, 1987, in the case of the fiscal year 1988) containing the same information required in subparagraph (A) and the information required in clauses (i) and (ii) for such fiscal year as follows:

“(i) The Director of OMB shall identify and explain any differences between the amount set forth in such report and the corresponding amount set forth in the report of the Director of CBO under subparagraph (A) with respect to—

“(I) the aggregate amount of required outlay reductions;

“(II) the aggregate amount of resources to be sequestered from defense accounts (by type of sequesterable resource) and from non-defense accounts (by type of sequesterable resource); and

“(III) the amount of sequesterable resources for any budget account that is to be reduced if such difference is greater than \$5,000,000.

“(ii) The Director of OMB shall calculate and set forth for defense programs (by type of sequesterable resource) and

for non-defense programs (by type of sequesterable resource), the amount of reductions in budgetary resources that would be required by this part using his estimate of the aggregate amount of required outlay reductions and applying the technical assumptions (including outlay rates) and methodologies used in the report of the Director of CBO under subparagraph (A). The Director of OMB shall identify and explain any differences between these estimates and such corresponding amounts set forth under clause (i).

“(iii) In the report for a fiscal year (except fiscal year 1988) issued under this subparagraph, the Director of OMB shall assume that the aggregate outlay rate for defense programs covered by paragraph (6)(C), calculated using data on sequesterable resources and account outlay rates applicable to such fiscal year, shall not differ by more than one-half of 1 percent from such aggregate outlay rate calculated using the same data on sequesterable resources but using account outlay rates calculated arithmetically using the applicable sequesterable resources and outlays contained in the report submitted under this Act for the preceding fiscal year as proposed by the Director of OMB. For purposes of this subparagraph, an aggregate outlay rate shall be the average of account outlay rates (expressed as a percentage) with each account outlay rate (as defined in section 257(13)) given a weight that is proportional to the account's share of total sequesterable resources. The calculation of the non-defense aggregate outlay rate for programs covered by paragraph (6)(C), shall be determined using the procedures and restrictions used for determining the aggregate defense outlay rate.

“(iv) The report issued under this subparagraph for any fiscal year (except fiscal year 1988) may not assume aggregate outlays for the health insurance programs under title XVIII of the Social Security Act (before taking into account legislation enacted or regulations prescribed after the current services budget is submitted) which deviate by more than 1 percent from the amount of outlays estimated for such programs in the current services budget submitted by the President pursuant to section 1109(a) of title 31, United States Code, for such fiscal year. For fiscal year 1988 the report issued under this subparagraph shall assume aggregate outlays for such programs (before taking into account legislation enacted or regulations promulgated as final after August 20, 1987) equal to the amount assumed for such programs by the Director of OMB in the report submitted to the Temporary Joint Committee on Deficit Reduction on August 20, 1987, except that, unless necessary to comply with requirements provided in law, any change in administrative procedures that increases or decreases the average number of days for the payment of claims under title XVIII of the Social Security Act, compared to such average in the preceding fiscal year, shall not be taken into account for purposes of this Act.

“(C)(i) The technical and economic assumptions used by the Director of CBO to calculate the excess deficit shall also be used by the Director of CBO to calculate the unachieved deficit

reduction, required outlay reductions and the amounts and percentages by which budgetary resources must be reduced.

“(ii) The technical and economic assumptions used by the Director of OMB to calculate the excess deficit shall also be used by the Director of OMB to calculate the required outlay reductions, the unachieved deficit reduction and the amounts and percentages by which budgetary resources must be reduced.

“(iii) For fiscal year 1988, except as specified in subparagraph (B)(iv), the Director of OMB shall use the same economic and technical assumptions (including outlay rates) that the Director of OMB used in the report submitted to the Temporary Joint Committee on Deficit Reduction on August 20, 1987.

“(iv) For fiscal year 1989 and subsequent fiscal years, to the extent that the report submitted by the President for such fiscal year under section 1106(a) of title 31, United States Code, uses economic and technical assumptions (including outlay rates) that differ from those that will be used by the Director of OMB in the report to be submitted under subparagraph (B) for such fiscal year, the report submitted by the President shall explain and identify such differences. Such report shall provide an estimate of the deficit excess and net deficit reduction in the budget baseline consistent with the estimates that will be used by the Director of OMB in the report to be submitted under subparagraph (B) for such fiscal year. The report submitted by the Director of OMB under subparagraph (B) for such fiscal year shall use the economic and technical assumptions that the report submitted by the President indicated would be used by such Director.

“(3) DETERMINATION OF REDUCTIONS.—

“(A) The aggregate amount of required outlay reductions for a fiscal year shall be determined as follows:

“(i) The aggregate required outlay reductions shall be—

“(I) for fiscal year 1988, the amount of unachieved deficit reduction;

“(II) for fiscal year 1989, zero if the deficit excess is equal to or less than \$10,000,000,000, or if not, the lesser of the deficit excess or the amount of unachieved deficit reduction; or

“(III) for fiscal year 1990, 1991, 1992, or 1993, zero if the deficit excess for such fiscal year is equal to or less than the amount of the margin for such fiscal year specified in paragraph (10) of section 257, or if not, the amount of the deficit excess for such fiscal year.

The unachieved deficit reduction shall be \$23,000,000,000 in the case of fiscal year 1988 and \$36,000,000,000 in the case of fiscal year 1989, minus the net deficit reduction in the budget baseline for such fiscal year, but such unachieved deficit reduction shall not exceed \$23,000,000,000 in the case of fiscal year 1988 or \$36,000,000,000 in the case of fiscal year 1989. Net deficit reduction in the budget baseline for a fiscal year shall be the amount of the estimated deficit for such fiscal year based on laws enacted by, and regulations promulgated as final by, the snapshot date, as measured using the budget baseline specified in para-

graph (6), subtracted from the amount of the estimated deficit for such fiscal year based on laws enacted by, and regulations promulgated as final by, January 1 of the calendar year in which such fiscal year begins as measured by using the budget baseline specified in paragraph (6). Both such deficit estimates for a fiscal year shall be made using the same economic and technical assumptions.

“(ii) As used in this paragraph, the term ‘snapshot date’ means—

“(I) for fiscal year 1988, in the case of an initial report submitted under subsection (a), October 10, 1987, and in the case of a final report submitted under subsection (c), the latest possible date before its submission;

“(II) for fiscal year 1989 and subsequent fiscal years, in the case of an initial report submitted under subsection (a), August 15, and in the case of a final report submitted under subsection (c), the latest possible date before its submission.

“(B) Subject to the exemptions, exceptions, limitations, special rules, and definitions set forth in this section and in sections 255, 256, and 257, one-half of the aggregate required outlay reductions shall be made under accounts within major functional category 050 (in this part referred to as outlays under ‘defense programs’), and shall be made in accordance with the rules prescribed in subsection (d), and the other half of the aggregate required outlay reductions shall be made under other accounts of the Federal Government (in this part referred to as ‘non-defense programs’).

“(C) The amount by which outlays for automatic spending increases scheduled to take effect during the fiscal year are to be reduced shall be credited as reductions in outlays under non-defense programs, and the total amount of reductions in outlays under non-defense programs required under subparagraph (B) shall be reduced accordingly.

“(D) The maximum reduction permissible for each program to which an exception, limitation, or special rule set forth in subsection (c) or (f) of section 256 applies shall be credited as reductions in outlays under non-defense programs, and the amount of reductions in outlays under non-defense programs shall be further reduced by the amount of the reduction determined with respect to each such program.

“(E)(i) Sequestrations and reductions under the remaining non-defense programs shall be applied on a uniform percentage basis so as to reduce new budget authority; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; obligation limitations; and spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974 to the extent necessary to achieve any remaining required outlay reductions; except that each of the programs to which the special rules set forth in subsections (d) and (k) of section 256 apply shall not be reduced by more than the percentages specified in such subsections and the uniform percent-

Loans.

age reduction applicable to all other programs under this clause shall be increased (if necessary) to a level sufficient to achieve any remaining required outlay reductions.

“(ii) For purposes of determining reductions under clause (i), any reduction in outlays of the Commodity Credit Corporation under an order issued by the President under section 252 for a fiscal year, with respect to contracts entered into during that fiscal year, that will occur during the succeeding fiscal year, shall be credited as reductions in outlays for the fiscal year in which the order is issued.

Contracts.

The determination of which accounts are within major functional category 050 and which are not, for purposes of subparagraph (B), shall be made by the Directors in a manner consistent with the budget submitted by the President for the fiscal year 1986; except that for such purposes no part of the accounts entitled ‘Federal Emergency Management Agency, Salaries and expenses (58-0100-0-1-999)’ and ‘Federal Emergency Management Agency, Emergency management planning and assistance (58-0101-0-1-999)’ shall be treated as being within functional category 050.

“(4) ADDITIONAL SPECIFICATIONS.—The reports submitted under paragraph (2) must also specify (with respect to the fiscal year involved)—

“(A) the amount and percentage increase of the automatic spending increase (if any) which is scheduled to take effect in the case of each program providing for such increases, and the amount and percentage increase (if any) of each such increase which will take effect after reduction under this part;

“(B) the amount of the savings (if any) to be achieved in the application of each of the special rules set forth in subsections (c) through (l) of section 256, along with a statement of (i) the new Federal matching rate resulting from the application of subsection (e) of that section, and (ii) the amount of the percentage reduction in payments to the States under section 204 of the Federal-State Extended Unemployment Compensation Act of 1970; and

“(C)(i) for defense programs, by account, the reduction (stated in terms of both percentage and amount) in new budget authority and unobligated balances, together with the estimated outlay reductions resulting therefrom; and

Defense and national security.

