

105TH CONGRESS
1ST SESSION

H. R. 1372

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

APRIL 17, 1997

Mr. COX of California (for himself, Mr. BACHUS, Mr. BAKER, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BASS, Mr. BATEMAN, Mr. BEREUTER, Mr. BERRY, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BLUNT, Mr. BOEHLERT, Mr. BONILLA, Mr. BONO, Mr. BRYANT, Mr. BUNNING, Mr. BURR of North Carolina, 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. COBLE, Mr. COBURN, Mr. COLLINS, Mr. COMBEST, Mr. CONDIT, Mr. COOK, Mr. COOKSEY, Mr. CRANE, Mr. CRAPO, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DELAY, Mr. DIAZ-BALART, Mr. DICKEY, Mr. DOOLITTLE, Mr. DREIER, Mr. DUNCAN, Ms. DUNN, Mr. EHLERS, Mr. EHRLICH, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. EWING, Mr. FOLEY, Mr. FOX of Pennsylvania, Mr. FORBES, Mr. FRANKS of New Jersey, Mr. GALLEGLY, Mr. GANSKE, Mr. GEKAS, Mr. GIBBONS, Mr. GILCHREST, Mr. GILLMOR, Mr. GILMAN, Mr. GOODLATTE, Mr. GOODLING, Mr. GOSS, Mr. GRAHAM, Mr. GREENWOOD, Mr. GUTKNECHT, Mr. HALL of Texas, Mr. HANSEN, Ms. HARMAN, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HILL, Mr. HILLEARY, Mr. HOEKSTRA, Mr. HORN, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. HUNTER, Mr. HUTCHINSON, 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. LARGENT, Mr. LATHAM, Mr. LATOURETTE, Mr. LAZIO of New York, Mr. LEACH, Mr. LEWIS of California, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. LUCAS of Oklahoma, Mr. MCCOLLUM, Mr. MCCREERY, Mr. MCDADE, Mr. MCHUGH, Mr. MCINNIS, Mr. MCINTOSH, Mr. MCINTYRE, Mr. MCKEON, Mr. MANZULLO, Mr. MICA, Mr. MILLER of Florida, Ms. MOLINARI, Mr. MORAN of Kansas, Mrs. MYRICK, Mr. NETHERCUTT, Mr. NEUMANN, Mr. NEY, Mrs. NORTHUP, Mr. NORWOOD, Mr. OXLEY, Mr. PACKARD, Mr. PAPPAS, Mr. PARKER, Mr. PAXON, Mr. PETERSON of Minnesota, Mr. PE-

TERSON of Pennsylvania, Mr. PETRI, Mr. PICKERING, Mr. PITTS, Mr. POMBO, Mr. PORTMAN, Mr. POSHARD, Ms. PRYCE of Ohio, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. RIGGS, Mr. ROGAN, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mrs. ROUKEMA, Mr. ROYCE, Mr. RYUN, Mr. SALMON, Mr. SANFORD, Mr. SAXTON, Mr. SCARBOROUGH, Mr. DAN SCHAEFER of Colorado, Mr. BOB SCHAEFFER of Colorado, Mr. SCHIFF, Mr. SENSENBRENNER, Mr. SESSIONS, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS, Mr. SHUSTER, Mr. SKEEN, Mr. SMITH of Oregon, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SNOWBARGER, Mr. SOLOMON, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STENHOLM, Mr. STUMP, Mr. SUNUNU, Mr. TALENT, Mr. TAUZIN, Mr. THOMAS, Mr. THORNBERRY, Mr. THUNE, Mr. TIAHRT, Mr. UPTON, Mr. WALSH, Mr. WAMP, Mr. WATKINS, Mr. WATTS of Oklahoma, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITE, Mr. WICKER, Mr. WHITFIELD, and Mr. WOLF) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules, and Appropriations, 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;

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

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

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

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

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

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

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

21 **TITLE II—BINDING BUDGET LAW**

22 **SEC. 201. JOINT RESOLUTION ESTABLISHING BINDING**
23 **BUDGET LAW.**

24 (a) INTENT OF CONGRESS.—(1) To encourage early
25 consultation and cooperation between the Congress and

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

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

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

22 “TIMETABLE

23 “SEC. 300. The timetable with respect to the Con-
24 gressional budget process for any Congress (beginning
25 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 bud-
get, 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

1 subsections (b) and (c) and inserting the following new
2 subsection:

3 “(b) Unless and until a joint resolution on the budget
4 is enacted with respect to any major functional category
5 for a fiscal period, it shall not be in order in either the
6 House of Representatives or the Senate or any committee
7 or subcommittee thereof to mark up, amend, report, or
8 approve any spending bill affecting spending in that cat-
9 egory, unless such bill is required to be approved by the
10 affirmative vote of two-thirds of the Members voting, a
11 quorum being present.”.

