

104TH CONGRESS
2D SESSION

H. R. 4285

To amend the Congressional Budget and Impoundment Control Act of 1974
to reform the budget process, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 1996

Mr. COX of California (for himself, Mr. LARGENT, Mr. BARTON of Texas, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. LIVINGSTON, Mr. ARCHER, Mr. KASICH, Mr. PAXON, Ms. MOLINARI, Mr. CLINGER, Mr. SOLOMON, Mr. GOSS, Mr. HORN, Mr. STENHOLM, Ms. HARMAN, Mr. CONDIT, Mr. HALL of Texas, Mr. PETERSON of Minnesota, Mr. POSHARD, Mr. MONTGOMERY, Mr. ROSE, Mr. PETE GEREN of Texas, Mr. ALLARD, Mr. BACHUS, Mr. BAKER of California, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BASS, Mr. BATEMAN, Mr. BE-REUTER, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BLILEY, Mr. BLUTE, Mr. BOEHLERT, Mr. BONILLA, Mr. BONO, Mr. BROWNBACK, Mr. BRYANT of Tennessee, Mr. BUNNING of Kentucky, Mr. BURR, Mr. BURTON of Indiana, Mr. BUYER, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CAMPBELL, Mr. CANADY of Florida, Mr. CASTLE, Mr. CHABOT, Mr. CHAMBLISS, Mrs. CHENOWETH, Mr. CHRISTENSEN, Mr. CHRYSLER, Mr. COBLE, Mr. COBURN, Mr. COLLINS of Georgia, Mr. COMBEST, Mr. COOLEY of Oregon, Mr. CRANE, Mr. CRAPO, Mr. CREMEANS, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DIAZ-BALART, Mr. DICKEY, Mr. DOOLITTLE, Mr. DORNAN, Mr. DREIER, Mr. DUNCAN, Ms. DUNN of Washington, Mr. EHLERS, Mr. EHRLICH, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. EWING, Mr. FLANAGAN, Mr. FOLEY, Mr. FOX of Pennsylvania, Mr. FIELDS of Texas, Mr. FORBES, Mr. FRANKS of New Jersey, Mr. FRANKS of Connecticut, Mr. FRELINGHUYSEN, Mr. FRISA, Mr. FUNDERBURK, Mr. GALLEGLY, Mr. GANSKE, Mr. GEKAS, Mr. GILCHREST, Mr. GILLMOR, Mr. GILMAN, Mr. GOODLATTE, Mr. GOODLING, Mr. GRAHAM, Mr. GREENWOOD, Ms. GREENE of Utah, Mr. GUNDERSON, Mr. GUTKNECHT, Mr. HANCOCK, Mr. HANSEN, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYES, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HILLEARY, Mr. HOEKSTRA, Mr. HOKE, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. HUNTER, Mr. HYDE, Mr. INGLIS of South Carolina, Mr. ISTOOK, Mrs. JOHNSON of Connecticut, Mr. SAM JOHNSON of Texas, Mr. JONES, Mrs. KELLY, Mr. KIM, Mr. KING, Mr. KINGSTON, Mr. KLUG, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LAHOOD,

Mr. LATHAM, Mr. LATOURETTE, Mr. LAUGHLIN, Mr. LAZIO of New York, Mr. LEACH, Mr. LEWIS of California, Mr. LEWIS of Kentucky, Mr. LIGHTFOOT, Mr. LINDER, Mr. LONGLEY, Mr. LUCAS of Oklahoma, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCDADE, Mr. MCHUGH, Mr. MCINNIS, Mr. MCINTOSH, Mr. MCKEON, Mr. MANZULLO, Mr. MARTINI, Mr. METCALF, Mrs. MEYERS of Kansas, Mr. MICA, Mr. MILLER of Florida, Mr. MOORHEAD, Mrs. MYRICK, Mr. NETHERCUTT, Mr. NEUMANN, Mr. NEY, Mr. NORWOOD, Mr. OXLEY, Mr. PACKARD, Mr. PARKER, Mr. PETRI, Mr. POMBO, Mr. PORTMAN, Ms. PRYCE, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. RIGGS, Mr. ROBERTS, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mr. ROTH, Mrs. ROUKEMA, Mr. ROYCE, Mr. SALMON, Mr. SANFORD, Mr. SAXTON, Mr. SCARBOROUGH, Mr. SCHAEFER, Mr. SCHIFF, Mrs. SEASTRAND, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS, Mr. SHUSTER, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mrs. SMITH of Washington, Mr. SMITH of Michigan, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STOCKMAN, Mr. STUMP, Mr. TALENT, Mr. TATE, Mr. TAUZIN, Mr. THOMAS, Mr. THORNBERRY, Mr. TIAHRT, Mr. TORKILDSEN, Mr. UPTON, Mrs. VUCANOVICH, Mr. WALKER, Mr. WALSH, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITE, Mr. WICKER, Mr. WHITFIELD, Mr. WOLF, and Mr. ZIMMER) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Government Reform and Oversight, Appropriations, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Congressional Budget and Impoundment Control Act of 1974 to reform the budget process, and for other purposes.

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

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

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

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—STATEMENT OF CONGRESSIONAL PURPOSE

Sec. 101. Improvement in decision-making process.

Sec. 102. Reform of fiscal management.

Sec. 103. Safeguards against delay and inaction.

TITLE II—BINDING BUDGET LAW

Sec. 201. Joint resolution establishing binding budget law.

Sec. 202. Budget required before spending bills may be considered.

Sec. 203. “Baseline” budgeting prohibited; objective year-to-year comparisons required in budget law.

Sec. 204. “Rainy day” fund for natural disasters.

Sec. 205. President’s budget submissions.

TITLE III—ENFORCEMENT OF BUDGET DISCIPLINE

Subtitle A—Supermajority Required To Break Budget Law

Sec. 301. Two-thirds requirement for over-budget spending bills.

Sec. 302. Two-thirds requirement for waiver of this Act.

Subtitle B—Line Item Reduction

Sec. 303. Intent of Congress.

Sec. 304. President authorized to reduce spending to level contained in Congressional Budget Law.

Subtitle C—“Blank Check” Appropriations Prohibited

Sec. 305. Intent of Congress.

Sec. 306. Fixed-dollar appropriations required.

Sec. 307. Agency authority to adjust expenditures to appropriated amounts.

Sec. 308. Budget authority and entitlement authority may cover only a single fiscal period.

Subtitle D—“Pay-as-You-Go” Requirement for New Spending

Sec. 309. Spending offsets required; two-thirds point of order.

Subtitle E—“Lock-Box” for Savings From Spending Reductions

Sec. 310. Intent of Congress.

Sec. 311. Spending cuts by amendment to appropriations bills on House and Senate floors.

Sec. 312. CBO reports on “lock-box” savings from floor amendments.

Sec. 313. Reduced spending allocations.

TITLE IV—SUSTAINING MECHANISM

Sec. 401. Automatic continuing resolution.

Sec. 402. Contingency regulations.

Sec. 403. Indefinite appropriations prohibited.

TITLE V—PROTECTION OF SOCIAL SECURITY

Sec. 501. Benefits protected against deficit reduction.

Sec. 502. Conforming amendment.

TITLE VI—TECHNICAL AMENDMENTS TO FEDERAL LAW TO
CARRY OUT THIS ACT

- Sec. 601. Amendments changing concurrent to joint resolutions.
 Sec. 602. Further amendments to the Congressional Budget Act of 1974.
 Sec. 603. Technical amendments to the Impoundment Control Act of 1974.
 Sec. 604. Technical amendments to title 31, United States Code.

TITLE VII—DEFINITIONS AND RULES OF INTERPRETATION

- Sec. 701. Definitions.
 Sec. 702. Use of terms.
 Sec. 703. Effective date.