“(ii) for non-defense programs, by account, the reduction, stated in terms of both percentage and amount, in new budget authority; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; obligation limitations; and spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974; together with the estimated outlay reductions resulting therefrom.

Loans.

“(5) BASIS FOR DIRECTORS’ ESTIMATES, DETERMINATIONS, AND SPECIFICATIONS.—The estimates, determinations, and specifications of the Directors under the preceding provisions of this subsection and under subsection (c) shall utilize the budget baseline, criteria, and guidelines set forth in paragraph (6) and in sections 255, 256, and 257. In estimating the deficit, the excess deficit, and unachieved deficit reduction for an initial report under paragraph (2) or a final report under subsection (c),

the Directors shall use the budget baseline set forth in paragraph (6) based on laws enacted by, and regulations promulgated as final by, the snapshot date applicable to such report.

“(6) BUDGET BASELINE.—In estimating the deficit excess and net deficit reduction in the budget baseline and in computing the amounts and percentages by which accounts must be reduced during a fiscal year as set forth in any report required under this subsection for such fiscal year, the budget baseline shall be determined by—

“(A) assuming (subject to subparagraph (B)) the continuation of current revenue law and, in the case of spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, funding for current law at levels sufficient to fully make all payments required under such law;

Taxes.

“(B) assuming that expiring provisions of law providing revenues and spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974 do expire, except that excise taxes dedicated to a trust fund, and agricultural price support programs administered through the Commodity Credit Corporation are extended at current rates, and contract authority for transportation trust funds is extended at current levels;

“(C) in the case of all accounts to which subparagraph (A) does not apply—

“(i) assuming for an account (except as provided by clause (ii)), appropriations at the level specified in enacted annual appropriations or continuing appropriations enacted for the entire fiscal year, and in addition, estimates of appropriations to cover the costs of Federal pay adjustments as set forth in subparagraph (D)(ii) (unless funding for such pay adjustments are provided for in such measure as explained in the joint explanatory statement of managers accompanying such appropriations);

“(ii) assuming, if no annual appropriations or continuing appropriations for the entire fiscal year have been enacted for an account, subject to subparagraph (D)(iii), appropriations at the level provided for the previous fiscal year, (I) adjusted to reflect the full 12-month costs (without absorption) of the pay adjustment that occurred in such fiscal year, (II) inflated as specified in subparagraph (D)(i), and (III) increased to cover the increased costs to agencies of personnel benefits (other than pay) required by law;

“(D)(i) as required by subparagraph (C)(ii)(II), assuming that the inflator shall equal—

“(I) in the case of fiscal year 1988—

“(aa) for personnel costs, the rate of Federal pay adjustments for statutory pay systems and elements of military pay if such adjustments have been enacted into law or (on or after October 1 of the fiscal year) have been established pursuant to law for such fiscal year or, if not, 4.2 percent, multiplied by the proportion of the fiscal year for which the pay adjustments will be effective, multiplied by 78 percent; and

“(bb) for all other costs, 4.2 percent;

Government
organization
and employees.
Wages.

"(II) in the case of fiscal year 1989 and subsequent fiscal years—

"(aa) for 70 percent of personnel costs, the rate of Federal pay adjustments for statutory pay systems and elements of military pay if such adjustments have been enacted into law or (on or after October 1 of the fiscal year) have been established pursuant to law for such fiscal year or, if not, at the inflation rate specified in subclause (II)(bb), multiplied by the proportion of the fiscal year for which the pay adjustments will be effective, multiplied by 78 percent; and

"(bb) for all other costs, the percentage by which the average of the estimated gross national product implicit price deflator for such fiscal year exceeds the average of such estimated deflator for the prior fiscal year (and the Director of OMB shall use such percentage as estimated in the budget submitted by the President under section 1105(a) for such fiscal year, but such use shall not constrain the economic assumptions the Director may use under paragraph (2)(C));

"(ii) if required by subparagraph (C)(i), assuming appropriations for a fiscal year in an amount sufficient to—

"(I) cover any Federal pay adjustment for statutory pay systems (including associated adjustments in benefit costs) if such adjustments have been enacted into law or, on or after October 1 of the fiscal year, have been established pursuant to law for such fiscal year;

"(II) cover any pay adjustments for elements of military pay (including associated adjustments in benefit costs) if such adjustments are specifically enacted into law or occur pursuant to adjustments for statutory pay systems if such adjustments have been enacted into law or, on or after October 1 of the fiscal year, have been established pursuant to law;

reduced by 22 percent;

"(iii) assuming for the purposes of subparagraph (C)(ii) that the amount provided for an account for the previous fiscal year is the amount provided in any enacted annual appropriations or continuing appropriations enacted for the entire fiscal year, as modified by any enacted supplemental appropriations or rescission bills, and if a temporary continuing appropriation is in effect for the previous fiscal year, then the amount provided for such account for the previous fiscal year shall be assumed to be the amount that would have been enacted if such continuing appropriations were in effect for the entire fiscal year;

"(E) assuming that medicare spending levels for inpatient hospital services will be based upon the regulations most recently issued in final form or proposed by the Health Care Financing Administration pursuant to sections 1886(b)(3)(B), 1886(d)(3)(A), and 1886(e)(4) of the Social Security Act;

"(F) assuming that, unless otherwise required by law, advance deficiency payments and paid land diversion payments under the Agricultural Act of 1949 will be made in

Medicare.

Real property.

accordance with applicable regulations and payment rates for 1987;

“(G) assuming that the increase in revenues attributable to any increase in appropriations available for administration and enforcement of the Internal Revenue Code of 1986 (over the amount actually appropriated for the previous fiscal year) is consistent on a proportional basis with the increase in revenues projected to result from the increased appropriations for such purposes in the budget submitted under section 1105(a) of title 31, United States Code, for such fiscal year;

Veterans.

“(H) assuming, unless otherwise provided by law, that the increase for Veterans’ compensation (36-0153-0-1-701) for a fiscal year will be the same as that required by law for Veterans’ pensions;

Loans.

“(I) assuming, for purposes of this paragraph and subparagraph (A)(i) of paragraph (3), that the sale of an asset or prepayment of a loan shall not alter the deficit or produce any net deficit reduction in the budget baseline, except that the budget baseline estimate shall include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986;

“(J) assuming that deferrals proposed during the period beginning October 1 of such fiscal year and ending with the snapshot date for such fiscal year shall not be taken into account in determining such budget baseline; and

“(K) assuming that the transfer of Government actions from one fiscal year to another fiscal year, as described in section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, shall not be taken into account except to the extent provided in such section.

Terms used in this paragraph shall have the meanings defined in sections 256 and 257.

Federal
Register,
publication.

“(b) DATES FOR SUBMISSION AND PRINTING OF REPORTS.—Each report submitted under this section shall be submitted to the Federal Register on the day that it is issued and printed on the following day. If the date specified for the submission of a report by the Directors or its printing in the Federal Register under this section falls on a Sunday or legal holiday, such report shall be submitted or printed on the following day.

“(c) REVISED ESTIMATES, DETERMINATIONS, AND REPORTS.—

“(1) REPORTS BY CBO.—On November 15 of fiscal year 1988 and on October 10 of subsequent fiscal years, the Director of CBO shall issue a revised report to Congress and the Director of OMB—

“(A) indicating whether and to what extent, as a result of laws enacted and regulations promulgated as final after August 15 of the calendar year in which the fiscal year begins (or after October 10, 1987, in the case of the fiscal year 1988) the aggregate amount of required outlay reductions identified in the report submitted under subsection (a)(2)(A) has been eliminated, reduced, or increased,

“(B) adjusting the determinations made under subsection (a)(2)(A) to the extent necessary, and

“(C) specifying by programs, projects, and activities for defense accounts, the budget baseline from which reduc-

tions are taken and the amounts and percentages by which such programs, projects, and activities must be reduced.

"(2) REPORTS BY OMB.—On November 20 of fiscal year 1988 and on October 15 of subsequent fiscal years, the Director of OMB shall submit to the President and the Congress a report revising the report issued under subsection (a)(2)(B), adjusting the estimates, determinations, and specifications contained in the report and taking into account for the purposes of required determinations and comparisons the revised report issued by the Director of CBO under paragraph (1). This report shall contain all of the determinations and comparisons required in, and shall be based on the same economic and technical assumptions, employ the same methodologies, and utilize the same definition of the budget baseline and the same criteria and guidelines as, the report issued under subsection (a)(2)(B), and shall provide for the determination of reductions in the manner specified in subsection (a)(3). In addition, this report shall specify by programs, projects, and activities for defense accounts, the budget baseline from which reductions are taken and the amounts by which such programs, projects, and activities must be reduced.

"(d) SEQUESTRATION OF DEFENSE PROGRAMS.—

"(1) DETERMINATION OF UNIFORM PERCENTAGE.—The total amount of reductions in outlays under defense programs required for a fiscal year under subsection (a)(3)(B) shall be calculated as a percentage of the total amount of outlays for the fiscal year estimated to result from new budget authority and unobligated balances for defense programs.

"(2) SEQUESTRATION OF NEW BUDGET AUTHORITY AND UNOBLIGATED BALANCES.—

"(A) Sequestration to achieve the required reduction in outlays under defense programs shall be made by reducing new budget authority and unobligated balances (if any) in each program, project, or activity under accounts within defense programs by the percentage determined under paragraph (1), computed on the basis of the combined outlay rate for new budget authority and unobligated balances for such program, project, or activity determined under subparagraph (B).