12 (c) REPEALER.—Section 603 of the Congressional
13 Budget Act of 1974, providing for consideration of spend-
14 ing bills prior to adoption of the budget resolution, is re-
15 pealed.

16 **SEC. 203. “BASELINE” BUDGETING PROHIBITED; OBJEC-**
17 **TIVE YEAR-TO-YEAR COMPARISONS RE-**
18 **QUIRED IN BUDGET LAW.**

19 In order to facilitate honest comparison of budget fig-
20 ures, the starting point for Presidential and congressional
21 budgets shall be the levels of outlays for the current fiscal
22 period. Any increases or decreases proposed in the budget
23 for the next fiscal period shall be measured from such lev-
24 els. The technical amendments contained in title VI of this

1 Act are intended to assist in the establishment of this re-
2 quirement.

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

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

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

21 “RAINY DAY FUND FOR NATURAL DISASTERS

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

25 “(b) AUTHORIZATION OF FUNDS FROM NATURAL
26 DISASTER CATEGORY.—Any committee that receives an

1 allocation under section 602(a) for any budget authority
2 or outlays within functional category 950 (natural disas-
3 ters) may only report legislation providing that budget au-
4 thority or outlays if—

5 “(1) the President has made a request for such
6 disaster funds;

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

9 “(3) the projected obligations for unforeseen
10 emergency needs exceed the ten-year rolling average
11 annual expenditure for existing programs included in
12 the Presidential request for any applicable year.

13 “(c) MAINTENANCE OF STATE AND LOCAL EF-
14 FORTS.—States and local governments shall maintain cur-
15 rent disaster relief efforts so that Federal assistance pay-
16 ments do not replace, subvert, or otherwise have the effect
17 of reducing regularly budgeted State and local expendi-
18 tures for law enforcement, fire fighting, road construction
19 and maintenance, building construction and maintenance
20 or any other category of regular government expenditure.
21 Federal payments for natural disasters within major func-
22 tional category 950 shall only be made for incremental
23 costs directly attributable to unforeseen events resulting
24 from unforeseen disasters, and shall not replace or reduce

1 regular State and local expenditures for the same or simi-
2 lar purposes.

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

10 “(e) EXECUTIVE LIMITATIONS.—The President may
11 not waive any requirement for States or local governments
12 to make minimum matching payments as a condition of
13 receiving Federal payments for natural disasters within
14 major functional category 950 or waive all or part of any
15 repayment of Federal loans for any State or local govern-
16 ment matching share required as a condition of receiving
17 any such payment.

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

1 **SEC. 205. PRESIDENT'S BUDGET SUBMISSIONS.**

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

15 (b) AMENDMENTS TO TITLE 31, UNITED STATES
16 CODE.—Section 1105(a) of title 31, United States Code
17 (relating to the contents of the President's annual budget
18 submission to the Congress), is amended by striking the
19 first two sentences thereof and all that follows through
20 “following:” and inserting in lieu thereof the following:

21 “(a)(1) Not later than the first Monday in February
22 of each year before that in which a fiscal period com-
23 mences, the President shall submit a budget of the United
24 States Government for the following fiscal period on a sin-
25 gle page, which sets forth specific budget ceilings in each
26 major functional category.

1 “(2) Not later than the fifteenth day after a joint
 2 resolution on the budget for the following budget period
 3 is enacted, the President shall submit a detailed budget
 4 for that fiscal period, including a budget message and
 5 summary and supporting information, including the fol-
 6 lowing:”.

7 **TITLE III—ENFORCEMENT OF**
 8 **BUDGET DISCIPLINE**

9 **Subtitle A—Supermajority**
 10 **Required To Break Budget Law**

11 **SEC. 301. TWO-THIRDS REQUIREMENT FOR OVER-BUDGET**
 12 **SPENDING BILLS.**

13 (a) **ADDITIONAL CBO DUTIES.**—Section 308 of the
 14 Congressional Budget Act of 1974 is amended by adding
 15 at the end the following new subsections:

16 “(d) **DETERMINATION OF BUDGET EFFECT OF PRO-**
 17 **POSED SPENDING BILLS.**—The Congressional Budget Of-
 18 fice shall provide to the appropriate House of Congress
 19 (or the appropriate committee, subcommittee, or con-
 20 ference thereof) prior to any spending bill being voted on
 21 by the House of Representatives or the Senate, or by any
 22 subcommittee, committee, or conference committee there-
 23 of, its estimate of the costs in each major functional cat-
 24 egory attributable to that bill during the fiscal period in
 25 which it is to become effective and in each of the next

1 4 years, together with the basis for such estimate. The
2 Congressional Budget Office report shall not be required,
3 however, if the Congressional Budget Office certifies that
4 a spending bill will likely result in applicable costs of less
5 than \$10,000,000. For purposes of estimating the costs
6 attributable to any spending bill that includes new credit
7 authority, the report shall deem the difference between (1)
8 the market value of any loan or other credit made or guar-
9 anteed by the Federal Government during a fiscal period
10 (if the underlying obligation were sold by the Federal Gov-
11 ernment) and (2) its face amount, to be the costs attrib-
12 utable to such loan or guarantee in the fiscal period in
13 which it is made.