1 **TITLE I—STATEMENT OF**
 2 **CONGRESSIONAL PURPOSE**

3 **SEC. 101. IMPROVEMENT IN DECISION-MAKING PROCESS.**

4 Because the Federal budget process is the principal
 5 vehicle by which many of the most fundamental policy
 6 choices in Government are made, the purpose of this Act
 7 is to facilitate rational, informed, and timely decisions by
 8 the Congress in the course of that process.

9 **SEC. 102. REFORM OF FISCAL MANAGEMENT.**

10 It is the sense of the Congress that a properly func-
 11 tioning Federal budget process should focus the attention
 12 of policymakers and the public on the aggregate impact
 13 of Federal spending on the economy, and on the tradeoffs
 14 that must be made among priorities in order to control
 15 overall levels of spending. To this end, the Act is intended
 16 to establish a budget process that, in each fiscal period—

- 17 (1) requires the adoption of a budget before,
 18 not after, any spending begins;

1 (2) produces decisions on that budget early in
2 the budgeting cycle;

3 (3) encourages cooperation between Congress
4 and the President in adopting the budget;

5 (4) ties each subsequent spending decision to
6 an overall, binding budget total;

7 (5) requires regular, periodic decisions on ap-
8 propriate spending levels for all Federal programs,
9 not just those arbitrarily deemed “controllable”; and

10 (6) produces a bias in favor of fiscal respon-
11 sibility that can be overcome only if the Congress ex-
12 pressly determines to do so.

13 **SEC. 103. SAFEGUARDS AGAINST DELAY AND INACTION.**

14 The Congress further finds that a properly function-
15 ing budget process should contain safeguards against
16 delay and inaction, so that temporary shut-downs of the
17 Federal Government may be avoided when the President
18 and the Congress fail to complete work on the budget prior
19 to the beginning of a fiscal period. Accordingly, this Act
20 is intended to provide an enforcement mechanism that
21 gives meaning and importance to the timely adoption of
22 a budget, and a sustaining mechanism that ensures a con-
23 tinuation of the Government should the political process
24 produce deadlock or a failure to act in a timely fashion.

1 **TITLE II—BINDING BUDGET LAW**

2 **SEC. 201. JOINT RESOLUTION ESTABLISHING BINDING**
3 **BUDGET LAW.**

4 (a) INTENT OF CONGRESS.—(1) To encourage early
5 consultation and cooperation between the Congress and
6 the President on decisions concerning overall spending lev-
7 els for all Federal programs, the Congress shall enact a
8 binding budget law, in the form of a joint resolution, by
9 April 15 of the calendar year before that in which the fis-
10 cal period commences. The amendments contained in this
11 section and the technical amendments contained in sec-
12 tions 601 and 701 of this Act are intended to assist in
13 the establishment of this requirement. The budget law it-
14 self shall fit on a single page, which sets forth specific
15 budget ceilings for the major functional categories which
16 together comprise the entire Federal budget.

17 (2) By thus requiring that the budget process begin
18 with highly generalized macroeconomic decisions about
19 spending in major functional categories, this section is in-
20 tended to facilitate agreement within Congress itself, and
21 between Congress and the President, on how much the
22 Federal Government should spend in the ensuing fiscal pe-
23 riod.

(b) REVISION OF TIMETABLE.—Section 300 of the Congressional Budget Act of 1974 (2 U.S.C. 631) is amended to read as follows:

“TIMETABLE

“SEC. 300. The timetable with respect to the Congressional budget process for any Congress (beginning with the One Hundred Fifth Congress) is as follows:

“On or before:

First Monday in February
 February 15
 February 25
 March 31
 April 15

 President signs joint resolution or
 Congress overrides veto.
 15th day after enactment of joint
 budget resolution.
 June 10

 June 30
 August 1
 September 30

 October 1

Action to be completed:

President submits proposed one-page
 budget law.
 Congressional Budget Office submits
 report to Budget Committees.
 Committees submit views and esti-
 mates to Budget Committees.
 Budget Committees report joint reso-
 lution on the budget.
 Congress completes action on joint
 resolution on the budget and trans-
 mits it to the President for signa-
 ture or veto.
 Authorization and appropriations bills
 may be considered in the Congress.
 President submits detailed budget
 and supporting documents.
 House Appropriations Committee re-
 port last of annual appropriation
 bills.
 House completes action on annual ap-
 propriation bills.
 Senate completes action on annual
 appropriation bills.
 Congress completes action on rec-
 onciliation legislation and annual
 appropriation bills.
 Fiscal period begins. Congress com-
 pletes all necessary action on budg-
 et, authorizations and appropri-
 ations, or automatic continuing reso-
 lution takes effect.”.

1 **SEC. 202. BUDGET REQUIRED BEFORE SPENDING BILLS**
2 **MAY BE CONSIDERED.**

3 (a) INTENT OF CONGRESS.—The purpose of this pro-
4 vision is to ensure that until the budget is signed into law,
5 no authorization or appropriations bill shall be considered
6 in the Congress.

7 (b) TWO-THIRDS REQUIREMENT FOR ALL SPENDING
8 BILLS IN ABSENCE OF BUDGET LAW.—Section 303 of the
9 Congressional Budget Act of 1974 is amended by striking
10 subsections (b) and (c) and inserting the following new
11 subsection:

12 “(b) Unless and until a joint resolution on the budget
13 is enacted with respect to any major functional category
14 for a fiscal period, it shall not be in order in either the
15 House of Representatives or the Senate or any committee
16 or subcommittee thereof to mark up, amend, report, or
17 approve any spending bill affecting spending in that cat-
18 egory, unless such bill is required to be approved by the
19 affirmative vote of two-thirds of the Members voting, a
20 quorum being present.”.

21 (c) REPEALER.—Section 603 of the Congressional
22 Budget Act of 1974, providing for consideration of spend-
23 ing bills prior to adoption of the budget resolution, is re-
24 pealed.

1 **SEC. 203. “BASELINE” BUDGETING PROHIBITED; OBJEC-**
2 **TIVE YEAR-TO-YEAR COMPARISONS RE-**
3 **QUIRED IN BUDGET LAW.**

4 In order to facilitate honest comparison of budget fig-
5 ures, the starting point for Presidential and congressional
6 budgets shall be the levels of outlays for the current fiscal
7 period. Any increases or decreases proposed in the budget
8 for the next fiscal period shall be measured from such lev-
9 els. The technical amendments contained in title VI of this
10 Act are intended to assist in the establishment of this re-
11 quirement.

12 **SEC. 204. “RAINY DAY” FUND FOR NATURAL DISASTERS.**

13 (a) INTENT OF CONGRESS.—It is the intent of Con-
14 gress, by this provision, to require that the budget contain
15 a separate functional category for a contingency fund for
16 natural disasters. This budget category shall specify the
17 amount of funds to be available for programs, projects,
18 and activities designed to provide relief in the case of
19 floods, earthquakes, hurricanes, and other natural disas-
20 ters. Disbursements from this “Rainy Day” fund shall be
21 permitted only for certified natural disasters, and shall not
22 be used for any other purpose. The purpose of this section
23 is to ensure that the unanticipated costs of disaster relief
24 do not disrupt the budget process, and that instead such
25 costs are provided for at the beginning of the budget cycle.

1 (b) AMENDMENT TO TITLE III OF THE CONGRES-
2 SIONAL BUDGET ACT OF 1974.—Title III of the Congres-
3 sional Budget Act of 1974 (as amended by section 311)
4 is amended by adding at the end the following new section:

5 “RAINY DAY FUND FOR NATURAL DISASTERS

6 “SEC. 316. (a) CONTINGENCY RESERVE FOR NATU-
7 RAL DISASTERS.—The budget law shall include a major
8 functional category for natural disasters.

