

105TH CONGRESS  
1ST SESSION

# H. R. 2037

To amend the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985 to enforce the bipartisan budget agreement.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1997

Mr. SMITH of Michigan (for himself and Mr. KASICH) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985 to enforce the bipartisan budget agreement.

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 Enforcement Act of 1997”.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO THE CONGRESSIONAL BUDGET AND  
IMPOUNDMENT CONTROL ACT OF 1974

- Sec. 101. Amendments to section 3.
- Sec. 102. Amendments to section 201.
- Sec. 103. Amendments to section 202.
- Sec. 104. Amendment to section 300.
- Sec. 105. Amendments to section 301.
- Sec. 106. Amendments to section 302.
- Sec. 107. Amendments to section 303.
- Sec. 108. Amendment to section 305.
- Sec. 109. Amendments to section 308.
- Sec. 110. Amendments to section 310.
- Sec. 111. Amendments to section 311.
- Sec. 112. Amendment to section 312.
- Sec. 113. Adjustments and Budget Committee determinations.
- Sec. 114. Effect of self-executing amendments on points of order in the House  
of Representatives.
- Sec. 115. Amendment of section 401 and repeal of section 402.
- Sec. 116. Repeal of title VI.
- Sec. 117. Amendments to section 904.
- Sec. 118. Repeal of sections 905 and 906.
- Sec. 119. Amendments to sections 1022 and 1024.
- Sec. 120. Amendment to section 1026.

TITLE II—AMENDMENTS TO THE BALANCED BUDGET AND  
EMERGENCY DEFICIT CONTROL ACT OF 1985

- Sec. 201. Purpose.
- Sec. 202. General statement and definitions.
- Sec. 203. Enforcing discretionary spending limits.
- Sec. 204. Violent crime reduction trust fund.
- Sec. 205. Enforcing pay-as-you-go.
- Sec. 206. Reports and orders.
- Sec. 207. Exempt programs and activities.
- Sec. 208. General and special sequestration rules.
- Sec. 209. The baseline.
- Sec. 210. Technical correction.
- Sec. 211. Judicial review.
- Sec. 212. Effective date.
- Sec. 213. Reduction of preexisting balances and exclusion of effects of this Act  
from paygo scorecard.

1 **TITLE I—AMENDMENTS TO THE**  
2 **CONGRESSIONAL BUDGET**  
3 **AND IMPOUNDMENT CON-**  
4 **TROL ACT OF 1974**

5 **SEC. 101. AMENDMENTS TO SECTION 3.**

6 Section 3 of the Congressional Budget and Impound-  
7 ment Control Act of 1974 (2 U.S.C. 622) is amended—

8 (1) in paragraph (2)(A), by striking “and” at  
9 the end of clause (iii), by striking the period and in-  
10 sserting “; and” at the end of clause (iv), and by  
11 adding at the end the following:

12 “(v) entitlement authority and the  
13 food stamp program.”; and

14 (2) in paragraph (9), by inserting “, but such  
15 term does not include salary or basic pay funded  
16 through an appropriation Act” before the period.

17 **SEC. 102. AMENDMENTS TO SECTION 201.**

18 (a) **TERM OF OFFICE.**—The first sentence of section  
19 201(a)(3) of the Congressional Budget Act of 1974 is  
20 amended to read as follows: “The term of office of the  
21 Director shall be four years and shall expire on January  
22 3 of the year preceding a Presidential election.”.

23 (b) **REDESIGNATION OF EXECUTED PROVISION.**—  
24 Section 201 of the Congressional Budget Act of 1974 is

1 amended by redesignating subsection (g) (relating to reve-  
2 nue estimates) as subsection (f).

3 **SEC. 103. AMENDMENTS TO SECTION 202.**

4 (a) ASSISTANCE TO BUDGET COMMITTEES.—The  
5 first sentence of section 202(a) of the Congressional  
6 Budget Act of 1974 is amended by inserting “primary”  
7 before “duty”.

8 (b) ELIMINATION OF EXECUTED PROVISION.—Sec-  
9 tion 202 of the Congressional Budget Act of 1974 is  
10 amended by striking subsection (e) and by redesignating  
11 subsections (f), (g), and (h) as subsections (e), (f), and  
12 (g), respectively.

13 **SEC. 104. AMENDMENT TO SECTION 300.**

14 The item relating to February 25 in the timetable  
15 set forth in section 300 of the Congressional Budget Act  
16 of 1974 is amended by striking “February 25” and insert-  
17 ing “Within 6 weeks after President submits budget”.

18 **SEC. 105. AMENDMENTS TO SECTION 301.**

19 (a) TERMS OF BUDGET RESOLUTIONS.—Section  
20 301(a) of the Congressional Budget Act of 1974 is amend-  
21 ed by striking “, and planning levels for each of the two  
22 ensuing fiscal years,” and inserting “and for at least each  
23 of the 4 ensuing fiscal years”.

24 (b) CONTENTS OF BUDGET RESOLUTIONS.—Para-  
25 graphs (1) and (4) of section 301(a) of the Congressional

1 Budget Act of 1974 are amended by striking “, budget  
2 outlays, direct loan obligations, and primary loan guaran-  
3 tee commitments” each place it appears and inserting  
4 “and budget outlays”.