14 “(e) CBO REPORT REQUIRED PRIOR TO VOTE ON
15 SPENDING BILLS.—It shall not be in order in either the
16 House of Representatives or the Senate, or in any sub-
17 committee, conference committee, or committee thereof, to
18 vote on any spending bill, unless and until the report re-
19 ferred to in subsection (d) has been made available to that
20 House of Congress or the appropriate committee, con-
21 ference committee, or subcommittee thereof. This require-
22 ment may be waived only by the affirmative vote of two-
23 thirds of the Members voting, a quorum being present.”.

24 (b) NEW BUDGET ENFORCEMENT POINT OF
25 ORDER.—Section 311 of the Congressional Budget Act of

1 1974 is amended by adding at the end the following new
2 subsections:

3 “(d) TWO-THIRDS REQUIREMENT FOR ALL OVER-
4 BUDGET SPENDING BILLS.—It shall not be in order in
5 either the House of Representatives or the Senate (or in
6 any committee, subcommittee, or conference committee
7 thereof) to vote on any spending bill that the report re-
8 ferred to in section 308(d) indicates would in any fiscal
9 period covered by the report exceed a budget ceiling, un-
10 less such bill is required to be approved by the affirmative
11 vote of two-thirds of the Members voting, a quorum being
12 present.

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

16 “(1) its cost in any major functional category
17 as estimated in the report referred to in section
18 308(d);

19 “(2) all other budget authority, budget outlays,
20 and all entitlement authority, if any, in that major
21 functional category for the relevant fiscal periods
22 contained in any previously enacted legislation for
23 the fiscal period; and

24 “(3) to the extent that new budget authority or
25 entitlement authority for the relevant fiscal period

1 has not been granted (or modified or rescinded from
2 the level of the previous fiscal period) in any other
3 enacted legislation for any program within such
4 major functional category, the amounts of budget
5 authority and entitlement authority for such major
6 functional category (or part thereof) for the previous
7 fiscal period;
8 exceed the applicable budget ceiling for such major func-
9 tional category.”.

10 **SEC. 302. TWO-THIRDS REQUIREMENT FOR WAIVER OF**
11 **THIS ACT.**

12 No waiver or contravention of any provision of this
13 Act, including the calendar deadlines for completion of
14 Congressional action, the provisions establishing par-
15 liamentary points of order, the provisions concerning over-
16 budget spending, and the amendment of automatic con-
17 tinuing resolutions, shall be effective unless approved by
18 the affirmative vote of two-thirds of the Members of the
19 House of Representatives or the Senate, or both, as the
20 case may be, a quorum being present. No committee of
21 either the House of Representatives or the Senate shall
22 have jurisdiction to report a rule governing procedures for
23 consideration of spending bills covered by this Act, if such
24 rule would waive or violate the provisions of this section
25 or any other section of this Act. Nothing in this provision

1 shall be deemed to require a supermajority vote to amend
2 this Act. It shall not be in order in either the House of
3 Representatives or the Senate to proceed in violation of
4 this section.

5 **Subtitle B—Line Item Reduction**

6 **SEC. 303. INTENT OF CONGRESS.**

7 It is the purpose of this subtitle to provide a workable
8 means of enforcement of the binding budget law that Con-
9 gress is to enact prior to each fiscal period. The Presi-
10 dent's line-item veto authority permits the elimination of
11 an appropriation, but does not permit enforcement of the
12 budget as written by Congress, a more traditional execu-
13 tive role. Line item reduction will permit enforcement of
14 the spending ceilings in the budget law already approved
15 by Congress, thus recognizing the respective roles given
16 to the legislative branch to pass a budget law, and to the
17 executive branch to take care that it is faithfully executed.