9 “(b) AUTHORIZATION OF FUNDS FROM NATURAL
10 DISASTER CATEGORY.—Any committee that receives an
11 allocation under section 602(a) for any budget authority
12 or outlays within functional category 950 (natural disas-
13 ters) may only report legislation providing that budget au-
14 thority or outlays if—

15 “(1) the President has made a request for such
16 disaster funds;

17 “(2) the programs to be funded are included in
18 the Presidential request; and

19 “(3) the projected obligations for unforeseen
20 emergency needs exceed the ten-year rolling average
21 annual expenditure for existing programs included in
22 the Presidential request for any applicable year.

23 “(c) MAINTENANCE OF STATE AND LOCAL EF-
24 FORTS.—States and local governments shall maintain cur-
25 rent disaster relief efforts so that Federal assistance pay-
26 ments do not replace, subvert, or otherwise have the effect

1 of reducing regularly budgeted State and local expendi-
2 tures for law enforcement, fire fighting, road construction
3 and maintenance, building construction and maintenance
4 or any other category of regular government expenditure.
5 Federal payments for natural disasters within major func-
6 tional category 950 shall only be made for incremental
7 costs directly attributable to unforeseen events resulting
8 from unforeseen disasters, and shall not replace or reduce
9 regular State and local expenditures for the same or simi-
10 lar purposes.

11 “(d) INCENTIVE TO BUDGET SUFFICIENT FUNDS
12 FOR NATURAL DISASTERS.—In the event that the Con-
13 gress does not budget a sufficient amount for natural dis-
14 asters and then authorizes spending for natural disasters
15 in excess of the budgeted amount, the President shall im-
16 pound an amount equal to the excess in this or, if nec-
17 essary, subsequent fiscal years.

18 “(e) EXECUTIVE LIMITATIONS.—The President may
19 not waive any requirement for States or local governments
20 to make minimum matching payments as a condition of
21 receiving Federal payments for natural disasters within
22 major functional category 950 or waive all or part of any
23 repayment of Federal loans for any State or local govern-
24 ment matching share required as a condition of receiving
25 any such payment.

1 “(f) CONGRESSIONAL LIMITATIONS.—The House of
2 Representatives or the Senate may only reduce or waive
3 any State matching requirement or forgive all or part of
4 loans for any State matching share as required under the
5 Robert T. Stafford Disaster Relief and Emergency Assist-
6 ance Act (42 U.S.C. 5121 et seq.) by an affirmative vote
7 of two-thirds of the Members voting, a quorum being
8 present.”.

9 **SEC. 205. PRESIDENT’S BUDGET SUBMISSIONS.**

10 (a) INTENT OF CONGRESS.—It is the intent of Con-
11 gress, by this provision, to require that not later than the
12 first Monday in February of each year before the begin-
13 ning of a new fiscal period the President submit a budget
14 of the United States Government for the following fiscal
15 period beginning on October 1 of the current calendar year
16 on a single page, which sets forth specific budget ceilings
17 in each major functional category. On or before the fif-
18 teenth day after a joint resolution on the budget is en-
19 acted, the President shall submit to the Congress a de-
20 tailed budget for that fiscal period, including all sum-
21 maries and explanations required under section 1105(a)
22 of title 31, United States Code.

23 (b) AMENDMENTS TO TITLE 31, UNITED STATES
24 CODE.—Section 1105(a) of title 31, United States Code
25 (relating to the contents of the President’s annual budget

1 submission to the Congress), is amended by striking the
 2 first two sentences thereof and all that follows through
 3 “following:” and inserting in lieu thereof the following:

4 “(a)(1) Not later than the first Monday in February
 5 of each year before that in which a fiscal period com-
 6 mences, the President shall submit a budget of the United
 7 States Government for the following fiscal period on a sin-
 8 gle page, which sets forth specific budget ceilings in each
 9 major functional category.

10 “(2) Not later than the fifteenth day after a joint
 11 resolution on the budget for the following budget period
 12 is enacted, the President shall submit a detailed budget
 13 for that fiscal period, including a budget message and
 14 summary and supporting information, including the fol-
 15 lowing:”.

16 **TITLE III—ENFORCEMENT OF** 17 **BUDGET DISCIPLINE**

18 **Subtitle A—Supermajority** 19 **Required To Break Budget Law**

20 **SEC. 301. TWO-THIRDS REQUIREMENT FOR OVER-BUDGET** 21 **SPENDING BILLS.**

22 (a) ADDITIONAL CBO DUTIES.—Section 308 of the
 23 Congressional Budget Act of 1974 is amended by adding
 24 at the end the following new subsections:

1 “(d) DETERMINATION OF BUDGET EFFECT OF PRO-
2 POSED SPENDING BILLS.—The Congressional Budget Of-
3 fice shall provide to the appropriate House of Congress
4 (or the appropriate committee, subcommittee, or con-
5 ference thereof) prior to any spending bill being voted on
6 by the House of Representatives or the Senate, or by any
7 subcommittee, committee, or conference committee there-
8 of, its estimate of the costs in each major functional cat-
9 egory attributable to that bill during the fiscal period in
10 which it is to become effective and in each of the next
11 4 years, together with the basis for such estimate. The
12 Congressional Budget Office report shall not be required,
13 however, if the Congressional Budget Office certifies that
14 a spending bill will likely result in applicable costs of less
15 than \$10,000,000. For purposes of estimating the costs
16 attributable to any spending bill that includes new credit
17 authority, the report shall deem the difference between (1)
18 the market value of any loan or other credit made or guar-
19 anteed by the Federal Government during a fiscal period
20 (if the underlying obligation were sold by the Federal Gov-
21 ernment) and (2) its face amount, to be the costs attrib-
22 utable to such loan or guarantee in the fiscal period in
23 which it is made.

24 “(e) CBO REPORT REQUIRED PRIOR TO VOTE ON
25 SPENDING BILLS.—It shall not be in order in either the

1 House of Representatives or the Senate, or in any sub-
2 committee, conference committee, or committee thereof, to
3 vote on any spending bill, unless and until the report re-
4 ferred to in subsection (d) has been made available to that
5 House of Congress or the appropriate committee, con-
6 ference committee, or subcommittee thereof. This require-
7 ment may be waived only by the affirmative vote of two-
8 thirds of the Members voting, a quorum being present.”.

9 (b) NEW BUDGET ENFORCEMENT POINT OF
10 ORDER.—Section 311 of the Congressional Budget Act of
11 1974 is amended by adding at the end the following new
12 subsections:

13 “(d) TWO-THIRDS REQUIREMENT FOR ALL OVER-
14 BUDGET SPENDING BILLS.—It shall not be in order in
15 either the House of Representatives or the Senate (or in
16 any committee, subcommittee, or conference committee
17 thereof) to vote on any spending bill that the report re-
18 ferred to in section 308(d) indicates would in any fiscal
19 period covered by the report exceed a budget ceiling, un-
20 less such bill is required to be approved by the affirmative
21 vote of two-thirds of the Members voting, a quorum being
22 present.

23 “(e) DETERMINATION OF SPENDING IN A CAT-
24 EGORY.—A spending bill shall be deemed to exceed a
25 budget ceiling if—

1 “(1) its cost in any major functional category
2 as estimated in the report referred to in section
3 308(d);

4 “(2) all other budget authority, budget outlays,
5 and all entitlement authority, if any, in that major
6 functional category for the relevant fiscal periods
7 contained in any previously enacted legislation for
8 the fiscal period; and

9 “(3) to the extent that new budget authority or
10 entitlement authority for the relevant fiscal period
11 has not been granted (or modified or rescinded from
12 the level of the previous fiscal period) in any other
13 enacted legislation for any program within such
14 major functional category, the amounts of budget
15 authority and entitlement authority for such major
16 functional category (or part thereof) for the previous
17 fiscal period;

18 exceed the applicable budget ceiling for such major func-
19 tional category.”.