5 (c) ADDITIONAL MATTERS.—Section 301(b) of the  
6 Congressional Budget Act of 1974 is amended by amend-  
7 ing paragraph (7) to read as follows—

8 “(7) set forth pay-as-you-go procedures in the  
9 Senate whereby committee allocations, aggregates,  
10 and other levels can be revised for legislation within  
11 a committee’s jurisdiction if such legislation would  
12 not increase the deficit for the first year covered by  
13 the resolution and will not increase the deficit for  
14 the period of 5 fiscal years covered by the resolu-  
15 tion;”.

16 (d) VIEWS AND ESTIMATES.—The first sentence of  
17 section 301(d) of the Congressional Budget Act of 1974  
18 is amended by inserting “or at such time as may be re-  
19 quested by the Committee on the Budget,” after “Code,”.

20 (e) HEARINGS AND REPORT.—Section 301(e)(2) of  
21 the Congressional Budget Act of 1974 is amended by  
22 striking “total direct loan obligations, total primary loan  
23 guarantee commitments,”.

24 (f) SOCIAL SECURITY CORRECTIONS.—Section 301(i)  
25 of the Congressional Budget Act of 1974 is amended by—

1 (1) inserting “SOCIAL SECURITY POINT OF  
2 ORDER.—” after “(i)”; and

3 (2) striking “as reported to the Senate” and in-  
4 serting “(or amendment, motion, or conference re-  
5 port on such a resolution)”.

6 **SEC. 106. AMENDMENTS TO SECTION 302.**

7 (a) ALLOCATIONS AND SUBALLOCATIONS.—Sub-  
8 sections (a) and (b) of section 302 of the Congressional  
9 Budget Act of 1974 are amended to read as follows:

10 “(a) COMMITTEE SPENDING ALLOCATIONS.—

11 “(1) ALLOCATION AMONG COMMITTEES.—The  
12 joint explanatory statement accompanying a con-  
13 ference report on a budget resolution shall include  
14 allocations, consistent with the resolution rec-  
15 ommended in the conference report, of the appro-  
16 priate levels (for each fiscal year covered by that res-  
17 olution and a total for all such years, except in the  
18 case of the Committee on Appropriations only for  
19 the first such fiscal year) of—

20 “(A) total new budget authority;

21 “(B) total outlays; and

22 “(C) in the Senate, social security outlays;  
23 among each committee of the House of Representa-  
24 tives or the Senate that has jurisdiction over legisla-  
25 tion providing or creating such amounts.

1           “(2) NO DOUBLE COUNTING.—In the House of  
2 Representatives, any item allocated to one committee  
3 may not be allocated to another such committee.

4           “(3) FURTHER DIVISION OF AMOUNTS.—In the  
5 House of Representatives, the amounts allocated to  
6 each committee for each fiscal year, other than the  
7 Committee on Appropriations, shall be further di-  
8 vided between amounts provided or required by law  
9 on the date of filing of that conference report and  
10 amounts not so provided or required. The amounts  
11 allocated to the Committee on Appropriations for  
12 each fiscal year shall be further divided between dis-  
13 cretionary and mandatory amounts or programs, as  
14 appropriate.

15           “(4) AMOUNTS NOT ALLOCATED.—(A) In the  
16 House of Representatives, if a committee receives no  
17 allocation of new budget authority or outlays, that  
18 committee shall be deemed to have received an allo-  
19 cation equal to zero for new budget authority or out-  
20 lays.

21           “(B) In the Senate, if a committee receives no  
22 allocation of new budget authority, outlays, or social  
23 security outlays, that committee shall be deemed to  
24 have received an allocation equal to zero for new  
25 budget authority, outlays, or social security outlays.

1           “(5) SOCIAL SECURITY LEVELS IN THE SEN-  
2           ATE.—

3           “(A) IN GENERAL.—For purposes of para-  
4           graph (1)(C), social security surpluses equal the  
5           excess of social security revenues over social se-  
6           curity outlays in a fiscal year or years with  
7           such an excess and social security deficits equal  
8           the excess of social security outlays over social  
9           security revenues in a fiscal year or years with  
10          such an excess.

11          “(B) TAX TREATMENT.—For purposes of  
12          paragraph (1)(C), no provision of any legisla-  
13          tion involving a change in chapter 1 of the In-  
14          ternal Revenue Code of 1986 shall be treated as  
15          affecting the amount of social security revenues  
16          or outlays unless such provision changes the in-  
17          come tax treatment of social security benefits.

18          “(6) ADJUSTING ALLOCATION OF DISCRE-  
19          TIONARY SPENDING IN THE HOUSE OF REPRESENT-  
20          ATIVES.—(A) If a concurrent resolution on the  
21          budget is not adopted by April 15, the chairman of  
22          the Committee on the Budget of the House of Rep-  
23          resentatives shall submit to the House, as soon as  
24          practicable, an allocation under paragraph (1) to the  
25          Committee on Appropriations consistent with the

1 discretionary spending limits contained in the most  
2 recently agreed to concurrent resolution on the  
3 budget for the second fiscal year covered by that res-  
4 olution.

5 “(B) As soon as practicable after an allocation  
6 under paragraph (1) is submitted under this section,  
7 the Committee on Appropriations shall make sub-  
8 allocations and promptly report those suballocations  
9 to the House of Representatives.