18 **SEC. 304. PRESIDENT AUTHORIZED TO REDUCE SPENDING** 19 **TO LEVEL CONTAINED IN CONGRESSIONAL** 20 **BUDGET LAW.**

21 The Impoundment Control Act of 1974 (2 U.S.C.
22 681 et seq.) is amended by inserting after section 1013
23 the following new section:

1 “PRESIDENTIAL LINE-ITEM REDUCTION OF SPENDING IN
2 EXCESS OF LIMITS IN CONGRESSIONAL BUDGET LAW

3 “SEC. 1013A. (a) SCOPE OF LINE ITEM REDUCTION
4 AUTHORITY.—If the Congress, by two-thirds vote, as pre-
5 scribed in the Budget Process Reform Act, shall exceed
6 the budget ceilings in the binding budget law or an auto-
7 matic continuing resolution for a fiscal period, the Presi-
8 dent may exercise line-item reduction authority as pro-
9 vided in this section. The President’s line-item reduction
10 authority shall permit the reduction of over-budget spend-
11 ing in a major functional category to the level established
12 in the binding budget law or the automatic continuing res-
13 olution.

14 “(b) TRANSMITTAL OF MESSAGE DETAILING USE OF
15 LINE-ITEM REDUCTION.—The President shall transmit to
16 both Houses of Congress one or more special messages
17 detailing his use of line item reduction authority to rescind
18 (in whole or in part) items of budget authority or entitle-
19 ment authority sufficient to ensure that the levels of budg-
20 et authority, entitlement authority, and outlays in a func-
21 tional category do not exceed the levels stated in the budg-
22 et law or an automatic continuing resolution for the appli-
23 cable fiscal period. The levels of budget authority, entitle-
24 ment authority, and outlays shall be determined on the

1 basis of the reports made by the Congressional Budget
2 Office pursuant to section 308.

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

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

19 **Subtitle C—“Blank Check”** 20 **Appropriations Prohibited**

21 **SEC. 305. INTENT OF CONGRESS.**

22 It is the intent of Congress, by this provision, to put
23 an end to open-ended, “blank check” appropriations,
24 which typically provide for the spending of “such sums
25 as may be necessary.” By requiring explicit decisions con-

1 cerning the desired level of spending for each federal pro-
2 gram (except Social Security and interest on the debt),
3 it is intended that currently uncontrolled programs will be
4 brought within the discipline of an overall budget.

5 **SEC. 306. FIXED-DOLLAR APPROPRIATIONS REQUIRED.**

6 Section 401 of the Congressional Budget Act of 1974
7 is amended by adding at the end the following new sub-
8 section:

9 “(e) **FIXED-DOLLAR APPROPRIATIONS.**—(1) For
10 every account except Social Security, as defined in section
11 3(2)(B)(16) of the Congressional Budget Act of 1974, and
12 interest on the debt—

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

17 “(B) any appropriations of ‘such sums as may
18 be necessary’ (except with respect to the automatic
19 continuing resolution provided for by section 1311 of
20 title 31, United States Code) are hereby prohibited.

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

1 **SEC. 307. AGENCY AUTHORITY TO ADJUST EXPENDITURES**
2 **TO APPROPRIATED AMOUNTS.**

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

6 **“§ 1315. Contingency regulations for former ‘blank-**
7 **check’ spending programs**

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

1 grams that previously operated with ‘blank check’ spend-
2 ing authority, setting forth the manner in which the agen-
3 cy shall implement this section for that fiscal period.

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

20 **SEC. 308. BUDGET AUTHORITY AND ENTITLEMENT AU-**
21 **THORITY MAY COVER ONLY A SINGLE FISCAL**
22 **PERIOD.**

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

1 **“§ 1313. Budget authority and entitlement authority**
 2 **must cover single fiscal period**

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

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

9 “(2) enacted before the date of enactment of
 10 this section shall continue in effect beyond the end
 11 of the first fiscal period beginning after the date of
 12 enactment of this section.

13 “(b) Subsection (a) does not apply with respect to
 14 appropriations for the repayment of indebtedness incurred
 15 under chapter 31 or benefits payable under the old-age,
 16 survivors, and disability insurance program established
 17 under title II of the Social Security Act, as in effect on
 18 the date of enactment of the Budget Process Reform
 19 Act.”.

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

22 **SEC. 309. SPENDING OFFSETS REQUIRED; TWO-THIRDS**
 23 **POINT OF ORDER.**

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

1 “SPENDING OFFSETS REQUIRED

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

12 “(2) In the case of a spending bill that a report re-
13 ferred to in section 308(d) indicates would in any fiscal
14 period would exceed a budget ceiling for the natural disas-
15 ter functional category, the increased spending called for
16 therein may be fully offset by at least an equal amount
17 of reductions in spending in any other functional category
18 or categories.

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

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

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

10 **Subtitle E—“Lock-Box” for Savings** 11 **From Spending Reductions**

12 **SEC. 310. INTENT OF CONGRESS.**

13 It is the purpose of this subtitle to establish proce-
 14 dures to ensure that budget savings from House and Sen-
 15 ate amendments to appropriations bills result in actual
 16 spending cuts, rather than higher spending on other pro-
 17 grams.