"(B) If the outlay rate for unobligated balances is not available for any program, project, or activity, the outlay rate used shall be the outlay rate for new budget authority.

"(3) FLEXIBILITY WITH RESPECT TO MILITARY PERSONNEL ACCOUNTS.—

"(A) Notwithstanding paragraphs (1) and (2), with respect to a fiscal year the President may, with respect to any military personnel account—

"(i) exempt any program, project, or activity within such account from the order;

"(ii) provide for a lower uniform percentage to be applied to reduce any program, project, or activity within such account than would otherwise apply; or

"(iii) take actions described in both clauses (i) and (ii).

"(B) If the President uses the authority under subparagraph (A), the total amount by which outlays are not reduced for such fiscal year in military personnel accounts by reason of the use of such authority shall be determined.

Additional reductions in outlays under defense programs in such total amount shall be achieved by a uniform percentage sequestration of new budget authority and unobligated balances in each program, project, and activity within each account within major functional category 050 other than those military personnel accounts for which the authority provided under subparagraph (A) has been exercised, computed on the basis of the outlay rate for each such program, project, and activity determined under paragraphs (1) and (2).

“(C) The President may not use the authority provided by subparagraph (A) unless he notifies the Congress on or before October 10, 1987, in the case of fiscal year 1988, or August 15 of the calendar year in which the fiscal year begins in the case of any subsequent fiscal year, of the manner in which such authority will be exercised. The Directors shall reflect the results of authority exercised under this paragraph in the reports required under section 251(a)(2).

“(e) EXCEPTION.—The preceding provisions of this section shall not apply if a declaration of war by the Congress is in effect.

2 USC 902.

“SEC. 252. PRESIDENTIAL ORDER.

“(a) ISSUANCE OF INITIAL ORDER.—

“(1) IN GENERAL.—On August 25 (or October 20, 1987, in the case of fiscal year 1988), following the submission of a report by the Director of OMB under section 251(a)(2)(B), the President, in strict accordance with the requirements of paragraph (2) and section 251(a) (3) and (4) and subject to the exemptions, exceptions, limitations, special rules, and definitions set forth in sections 255, 256, and 257, shall make all the reductions specified in such report by issuing an order that (notwithstanding the Impoundment Control Act of 1974)—

“(A) in accordance with such report, suspends the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year in such a manner as to prevent such increase from taking effect, or reduce such increase, in accordance with such report; and

Loans.

“(B) in accordance with such report, sequesters new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974; and obligation limitations—

“(i) for funds provided in annual appropriation Acts, from each affected program, project, and activity (as set forth in the most recently enacted applicable appropriation Acts and accompanying committee reports for the program, project, or activity involved, including joint resolutions providing continuing appropriations and committee reports accompanying Acts referred to in such resolutions), applying the same reduction percentage as the percentage by which the account involved is reduced in the report submitted under section 251(a)(2)(B) or from each affected budget account if the program, project, or activity is not so set forth, and

“(ii) for funds not provided in annual appropriation Acts, from each budget account activity as identified in the program and financing schedules contained in the appendix to the Budget of the United States Government for that fiscal year, applying the same reduction percentage as the percentage by which the account is reduced in such report.

“(2) ORDER TO BE BASED ON DIRECTOR OF OMB'S REPORT.—The order must provide for reductions in the manner specified in section 251(a)(3), must incorporate the provisions of the report submitted under section 251(a)(2)(B), and must be consistent with such report in all respects. The President may not modify or recalculate any of the estimates, determinations, specifications, bases, amounts, or percentages set forth in such report in determining the reductions to be specified in the order with respect to programs, projects, and activities, or with respect to budget activities, within an account.

“(3) ORDER REQUIRED IF NO REDUCTIONS ARE NEEDED.—If the report submitted under section 251(a)(2)(B) states that no aggregate outlay reductions are required for a fiscal year, the order issued by the President shall so state.

“(4) EFFECT OF SEQUESTRATION UNDER INITIAL ORDER.—

“(A) IN GENERAL.—Notwithstanding section 257(7), amounts sequestered under an order issued by the President under paragraph (1) shall be withheld from obligation or expenditure pending the issuance of a final order under subsection (b) and shall be permanently sequestered or reduced in accordance with such final order upon the issuance of such order.

“(B) SPECIAL RULE CONCERNING REDUCTION OF PAYMENTS UNDER THE MEDICARE PROGRAM.—

“(i) IN GENERAL.—With respect to services furnished during the interim period (as defined in clause (iii)) for any fiscal year, and notwithstanding any other provision of this Act, payments under the health insurance programs under title XVIII of the Social Security Act shall not be reduced by an initial order under this subsection for that fiscal year.

“(ii) DIRECTOR OF OMB TO DETERMINE ANNUALIZED PERCENTAGE REDUCTION.—The Director of OMB, in consultation with the Secretary of Health and Human Services, shall determine a percentage reduction which shall apply to payments under the health insurance programs under title XVIII of the Social Security Act for services furnished in any fiscal year after the interim period for that year, such that the reduction made in such payments under the final order under subsection (b) for that year shall achieve a total reduction of 2 percent (or, if lower, the uniform percentage reduction provided under section 251(a)(3)(E)(i)) in such payments for such fiscal year as determined on a 12-month basis.

“(iii) INTERIM PERIOD.—In this subparagraph, the term ‘interim period’ means, with respect to a fiscal year, the period beginning on October 1 of the fiscal year and ending on the date of the issuance of the final

order under subsection (b) with respect to that fiscal year.

“(5) ACCOMPANYING MESSAGE.—Not later than the 15th day beginning after the President issues an initial order under paragraph (1) for any fiscal year, the President shall transmit to both Houses of Congress a single message containing all the information required by section 251(a)(4) and further specifying in strict accordance with paragraph (2)—

“(A) within each account, for each program, project, and activity, or budget account activity, the base from which each sequestration or reduction is taken and the amounts which are to be sequestered or reduced for each such program, project, and activity or budget account activity; and

“(B) such other supporting details as the President may determine to be appropriate.

Congress.

Upon receipt in the Senate and the House of Representatives, the message (and any accompanying proposals made under subsection (c)(1)) shall be referred to all committees with jurisdiction over programs, projects, and activities affected by the order.

“(6) EFFECTIVE DATE OF INITIAL ORDER.—

“(A) FISCAL YEAR 1988.—The order issued by the President under paragraph (1) with respect to fiscal year 1988 shall be effective as of the day it is issued (and the President shall withhold from obligation or expenditure as provided in paragraph (4), pending the issuance of the final order under subsection (b), any amounts that are sequestered under such order).

“(B) FISCAL YEARS 1989-1993.—The order issued by the President under paragraph (1) with respect to the fiscal year 1989 or any subsequent fiscal year shall be effective as of October 1 of such fiscal year (and the President shall withhold from obligation or expenditure as provided in paragraph (4), pending the issuance of the final order under subsection (b), any amounts that are sequestered under such order).

“(7) TREATMENT OF AUTOMATIC SPENDING INCREASES.—

“(A) FISCAL YEARS 1987-1993.—Notwithstanding any other provision of law, any automatic spending increase that would (but for this clause) be first paid during the period beginning with the first day of such fiscal year and ending with the date on which a final order is issued pursuant to subsection (b) shall be suspended until such final order becomes effective, and the amounts that would otherwise be expended during such period with respect to such increases shall be withheld. If such final order provides that automatic spending increases shall be reduced to zero during such fiscal year, the increases suspended pursuant to the preceding sentence and any legal rights thereto shall be permanently cancelled. If such final order provides for the payment of the full amount of such increases, the increases suspended pursuant to such sentence shall be restored to the extent necessary to pay such reduced or full increases, and lump-sum payments in the amounts necessary to pay such reduced or full increases shall be made, for the period for which such increases were suspended pursuant to this clause.

“(B) PROHIBITION AGAINST RECOUPMENT.—Notwithstanding subparagraph (A), if an amount required to be withheld is paid, no recoupment shall be made against an individual to whom payment was made.

“(C) EFFECT OF LUMP-SUM PAYMENTS ON NEEDS-RELATED PROGRAMS.—Lump-sum payments made under the last sentence of subparagraph (A) shall not be considered as income or resources or otherwise taken into account in determining the eligibility of any individual for aid, assistance, or benefits under any Federal or federally assisted program which conditions such eligibility to any extent upon the income or resources of such individual or his or her family or household, or in determining the amount or duration of such aid, assistance, or benefits.

“(b) ISSUANCE OF FINAL ORDER.—

“(1) IN GENERAL.—On October 15 of the fiscal year (or on November 20, 1987, in the case of fiscal year 1988), after the submission of the revised report by the Director of OMB under section 251(c)(2), the President shall issue a final order under this section to make all of the reductions and sequestrations specified in such report, but only to the extent and in the manner provided in such report. The order issued under this subsection—

“(A) shall include the same reductions and sequestrations as the initial order issued under subsection (a), adjusted to the extent necessary to take account of any changes in relevant amounts or percentages determined by the Director of OMB in the revised report submitted under section 251(c)(2), and shall include a reduction in payments under the health care programs under title XVIII of the Social Security Act determined in accordance with subsection (a)(4)(B)(ii),

“(B) shall make such reductions and sequestrations in strict accordance with the requirements of sections 251(a)(3) and (4), and

“(C) shall utilize the same criteria and guidelines as those which were used in the issuance of such initial order under subsection (a).

The provisions of section 251(a)(3) shall apply to the revised report submitted under section 251(c)(2) and to the order issued under this subsection in the same manner as such provisions apply to the initial report issued under section 251(a)(2)(B) and to the order issued under subsection (a).