10 “(b) SUBALLOCATIONS BY APPROPRIATION COMMIT-  
11 TEES.—As soon as practicable after a concurrent resolu-  
12 tion on the budget is agreed to, the Committee on Appro-  
13 priations of each House (after consulting with the Com-  
14 mittee on Appropriations of the other House) shall sub-  
15 allocate each amount allocated to it for the budget year  
16 under subsection (a) among its subcommittees. Each Com-  
17 mittee on Appropriations shall promptly report to its  
18 House suballocations made or revised under this para-  
19 graph.”.

20 (b) POINT OF ORDER.—Section 302(c) of the Con-  
21 gressional Budget Act of 1974 is amended to read as fol-  
22 lows:

23 “(c) POINT OF ORDER.—After the Committee on Ap-  
24 propriations has received an allocation pursuant to sub-  
25 section (a) for a fiscal year, it shall not be in order in

1 the House of Representatives or the Senate to consider  
2 any bill, joint resolution, amendment, motion, or con-  
3 ference report providing new budget authority for that fis-  
4 cal year within the jurisdiction of that committee, until  
5 such committee makes the suballocations required by sub-  
6 section (b).”.

7 (c) ENFORCEMENT OF POINT OF ORDER.—(1) Sec-  
8 tion 302(f)(1) of the Congressional Budget Act of 1974  
9 is amended by—

10 (A) striking “providing new budget authority  
11 for such fiscal year or new entitlement authority ef-  
12 fective during such fiscal year” and inserting “pro-  
13 viding new budget authority for any fiscal year cov-  
14 ered by the concurrent resolution”;

15 (B) striking “appropriate allocation made pur-  
16 suant to subsection (b) for such fiscal year” and in-  
17 serting “appropriate allocation made under sub-  
18 section (a) or any suballocation made under sub-  
19 section (b), as applicable, for the fiscal year of the  
20 concurrent resolution or for the total of all fiscal  
21 years covered by the concurrent resolution”; and

22 (C) striking “of new discretionary budget au-  
23 thority or new entitlement authority to be exceeded”  
24 and inserting “of new discretionary budget authority  
25 to be exceeded”.

1           (2) Section 302(f)(2) of the Congressional Budget  
2 Act of 1974 is amended to read as follows:

3           “(2) ENFORCEMENT OF COMMITTEE ALLOCA-  
4 TIONS AND SUBALLOCATIONS IN THE SENATE.—  
5 After a concurrent resolution on the budget is  
6 agreed to, it shall not be in order in the Senate to  
7 consider any bill, joint resolution, amendment, mo-  
8 tion, or conference report that would cause—

9           “(A) in the case of any committee except  
10 the Committee on Appropriations, the appro-  
11 priate allocation of new budget authority or  
12 outlays under subsection (a) to be exceeded; or

13           “(B) in the case of the Committee on Ap-  
14 propriations, the appropriate suballocation of  
15 new budget authority or outlays under sub-  
16 section (b) to be exceeded.”.

17           (d) SEPARATE ALLOCATIONS.—Section 302(g) of the  
18 Congressional Budget Act of 1974 is amended to read as  
19 follows:

20           “(g) SEPARATE ALLOCATIONS.—The Committees on  
21 Appropriations and the Budget shall make separate alloca-  
22 tions and suballocations under this section consistent with  
23 the categories in section 251(e) of the Balanced Budget  
24 and Emergency Deficit Control Act of 1985.”

1 **SEC. 107. AMENDMENTS TO SECTION 303.**

2 (a) IN GENERAL.—Section 303 of the Congressional  
3 Budget Act of 1974 is amended to read as follows:

4 “CONCURRENT RESOLUTION ON THE BUDGET MUST BE  
5 ADOPTED BEFORE LEGISLATION PROVIDING NEW  
6 BUDGET AUTHORITY, NEW SPENDING AUTHORITY,  
7 OR CHANGES IN REVENUES OR THE PUBLIC DEBT  
8 LIMIT IS CONSIDERED

9 “SEC. 303. (a) IN GENERAL.—It shall not be in order  
10 in either the House of Representatives or the Senate to  
11 consider any bill, joint resolution, amendment, motion, or  
12 conference report as reported to the House or Senate  
13 which provides—

14 “(1) new budget authority for a fiscal year;

15 “(2) an increase or decrease in revenues to be-  
16 come effective during a fiscal year;

17 “(3) an increase or decrease in the public debt  
18 limit to become effective during a fiscal year;

19 “(4) in the Senate only, new spending authority  
20 (as defined in section 401(c)(2)) for a fiscal year; or

21 “(5) in the Senate only, outlays,

22 until the concurrent resolution on the budget for such fis-  
23 cal year (or, in the Senate, a concurrent resolution on the  
24 budget covering such fiscal year) has been agreed to pur-  
25 suant to section 301.

1       “(b) EXCEPTIONS.—(1) In the House of Representa-  
2 tives, subsection (a) does not apply to any bill or resolu-  
3 tion—

4               “(A) providing advance discretionary new budg-  
5 et authority which first becomes available in a fiscal  
6 year following the fiscal year to which the concur-  
7 rent resolution applies; or

8               “(B) increasing or decreasing revenues which  
9 first become effective in a fiscal year following the  
10 fiscal year to which the concurrent resolution ap-  
11 plies.