20 **SEC. 302. TWO-THIRDS REQUIREMENT FOR WAIVER OF**
21 **THIS ACT.**

22 No waiver or contravention of any provision of this
23 Act, including the calendar deadlines for completion of
24 Congressional action, the provisions establishing par-
25 liamentary points of order, the provisions concerning over-

1 budget spending, and the amendment of automatic con-
2 tinuing resolutions, shall be effective unless approved by
3 the affirmative vote of two-thirds of the Members of the
4 House of Representatives or the Senate, or both, as the
5 case may be, a quorum being present. No committee of
6 either the House of Representatives or the Senate shall
7 have jurisdiction to report a rule governing procedures for
8 consideration of spending bills covered by this Act, if such
9 rule would waive or violate the provisions of this section
10 or any other section of this Act. Nothing in this provision
11 shall be deemed to require a supermajority vote to amend
12 this Act. It shall not be in order in either the House of
13 Representatives or the Senate to proceed in violation of
14 this section.

15 **Subtitle B—Line Item Reduction**

16 **SEC. 303. INTENT OF CONGRESS.**

17 It is the purpose of this subtitle to provide a workable
18 means of enforcement of the binding budget law that Con-
19 gress is to enact prior to each fiscal period. The Presi-
20 dent's line-item veto authority permits the elimination of
21 an appropriation, but does not permit enforcement of the
22 budget as written by Congress, a more traditional execu-
23 tive role. Line item reduction will permit enforcement of
24 the spending ceilings in the budget law already approved
25 by Congress, thus recognizing the respective roles given

1 to the legislative branch to pass a budget law, and to the
2 executive branch to take care that it is faithfully executed.

3 **SEC. 304. PRESIDENT AUTHORIZED TO REDUCE SPENDING**
4 **TO LEVEL CONTAINED IN CONGRESSIONAL**
5 **BUDGET LAW.**

6 The Impoundment Control Act of 1974 (2 U.S.C.
7 681 et seq.) is amended by inserting after section 1013
8 the following new section:

9 “PRESIDENTIAL LINE-ITEM REDUCTION OF SPENDING IN
10 EXCESS OF LIMITS IN CONGRESSIONAL BUDGET LAW
11 “SEC. 1013A. (a) SCOPE OF LINE ITEM REDUCTION
12 AUTHORITY.—If the Congress, by two-thirds vote, as pre-
13 scribed in the Budget Process Reform Act, shall exceed
14 the budget ceilings in the binding budget law or an auto-
15 matic continuing resolution for a fiscal period, the Presi-
16 dent may exercise line-item reduction authority as pro-
17 vided in this section. The President’s line-item reduction
18 authority shall permit the reduction of over-budget spend-
19 ing in a major functional category to the level established
20 in the binding budget law or the automatic continuing res-
21 olution.

22 “(b) TRANSMITTAL OF MESSAGE DETAILING USE OF
23 LINE-ITEM REDUCTION.—The President shall transmit to
24 both Houses of Congress one or more special messages
25 detailing his use of line item reduction authority to rescind
26 (in whole or in part) items of budget authority or entitle-

1 ment authority sufficient to ensure that the levels of budg-
2 et authority, entitlement authority, and outlays in a func-
3 tional category do not exceed the levels stated in the budg-
4 et law or an automatic continuing resolution for the appli-
5 cable fiscal period. The levels of budget authority, entitle-
6 ment authority, and outlays shall be determined on the
7 basis of the reports made by the Congressional Budget
8 Office pursuant to section 308.

9 “(c) CONTENTS OF SPECIAL MESSAGE.—Each spe-
10 cial message transmitted under subsection (a) shall speci-
11 fy, with respect to each item of budget authority to be
12 rescinded by line-item reduction, the matters referred to
13 in paragraphs (1) through (5) of section 1012(a).

14 “(d) REQUIREMENT NOT TO MAKE AVAILABLE FOR
15 OBLIGATION.—Any item of budget authority to be re-
16 scinded by means of line-item reduction as set forth in
17 a special message pursuant to this section shall not be
18 made available for obligation if, within 45 calendar days
19 after the transmittal by the President of such special mes-
20 sage to both Houses of Congress, a bill has not been en-
21 acted disapproving the line-item reduction of the amount
22 to be rescinded. Funds made available for obligation under
23 this procedure may not be included in a special message
24 again.”.

Subtitle C—“Blank Check” Appropriations Prohibited

SEC. 305. INTENT OF CONGRESS.

It is the intent of Congress, by this provision, to put an end to open-ended, “blank check” appropriations, which typically provide for the spending of “such sums as may be necessary.” By requiring explicit decisions concerning the desired level of spending for each federal program (except Social Security and interest on the debt), it is intended that currently uncontrolled programs will be brought within the discipline of an overall budget.

SEC. 306. FIXED-DOLLAR APPROPRIATIONS REQUIRED.

Section 401 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(e) **FIXED-DOLLAR APPROPRIATIONS.**—(1) For every account except Social Security, as defined in section 3(2)(B)(16) of the Congressional Budget Act of 1974, and interest on the debt—

“(A) every appropriation for a fiscal period for any program, project, or activity (including claims, judgments, and relief acts) shall be for a specific, fixed dollar amount; and

“(B) any appropriations of ‘such sums as may be necessary’ (except with respect to the automatic

1 continuing resolution provided for by section 1311 of
2 title 31, United States Code) are hereby prohibited.

3 “(2) It shall not be in order in either the House of
4 Representatives or the Senate (or in any committee, sub-
5 committee, or conference) to consider any appropriation
6 that is in violation of paragraph (1).”.

7 **SEC. 307. AGENCY AUTHORITY TO ADJUST EXPENDITURES**
8 **TO APPROPRIATED AMOUNTS.**

9 Chapter 13 of title 31, United States Code (as
10 amended by section 502) is amended by inserting after
11 section 1314 the following new section:

12 **“§ 1315. Contingency regulations for former ‘blank-**
13 **check’ spending programs**

14 “(a) Notwithstanding any other provision of law, the
15 head of each Executive agency that administers any pro-
16 gram that previously operated with ‘blank-check’ spending
17 authority shall provide for or approve the adjustments of
18 any agency expenditures, including eligibility require-
19 ments, or the scope, duration, level, and availability of
20 payments, salaries and benefits, grants, loans, benefits,
21 services, or reimbursements, or both, with respect to the
22 program, such that aggregate outlays for a fiscal period
23 do not exceed the fixed-dollar appropriation provided pur-
24 suant to section 401(e) of the Congressional Budget Act
25 of 1974 (requiring fixed-dollar appropriations). Notwith-

1 standing any other provision of law, the obligation of the
2 United States to make payments (including loans and
3 grants) to any person or government shall be subject to
4 the authority granted under this section.

5 “(b) Before the beginning of a fiscal period, the head
6 of each Executive agency referred to in subsection (a) shall
7 promulgate a reasonably detailed plan for each of its pro-
8 grams that previously operated with ‘blank check’ spend-
9 ing authority, setting forth the manner in which the agen-
10 cy shall implement this section for that fiscal period.