“(2) ORDER REQUIRED IF DEFICIT REDUCTION IS ACHIEVED.—If the Director of OMB issues a revised report under section 251(c)(2) stating that as a result of laws enacted and regulations promulgated as final after August 15 of the calendar year in which such fiscal year begins (or October 10, 1987, in the case of fiscal year 1988) no deficit reduction is necessary to fully satisfy the requirements of section 251(a)(3)(A), the order issued under this subsection shall so state and shall make available for obligation and expenditure any amounts withheld pursuant to subsection (a)(4) or (a)(7).

“(3) EFFECTIVE DATE OF FINAL ORDER.—

“(A) The final order issued by the President under paragraph (1) shall become effective on the date of its issuance,

and shall supersede the initial order issued under subsection (a)(1).

“(B) Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during the fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

“(4) ACCOMPANYING MESSAGE.—Not later than the 15th day beginning after the President issues a final order under paragraph (1) for any fiscal year, the President shall transmit to both Houses of Congress a single message in the same manner as, and containing all the information required by, subsection (a)(5).

“(c) PROPOSAL OF ALTERNATIVES BY THE PRESIDENT.—

“(1) IN GENERAL.—A message transmitted pursuant to subsection (a)(5) with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year in an amount not less than the deficit reduction required under section 251(a)(3) for such fiscal year.

“(2) FLEXIBILITY AMONG DEFENSE PROGRAMS, PROJECTS, AND ACTIVITIES.—

“(A) Subject to subparagraphs (B), (C), and (D), and subsection (d), new budget authority and unobligated balances for any programs, projects, or activities within major functional category 050 (other than a military personnel account) may be further reduced beyond the amount specified in an order issued by the President under subsection (b)(1) for such fiscal year. To the extent such additional reductions are made and result in additional outlay reductions, the President may provide for lesser reductions in new budget authority and unobligated balances for other programs, projects, or activities within major functional category 050 for such fiscal year, but only to the extent that the resulting outlay increases do not exceed the additional outlay reductions, and no such program, project, or activity may be increased above the level actually made available by law in appropriation Acts (before taking sequestration into account). In making calculations under this subparagraph, the President shall use account outlay rates that are identical to those used in the report by the Director of OMB under section 251(c)(2).

“(B) No actions taken by the President under subparagraph (A) for a fiscal year may result in a domestic base closure or realignment that would otherwise be subject to section 2687 of title 10, United States Code.

“(C) The President may not exercise the authority provided by this paragraph for a fiscal year unless—

“(i) the President submits a single report to Congress specifying changes proposed to be made for such fiscal year pursuant to this paragraph; and

“(ii) a joint resolution affirming or modifying the changes proposed by the President pursuant to this paragraph becomes law.

“(D) Within 5 calendar days of session after the President submits a report to Congress under subparagraph (C)(i) for a fiscal year, but before November 25, 1987, for fiscal year 1988 or, in the case of any subsequent fiscal year, before October 20 of such fiscal year, the majority leader of each House of Congress shall (by request) introduce a joint resolution which contains provisions affirming the changes proposed by the President pursuant to this paragraph.

Congress.

“(E)(i) The matter after the resolving clause in any joint resolution introduced pursuant to subparagraph (D) shall be as follows: ‘That the report of the President as submitted on [Insert Date] under section 252(c)(2)(C)(i) is hereby approved.’

“(ii) The title of the joint resolution shall be ‘Joint resolution approving the report of the President submitted under section 252(c)(2)(C)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.’

“(iii) Such joint resolution shall not contain any preamble.

“(F)(i) A joint resolution introduced in the House of Representatives under subparagraph (D) shall be referred to the Committee on Appropriations, and if not reported within 5 calendar days (excluding Saturdays, Sundays, and legal holidays) from the date of introduction shall be considered as having been discharged therefrom and shall be placed on the appropriate calendar pending disposition of such joint resolution in accordance with this subsection.

“(ii) A joint resolution introduced in the Senate under subparagraph (D) shall be referred to the Committee on Appropriations, and if not reported within 5 calendar days (excluding Saturdays, Sundays, and legal holidays) from the date of introduction shall be considered as having been discharged therefrom and shall be placed on the appropriate calendar pending disposition of such joint resolution in accordance with this subsection. In the Senate, no amendment made in the Committee on Appropriations shall be in order other than an amendment (in the nature of a substitute) that is germane or relevant to the provisions of the joint resolution or to the order issued under section 252(b)(1) insofar as they relate to major function 050 (national defense).

“(iii) On or after the third calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after a joint resolution is placed on the appropriate calendar, notwithstanding any rule or precedent of the Senate, including Rule 22 of the Standing Rules of the Senate, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived, except for points of order under titles III and IV of the Congressional Budget Act of 1974. The motion is not in order after the eighth calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after such joint resolution is placed on the appropriate calendar. The motion is highly privileged in the House of Representatives

and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the joint resolution shall remain the unfinished business of the respective House until disposed of.

“(G)(i) In the Senate, debate on a joint resolution introduced under subparagraph (D), amendments thereto, and all debatable motions and appeals in connection therewith shall be limited to not more than 10 hours, which shall be divided equally between the majority leader and the minority leader (or their designees). In the House, general debate on a joint resolution introduced under subparagraph (D) shall be limited to not more than 4 hours which shall be equally divided between the chairman of the Committee on Appropriations and the ranking minority member of such committee.

“(ii) A motion to postpone, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to is not in order. In the Senate, a motion to recommit the joint resolution is not in order. In the House, a motion further to limit debate is in order and not debatable. In the House, a motion to recommit, with or without instructions, is in order.

“(H)(i) In the House of Representatives, an amendment and any amendment to an amendment is debatable for not to exceed 30 minutes to be equally divided between the proponent of the amendment and a Member opposed thereto.

“(ii) No amendment that is not germane or relevant to the provisions of the joint resolution or to the order issued under section 252(b)(1) insofar as they relate to major function 050 (national defense) shall be in order in the Senate. In the Senate, an amendment, any amendment to an amendment, or any debatable motion or appeal is debatable for not to exceed 30 minutes to be equally divided between the majority leader and the minority leader (or their designees).

“(iii) In the Senate, an amendment that is otherwise in order shall be in order notwithstanding the fact that it amends the joint resolution in more than one place or amends language previously amended. It shall not be in order in the Senate to vote on the question of agreeing to such a joint resolution or any amendment thereto unless the figures then contained in such joint resolution or amendment are mathematically consistent.

“(iv) It shall not be in order in the Senate to consider any amendment to any joint resolution introduced under subparagraph (D) or any conference report thereon if such amendment or conference report would have the effect of decreasing any specific budget outlay reductions below the

level of such outlay reductions provided in such joint resolution unless such amendment or conference report makes a reduction in other specific budget outlays at least equivalent to any increase in outlays provided by such amendment or conference report.

“(v) For purposes of the application of clause (iv), the level of outlays and specific budget outlay reductions provided in an amendment shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

“(I) Immediately following the conclusion of the debate on a joint resolution introduced under subparagraph (D), a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, and the disposition of any amendments under subparagraph (H) (except in the House of Representatives for the motion to recommit and the disposition of any amendment proposed in a motion to recommit which has been adopted), the vote on final passage of the joint resolution shall occur.

“(J) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a joint resolution described in subparagraph (D) shall be decided without debate.

“(K) In the Senate, points of order under titles III and IV of the Congressional Budget Act of 1974 (including points of order under sections 302(c), 303(a), 306, and 401(b)(1)) are applicable to a conference report on the joint resolution or any amendments in disagreement thereto.

“(L) If, before the passage by the Senate of a joint resolution of the Senate introduced under subparagraph (D), the Senate receives from the House of Representatives a joint resolution introduced under subparagraph (D), then the following procedures shall apply:

“(i) The joint resolution of the House of Representatives shall not be referred to a committee.

“(ii) With respect to a joint resolution introduced under subparagraph (D) in the Senate—

“(I) the procedure in the Senate shall be the same as if no joint resolution had been received from the House; but

“(II)(aa) the vote on final passage shall be on the joint resolution of the House if it is identical to the joint resolution then pending for passage in the Senate; or

“(bb) if the joint resolution from the House is not identical to the joint resolution then pending for passage in the Senate and the Senate then passes it, the Senate shall be considered to have passed the joint resolution as amended by the text of the Senate joint resolution.

“(iii) Upon disposition of the joint resolution received from the House, it shall no longer be in order to consider the joint resolution originated in the Senate.

“(M) If the Senate receives from the House of Representatives a joint resolution introduced under subparagraph (D)

after the Senate has disposed of a Senate originated joint resolution which is identical to the House passed joint resolution, the action of the Senate with regard to the disposition of the Senate originated joint resolution shall be deemed to be the action of the Senate with regard to the House originated joint resolution. If it is not identical to the House passed joint resolution, then the Senate shall be considered to have passed the joint resolution of the House as amended by the text of the Senate joint resolution.

“(d) EXISTING PROGRAMS, PROJECTS, AND ACTIVITIES NOT TO BE ELIMINATED.—No action taken by the President under subsection (a) or (b) of this section shall have the effect of eliminating any program, project, or activity of the Federal Government.

“(e) RELATIVE BUDGET PRIORITIES NOT TO BE ALTERED.—Nothing in the preceding provisions of this section shall be construed to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is or becomes eligible for benefits under any provision of law shall be denied eligibility by reason of any order issued under this part.