12 After May 15 of any calendar year, subsection (a) does  
13 not apply in the House of Representatives to any general  
14 appropriation bill, or amendment thereto, which provides  
15 new budget authority for the fiscal year beginning in such  
16 calendar year.

17       “(2) In the Senate, subsection (a) does not apply to  
18 any bill or resolution making advance appropriations for  
19 the fiscal year to which the concurrent resolution applies  
20 and the two succeeding fiscal years.”.

21       (b) CONFORMING AMENDMENT.—The item relating  
22 to section 303 in the table of contents set forth in section  
23 1(b) of the Congressional Budget and Impoundment Con-  
24 trol Act of 1974 is amended by striking “new credit au-  
25 thority,”.

1 **SEC. 108. AMENDMENT TO SECTION 305.**

2 Section 305(a)(1) of the Congressional Budget Act  
3 of 1974 is amended by inserting “when the House is not  
4 in session” after “holidays” each place it appears.

5 **SEC. 109. AMENDMENTS TO SECTION 308.**

6 Section 308 of the Congressional Budget Act of 1974  
7 is amended—

8 (1)(A) in the side heading of subsection (a), by  
9 striking “OR NEW CREDIT AUTHORITY,” and  
10 by striking the first comma and inserting “OR”;

11 (B) in paragraphs (1) and (2) of subsection (a),  
12 by striking “or new credit authority,” each place it  
13 appears and by striking the comma before “new  
14 spending authority” each place it appears and in-  
15 serting “or”;

16 (2) in subsection (b)(1), by striking “or new  
17 credit authority,” and by striking the comma before  
18 “new spending authority” and inserting “or”;

19 (3) in subsection (c), by inserting “and” after  
20 the semicolon at the end of paragraph (3), by strik-  
21 ing “; and” at the end of paragraph (4) and insert-  
22 ing a period; and by striking paragraph (5); and

23 (4) by inserting “joint” before “resolution”  
24 each place it appears and, in subsection (b)(1), by  
25 inserting “joint” before “resolutions”.

1 **SEC. 110. AMENDMENTS TO SECTION 310.**

2 Section 310 of the Congressional Budget Act of 1974  
3 is amended by—

4 (1) in subsection (a)(1), by inserting “and”  
5 after the semicolon at the end of subparagraph (B),  
6 by striking subparagraphs (C) and (D), and by in-  
7 serting after subparagraph (B) the following new  
8 subparagraph:

9 “(C) direct spending (as defined in section  
10 250(c)(8) of the Balanced Budget and Emer-  
11 gency Deficit Control Act of 1985),”; and

12 (2) in subsection (e)(1)(A), by inserting “of the  
13 absolute value” after “20 percent” each place it ap-  
14 pears.

15 **SEC. 111. AMENDMENTS TO SECTION 311.**

16 Section 311 of the Congressional Budget Act of 1974  
17 is amended to read as follows:

18 “NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY,  
19 AND REVENUE LEGISLATION MUST BE WITHIN AP-  
20 PROPRIATE LEVELS

21 “SEC. 311. (a) ENFORCEMENT OF BUDGET AGGRE-  
22 GATES.—

23 “(1) IN THE HOUSE OF REPRESENTATIVES.—  
24 Except as provided by subsection (c), after the Con-  
25 gress has completed action on a concurrent resolu-  
26 tion on the budget for a fiscal year, it shall not be

1 in order in the House of Representatives to consider  
2 any bill, joint resolution, amendment, motion, or  
3 conference report providing new budget authority for  
4 such fiscal year or reducing revenues for such fiscal  
5 year, if—

6 “(A) the enactment of such bill or resolu-  
7 tion as reported;

8 “(B) the adoption and enactment of such  
9 amendment; or

10 “(C) the enactment of such bill or resolu-  
11 tion in the form recommended in such con-  
12 ference report;

13 would cause the appropriate level of total new budg-  
14 et authority or total budget outlays set forth in the  
15 most recently agreed to concurrent resolution on the  
16 budget for such fiscal year to be exceeded, or would  
17 cause revenues to be less than the appropriate level  
18 of total revenues set forth in such concurrent resolu-  
19 tion such fiscal year or for the total of all fiscal  
20 years covered by the concurrent resolution, except in  
21 the case that a declaration of war by the Congress  
22 is in effect.

23 “(2) IN THE SENATE.—After a concurrent reso-  
24 lution on the budget is agreed to, it shall not be in

1 order in the Senate to consider any bill, resolution,  
2 amendment, motion, or conference report that—

3 “(A) would cause the appropriate level of  
4 total new budget authority or total outlays set  
5 forth for the first fiscal year in such resolution  
6 to be exceeded; or

7 “(B) would cause revenues to be less than  
8 the appropriate level of total revenues set forth  
9 for the first fiscal year covered by such resolu-  
10 tion or for the period including the first fiscal  
11 year plus the following 4 fiscal years in such  
12 resolution.

13 “(3) ENFORCEMENT OF SOCIAL SECURITY LEV-  
14 ELS IN THE SENATE.—After a concurrent resolution  
15 on the budget is agreed to, it shall not be in order  
16 in the Senate to consider any bill, resolution, amend-  
17 ment, motion, or conference report that would cause  
18 a decrease in social security surpluses or an increase  
19 in social security deficits derived from the levels of  
20 social security revenues and social security outlays  
21 set forth for the first fiscal year covered by the reso-  
22 lution and for the period including the first fiscal  
23 year plus the following 4 fiscal years in such resolu-  
24 tion.