11 “(c) In the event that any claim or judgment against
12 the United States exceeds the aggregate appropriations
13 for claims, judgments, and relief for the current fiscal pe-
14 riod, then the excess shall be paid first out of discretionary
15 funds appropriated in such fiscal period to the department
16 or agency against which the judgment or claim is due, next
17 out of unobligated funds appropriated to that department
18 or agency in such fiscal period, and finally out of such
19 funds as may be appropriated to that department or agen-
20 cy in the next and subsequent fiscal periods. The obliga-
21 tion set forth herein of a department or agency to pay
22 such claims or judgments in excess of amounts authorized
23 therefore in applicable judgment, claim and relief acts
24 shall supersede all other budget requirements for that de-

1 partment or agency, any other provision of law to the con-
 2 trary notwithstanding.”.

3 **SEC. 308. BUDGET AUTHORITY AND ENTITLEMENT AU-**
 4 **THORITY MAY COVER ONLY A SINGLE FISCAL**
 5 **PERIOD.**

6 Chapter 13 of title 31, United States Code (as
 7 amended by sections 401 and 402), is amended by insert-
 8 ing after section 1312 the following new section:

9 **“§ 1313. Budget authority and entitlement authority**
 10 **must cover single fiscal period**

11 “(a) Notwithstanding any other provision of law and
 12 except as provided by subsection (b), no budget authority
 13 or entitlement authority—

14 “(1) enacted on or after the date of enactment
 15 of this section shall be effective for more than one
 16 fiscal period; or

17 “(2) enacted before the date of enactment of
 18 this section shall continue in effect beyond the end
 19 of the first fiscal period beginning after the date of
 20 enactment of this section.

21 “(b) Subsection (a) does not apply with respect to
 22 appropriations for the repayment of indebtedness incurred
 23 under chapter 31 or benefits payable under the old-age,
 24 survivors, and disability insurance program established
 25 under title II of the Social Security Act, as in effect on

1 the date of enactment of the Budget Process Reform Act
2 of 1996.”.

3 **Subtitle D—“Pay-as-You-Go”**
4 **Requirement for New Spending**

5 **SEC. 309. SPENDING OFFSETS REQUIRED; TWO-THIRDS**
6 **POINT OF ORDER.**

7 (a) SPENDING OFFSETS AND POINT OF ORDER.—
8 Title III of the Congressional Budget Act of 1974 is
9 amended by adding at the end the following new section:

10 “SPENDING OFFSETS REQUIRED

11 “SEC. 314. (a)(1) Except as provided by paragraph
12 (2), it shall not be in order in either the House of Rep-
13 resentatives or the Senate to consider any spending bill
14 that a report referred to in section 308(d) indicates would
15 in any fiscal period exceed a budget ceiling, unless the
16 Congressional Budget Office has further determined that
17 any such increased spending called for therein is offset
18 fully in each such fiscal period in that spending bill by
19 at least an equal amount of reductions in spending in the
20 same functional category.

21 “(2) In the case of a spending bill that a report re-
22 ferred to in section 308(d) indicates would in any fiscal
23 period would exceed a budget ceiling for the natural disas-
24 ter functional category, the increased spending called for
25 therein may be fully offset by at least an equal amount

1 of reductions in spending in any other functional category
2 or categories.

3 “(b)(1) The point of order set forth in subsection
4 (a)(1) may be waived or suspended in the Senate or in
5 the House of Representatives, and an appeal of the ruling
6 of the Chair on a point of order raised under this section
7 may be sustained, only by the affirmative vote of two-
8 thirds of the Members voting, a quorum being present.

9 “(2) In the case of a spending bill covered by sub-
10 section (a)(2), an appeal of the ruling of the chair on a
11 point of order raised under paragraph (1) may be sus-
12 tained by a majority of the Members voting, a quorum
13 being present.”.

14 (b) CONFORMING AMENDMENT.—Section 602(e) of
15 the Congressional Budget Act of 1974, providing for an
16 exemption in the House from pay-as-you-go rules, is re-
17 pealed.

18 **Subtitle E—“Lock-Box” for Savings** 19 **From Spending Reductions**

20 **SEC. 310. INTENT OF CONGRESS.**

21 It is the purpose of this subtitle to establish proce-
22 dures to ensure that budget savings from House and Sen-
23 ate amendments to appropriations bills result in actual
24 spending cuts, rather than higher spending on other pro-
25 grams.

1 **SEC. 311. SPENDING CUTS BY AMENDMENT TO APPROPRIA-**
2 **TIONS BILLS ON HOUSE AND SENATE**
3 **FLOORS.**

4 Title III of the Congressional Budget Act of 1974
5 (as amended by section 311) is amended by adding at the
6 end the following new section:

7 “LOCK-BOX FOR SAVINGS FROM SPENDING REDUCTIONS

8 “SEC. 315. (a) CONTEMPORANEOUS RECORD OF
9 SPENDING CUT AMENDMENTS DURING FLOOR CONSID-
10 ERATION.—During floor consideration of any appropria-
11 tion bill, the Clerk of the House shall make available to
12 Members in the House of Representatives, and the Sec-
13 retary of the Senate shall make available to Members of
14 the Senate, a running tally of the amendments adopted
15 reflecting increases and decreases of budget authority
16 from the levels in the bill as reported from the Committee
17 on Appropriations of that House.

18 “(b) CBO RECORD OF SPENDING REDUCTIONS.—
19 The Director of the Congressional Budget Office (the ‘Di-
20 rector’) shall maintain a record of net spending reductions
21 made by floor amendments to appropriation bills in the
22 House of Representatives and in the Senate. These ‘lock-
23 box’ totals shall be recorded for each subcommittee of the
24 respective Committees on Appropriations, separately re-
25 flecting the net amount of spending cuts made by the
26 House, and the net amount of spending cuts made by the

1 Senate. Each total shall include only amounts correspond-
 2 ing to amendments that result in net spending reductions.

3 “(c) CBO PROCEDURES FOR MAINTAINING RECORD
 4 OF SPENDING CUTS.—(1) Upon the engrossment of any
 5 appropriation bill by either House of Congress, the Direc-
 6 tor shall credit the applicable appropriations subcommittee
 7 ‘lock-box’ totals with amounts equal to the net reductions
 8 in new budget authority and in outlays resulting from
 9 floor amendments agreed to by that House.

10 “(2) CALCULATION OF ‘LOCK-BOX’ SAVINGS IN SEN-
 11 ATE.—For purposes of calculating under this section and
 12 section 315(a) the net amounts of reductions in new budg-
 13 et authority and in outlays resulting from amendments
 14 agreed to by the Senate on an appropriation bill, the
 15 amendments reported to the Senate by its Committee on
 16 Appropriations shall be considered to be part of the origi-
 17 nal text of the bill.

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

22 **SEC. 312. CBO REPORTS ON “LOCK-BOX” SAVINGS FROM**
 23 **FLOOR AMENDMENTS.**

24 Section 308(b)(1) of the Congressional Budget Act
 25 of 1974 is amended by adding at the end the following

1 new sentence: “Such reports shall also include an up-to-
 2 date tabulation of the amounts contained in the record of
 3 spending reductions under section 315(a).”.

4 **SEC. 313. REDUCED SPENDING ALLOCATIONS.**

5 (a) ALLOCATIONS TO HOUSE AND SENATE COMMIT-
 6 TEES ON APPROPRIATIONS.—Section 602(a) of the Con-
 7 gressional Budget Act of 1974 is amended by adding at
 8 the end the following new paragraph:

9 “(5) Upon the engrossment of Senate amend-
 10 ments to any appropriation bill (as defined in section
 11 315(d)), the amounts allocated under paragraph (1)
 12 or (2) to the Committee on Appropriations of each
 13 House shall be reduced by the amount of any ‘lock-
 14 box’ savings, as follows: New budget authority shall
 15 be reduced by the average of the applicable House
 16 and Senate ‘lock-box’ totals. Outlays shall also be re-
 17 duced by the average of the applicable House and
 18 Senate totals. The revised levels of budget authority
 19 and outlays shall be submitted to each House by the
 20 chairman of the Committee on the Budget of that
 21 House and shall be printed in the Congressional
 22 Record. Once an allocation has been reduced under
 23 this section, the same spending reduction shall not
 24 be used to reduce it further.”.