“(f) PART-YEAR APPROPRIATIONS.—

“(1) EFFECT OF FINAL ORDER ON PART-YEAR APPROPRIATION.—If, at the time the President issues a final order for any fiscal year, there is in effect an Act making or continuing appropriations for part of the fiscal year for any budget account which is subject to reduction under the order, then the amount sequestered upon issuance of the order for that account shall be equal to the reduction amount for such account required by the final order multiplied by a fraction the numerator of which is the number of days during the fiscal year with respect to which the Act applies and the denominator of which is 365.

“(2) EFFECT OF SUBSEQUENT APPROPRIATION ON FINAL ORDER.—

“(A) If, after the issuance of a final order for a fiscal year under subsection (b), an Act referred to in paragraph (1) is extended or an Act making or continuing appropriations for part of the fiscal year for the account is enacted, then additional amounts determined in the same manner shall be sequestered.

“(B) Upon enactment of a full-year appropriation (including a continuing appropriation for the full year) for the account, the full amount of the sequestration specified by the final order, reduced by the sum of amounts previously sequestered and savings achieved by such appropriation measure when the amount enacted is less than the budget baseline for such account, shall be sequestered, except that the sum shall not exceed the amount specified in the final order for the account.

“(3) EFFECTIVE DATE OF SEQUESTRATIONS.—Amounts required to be sequestered by the President under paragraph (1) or (2) shall be sequestered not later than the close of the fifth calendar day beginning after the date of enactment into law of the relevant Act referred to in paragraph (1) or (2).

“(g) PRINTING OF ORDERS.—Each initial order and final order issued under this section shall be submitted to the Federal Register on the date it is issued and printed on the following day. If the date specified for the issuance of an order or its printing in the Federal Register under this section falls on a Sunday or legal holiday, such order shall be issued or printed on the following day.”

(b) CONFORMING AMENDMENTS.—

(1) **CONGRESSIONAL PROCEDURES.**—Section 254(b)(1)(A) of the Act is amended by striking out “the Comptroller General under section 251(c)(2)” and by inserting in lieu thereof “the Director of OMB under section 251(c)(2)”. 2 USC 904.

(2) **SEQUESTRATIONS.**—Section 256(a)(2) of the Act is amended to read as follows: 2 USC 906.

“(2) **SEQUESTRATIONS.**—Any amounts of new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974; or obligation limitations which are sequestered or automatic spending increases which are reduced under an order issued under section 252 are permanently cancelled or reduced; with the exception of amounts sequestered or reduced in special or trust funds, which shall remain in such funds and be available in accordance with and to the extent permitted by law, including the provisions of this Act.” Loans.

(3) **TREATMENT OF OBLIGATED BALANCES.**—Section 256(l) of the Act is amended to read as follows:

“(1) **TREATMENT OF OBLIGATED BALANCES.**—Obligated balances shall not be subject to reduction under an order issued under section 252.”

(4) **DEFINITION OF SEQUESTRATION.**—Section 257(7) of the Act is amended to read as follows: 2 USC 907.

“(7) The terms ‘sequester’ and ‘sequestration’ (subject to section 252(a)(4)) refer to or mean the reduction or cancellation of new budget authority; unobligated balances, new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974; and obligation limitations.”

(5) **DEFINITION OF SEQUESTERABLE RESOURCE.**—Section 257 of the Act is amended by adding after paragraph (8) the following new paragraph:

“(9) The term ‘sequesterable resource’ means new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974; and obligation limitations for budget accounts, programs, projects, and activities that are not exempt from reduction or sequestration under this part.”

(6) **CLARIFYING AMENDMENT RESPECTING APPROPRIATED ENTITLEMENTS.**—Section 257 of the Act is amended by adding after paragraph (10) the following new paragraph:

“(11) As used in this part, all references to section 401(c)(2) of the Congressional Budget Act of 1974 shall include (but are not limited to) payments to any person or government under terms of law for the following programs:

“(A) Claims, defense (97-0102-0-1-051).

“(B) Veterans compensation (36-0153-0-1-701).

“(C) Veterans pensions (36-0154-0-1-701).

“(D) Burial benefits and miscellaneous assistance (36-0155-0-1-701).

“(E) Readjustment benefits (36-0137-0-1-702).

“(F) Loan guaranty revolving fund (36-4025-0-3-704).

“(G) Guaranteed student loans (91-0230-0-1-502).

“(H) Social services block grant (75-1634-0-1-506).

“(I) Family social services (75-1645-0-1-506).

“(J) Rehabilitation services and handicapped research (91-0301-0-1-506).

“(K) Grants to States for medicaid (75-0512-0-1-551).

“(L) Special benefits for disabled coal miners (75-0409-0-1-601).

“(M) Black lung disability trust fund (20-8144-0-7-601).

“(N) Special benefits (16-1521-0-1-602).

“(O) Federal unemployment benefits and allowances (16-0326-0-1-603).

“(P) Supplemental security income program (75-0406-0-1-609).

“(Q) Family support payments to States (75-1501-0-1-609).

“(R) Food stamp program (12-3505-0-1-605).

“(S) Child nutrition programs (12-3539-0-1-605).

“(T) Retired pay, coast guard (69-0241-0-1-403).

“(U) Government payment for annuitants, employees health benefits (24-0206-0-1-551).”.

2 USC 907.

(7) DEFINITIONS OF ASSET SALE AND LOAN PREPAYMENT.—Section 257 of the Act is amended by adding after paragraph (11) the following new paragraph:

“(12) The sale of an asset means the sale to the public of any asset, whether physical or financial, owned in whole or in part by the United States. The term ‘prepayment of a loan’ means payments to the United States made in advance of the schedules set by law or contract when the financial asset is first acquired, such as the prepayment to the Federal Financing Bank of loans guaranteed by the Rural Electrification Administration. If a law or contract allows a flexible payment schedule, the term ‘in advance’ shall mean in advance of the slowest payment schedule allowed under such law or contract.”.

(8) DEFINITION OF OUTLAY RATE.—Section 257 of the Act is amended by adding after paragraph (12) the following new paragraphs:

“(13) The term ‘outlay rate’, with respect to any budget account, program, project, or activity, means—

“(A) the ratio of outlays resulting in the fiscal year involved from new budgetary resources for such budget account, program, project, or activity to such new budgetary resources; or

“(B) the ratio of outlays resulting in the fiscal year involved from unobligated balances for such budget account, program, project, or activity to such unobligated balances.

“(14) The term ‘combined outlay rate’, with respect to any budget account, program, project, or activity, means the weighted average (by budgetary resources) of the ratios determined under subparagraphs (A) and (B) of paragraph (13) for such budget account, program, project, or activity.”.

2 USC 922.

(9) ALTERNATE PROCEDURES.—Section 274(f) of the Act is amended—

(A) by striking out paragraph (1) and by inserting in lieu thereof the following new paragraph:

"(1) In the event that any of the reporting procedures described in section 251 are invalidated, then any report of the Director of CBO under section 251(a)(2)(A) or 251(c)(1) shall be transmitted to the joint committee established under this subsection."

(B) in paragraphs (2) and (3) by striking out "Directors" both places it appears therein and by inserting in lieu thereof "Director of CBO"; and

(C) in paragraph (5) by striking out "section 251 (b) or (c)(2)" and by inserting in lieu thereof "section 251 (a)(2)(B) or (c)(2)".

(10) COMPTROLLER GENERAL'S ESTIMATES.—Subsection (h) of section 274 of the Act is amended—

2 USC 922.

(A) by striking out "Comptroller General" both times it appears therein and by inserting in lieu thereof "Director of OMB" and by striking out "section 251(b)" and by inserting in lieu thereof "section 251(a)(2)(B)"; and

(B) by striking out ", assumptions, and methodologies" and by inserting in lieu thereof "and economic assumptions".

(11) CONFORMING MEDICARE AMENDMENT.—Section 256(d)(1)(B) of the Act is amended by inserting after "2 percent" the following: "(or such higher percentage as may apply as determined in accordance with section 252(a)(4)(B)(ii))".

2 USC 906.

SEC. 103. COMPLIANCE REPORT BY COMPTROLLER GENERAL.

Section 253 of the Act is amended to read as follows:

2 USC 903.

"SEC. 253. COMPLIANCE REPORT BY COMPTROLLER GENERAL.

"On or before November 15 of each fiscal year (or December 15, 1987, in the case of the fiscal year 1988), the Comptroller General shall submit to the Congress and the President a report on—

"(1) the extent to which each order issued by the President under section 252 for such fiscal year complies with all of the requirements contained in section 252, either certifying that the order fully and accurately complies with such requirements or indicating the respects in which it does not;

"(2) the extent to which each report of the Director of OMB under section 251 for such fiscal year complies with all of the requirements contained in this part, either certifying that the report fully and accurately complies with such requirements or indicating the respects in which it does not; and

"(3) any recommendations of the Comptroller General for improving the procedures set forth in this part."

SEC. 104. EXEMPT PROGRAMS AND ACTIVITIES.

(a) CLARIFYING AMENDMENTS.—(1) Section 255(h) of the Act is amended by including after the item relating to child nutrition the following new item:

2 USC 905.

"Commodity supplemental food program (12-3512-0-1-605);"

(2) Section 255(g)(1) of the Act is amended—

(A) by inserting after the item relating to intragovernmental funds the following new item:

"Medical facilities guarantee and loan fund, Federal interest subsidies for medical facilities (75-4430-03-551);"

(B) by inserting after the item relating to the Health Education Assistance Loan Program the following new item:

"Higher education facilities loans and insurance (91-0240-01-502);".

(C) by inserting after the item relating to the Bonneville Power Administration the following new item:

"Bureau of Indian Affairs, miscellaneous payments to Indians (14-2303-0-1-452);".