25 “(b) SOCIAL SECURITY LEVELS.—

1           “(1) IN GENERAL.—For the purposes of sub-  
2           section (a)(3), social security surpluses equal the ex-  
3           cess of social security revenues over social security  
4           outlays in a fiscal year or years with such an excess  
5           and social security deficits equal the excess of social  
6           security outlays over social security revenues in a  
7           fiscal year or years with such an excess.

8           “(2) TAX TREATMENT.—For the purposes of  
9           this section, no provision of any legislation involving  
10          a change in chapter 1 of the Internal Revenue Code  
11          of 1986 shall be treated as affecting the amount of  
12          social security revenues or outlays unless such provi-  
13          sion changes the income tax treatment of social se-  
14          curity benefits.

15          “(c) EXCEPTION IN THE HOUSE OF REPRESENTA-  
16          TIVES.—Subsection (a)(1) shall not apply in the House  
17          of Representatives to any bill, resolution, or amendment  
18          that provides new budget authority for a fiscal year or  
19          to any conference report on any such bill or resolution,  
20          if—

21                 “(1) the enactment of such bill or resolution as  
22                 reported;

23                 “(2) the adoption and enactment of such  
24                 amendment; or

1           “(3) the enactment of such bill or resolution in  
2           the form recommended in such conference report;  
3 would not cause the appropriate allocation of new budget  
4 authority made pursuant to section 302(a) for such fiscal  
5 year, for the committee within whose jurisdiction such bill,  
6 resolution, or amendment falls, to be exceeded.”.

7 **SEC. 112. AMENDMENT TO SECTION 312.**

8           (a) IN GENERAL.—Section 312 of the Congressional  
9 Budget Act of 1974 is amended to read as follows:

10                                   “POINTS OF ORDER

11           “SEC. 312. (a) BUDGET COMMITTEE DETERMINA-  
12 TIONS.—For purposes of this title and title IV, the levels  
13 of new budget authority, budget outlays, spending author-  
14 ity as described in section 401(c)(2), direct spending, new  
15 entitlement authority, and revenues for a fiscal year shall  
16 be determined on the basis of estimates made by the Com-  
17 mittee on the Budget of the House of Representatives or  
18 the Senate, as the case may be.

19           “(b) DISCRETIONARY SPENDING POINT OF ORDER IN  
20 THE SENATE.—

21           “(1) Except as otherwise provided in this sub-  
22 section, it shall not be in order in the Senate to con-  
23 sider any concurrent resolution on the budget (or  
24 amendment, motion, or conference report on such a  
25 resolution) that would exceed any of the discre-  
26 tionary spending limits in section 251(c) of the Bal-

1       anced Budget and Emergency Deficit Control Act of  
2       1985.

3               “(2) This subsection shall not apply if a dec-  
4       laration of war by the Congress is in effect or if a  
5       joint resolution pursuant to section 258 of the Bal-  
6       anced Budget and Emergency Deficit Control Act of  
7       1985 has been enacted.

8               “(c) MAXIMUM DEFICIT AMOUNT POINT OF ORDER  
9       IN THE SENATE.—It shall not be in order in the Senate  
10      to consider any concurrent resolution on the budget for  
11      a fiscal year under section 301, or to consider any amend-  
12      ment to that concurrent resolution, or to consider a con-  
13      ference report on that concurrent resolution—

14              “(1) if the level of total budget outlays for the  
15      first fiscal year that is set forth in that concurrent  
16      resolution or conference report exceeds the rec-  
17      ommended level of Federal revenues set forth for  
18      that year by an amount that is greater than the  
19      maximum deficit amount, if any, specified in the  
20      Balanced Budget and Emergency Deficit Control  
21      Act of 1985 for such fiscal year; or

22              “(2) if the adoption of such amendment would  
23      result in a level of total budget outlays for that fiscal  
24      year which exceeds the recommended level of Fed-  
25      eral revenues for that fiscal year, by an amount that

1 is greater than the maximum deficit amount, if any,  
2 specified in the Balanced Budget and Emergency  
3 Deficit Control Act of 1985 for such fiscal year.

4 “(d) TIMING OF POINTS OF ORDER IN THE SEN-  
5 ATE.—A point of order under this Act may not be raised  
6 against a bill, resolution, amendment, motion, or con-  
7 ference report while an amendment or motion, the adop-  
8 tion of which would remedy the violation of this Act, is  
9 pending before the Senate.

10 “(e) POINTS OF ORDER IN THE SENATE AGAINST  
11 AMENDMENTS BETWEEN THE HOUSES.—Each provision  
12 of this Act that establishes a point of order against an  
13 amendment also establishes a point of order in the Senate  
14 against an amendment between the Houses. If a point of  
15 order under this Act is raised in the Senate against an  
16 amendment between the Houses, and the Presiding Officer  
17 sustains the point of order, the effect shall be the same  
18 as if the Senate had disagreed to the amendment.

19 “(f) EFFECT OF A POINT OF ORDER ON A BILL IN  
20 THE SENATE.—In the Senate, if the Chair sustains a  
21 point of order under this Act against a bill, the Chair shall  
22 then send the bill to the committee of appropriate jurisdic-  
23 tion for further consideration.”.