18 **SEC. 311. SPENDING CUTS BY AMENDMENT TO APPROPRIA-** 19 **TIONS BILLS ON HOUSE AND SENATE** 20 **FLOORS.**

21 Title III of the Congressional Budget Act of 1974
 22 (as amended by section 311) is amended by adding at the
 23 end the following new section:

24 “LOCK-BOX FOR SAVINGS FROM SPENDING REDUCTIONS

25 “SEC. 315. (a) CONTEMPORANEOUS RECORD OF
 26 SPENDING CUT AMENDMENTS DURING FLOOR CONSID-

1 ERATION.—During floor consideration of any appropria-
2 tion bill, the Clerk of the House shall make available to
3 Members in the House of Representatives, and the Sec-
4 retary of the Senate shall make available to Members of
5 the Senate, a running tally of the amendments adopted
6 reflecting increases and decreases of budget authority
7 from the levels in the bill as reported from the Committee
8 on Appropriations of that House.

9 “(b) CBO RECORD OF SPENDING REDUCTIONS.—
10 The Director of the Congressional Budget Office (the ‘Di-
11 rector’) shall maintain a record of net spending reductions
12 made by floor amendments to appropriation bills in the
13 House of Representatives and in the Senate. These ‘lock-
14 box’ totals shall be recorded for each subcommittee of the
15 respective Committees on Appropriations, separately re-
16 flecting the net amount of spending cuts made by the
17 House, and the net amount of spending cuts made by the
18 Senate. Each total shall include only amounts correspond-
19 ing to amendments that result in net spending reductions.

20 “(c) CBO PROCEDURES FOR MAINTAINING RECORD
21 OF SPENDING CUTS.—(1) Upon the engrossment of any
22 appropriation bill by either House of Congress, the Direc-
23 tor shall credit the applicable appropriations subcommittee
24 ‘lock-box’ totals with amounts equal to the net reductions

1 in new budget authority and in outlays resulting from
2 floor amendments agreed to by that House.

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

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

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

17 Section 308(b)(1) of the Congressional Budget Act
18 of 1974 is amended by adding at the end the following
19 new sentence: “Such reports shall also include an up-to-
20 date tabulation of the amounts contained in the record of
21 spending reductions under section 315(a).”.

22 **SEC. 313. REDUCED SPENDING ALLOCATIONS.**

23 (a) ALLOCATIONS TO HOUSE AND SENATE COMMIT-
24 TEES ON APPROPRIATIONS.—Section 602(a) of the Con-

1 gressional Budget Act of 1974 is amended by adding at
2 the end the following new paragraph:

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

19 (b) ALLOCATIONS TO SUBCOMMITTEES OF HOUSE
20 AND SENATE COMMITTEES ON APPROPRIATIONS.—Sec-
21 tion 602(b)(1) of the Congressional Budget Act of 1974
22 is amended by adding at the end the following new sen-
23 tence: “Whenever an adjustment is made to an allocation
24 pursuant to subsection (a)(5), the chairman of the Com-
25 mittee on Appropriations of each House shall reduce the

1 most recent suballocations under subparagraph (A) by the
2 same total amount as that adjustment. The revised sub-
3 allocations shall be submitted to each House by the chair-
4 man of the Committee on Appropriations of that House
5 and shall be printed in the Congressional Record.”.

6 **TITLE IV—SUSTAINING** 7 **MECHANISM**

8 **SEC. 401. AUTOMATIC CONTINUING RESOLUTION.**

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

12 **“§ 1311. Automatic continuing resolution**

13 “(a) If any appropriation bill, as defined in sub-
14 section (b) of this section, has not become law before the
15 beginning of a fiscal period, then the automatic continuing
16 resolution provided for in this section shall immediately
17 take effect. The automatic continuing resolution shall re-
18 main in effect for the entirety of the fiscal period, unless
19 amended in whole or in part by two-thirds vote of both
20 Houses of Congress, as provided in section 302 of the
21 Budget Process Reform Act. If the automatic continuing
22 resolution shall take effect, then there is hereby appro-
23 priated, out of any moneys in the Treasury not otherwise
24 appropriated, and out of applicable corporate or other rev-
25 enues, receipts, and funds, an amount equal to the budget

1 authority for each program, project, or activity regularly
2 provided for under that appropriation bill in the most re-
3 cent fiscal period. In no case shall the total dollar amount
4 of appropriations for any program, project or activity pur-
5 suant to an automatic continuing resolution exceed the
6 fixed-dollar appropriation for such program, project, or ac-
7 tivity in the most recent appropriation Act, determined on
8 a fiscal-period basis. In no case shall the total dollar
9 amount of appropriations pursuant to an automatic con-
10 tinuing resolution for any program, project, or activity in
11 a major functional category, when added to all other
12 spending appropriated by law for that major functional
13 category, exceed the ceiling in a binding budget law in ef-
14 fect for the fiscal period.