(D) by inserting before the item relating to the Postal service fund the following new item:

"Payments to widows and heirs of deceased Members of Congress (00-0215-0-1-801);".

(E) by inserting before the item relating to the Alaska Power Administration the following new item:

"Thrift Savings Fund (26-8141-0-7-602);".

(F) by inserting after the item relating to the Tennessee Valley Authority the following new item:

"Washington Metropolitan Area Transit Authority, interest payments (46-0300-0-1-401);".

2 USC 906.

(3) Section 256(b)(4) of the Act is amended by inserting at the end thereof the following new subparagraph:

"(G) Federal Retirement Thrift Investment Board.".

(4) Section 256(e) of the Act is amended by striking out "Any order" and by inserting in lieu thereof "Notwithstanding any change in the display of budget accounts, any order".

2 USC 905.

(b) AMENDMENTS TO SPECIFICALLY INCLUDE IN THIS ACT EXEMPTIONS ENACTED SINCE 1985.—(1) Section 255(b) of the Act is amended by inserting after the colon the following:

"National Service Life Insurance Fund (36-8132-0-7-701);

"Service-Disabled Veterans Insurance Fund (36-4012-0-3-701);

"Veterans Special Life Insurance Fund (36-8455-0-8-701);

"Veterans Reopened Insurance Fund (36-4010-0-3-701);

"United States Government Life Insurance Fund (36-8150-0-7-701);

"Veterans Insurance and Indemnity (36-0120-0-1-701);

"Special Therapeutic and Rehabilitation Activities Fund (36-4048-0-3-703);

"Veterans' Canteen Service Revolving Fund (36-4014-0-3-705);

"Benefits under chapter 21 of title 38, United States Code, relating to specially adapted housing and mortgage-protection life insurance for certain veterans with service-connected disabilities (36-0137-0-1-702);

"Benefits under section 907 of title 38, United States Code, relating to burial benefits for veterans who die as a result of service-connected disability (36-0155-0-1-701);

"Benefits under chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces (36-0137-0-1-702);".

(2) Section 255(g)(1) of the Act is amended—

(A) by inserting after the item relating to intragovernmental funds the following new item:

"Panama Canal Commission, operating expenses (95-5190-0-2-403), and Panama Canal Commission, capital outlay (95-5190-0-2-403);";

(B) by inserting after the item relating to payments to trust funds the following new item:

"Payments to the United States territories, fiscal assistance (14-0418-0-1-852);";

(C) by inserting after the item relating to compensation of the President the following new item:

"Customs Service, miscellaneous permanent appropriations (20-9922-0-2-852);";

(D) by inserting before the item relating to intragovernmental funds the following new item:

"Internal Revenue Collections for Puerto Rico (20-5737-0-2-852);";

(E) by inserting after the first item the following new item:

"Administration of Territories, Northern Mariana Islands Covenant grants (14-0412-0-1-806);"; and

(F) by inserting after the item relating to payments to the military retirement fund the following new item:

"Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14-0415-0-1-806);".

(3) Section 255(g)(1) of the Act is amended by inserting "(A)" after "(1)" and by inserting at the end thereof the following new subparagraph: 2 USC 905.

"(B) The following budget accounts and activities shall be exempt from reduction under any order issued under this part:

"Black lung benefits (20-8144-0-7-601);

"Central Intelligence Agency retirement and disability system fund (56-3400-0-1-054);

"Civil service retirement and disability fund (24-8135-0-7-602);

"Comptrollers general retirement system (05-0107-0-1-801);

"Foreign service retirement and disability fund (19-8186-0-7-602);

"Judicial survivors' annuities fund (10-8110-0-7-602);

"Longshoremen's and harborworkers' compensation benefits (16-9971-0-7-601);

"Military retirement fund (97-8097-0-7-602);

"National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306);

"Pensions for former Presidents (47-0105-0-1-802);

"Railroad retirement tier II (60-8011-0-7-601);

"Retired pay, Coast Guard (69-0241-0-1-403);

"Retirement pay and medical benefits for commissioned officers, Public Health Service (75-0379-0-1-551);

"Special benefits, Federal Employees' Compensation Act (16-1521-0-1-600);

"Special benefits for disabled coal miners (75-0409-0-1-601); and

"Tax Court judges survivors annuity fund (23-8115-0-7-602)."

(C) CONFIRMING AMENDMENTS.—(1) Section 255(g)(2) of the Act is amended by repealing the items relating to veterans with the exception of the items relating to the Loan guaranty revolving fund and the Servicemen's group life insurance fund. Veterans.

(2) Paragraph (1) of section 257 of the Act is amended by striking out subparagraph (A), by striking out the dash, and by striking out "(B)". 2 USC 907.

SEC. 105. MODIFICATION OF PRESIDENTIAL ORDER.

(a) **IN GENERAL.**—Part C of the Act is amended by inserting at the end thereof the following new section:

2 USC 908.

“SEC. 258. MODIFICATION OF PRESIDENTIAL ORDER.

“(a) **INTRODUCTION OF JOINT RESOLUTION.**—At any time after the Director of OMB issues a report under section 251(c)(2) for a fiscal year, but before the close of the tenth calendar day of session in that session of Congress beginning after the date of issuance of such report, the majority leader of either House of Congress may introduce a joint resolution which contains provisions directing the President to modify the most recent order issued under section 252 for such fiscal year. After the introduction of the first such joint resolution in either House of Congress in any calendar year, then no other joint resolution introduced in such House in such calendar year shall be subject to the procedures set forth in this section.

“(b) **PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTIONS.**—

“(1) **NO REFERRAL TO COMMITTEE.**—A joint resolution introduced in the Senate or the House of Representatives under subsection (a) shall not be referred to a committee of the Senate or the House of Representatives, as the case may be, and shall be placed on the appropriate calendar pending disposition of such joint resolution in accordance with this subsection.

“(2) **IMMEDIATE CONSIDERATION.**—On or after the third calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after a joint resolution is introduced under subsection (a), notwithstanding any rule or precedent of the Senate, including Rule 22 of the Standing Rules of the Senate, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived, except for points of order under titles III or IV of the Congressional Budget Act of 1974. The motion is not in order after the eighth calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after a joint resolution (to which the motion applies) is introduced. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the joint resolution shall remain the unfinished business of the respective House until disposed of.

“(3) **DEBATE.**—

“(A) In the Senate, debate on a joint resolution introduced under subsection (a), amendments thereto, and all debatable motions and appeals in connection therewith shall be limited to not more than 10 hours, which shall be divided equally between the majority leader and the minority leader (or their designees). In the House, general debate on a joint resolution introduced under subsection (a) shall

be limited to not more than 4 hours which shall be equally divided between the majority and minority leaders.

“(B) A motion to postpone, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to is not in order. In the Senate, a motion to recommit the joint resolution is not in order. In the House, a motion further to limit debate is in order and not debatable. In the House, a motion to recommit is in order.

“(C)(i) In the House of Representatives, an amendment and any amendment thereto is debatable for not to exceed 30 minutes to be equally divided between the proponent of the amendment and a Member opposed thereto.

“(ii) No amendment that is not germane or relevant to the provisions of the joint resolution or to the order issued under section 252(b)(1) shall be in order in the Senate. In the Senate, an amendment, any amendment to an amendment, or any debatable motion or appeal is debatable for not to exceed 30 minutes to be equally divided between the majority leader and the minority leader (or their designees).

“(iii) In the Senate, an amendment that is otherwise in order shall be in order notwithstanding the fact that it amends the joint resolution in more than one place or amends language previously amended. It shall not be in order in the Senate to vote on the question of agreeing to such a joint resolution or any amendment thereto unless the figures then contained in such joint resolution or amendment are mathematically consistent.

“(4) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution introduced under subsection (a), a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, and the disposition of any amendments under paragraph (3) (except for the motion to recommit in the House of Representatives), the vote on final passage of the joint resolution shall occur.

“(5) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a joint resolution described in subsection (a) shall be decided without debate.

“(6) CONFERENCE REPORTS.—In the Senate, points of order under titles III and IV of the Congressional Budget Act of 1974 (including points of order under sections 302(c), 303(a), 306, and 401(b)(1)) are applicable to a conference report on the joint resolution or any amendments in disagreement thereto.

“(7) RESOLUTION FROM OTHER HOUSE.—If, before the passage by the Senate of a joint resolution of the Senate introduced under subsection (a), the Senate receives from the House of Representatives a joint resolution introduced under subsection (a), then the following procedures shall apply:

“(A) The joint resolution of the House of Representatives shall not be referred to a committee.

“(B) With respect to a joint resolution introduced under subsection (a) in the Senate—

“(i) the procedure in the Senate shall be the same as if no joint resolution had been received from the House; but

“(ii)(I) the vote on final passage shall be on the joint resolution of the House if it is identical to the joint resolution then pending for passage in the Senate; or

“(II) if the joint resolution from the House is not identical to the joint resolution then pending for passage in the Senate and the Senate then passes it, the Senate shall be considered to have passed the joint resolution as amended by the text of the Senate joint resolution.

“(C) Upon disposition of the joint resolution received from the House, it shall no longer be in order to consider the resolution originated in the Senate.

“(8) SENATE ACTION ON HOUSE RESOLUTION.—If the Senate receives from the House of Representatives a joint resolution introduced under subsection (a) after the Senate has disposed of a Senate originated resolution which is identical to the House passed joint resolution, the action of the Senate with regard to the disposition of the Senate originated joint resolution shall be deemed to be the action of the Senate with regard to the House originated joint resolution. If it is not identical to the House passed joint resolution, then the Senate shall be considered to have passed the joint resolution of the House as amended by the text of the Senate joint resolution.”