24 (b) CONFORMING AMENDMENT.—The item relating  
25 to section 312 in the table of contents set forth in section

1 1(b) of the Congressional Budget and Impoundment Con-  
2 trol Act of 1974 is amended by striking “Effect of point”  
3 and inserting “Point”.

4 **SEC. 113. ADJUSTMENTS AND BUDGET COMMITTEE DETER-**  
5 **MINATIONS.**

6 (a) IN GENERAL.—Title III of the Congressional  
7 Budget Act of 1974 is amended by adding at the end the  
8 following new section:

9 “ADJUSTMENTS

10 “SEC. 314. (a) ADJUSTMENTS.—When—

11 “(1)(A) the Committee on Appropriations re-  
12 ports an appropriation measure for fiscal year 1998,  
13 1999, 2000, 2001, or 2002 that specifies an amount  
14 for emergencies pursuant to section 251(b)(2)(A) of  
15 the Balanced Budget and Emergency Deficit Control  
16 Act of 1985 or for continuing disability reviews pur-  
17 suant to section 251(b)(2)(C) of that Act;

18 “(B) any other committee reports emergency  
19 legislation described in section 252(e) of that Act;

20 “(C) the Committee on Appropriations reports  
21 an appropriation measure for fiscal year 1998, 1999,  
22 2000, 2001, or 2002 that includes an appropriation  
23 with respect to clause (i) or (ii), the adjustment  
24 shall be the amount of budget authority in the meas-  
25 ure that is the dollar equivalent, in terms of Special  
26 Drawing Rights, of—

1           “(i) increases the United States quota as  
2           part of the International Monetary Fund Elev-  
3           enth General Review of Quotas (United States  
4           Quota); or

5           “(ii) increases the maximum amount avail-  
6           able to the Secretary of the Treasury pursuant  
7           to section 17 of the Bretton Woods Agreement  
8           Act, as amended from time to time (New Ar-  
9           rangements to Borrow); or

10          “(D) the Committee on Appropriations reports  
11          an appropriation measure for fiscal year 1998, 1999,  
12          or 2000 that includes an appropriation for arrear-  
13          ages for international organizations, international  
14          peacekeeping, and multilateral development banks  
15          during that fiscal year, and the sum of the appro-  
16          priations for the period of fiscal years 1998 through  
17          2000 do not exceed \$1,884,000,000 in budget au-  
18          thority; or

19          “(2) a conference committee submits a con-  
20          ference report thereon;

21          the chairman of the Committee on the Budget of the Sen-  
22          ate or House of Representatives shall make the adjust-  
23          ments referred to in subsection (c) to reflect the additional  
24          new budget authority for such matter provided in that  
25          measure or conference report and the additional outlays

1 flowing in all fiscal years from such amounts for such mat-  
2 ter.

3 “(b) APPLICATION OF ADJUSTMENTS.—The adjust-  
4 ments and revisions to allocations, aggregates, and limits  
5 made by the Chairman of the Committee on the Budget  
6 pursuant to subsection (a) for legislation shall only apply  
7 while such legislation is under consideration and shall only  
8 permanently take effect upon the enactment of that legis-  
9 lation.

10 “(c) CONTENT OF ADJUSTMENTS.—The adjustments  
11 referred to in subsection (a) shall consist of adjustments,  
12 as appropriate, to—

13 “(1) the discretionary spending limits as set  
14 forth in the most recently agreed to concurrent reso-  
15 lution on the budget;

16 “(2) the allocations made pursuant to the most  
17 recently adopted concurrent resolution on the budget  
18 pursuant to section 302(a); and

19 “(3) the budgetary aggregates as set forth in  
20 the most recently adopted concurrent resolution on  
21 the budget.

22 “(d) REPORTING REVISED SUBALLOCATIONS.—Fol-  
23 lowing the adjustments made under subsection (a), the  
24 Committees on Appropriations of the Senate and the  
25 House of Representatives may report appropriately revised

1 suballocations pursuant to section 302(b) to carry out this  
2 subsection.

3 “(e) DEFINITIONS.—As used in subsection (a)(1)(A),  
4 when referring to continuing disability reviews, the terms  
5 ‘continuing disability reviews’, ‘additional new budget au-  
6 thority’, and ‘additional outlays’ shall have the same  
7 meanings as provided in section 251(b)(2)(C)(ii) of the  
8 Balanced Budget and Emergency Deficit Control Act of  
9 1985.”.

10 (b) CONFORMING AMENDMENTS.—(1) Sections  
11 302(g), 311(c), and 313(e) of the Congressional Budget  
12 Act of 1974 are repealed.

13 (2) The table of contents set forth in section 1(b) of  
14 the Congressional Budget and Impoundment Control Act  
15 of 1974 is amended by adding after the item relating to  
16 section 313 the following new item:

“Sec. 314. Adjustments.”.

17 **SEC. 114. EFFECT OF SELF-EXECUTING AMENDMENTS ON**  
18 **POINTS OF ORDER IN THE HOUSE OF REP-**  
19 **RESENTATIVES.**

20 (a) EFFECT OF POINTS OF ORDER.—Title III of the  
21 Congressional Budget Act of 1974 is amended by adding  
22 after section 314 the following new section:

1 “EFFECT OF SELF-EXECUTING AMENDMENTS ON POINTS  
2 OF ORDER IN THE HOUSE OF REPRESENTATIVES

3 “SEC. 315. In the House of Representatives, if a pro-  
4 vision of a bill, as reported, violates a section of this title  
5 or title IV and a self-executing rule providing for consider-  
6 ation of that bill modifies that provision to eliminate such  
7 violation, then such point of order shall not lie against  
8 consideration of that bill.”.