1 (b) ALLOCATIONS TO SUBCOMMITTEES OF HOUSE
 2 AND SENATE COMMITTEES ON APPROPRIATIONS.—Sec-
 3 tion 602(b)(1) of the Congressional Budget Act of 1974
 4 is amended by adding at the end the following new sen-
 5 tence: “Whenever an adjustment is made to an allocation
 6 pursuant to subsection (a)(5), the chairman of the Com-
 7 mittee on Appropriations of each House shall reduce the
 8 most recent suballocations under subparagraph (A) by the
 9 same total amount as that adjustment. The revised sub-
 10 allocations shall be submitted to each House by the chair-
 11 man of the Committee on Appropriations of that House
 12 and shall be printed in the Congressional Record.”.

13 **TITLE IV—SUSTAINING** 14 **MECHANISM**

15 **SEC. 401. AUTOMATIC CONTINUING RESOLUTION.**

16 Chapter 13 of title 31, United States Code, is amend-
 17 ed by inserting after section 1310 the following new sec-
 18 tion:

19 **“§ 1311. Automatic continuing resolution**

20 “(a) If any appropriation bill, as defined in sub-
 21 section (b) of this section, has not become law before the
 22 beginning of a fiscal period, then the automatic continuing
 23 resolution provided for in this section shall immediately
 24 take effect. The automatic continuing resolution shall re-
 25 main in effect for the entirety of the fiscal period, unless

1 amended in whole or in part by two-thirds vote of both
2 Houses of Congress, as provided in section 302 of the
3 Budget Process Reform Act. If the automatic continuing
4 resolution shall take effect, then there is hereby appro-
5 priated, out of any moneys in the Treasury not otherwise
6 appropriated, and out of applicable corporate or other rev-
7 enues, receipts, and funds, an amount equal to the budget
8 authority for each program, project, or activity regularly
9 provided for under that appropriation bill in the most re-
10 cent fiscal period. In no case shall the total dollar amount
11 of appropriations for any program, project or activity pur-
12 suant to an automatic continuing resolution exceed the
13 fixed-dollar appropriation for such program, project, or ac-
14 tivity in the most recent appropriation Act, determined on
15 a fiscal-period basis. In no case shall the total dollar
16 amount of appropriations pursuant to an automatic con-
17 tinuing resolution for any program, project, or activity in
18 a major functional category, when added to all other
19 spending appropriated by law for that major functional
20 category, exceed the ceiling in a binding budget law in ef-
21 fect for the fiscal period.

22 “(b) ‘Appropriation bill’, for purposes of subsection
23 (a) of this section, means any of the 13 appropriations
24 bills that together comprise the regular appropriations
25 process, as revised to include any programs funded pursu-

1 ant to ‘blank check’ spending authority, as that term is
 2 defined in section 3(16) (2 U.S.C. 622), prior to the enact-
 3 ment of the Budget Process Reform Act of 1996.”.

4 **SEC. 402. CONTINGENCY REGULATIONS.**

5 Chapter 13 of title 31, United States Code (as
 6 amended by section 401), is amended by inserting after
 7 section 1311 the following new section:

8 **“§ 1312. Contingency regulations for automatic con-**
 9 **tinuing resolution**

10 “(a) Notwithstanding any other provision of law and
 11 except as provided by subsection (b), the head of each Ex-
 12 ecutive agency shall provide for or approve the adjust-
 13 ments of any agency expenditures, including eligibility re-
 14 quirements, or the scope, duration, level, and availability
 15 of payments, salaries and benefits, grants, loans, benefits,
 16 services, or reimbursements, or both, such that aggregate
 17 outlays for a fiscal period do not exceed the appropriation
 18 provided pursuant to section 1311 (providing for an auto-
 19 matic continuing resolution) for such fiscal period. Not-
 20 withstanding any other provision of law, the obligation of
 21 the United States to make payments (including loans and
 22 grants) to any person or government shall be subject to
 23 the authority granted under this section.

24 “(b) Exclusively for purposes of the implementation
 25 of an automatic continuing resolution pursuant to section

1 1311, in the case of social safety net programs, each State
2 shall have the option of receiving an aggregate amount
3 for the fiscal period for such programs equal to the
4 amount allocated for the benefit of persons in that State
5 in the preceding fiscal period for such programs. In the
6 event a State elects this option, it may, in its discretion,
7 allocate such aggregate amount among any or all of the
8 social safety net programs in the way that it determines
9 will best meet the needs of recipients in that State (in
10 which case such State may exercise the discretion over the
11 administration of such programs set forth in subsection
12 (a) of this section). Alternatively, each State shall have
13 the option of receiving for the fiscal period the amounts
14 it received for each social safety net program in the pre-
15 ceding fiscal period.

16 “(c) As used in this section—

17 “(1) the term ‘Executive agency’ has the mean-
18 ing given such term in section 105 of title 5, United
19 States Code; and

20 “(2) the term ‘social safety net programs’
21 means the following programs: family support pay-
22 ments, adoption assistance, child support enforce-
23 ment, food stamps, foster care, Medicaid, child nu-
24 trition programs, social services block grant, and
25 supplemental security income (SSI).”.

1 **SEC. 403. INDEFINITE APPROPRIATIONS PROHIBITED.**

2 Section 401(b) of the Congressional Budget Act of
3 1974 is amended to read as follows:

4 “(b) CONTROLS ON LEGISLATION PROVIDING FUND-
5 ING.—(1) It shall not be in order in either the House of
6 Representatives or the Senate to consider any bill, resolu-
7 tion, amendment, motion, or conference report that pro-
8 vides budget authority or spending authority described in
9 subsection (c)(2)(C) except a bill or resolution reported
10 by the Committee on Appropriations of that House or a
11 conference report made by a committee of conference all
12 of whose conferees are members of the Committee on Ap-
13 propriations.

14 “(2) Paragraph (1) shall not apply to Social Security
15 benefits, as defined in section 3(2)(B)(16) of this Act.”.

16 **TITLE V—PROTECTION OF**
17 **SOCIAL SECURITY**

18 **SEC. 501. BENEFITS PROTECTED AGAINST DEFICIT REDUC-**
19 **TION.**

20 Nothing in this Act shall be construed to require or
21 permit reductions in Social Security benefits otherwise
22 payable pursuant to applicable law or regulations.

23 **SEC. 502. CONFORMING AMENDMENT.**

24 Chapter 13 of title 31, United States Code (as
25 amended by section 310), is amended by inserting after
26 section 1313 the following new section:

1 **“§ 1314. Protection of social security from budget def-**
 2 **icit reduction measures**

3 “No reductions in benefits payable under the old-age,
 4 survivors, and disability insurance program established
 5 under title II of the Social Security Act shall be made as
 6 a consequence of the Budget Process Reform Act.”.

7 **TITLE VI—TECHNICAL AMEND-**
 8 **MENTS TO FEDERAL LAW TO**
 9 **CARRY OUT THIS ACT**

10 **SEC. 601. AMENDMENTS CHANGING CONCURRENT TO**
 11 **JOINT RESOLUTIONS.**

12 (a) Sections 300, 301, 302, 303, 304, 305, 308, 310,
 13 311, 401, 406, 602 (except subsection (d)), 603, 604, 605,
 14 and 606(b) of the Congressional Budget Act of 1974 (2
 15 U.S.C. 631 et seq.) are amended by striking “concurrent”
 16 each place it appears and by inserting “joint”.