(b) CLERICAL AMENDMENT.—The table of contents set forth in section 200(b) of the Act is amended by inserting after the item relating to section 257 the following new item:

“Sec. 258. Modification of Presidential order.”.

SEC. 106. MAXIMUM DEFICIT AMOUNTS.

(a) REVISION OF DEFINITION OF MAXIMUM DEFICIT AMOUNT.—Paragraph (7) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking out subparagraphs (D) through (F) and by inserting in lieu thereof the following:

“(D) with respect to the fiscal year beginning October 1, 1987, \$144,000,000,000;

“(E) with respect to the fiscal year beginning October 1, 1988, \$136,000,000,000;

“(F) with respect to the fiscal year beginning October 1, 1989, \$100,000,000,000;

“(G) with respect to the fiscal year beginning October 1, 1990, \$64,000,000,000;

“(H) with respect to the fiscal year beginning October 1, 1991, \$28,000,000,000; and

“(I) with respect to the fiscal year beginning October 1, 1992, zero.”.

(b) DEFINITION OF MARGIN.—Section 257 of the Act is amended by inserting after paragraph (9) the following new paragraph:

“(10) The term ‘margin’ means \$10,000,000,000 with respect to each of fiscal years 1988 through 1992 and zero with respect to fiscal year 1993.”.

(c) REVISION OF EXPIRATION DATE OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Subsection (b)(1) of

2 USC 622.

2 USC 907.

section 275 of the Act is amended by striking out "September 30, 1991" and by inserting in lieu thereof "September 30, 1993". 2 USC 901 note.

(d) SECTION 301(i) POINT OF ORDER.—Paragraph (2) of section 301(i) of the Congressional Budget Act of 1974 is amended by inserting "(A)" before "Paragraph" and by adding at the end thereof the following new paragraphs: 2 USC 632.

"(B) Paragraph (1) shall not apply to the consideration of any concurrent resolution on the budget for fiscal year 1988 or fiscal year 1989, or amendment thereto or conference report thereon, if such concurrent resolution or conference report provides, or in the case of an amendment if the concurrent resolution as changed by the adoption of such amendment would provide for deficit reduction from a budget baseline estimate as specified in section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 for such fiscal year (based on laws in effect on January 1 of the calendar year during which the fiscal year begins) equal to or greater than the maximum amount of unachieved deficit reduction for such fiscal year as specified in section 251(a)(3)(A) of such Act.

"(C) For purposes of the application of subparagraph (B), the amount of deficit reduction for a fiscal year provided for in a concurrent resolution, or amendment thereto or conference report thereon, shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be."

(e) SECTION 311(a) POINT OF ORDER IN THE SENATE.—

(1) Section 311(a) of the Congressional Budget Act of 1974 is amended by striking out all after "in the Senate," and by inserting in lieu thereof the following: "would otherwise result in a deficit for such fiscal year that— 2 USC 642.

"(A) for fiscal year 1989 or any subsequent fiscal year, exceeds the maximum deficit amount specified for such fiscal year in section 3(7); and

"(B) for fiscal year 1988 or 1989, exceeds the amount of the estimated deficit for such fiscal year based on laws and regulations in effect on January 1 of the calendar year in which such fiscal year begins as measured using the budget baseline specified in section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 minus \$23,000,000,000 for fiscal year 1988 or \$36,000,000,000 for fiscal year 1989;

except to the extent that paragraph (1) of section 301(i) or section 304(b), as the case may be, does not apply by reason of paragraph (2) of such subsection."

(2) Section 254(b)(1)(E) of the Act is amended by inserting "and for fiscal year 1988 or 1989, exceed the amount of the estimated deficit for such fiscal year based on laws and regulations in effect on January 1 of the calendar year in which such fiscal year begins as measured using the budget baseline specified in section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 minus \$23,000,000,000 for fiscal year 1988 or \$36,000,000,000 for fiscal year 1989;" after "maximum deficit amount for such fiscal year,". 2 USC 904.

(f) PRESIDENT'S BUDGET.—Section 1105(f) of title 31, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (5); and

(2) by inserting after paragraph (2) the following new paragraphs:

"(3) The budget transmitted pursuant to subsection (a) for a fiscal year shall include a budget baseline estimate made in accordance with section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 and using economic and technical assumptions consistent with the current services budget submitted under section 1109 for the fiscal year. If such budget baseline estimate differs from the estimate in the current services budget, the President shall explain the differences. The budget transmitted pursuant to subsection (a) for such fiscal year shall include the information required by section 251(a)(2) of such Act (other than account-level detail) assuming that the deficit in such budget baseline were the amount estimated by the Director of the Office of Management and Budget on August 25 of the calendar year in which the fiscal year begins.

"(4) Paragraphs (1) and (2) shall not apply with respect to fiscal year 1989 if the budget transmitted for such fiscal year provides for deficit reduction from a budget baseline deficit for such fiscal year (as defined by section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 and based on laws in effect on January 1, 1988) equal to or greater than \$36,000,000,000."

SEC. 107. SPECIAL RULES FOR MEDICARE PROGRAM.

42 USC 1395ww
note.

(a) TEMPORARY EXTENSION OF PAYMENT POLICIES FOR INPATIENT HOSPITAL SERVICES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, with respect to payment for inpatient hospital services under section 1886 of the Social Security Act:

(A) TEMPORARY FREEZE IN PPS HOSPITAL RATES.—For purposes of subsection (d) of such section for discharges occurring during the period beginning on October 1, 1987, and ending on November 20, 1987 (in this paragraph referred to as the "extension period"), the applicable percentage increase under subsection (b)(3)(B) of such section with respect to fiscal year 1988 is deemed to be 0 percent.

(B) TEMPORARY FREEZE IN PAYMENT BASIS.—

(i) EXTENSION OF BLENDED DRG RATE.—For purposes of subsection (d)(1) of such section, the "applicable combined adjusted DRG prospective payment rate" for discharges occurring—

(I) during the extension period is the rate specified in subsection (d)(1)(D)(ii) of such section, or

(II) after such period is the national adjusted prospective payment rate determined under subsection (d)(3) of such section.

(ii) EXTENSION OF HOSPITAL-SPECIFIC PAYMENT.—For the first 51 days of a hospital cost reporting period beginning during fiscal year 1988, payment shall be made under clause (ii) (rather than clause (iii)) of subsection (d)(1)(A) of such section (subject to clause (i) of this subparagraph).

(C) TEMPORARY FREEZE IN AMOUNTS OF PAYMENT FOR CAPITAL.—For payments attributable to portions of cost reporting periods occurring during the extension period, the percent specified in subsection (g)(3)(A)(ii) of such section is deemed to be 3.5 percent.

(D) TEMPORARY FREEZE IN RETURN ON EQUITY REDUCTIONS.—For the first 51 days of a cost reporting period beginning during fiscal year 1988, subsection (g)(2) of such

section shall be applied as though the applicable percentage were 75 percent.

(E) **TEMPORARY FREEZE IN PAYMENTS RATES FOR PPS-EXEMPT HOSPITALS.**—For purposes of payment under subsection (b) of such section for cost reporting periods beginning during fiscal year 1988, with respect to the first 51 days of such a period the applicable percentage increase under paragraph (3)(B) of such subsection is deemed to be 0 percent.

(2) **CONTINUATION OF CAPITAL POLICY.**—Section 9321(c) of the Omnibus Budget Reconciliation Act of 1986 is amended—

42 USC 1395ww
note.

(A) by striking “SEPTEMBER 1” in the heading of paragraph (1) and inserting “NOVEMBER 21”,

(B) in paragraph (1), by striking “September 1, 1987” and inserting “November 21, 1987”,

(C) in the second sentence of paragraph (1), by striking “before the date of the enactment of this Act”, and

(D) in paragraph (4), by striking “second sentence” and all that follows through “operating costs” and inserting “second sentence of section 1886(a)(4) of the Social Security Act, from the term ‘operating costs’”.

(b) **FREEZING CERTAIN CHANGES IN MEDICARE PAYMENT REGULATIONS AND POLICIES.**—

42 USC 1395ww
note.

(1) **IN GENERAL.**—Notwithstanding any other provision of law, the Secretary of Health and Human Services is not authorized to issue after September 18, 1987, and before November 21, 1987—

(A) any final regulation that changes the policy with respect to payment under title XVIII of the Social Security Act to providers of service for reasonable costs relating to unrecovered costs associated with unpaid deductible and coinsurance amounts incurred under such title;

(B) any final regulation, instruction, or other policy change which is primarily intended to have the effect of slowing down claims processing, or delaying payment of claims, under such title; or

(C) any final regulation that changes the policy under such title with respect to payment for a return on equity capital for outpatient hospital services.

The final regulation of the Health Care Financing Administration published on September 1, 1987 (52 Federal Register 32920) and relating to changes to the return on equity capital provisions for outpatient hospital services is void and of no effect.

(2) **OTHER COST SAVINGS POLICIES.**—Notwithstanding any other provision of law, except as required to implement specific provisions required under statute, the Secretary of Health and Human Services is not authorized to issue in final form, after September 18, 1987, and before November 21, 1987, any regulation, instruction, or other policy which is estimated by the Secretary to result in a net reduction in expenditures under title XVIII of the Social Security Act in fiscal year 1988 of more than \$50,000,000. Any regulation, instruction, or policy which is issued in violation of this paragraph is void and of no effect.