9 (b) CONFORMING AMENDMENT.—The table of con-  
10 tents set forth in section 1(b) of the Congressional Budget  
11 and Impoundment Control Act of 1974 is amended by  
12 adding after the item relating to section 314 the following  
13 new item:

“Sec. 315. Effect of self-executing amendments on points of order in the House  
of Representatives.”.

14 **SEC. 115. AMENDMENT OF SECTION 401 AND REPEAL OF**  
15 **SECTION 402.**

16 (a) SECTION 401.—Subsections (a) and (b) of section  
17 401 of the Congressional Budget Act of 1974 are amended  
18 to read as follows:

19 “BILLS PROVIDING NEW SPENDING AUTHORITY OR NEW  
20 CREDIT AUTHORITY

21 “SEC. 401. (a) CONTROLS ON LEGISLATION PROVID-  
22 ING SPENDING AUTHORITY OR CREDIT AUTHORITY.—It  
23 shall not be in order in either the House of Representa-  
24 tives or the Senate to consider any bill, joint resolution,

1 amendment, motion, or conference report, as reported to  
2 its House which provides new spending authority de-  
3 scribed in subsection (c)(2) (A) or (B) or new credit au-  
4 thority, unless that bill, resolution, conference report, or  
5 amendment also provides that such new spending author-  
6 ity as described in subsection (c)(2) (A) or (B) or new  
7 credit authority is to be effective for any fiscal year only  
8 to such extent or in such amounts as are provided in ap-  
9 propriation Acts.

10 “(b) LEGISLATION PROVIDING ENTITLEMENT AU-  
11 THORITY.—It shall not be in order in either the House  
12 of Representatives or the Senate to consider any bill, joint  
13 resolution, amendment, motion, or conference report, as  
14 reported to its House which provides new spending author-  
15 ity described in subsection (c)(2)(C) which is to become  
16 effective before the first day of the fiscal year which begins  
17 during the calendar year in which such bill or resolution  
18 is reported.”.

19 (b) REPEALER OF SECTION 402.—

20 (1) Section 402 of the Congressional Budget  
21 Act of 1974 is repealed.

22 (2) CONFORMING AMENDMENTS.—

23 (A) Sections 403 through 407 of the Con-  
24 gressional Budget Act of 1974 are redesignated  
25 as sections 402 through 406, respectively.

1           (B) The table of contents set forth in sec-  
2           tion 1(b) of the Congressional Budget and Im-  
3           poundment Control Act of 1974 is amended by  
4           deleting the item relating to section 402 and by  
5           redesignating the items relating to sections 403  
6           through 407 as the items relating to sections  
7           402 through 406, respectively.

8 **SEC. 116. REPEAL OF TITLE VI.**

9           (a) REPEALER.—Title VI of the Congressional Budg-  
10          et Act of 1974 is repealed.

11          (b) CONFORMING AMENDMENTS.—The items relating  
12          to title VI of the table of contents set forth in section 1(b)  
13          of the Congressional Budget and Impoundment Control  
14          Act of 1974 are repealed.

15 **SEC. 117. AMENDMENTS TO SECTION 904.**

16          (a) CONFORMING AMENDMENT.—Section 904(a) of  
17          the Congressional Budget Act of 1974 is amended by  
18          striking “(except section 905)” and by striking “V, and  
19          VI (except section 601(a))” and inserting “and V”.

20          (b) WAIVERS.—Section 904(c) of the Congressional  
21          Budget Act of 1974 is amended to read as follows:

22               “(c) WAIVERS.—

23                       “(1) Sections 305(b)(2), 305(c)(4), 306,  
24                       310(d)(2), 313, 904(c), and 904(d) of this Act may  
25                       be waived or suspended in the Senate only by the af-

1 firmative vote of three-fifths of the Members, duly  
2 chosen and sworn.

3 “(2) Sections 301(i), 302(c), 302(f), 310(g),  
4 311(a), and 315 of this Act and sections  
5 258(a)(4)(C), 258(A)(b)(3)(C)(I), 258(B)(f)(1),  
6 258B(h)(1), 258(h)(3), 258C(a)(5), and  
7 258(C)(b)(1) of the Balanced Budget and Emer-  
8 gency Deficit Control Act of 1985 may be waived or  
9 suspended in the Senate only by the affirmative vote  
10 of three-fifths of the Members, duly chosen and  
11 sworn.”.

12 (c) APPEALS.—Section 904(d) of the Congressional  
13 Budget Act of 1974 is amended to read as follows:

14 “(d) APPEALS.—

15 “(1) Appeals in the Senate from the decisions  
16 of the Chair relating to any provision of title III or  
17 IV of section 1017 shall, except as otherwise pro-  
18 vided therein, be limited to 1 hour, to be equally di-  
19 vided between, and controlled by, the mover and the  
20 manager of the resolution, concurrent resolution,  
21 reconciliation bill, or rescission bill, as the case may  
22 be.