17 (b) The table of contents set forth in section 1(b) of
 18 the Congressional Budget and Impoundment Control Act
 19 of 1974 is amended by striking “Concurrent” in the item
 20 relating to section 303 and inserting “Joint” and by strik-
 21 ing “concurrent” in the items relating to sections 301 and
 22 304 and inserting “joint”.

23 (c) Clauses 1(d)(2), 4(a)(2), 4(b)(2), 4(g), 4(h), and
 24 4(i) of rule X, clause 2(l)(6) of rule XI, clause 7 of rule
 25 XV, clause 8 of rule XXIII, and rule XLIX of the Rules

1 of the House of Representatives are amended by striking
2 “concurrent” and by inserting “joint”.

3 (d) Section 258C(b)(1) of the Balanced Budget and
4 Emergency Deficit Control Act of 1985 is amended by
5 striking “concurrent” and by inserting “joint”.

6 **SEC. 602. FURTHER AMENDMENTS TO THE CONGRES-**
7 **SIONAL BUDGET ACT OF 1974.**

8 (a) The table of contents set forth in section 1(b) of
9 the Congressional Budget and Impoundment Control Act
10 of 1974—

11 (1) relating to section 302 is amended to read
12 as follows:

“Sec. 302. Two-thirds requirement for over-budget spending bills.”;

13 (2) is amended by striking “new budget author-
14 ity, new spending authority,” and the comma before
15 “or changes” in the item relating to section 303;
16 and

17 (3) is amended by inserting after the item relat-
18 ing to section 313 the following new items:

“Sec. 314. Spending offsets required.

“Sec. 315. Lock-box for savings from spending reductions.

“Sec. 316. Rainy day fund for natural disasters.”.

19 (b) Section 302(f) of the Congressional Budget Act
20 of 1974 (2 U.S.C. 633(f)) is amended—

21 (1) in paragraph (1) by striking “(1) IN THE
22 HOUSE OF REPRESENTATIVES.—”, by striking “new
23 budget authority for such fiscal year, new entitle-

1 ment authority effective during such fiscal year, or”
2 and by striking “new discretionary budget authority,
3 new entitlement authority, or”; and

4 (2) by striking paragraph (2).

5 (c) Section 303 of the Congressional Budget Act of
6 1974 is amended—

7 (1) in its heading by striking “NEW BUDGET
8 AUTHORITY, NEW SPENDING AUTHORITY,” and the
9 comma before “OR CHANGES”; and

10 (2) in subsection (a) by striking paragraphs
11 (1), (4) and (5) and by redesignating paragraphs
12 (2), (3), and (6) as paragraphs (1), (2), and (3), re-
13 spectively.

14 (d) Section 304 of the Congressional Budget Act of
15 1974 is amended by adding at the end the following new
16 subsection:

17 “(c) In the House of Representatives and in the Sen-
18 ate, the vote on final passage upon the adoption of any
19 joint resolution on the budget which revises any joint reso-
20 lution pursuant to this section shall require the approval
21 of two-thirds of those voting, a quorum being present.”.

22 (e) The last sentence of clause 4(b) of rule XI of the
23 Rules of the House of Representatives is amended by in-
24 serting before the period at the end the following: “; nor
25 shall it report any rule or order which would waive any

1 point of order set forth in the Budget Process Reform Act
2 or any amendment made by it”.

3 (f) The first sentence of section 202(f)(1) of the Con-
4 gressional Budget Act of 1974 is amended to read as fol-
5 lows: “On or before February 15 of each year, the Direc-
6 tor shall submit to the Committees on the Budget of the
7 House of Representatives and the Senate a report, for the
8 fiscal period commencing on October 1 of that year, with
9 respect to fiscal policy, including (A) estimated budget
10 outlays in all functions and subfunctions for appropriated
11 accounts for the current fiscal period and estimated budg-
12 et outlays under current law for all entitlement programs
13 for the next fiscal period, and (B) alternative levels of total
14 revenues, total new budget authority, and total outlays
15 (including related surpluses and deficits) compared to
16 comparable levels for the current fiscal period.”.

17 (g) Section 202(f)(3) of the Congressional Budget
18 Act of 1974 is amended by striking “and” before “(B)”
19 and inserting a comma, and by inserting before the period
20 at the end the following: “, and (C) all programs and ac-
21 tivities that fall within section 401(c)(2)(C)”.

22 (h) Section 308(a)(1) of the Congressional Budget
23 Act of 1974 is amended—

24 (1) in subparagraph (C), by inserting “, and
25 shall include a comparison of those levels to com-

1 parable levels for the current fiscal period” before
2 “if timely submitted”; and

3 (2) by striking “and” at the end of subpara-
4 graph (C), by striking the period and inserting “;
5 and” at the end of subparagraph (D), and by adding
6 at the end the following new subparagraph:

7 “(E) comparing the levels in existing pro-
8 grams in such measure to the levels for the cur-
9 rent fiscal period.”.

10 (i) Except for purposes of adjusting the discretionary
11 spending limits set forth in section 601(a)(2) of the Con-
12 gressional Budget Act of 1974, section 257(c) of the Bal-
13 anced Budget and Emergency Deficit Control Act of 1985
14 is amended—

15 (1) in the second sentence of paragraph (1), by
16 striking “sequentially and cumulatively” and by
17 striking “for inflation as specified in paragraph
18 (5),”; and

19 (2) by striking paragraph (5) and redesignating
20 paragraph (6) as paragraph (5).

21 (j) Section 301(e) of the Congressional Budget Act
22 of 1974 is amended—

23 (1) by inserting after the second sentence the
24 following: “The starting point for the President and
25 the Congressional Budget Office and for any delib-

1 erations in the Committee on the Budget of each
2 House on the joint resolution on the budget for the
3 next fiscal period shall be the level of outlays for the
4 current fiscal period in each function and subfunc-
5 tion. Any increases or decreases in the Congressional
6 budget for the next and subsequent fiscal periods
7 shall be from such levels.”;

8 (2) by amending paragraph (3) to read as fol-
9 lows:

10 “(3) a comparison of spending levels for the
11 current fiscal period with proposed spending levels
12 for the subsequent fiscal periods along with the pro-
13 posed increase or decrease of spending in percentage
14 terms for each function and subfunction;” and

15 (3) by amending paragraph (8) to read as fol-
16 lows:

17 “(8) information, data, and comparisons indi-
18 cating the manner in which and the basis on which
19 the committee determined each of the matters set
20 forth in the joint resolution on the budget, including
21 information on outlays for the current fiscal period
22 and the decisions reached to set funding for the sub-
23 sequent fiscal periods;”.

1 **SEC. 603. TECHNICAL AMENDMENTS TO THE IMPOUND-**
2 **MENT CONTROL ACT OF 1974.**

3 (a) Section 1014 of the Impoundment Control Act
4 of 1974 is amended—

5 (1) by striking “1012 or 1013” each place it
6 appears and inserting “1012, 1013, or 1013A”;

7 (2) in subsection (b)(1) by striking “1012” and
8 inserting “1012 or 1013A”; and

9 (3) in subsection (e)(1) by striking “and” at
10 the end of subparagraph (A), by redesignating sub-
11 paragraph (B) as subparagraph (C), by striking
12 “1013” in subparagraph (C) (as redesignated), and
13 by inserting after subparagraph (A) the following
14 new subparagraph:

15 “(B) he has transmitted a special message
16 under section 1013A with respect to a proposed
17 rescission; and”.

18 (b) Section 1015 is amended by striking “1012 or
19 1013” each place it appears and inserting “1012, 1013,
20 or 1013A”.

21 (c) Section 1012(b) is amended by inserting before
22 the last sentence the following new sentence: “The preced-
23 ing sentence shall not apply to any item or portion of any
24 item of budget authority proposed by the President to be
25 rescinded under this section that the President has also
26 proposed to rescind under section 1013A and with respect

1 to which the 45-day period referred to in subsection (e)
2 of such section has not expired.”.