(3) **EXCEPTION.**—Paragraphs (1) and (2) shall not be construed to apply to any regulation, instruction, or policy required to implement the amendment made by section 9311(a) of the

Omnibus Budget Reconciliation Act of 1986 (relating to periodic interim payments).

42 USC 1320b-8
note.

(c) **DELAY IN ORGAN PROCUREMENT REQUIREMENTS.**—Section 9318(b) of the Omnibus Budget Reconciliation Act of 1986 is amended by striking “October 1, 1987” each place it appears and inserting “November 21, 1987”.

TITLE II—BUDGET PROCESS REFORM

2 USC 621 note.

SEC. 201. 2-YEAR APPROPRIATIONS.

It is the sense of the Congress that the Congress should undertake an experiment with multiyear authorizations and 2-year appropriations for selected agencies and accounts. An evaluation of the efficacy and desirability of such experiment should be conducted at the end of the 2-year period. The appropriate committees are directed to develop a plan in consultation with the leadership of the House and Senate to implement this experiment.

2 USC 909.

SEC. 202. PROHIBITION OF COUNTING AS SAVINGS THE TRANSFER OF GOVERNMENT ACTIONS FROM ONE YEAR TO ANOTHER.

(a) **IN GENERAL.**—Except as otherwise provided in this section, any law or regulation that has the effect of transferring an outlay, receipt, or revenue of the United States from one fiscal year to an adjacent fiscal year shall not be treated as altering the deficit or producing net deficit reduction in any fiscal year for purposes of the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) **EXCEPTIONS.**—Subsection (a) shall not apply if the law making the transfer stipulates that such transfer—

- (1) is a necessary (but secondary) result of a significant policy change;
- (2) provides for contingencies; or
- (3) achieves savings made possible by changes in program requirements or by greater efficiency of operations.

2 USC 621 note.

SEC. 203. FINANCIAL MANAGEMENT REFORM.

It is the sense of the Congress that the Congress should undertake a coordinated effort to identify problems and develop specific recommendations to reform the financial management systems of the United States Government, including consideration of the use of generally accepted accounting principles.

2 USC 653 note.

SEC. 204. EXTENSION OF STATE AND LOCAL COST ESTIMATES.

The State and Local Government Cost Estimate Act of 1981 is amended by striking out section 4.

SEC. 205. EXTRANEEOUS PROVISIONS IN THE SENATE.

(a) **PROHIBITION OF EXTRANEEOUS MATTERS IN RECONCILIATION MEASURES IN THE SENATE.**—Section 20001 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 7006 of the Omnibus Budget Reconciliation Act of 1986, is amended in subsection (c) by striking out “January 2, 1988” and inserting in lieu thereof “September 30, 1992”.

(b) **PROVISIONS CONSIDERED TO BE EXTRANEEOUS IN THE SENATE.**—Subsection (d)(1)(A) of such section is amended by inserting before the period at the end thereof “; and (E) a provision shall be consid-

100 Stat. 1949.

ered to be extraneous if it increases, or would increase, net outlays, or if it decreases, or would decrease, revenues during a fiscal year after the fiscal years covered by such reconciliation bill or reconciliation resolution, and such increases or decreases are greater than outlay reductions or revenue increases resulting from other provisions in such title in such year”.

(c) APPLICATION OF SUBSECTION (a) TO CERTAIN SENATE RESOLUTIONS.—Nothing in the amendment made by subsection (a) shall be construed as limiting the manner in which S. Res. 286 (99th Congress, 1st session), as amended by S. Res. 509 (99th Congress, 2d session), shall apply to reconciliation bills and reconciliation resolutions considered on or after the date of the enactment of this joint resolution.

SEC. 206. CODIFICATION OF LAW REGARDING DEFERRAL AUTHORITY.

(a) PROPOSED DEFERRALS OF BUDGET AUTHORITY.—Section 1013 of the Impoundment Control Act of 1974 is amended to read as follows:

2 USC 684.

“PROPOSED DEFERRALS OF BUDGET AUTHORITY

“SEC. 1013. (a) TRANSMITTAL OF SPECIAL MESSAGE.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States proposes to defer any budget authority provided for a specific purpose or project, the President shall transmit to the House of Representatives and the Senate a special message specifying—

President of U.S.

“(1) the amount of the budget authority proposed to be deferred;

“(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific projects or governmental functions involved;

“(3) the period of time during which the budget authority is proposed to be deferred;

“(4) the reasons for the proposed deferral, including any legal authority invoked to justify the proposed deferral;

“(5) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the proposed deferral; and

“(6) all facts, circumstances, and considerations relating to or bearing upon the proposed deferral and the decision to effect the proposed deferral, including an analysis of such facts, circumstances, and considerations in terms of their application to any legal authority, including specific elements of legal authority, invoked to justify such proposed deferral, and to the maximum extent practicable, the estimated effect of the proposed deferral upon the objects, purposes, and programs for which the budget authority is provided.

A special message may include one or more proposed deferrals of budget authority. A deferral may not be proposed for any period of time extending beyond the end of the fiscal year in which the special message proposing the deferral is transmitted to the House and the Senate.

“(b) CONSISTENCY WITH LEGISLATIVE POLICY.—Deferrals shall be permissible only—

“(1) to provide for contingencies;

“(2) to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or

“(3) as specifically provided by law.

No officer or employee of the United States may defer any budget authority for any other purpose.

“(c) EXCEPTION.—The provisions of this section do not apply to any budget authority proposed to be rescinded or that is to be reserved as set forth in a special message required to be transmitted under section 1012.”.

2 USC 687.

(b) CONFORMING AMENDMENT.—The first sentence of section 1016 of the Impoundment Control Act of 1974 is amended by striking out “under section 1012(b) or 1013(b)” and by inserting in lieu thereof “under this title”.

2 USC 686 note.

(c) REAFFIRMATION.—Sections 1015 and 1016 of the Impoundment Control Act of 1974 are reaffirmed.

SEC. 207. CLARIFICATION OF CONGRESSIONAL INTENT REGARDING RESCISSION AUTHORITY.

2 USC 683.

Section 1012(b) of the Impoundment Control Act of 1974 is amended by adding at the end thereof the following: “Funds made available for obligation under this procedure may not be proposed for rescission again.”.

SEC. 208. ECONOMIC AND TECHNICAL ASSUMPTIONS.

2 USC 632.

(a) POINT OF ORDER.—Section 301(g) of the Congressional Budget Act of 1974 is amended to read as follows:

“(g) ECONOMIC ASSUMPTIONS.—

“(1) It shall not be in order in the Senate to consider any concurrent 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 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.”.

2 USC 635.

(b) APPLICATION OF SECTION 301(g) POINT OF ORDER TO REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 304 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following:

“(c) ECONOMIC ASSUMPTIONS.—The provisions of section 301(g) shall apply with respect to concurrent resolutions on the budget under this section (and amendments thereto and conference reports thereon) in the same way they apply to concurrent resolutions on the budget under such section 301(g) (and amendments thereto and conference reports thereon).”.

SEC. 209. CLARIFICATION OF CONGRESSIONAL INTENT REGARDING TIME LIMITS FOR CONFERENCE REPORTS ON CONCURRENT RESOLUTIONS ON THE BUDGET.

Section 305(c)(2) of the Congressional Budget Act of 1974 is amended by inserting "and all amendments in disagreement, and all amendments thereto, and debatable motions and appeals in connection therewith" after "budget,". 2 USC 636.

SEC. 210. APPEALS OF CERTAIN RULINGS IN THE SENATE.

(a) **IN GENERAL.**—Section 271 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection: 2 USC 901 note.

"(c) **APPEALS OF RULINGS.**—An affirmative vote of three-fifths of the Members of the Senate, 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 section 301(i), 302(c), 302(f), 304(b), 306, 310(d), 310(g), or 311(a) of the Congressional Budget Act of 1974."

(b) **CONFORMING AMENDMENT.**—Section 275(b)(2)(D) of such Act is amended by striking out "section 271(b)" and inserting in lieu thereof "subsections (b) and (c) of section 271". 2 USC 901 note.

SEC. 211. WAIVER OF SECTION 302(c) RELATING TO COMMITTEE ALLOCATIONS.

Section 271(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting "302(c)," after "301(i)". 2 USC 901 note.

SEC. 212. CREDIT REFORM.

The Congressional Budget Office, in consultation with the General Accounting Office, shall study and report to Congress on Federal direct loan and loan guarantee programs for fiscal year 1987 and fiscal year 1988. The report shall be submitted as soon as practicable to all congressional committees of appropriate jurisdiction. The report shall provide information and recommendations on: (1) more accurately measuring the costs to the Federal Government of such credit programs, (2) comparing the cost of credit programs to other forms of Federal assistance, and (3) improving the allocation of resources between credit and other programs. The report shall also discuss the considerations involved in establishing a system for using the information on the costs of credit programs as part of the budget process.

Reports.
Loans.

2 USC 602 note.

SEC. 213. EXERCISE OF RULEMAKING POWER.

2 USC 901 note.

This Act and the amendments made by this Act, other than those relating to the activities of the executive and judicial branches of the Government, are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

Approved September 29, 1987.

LEGISLATIVE HISTORY—H.J. Res. 324:

HOUSE REPORTS: No. 100-313 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 133 (1987):

June 23, considered and passed House pursuant to H. Con. Res. 93.

July 21, 23, 29-31, considered and passed Senate, amended.

Aug. 4, House disagreed to Senate amendments.

Sept. 22, House agreed to conference report.

Sept. 23, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 23 (1987):

Sept. 29, Presidential statement and remarks.