15 “(b) ‘Appropriation bill’, for purposes of subsection
16 (a) of this section, means any of the 13 appropriations
17 bills that together comprise the regular appropriations
18 process, as revised to include any programs funded pursu-
19 ant to ‘blank check’ spending authority, as that term is
20 defined in section 3(16) (2 U.S.C. 622), prior to the enact-
21 ment of the Budget Process Reform Act.”.

22 **SEC. 402. CONTINGENCY REGULATIONS.**

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

1 **“§ 1312. Contingency regulations for automatic con-**
2 **tinuing resolution**

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

17 “(b) Exclusively for purposes of the implementation
18 of an automatic continuing resolution pursuant to section
19 1311, in the case of social safety net programs, each State
20 shall have the option of receiving an aggregate amount
21 for the fiscal period for such programs equal to the
22 amount allocated for the benefit of persons in that State
23 in the preceding fiscal period for such programs. In the
24 event a State elects this option, it may, in its discretion,
25 allocate such aggregate amount among any or all of the
26 social safety net programs in the way that it determines

1 will best meet the needs of recipients in that State (in
2 which case such State may exercise the discretion over the
3 administration of such programs set forth in subsection
4 (a) of this section). Alternatively, each State shall have
5 the option of receiving for the fiscal period the amounts
6 it received for each social safety net program in the pre-
7 ceding fiscal period.

8 “(c) As used in this section—

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

12 “(2) the term ‘social safety net programs’
13 means the following programs: family support pay-
14 ments, adoption assistance, child support enforce-
15 ment, food stamps, foster care, Medicaid, child nu-
16 trition programs, social services block grant, and
17 supplemental security income (SSI).”.

18 **SEC. 403. INDEFINITE APPROPRIATIONS PROHIBITED.**

19 Section 401(b) of the Congressional Budget Act of
20 1974 is amended to read as follows:

21 “(b) CONTROLS ON LEGISLATION PROVIDING FUND-
22 ING.—(1) It shall not be in order in either the House of
23 Representatives or the Senate to consider any bill, resolu-
24 tion, amendment, motion, or conference report that pro-
25 vides budget authority or spending authority described in

1 subsection (c)(2)(C) except a bill or resolution reported
2 by the Committee on Appropriations of that House or a
3 conference report made by a committee of conference all
4 of whose conferees are members of the Committee on Ap-
5 propriations.

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

8 **TITLE V—PROTECTION OF** 9 **SOCIAL SECURITY**

10 **SEC. 501. BENEFITS PROTECTED AGAINST DEFICIT REDUC-** 11 **TION.**

12 Nothing in this Act shall be construed to require or
13 permit reductions in Social Security benefits otherwise
14 payable pursuant to applicable law or regulations.

15 **SEC. 502. CONFORMING AMENDMENT.**

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

19 **“§ 1314. Protection of social security from budget def-** 20 **icit reduction measures**

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

1 **TITLE VI—TECHNICAL AMEND-**
2 **MENTS TO FEDERAL LAW TO**
3 **CARRY OUT THIS ACT**

4 **SEC. 601. AMENDMENTS CHANGING CONCURRENT TO**
5 **JOINT RESOLUTIONS.**

6 (a) Sections 300, 301, 302, 303, 304, 305, 308, 310,
7 311, 401, 406, 602 (except subsection (d)), 603, 604, 605,
8 and 606(b) of the Congressional Budget Act of 1974 (2
9 U.S.C. 631 et seq.) are amended by striking “concurrent”
10 each place it appears and by inserting “joint”.

11 (b) The table of contents set forth in section 1(b) of
12 the Congressional Budget and Impoundment Control Act
13 of 1974 is amended by striking “Concurrent” in the item
14 relating to section 303 and inserting “Joint” and by strik-
15 ing “concurrent” in the items relating to sections 301 and
16 304 and inserting “joint”.

17 (c) Clauses 1(d)(2), 4(a)(2), 4(b)(2), 4(g), 4(h), and
18 4(i) of rule X, clause 2(l)(6) of rule XI, clause 7 of rule
19 XV, clause 8 of rule XXIII, and rule XLIX of the Rules
20 of the House of Representatives are amended by striking
21 “concurrent” and by inserting “joint”.

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

1 **SEC. 602. FURTHER AMENDMENTS TO THE CONGRES-**
2 **SIONAL BUDGET ACT OF 1974.**

3 (a) The table of contents set forth in section 1(b) of
4 the Congressional Budget and Impoundment Control Act
5 of 1974—

6 (1) relating to section 302 is amended to read
7 as follows:

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

8 (2) is amended by striking “new budget author-
9 ity, new spending authority,” and the comma before
10 “or changes” in the item relating to section 303;
11 and

12 (3) is amended by inserting after the item relat-
13 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.”.