3 (d) The table of sections set forth in section 1(b) is
4 amended by inserting after the item relating to section
5 1013 the following new item:

“Sec. 1013A. Rescission of spending outside of congressional budget.”.

6 **SEC. 604. TECHNICAL AMENDMENTS TO TITLE 31, UNITED**
7 **STATES CODE.**

8 (a)(1) Paragraph (5) of section 1105(a) of title 31,
9 United States Code, is amended to read as follows:

10 “(5) except as provided in subsection (b) of this
11 section, estimated expenditures and appropriations
12 for the current fiscal period and estimated expendi-
13 tures and proposed appropriations the President de-
14 cides are necessary to support the Government in
15 the fiscal period for which the budget is submitted
16 and the 4 years following that period;”.

17 (2) Section 1105(a)(6) of title 31, United States
18 Code, is amended by inserting “current fiscal period and
19 the” before “fiscal year”.

20 (3) Section 1105(a)(12) of title 31, United States
21 Code, is amended by striking “and” at the end of subpara-
22 graph (A), by striking the period and inserting “; and”
23 at the end of subparagraph (B), and by adding at the end
24 the following new subparagraph:

1 “(C) the estimated amount for the same activ-
2 ity (if any) in the current fiscal period.”.

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

6 (5) Section 1105(a) of title 31, United States Code,
7 is amended by adding at the end the following new para-
8 graph:

9 “(32) a comparison of levels of estimated ex-
10 penditures and proposed appropriations for each
11 function and subfunction in the current fiscal period
12 and the fiscal period for which the budget is submit-
13 ted, along with the proposed increase or decrease of
14 spending in percentage terms for each function and
15 subfunction.”.

16 (b) Section 1109(a) of title 31, United States Code,
17 is amended by adding after the first sentence the following
18 new sentence: “These estimates shall not include any ad-
19 justment for inflation.”.

20 (c) Section 1104(c) of title 31, United States Code,
21 is amended by striking the second and third sentences and
22 inserting the following new sentence: “However, a func-
23 tional category in the budget may be changed only by law
24 and the subfunctions comprising any such category may
25 also only be changed by law except to the extent necessary

1 to initially establish appropriate subfunctions within func-
 2 tional category 950 (natural disasters).”.

3 (d) Section 1312(b) of title 31, United States Code,
 4 as added by section 402 of this Act, is amended by adding
 5 at the end thereof the following new sentence: “The deci-
 6 sion of a State to receive either an aggregate amount for
 7 such programs (and its allocation of benefits among such
 8 programs) or the amounts it received for, each such pro-
 9 gram shall not be reviewable in any Federal court.”.

10 (e) The analysis of chapter 13 of title 31, United
 11 States Code, is amended by inserting after the item relat-
 12 ing to section 1310 the following new items:

“Sec. 1311. Automatic continuing resolution.

“Sec. 1312. Contingency regulations for automatic continuing resolution.

“Sec. 1313. Budget authority and entitlement authority must cover single fiscal
 period.

“Sec. 1314. Protection of Social Security from budget deficit reduction meas-
 ures.

“Sec. 1315. Contingency regulations for former ‘blank-check’ spending pro-
 grams.”.

13 **TITLE VII—DEFINITIONS AND** 14 **RULES OF INTERPRETATION**

15 **SEC. 701. DEFINITIONS.**

16 (a) DEFINITION OF BUDGET LAW.—Section 3(4) of
 17 the Congressional Budget and Impoundment Control Act
 18 of 1974 (2 U.S.C. 622(4)), containing general definitions,
 19 is amended to read as follows:

20 “(4) The term ‘budget law’ or ‘joint resolution
 21 on the budget’ means—

1 “(A) a joint resolution setting forth the
 2 simplified budget for the United States Govern-
 3 ment for a fiscal period as provided in section
 4 301; and

5 “(B) any other joint resolution revising the
 6 budget for the United States Government for a
 7 fiscal period as described in section 304.”.

8 (b) CHANGING DEFINITION OF BUDGET AUTHORITY
 9 TO EXCLUDE OFFSETTING RECEIPTS.—Section 3(2)(A)
 10 of the Congressional Budget and Impoundment Control
 11 Act of 1974 (2 U.S.C. 622(2)(A)) is amended by inserting
 12 “and” at the end of clause (ii), by striking “; and” at
 13 the end of clause (iii), and by striking clause (iv).

14 (c) ADDITIONAL DEFINITIONS.—Section 3 of the
 15 Congressional Budget and Impoundment Control Act of
 16 1974 (2 U.S.C. 622) is amended by adding at the end
 17 the following new paragraphs:

18 “(11) The term ‘major functional category’ re-
 19 fers to a grouping of budget authority, budget out-
 20 lays, and credit authority into any one of the follow-
 21 ing categories:

22 “Function 050: National Defense

23 “Function 150: International Affairs

24 “Function 250: General Science, Space
 25 and Technology

1 “Function 270: Energy

2 “Function 300: Natural Resources and
3 Environment

4 “Function 350: Agriculture

5 “Function 400: Transportation

6 “Function 450: Community and Regional
7 Development

8 “Function 500: Education, Training, Em-
9 ployment and Social Services

10 “Function 550: Health

11 “Function 570: Medicare

12 “Function 600: Welfare, Federal Employee
13 Benefits, and Social Transfer Payments

14 “Function 650: Social Security

15 “Function 700: Veterans Benefits and
16 Services

17 “Function 750: Administration of Justice

18 “Function 800: General Government

19 “Function 900: Net Interest

20 “Function 920: Allowances

21 “Function 950: Natural Disasters.”.

22 For purposes of this definition, the foregoing func-
23 tional classifications shall be deemed to include the
24 subfunctions corresponding thereto as set forth in
25 the Glossary of Terms Used in the Federal Budget

1 Process published by the United States General Ac-
2 counting Office (Revised January 1993).

3 “(12) The term ‘budget ceiling’ means the dol-
4 lar amount set forth in a budget law for a major
5 functional category.

6 “(13) The term ‘spending’ means budget au-
7 thority, spending authority, credit authority, or out-
8 lays of the term ‘spending bill’ means any bill or res-
9 olution, or amendment thereto or conference report
10 thereon, which provides budget authority, spending
11 authority, credit authority, or outlays.

12 “(14) The term ‘blank-check’ spending author-
13 ity means authority (whether temporary or perma-
14 nent) to make payments (including loans and
15 grants), the budget authority for which is not pro-
16 vided for in advance by appropriation Acts, to any
17 person or government if, under the provisions of the
18 law containing such authority, the United States is
19 obligated to make such payments to persons or gov-
20 ernments who meet the requirements established by
21 such law: *Provided*, That such term does not include
22 Social Security or interest on the debt.

23 “(15) The term ‘fiscal period’ means a twelve-
24 month fiscal year beginning on October 1 of a cal-

1 endar year for the management of the budget of the
2 United States.

3 “(16) The term ‘Social Security’ means the Old
4 Age, Survivors, and Disability Program established
5 under title II of the Social Security Act, as in effect
6 on the date of enactment of the Budget Process Re-
7 form Act of 1996.”.

8 **SEC. 702. USE OF TERMS.**

9 Whenever any term is used in this Act which is de-
10 fined in section 3 of the Congressional Budget and Im-
11 poundment Control Act of 1974, the term shall have the
12 meaning given to such term in that Act.

13 **SEC. 703. EFFECTIVE DATE.**

14 This Act and the amendments made by it shall be-
15 come effective January 1, 1997, and shall apply to the
16 budget process for fiscal periods beginning after Septem-
17 ber 30, 1997.