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

16 (1) in paragraph (1) by striking “(1) IN THE
17 HOUSE OF REPRESENTATIVES.—”, by striking “pro-
18 viding new budget authority for such fiscal year or
19 new entitlement authority effective during such fis-
20 cal year, or” and by striking “of new discretionary
21 budget authority or new entitlement authority”; and

22 (2) by striking paragraph (2).

1 (c) Section 303 of the Congressional Budget Act of
2 1974 is amended—

3 (1) in its heading by striking “NEW BUDGET
4 AUTHORITY, NEW SPENDING AUTHORITY, NEW
5 CREDIT AUTHORITY, ”;

6 (2) in subsection (a) by striking paragraphs
7 (1), (4), (5), and (6) and by redesignating para-
8 graphs (2) and (3) as paragraphs (1) and (2), re-
9 spectively; and

10 (3) by repealing subsection (b) and inserting
11 the following new subsection:

12 “(b) EXCEPTIONS.—In the House of Represent-
13 atives, subsection (a) does not apply to any bill or
14 resolution increasing or decreasing revenues which
15 first becomes effective in a fiscal year following the
16 fiscal year to which the concurrent resolution ap-
17 plies.”.

18 (d) Section 304 of the Congressional Budget Act of
19 1974 is amended by adding at the end the following new
20 subsection:

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

1 (e) The last sentence of clause 4(b) of rule XI of the
2 Rules of the House of Representatives is amended by in-
3 serting before the period at the end the following: “; nor
4 shall it report any rule or order which would waive any
5 point of order set forth in the Budget Process Reform Act
6 or any amendment made by it”.

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

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

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

3 (1) in subparagraph (C), by inserting “, and
4 shall include a comparison of those levels to com-
5 parable levels for the current fiscal period” before
6 “if timely submitted”; and

7 (2) by striking “and” at the end of subpara-
8 graph (C), by striking the period and inserting “;
9 and” at the end of subparagraph (D), and by adding
10 at the end the following new subparagraph:

11 “(E) comparing the levels in existing pro-
12 grams in such measure to the levels for the cur-
13 rent fiscal period.”.

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

19 (1) in the second sentence of paragraph (1), by
20 striking “sequentially and cumulatively” and by
21 striking “for inflation as specified in paragraph
22 (5),”; and

23 (2) by striking paragraph (5) and redesignating
24 paragraph (6) as paragraph (5).

1 (j) Section 301(e) of the Congressional Budget Act
2 of 1974 is amended—

3 (1) by inserting after the second sentence the
4 following: “The starting point for the President and
5 the Congressional Budget Office and for any delib-
6 erations in the Committee on the Budget of each
7 House on the joint resolution on the budget for the
8 next fiscal period shall be the level of outlays for the
9 current fiscal period in each function and subfunc-
10 tion. Any increases or decreases in the Congressional
11 budget for the next and subsequent fiscal periods
12 shall be from such levels.”;

13 (2) by amending paragraph (3) to read as fol-
14 lows:

15 “(3) a comparison of spending levels for the
16 current fiscal period with proposed spending levels
17 for the subsequent fiscal periods along with the pro-
18 posed increase or decrease of spending in percentage
19 terms for each function and subfunction;” and

20 (3) by amending paragraph (8) to read as fol-
21 lows:

22 “(8) information, data, and comparisons indi-
23 cating the manner in which and the basis on which
24 the committee determined each of the matters set
25 forth in the joint resolution on the budget, including

1 information on outlays for the current fiscal period
2 and the decisions reached to set funding for the sub-
3 sequent fiscal periods;”.

4 **SEC. 603. TECHNICAL AMENDMENTS TO THE IMPOUND-**
5 **MENT CONTROL ACT OF 1974.**

6 (a) Section 1014 of the Impoundment Control Act
7 of 1974 is amended—

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

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

12 (3) in subsection (e)(1) by striking “and” at
13 the end of subparagraph (A), by redesignating sub-
14 paragraph (B) as subparagraph (C), by striking
15 “1013” in subparagraph (C) (as redesignated), and
16 by inserting after subparagraph (A) the following
17 new subparagraph:

18 “(B) he has transmitted a special message
19 under section 1013A with respect to a proposed
20 rescission; and”.

21 (b) Section 1015 is amended by striking “1012 or
22 1013” each place it appears and inserting “1012, 1013,
23 or 1013A”.

24 (c) Section 1012(b) is amended by inserting before
25 the last sentence the following new sentence: “The preced-

1 ing sentence shall not apply to any item or portion of any
2 item of budget authority proposed by the President to be
3 rescinded under this section that the President has also
4 proposed to rescind under section 1013A and with respect
5 to which the 45-day period referred to in subsection (e)
6 of such section has not expired.”.

7 (d) The table of sections set forth in section 1(b) is
8 amended by inserting after the item relating to section
9 1013 the following new item:

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

10 **SEC. 604. TECHNICAL AMENDMENTS TO TITLE 31, UNITED**
11 **STATES CODE.**

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

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

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

24 (3) Section 1105(a)(12) of title 31, United States
25 Code, is amended by striking “and” at the end of subpara-

1 graph (A), by striking the period and inserting “; and”
2 at the end of subparagraph (B), and by adding at the end
3 the following new subparagraph:

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

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

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

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

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

23 (c) Section 1104(c) of title 31, United States Code,
24 is amended by striking the second and third sentences and
25 inserting the following new sentence: “However, a func-

1 tional category in the budget may be changed only by law
 2 and the subfunctions comprising any such category may
 3 also only be changed by law except to the extent necessary
 4 to initially establish appropriate subfunctions within func-
 5 tional category 950 (natural disasters).”.

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

13 (e) The analysis of chapter 13 of title 31, United
 14 States Code, is amended by inserting after the item relat-
 15 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.”.

16 **TITLE VII—DEFINITIONS AND** 17 **RULES OF INTERPRETATION**

18 **SEC. 701. DEFINITIONS.**

19 (a) **DEFINITION OF BUDGET LAW.**—Section 3(4) of
 20 the Congressional Budget and Impoundment Control Act

1 of 1974 (2 U.S.C. 622(4)), containing general definitions,
2 is amended to read as follows:

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

5 “(A) a joint resolution setting forth the
6 simplified budget for the United States Govern-
7 ment for a fiscal period as provided in section
8 301; and

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

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

18 (c) ADDITIONAL DEFINITIONS.—Section 3 of the
19 Congressional Budget and Impoundment Control Act of
20 1974 (2 U.S.C. 622) is amended by adding at the end
21 the following new paragraphs:

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

- 1 “Function 050: National Defense
- 2 “Function 150: International Affairs
- 3 “Function 250: General Science, Space
- 4 and Technology
- 5 “Function 270: Energy
- 6 “Function 300: Natural Resources and
- 7 Environment
- 8 “Function 350: Agriculture
- 9 “Function 370: Commerce and Housing
- 10 Credit
- 11 “Function 400: Transportation
- 12 “Function 450: Community and Regional
- 13 Development
- 14 “Function 500: Education, Training, Em-
- 15 ployment and Social Services
- 16 “Function 550: Health
- 17 “Function 570: Medicare
- 18 “Function 600: Welfare, Federal Employee
- 19 Benefits, and Social Transfer Payments
- 20 “Function 650: Social Security
- 21 “Function 700: Veterans Benefits and
- 22 Services
- 23 “Function 750: Administration of Justice
- 24 “Function 800: General Government
- 25 “Function 900: Net Interest

1 “Function 920: Allowances

2 “Function 950: Natural Disasters.”.

3 For purposes of this definition, the foregoing func-
4 tional classifications shall be deemed to include the
5 subfunctions corresponding thereto as set forth in
6 the Glossary of Terms Used in the Federal Budget
7 Process published by the United States General Ac-
8 counting Office (Revised January 1993).

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

12 “(13) The term ‘spending’ means budget au-
13 thority, spending authority, credit authority, or out-
14 lays of the term ‘spending bill’ means any bill or res-
15 olution, or amendment thereto or conference report
16 thereon, which provides budget authority, spending
17 authority, credit authority, or outlays.

18 “(14) The term ‘blank-check’ spending author-
19 ity means authority (whether temporary or perma-
20 nent) to make payments (including loans and
21 grants), the budget authority for which is not pro-
22 vided for in advance by appropriation Acts, to any
23 person or government if, under the provisions of the
24 law containing such authority, the United States is
25 obligated to make such payments to persons or gov-

1 ernments who meet the requirements established by
2 such law: *Provided*, That such term does not include
3 Social Security or interest on the debt.

4 “(15) The term ‘fiscal period’ means a twelve-
5 month fiscal year beginning on October 1 of a cal-
6 endar year for the management of the budget of the
7 United States.

8 “(16) The term ‘Social Security’ means the Old
9 Age, Survivors, and Disability Program established
10 under title II of the Social Security Act, as in effect
11 on the date of enactment of the Budget Process Re-
12 form Act.”.

13 **SEC. 702. USE OF TERMS.**

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

18 **SEC. 703. EFFECTIVE DATE.**

19 This Act and the amendments made by it shall be-
20 come effective January 1, 1998, and shall apply to the
21 budget process for fiscal periods beginning after Septem-
22 ber 30, 1998.

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