23 “(2) An affirmative vote of three-fifths of the  
24 Members, duly chosen and sworn, shall be required  
25 in the Senate to sustain an appeal of the ruling of

1 the Chair on a point of order raised under sections  
2 305(b)(2), 305(e)(4), 306, 310(d)(2), 313, 904(c),  
3 and 904(d) of this Act.

4 “(3) An affirmative vote of three-fifths of the  
5 Members, duly chosen and sworn, shall be required  
6 in the Senate to sustain an appeal of the ruling of  
7 the Chair on a point of order raised under sections  
8 301(i), 302(c), 302(f), 310(g), 311(a), and 315 of  
9 this Act and sections 258(a)(4)(C),  
10 258(A)(b)(3)(C)(I), 258(B)(f)(1), 258B(h)(1),  
11 258(h)(3), 258C(a)(5), and 258(C)(b)(1) of the Bal-  
12 anced Budget and Emergency Deficit Control Act of  
13 1985.”.

14 (d) EXPIRATION OF SUPERMAJORITY VOTING RE-  
15 QUIREMENTS.—Section 904 of the Congressional Budget  
16 Act of 1974 is amended by adding at the end the follow-  
17 ing:

18 “(e) EXPIRATION OF CERTAIN SUPERMAJORITY VOT-  
19 ING REQUIREMENTS.—Subsections (c)(2) and (d)(3) shall  
20 expire on September 30, 2002.”.

21 **SEC. 118. REPEAL OF SECTIONS 905 AND 906.**

22 (a) REPEALER.—Sections 905 and 906 of the Con-  
23 gressional Budget and Impoundment Control Act of 1974  
24 are repealed.

1 (b) CONFORMING AMENDMENTS.—The table of con-  
2 tents set forth in section 1(b) of the Congressional Budget  
3 and Impoundment Control Act of 1974 is amended by  
4 striking the items relating to sections 905 and 906.

5 **SEC. 119. AMENDMENTS TO SECTIONS 1022 AND 1024.**

6 (a) SECTION 1022.—Section 1022(b)(1)(F) of the  
7 Congressional Budget and Impoundment Control Act of  
8 1974 is amended by striking “section 601” and inserting  
9 “section 251(c) the Balanced Budget and Emergency Def-  
10 icit Control Act of 1985”.

11 (b) SECTION 1024.—Section 1024(a)(1)(B) of the  
12 Congressional Budget and Impoundment Control Act of  
13 1974 is amended by striking “section 601(a)(2)” and in-  
14 serting “section 251(c) the Balanced Budget and Emer-  
15 gency Deficit Control Act of 1985”.

16 **SEC. 120. AMENDMENT TO SECTION 1026.**

17 Section 1026(7)(A)(iv) of the Congressional Budget  
18 and Impoundment Control Act of 1974 is amended by  
19 striking “and” and inserting “or”.

1 **TITLE II—AMENDMENTS TO THE**  
2 **BALANCED BUDGET AND**  
3 **EMERGENCY DEFICIT CON-**  
4 **TROL ACT OF 1985**

5 **SEC. 201. PURPOSE.**

6 This title extends discretionary spending limits and  
7 pay-as-you-go requirements.

8 **SEC. 202. GENERAL STATEMENT AND DEFINITIONS.**

9 (a) **GENERAL STATEMENT.**—Section 250(b) of the  
10 Balanced Budget and Emergency Deficit Control Act of  
11 1985 (2 U.S.C. 900(b)) is amended by striking the first  
12 two sentences and inserting the following: “This part pro-  
13 vides for the enforcement of a balanced budget by fiscal  
14 year 2002 as called for in House Concurrent Resolution  
15 84 (105th Congress, 1st session).”.

16 (b) **DEFINITIONS.**—Section 250(c) of the Balanced  
17 Budget and Emergency Deficit Control Act of 1985 is  
18 amended—

19 (1) by striking paragraph (4) and inserting the  
20 following:

21 “(4) The term ‘category’ means defense, non-  
22 defense, and violent crime reduction discretionary  
23 appropriations as specified in the joint explanatory  
24 statement accompanying a conference report on the  
25 Balanced Budget Act of 1997.”;

1           (2) by striking paragraph (6) and inserting the  
2 following:

3           “(6) The term ‘budgetary resources’ means new  
4 budget authority, unobligated balances, direct spend-  
5 ing authority, and obligation limitations.”;

6           (3) in paragraph (9), by striking “submission of  
7 the fiscal year 1992 budget that are not included  
8 with a budget submission” and inserting “that budg-  
9 et submission that are not included with it”;

10          (4) in paragraph (14), by inserting “first 4” be-  
11 fore “fiscal years” and by striking “1995” and in-  
12 serting “2006”;

13          (5) by striking paragraphs (17) and (20) and  
14 by redesignating paragraphs (18), (19), and (21) as  
15 paragraphs (17), (18), and (19), respectively;

16          (6) in paragraph (17) (as redesignated), by  
17 striking “Omnibus Budget Reconciliation Act of  
18 1990” and inserting “Balanced Budget Act of  
19 1997”;

20          (7) in paragraph (20) (as redesignated), by  
21 striking the second sentence; and

22          (8) by adding at the end the following new  
23 paragraph:

24           “(20) The term ‘consultation’, when applied to  
25 the Committee on the Budget of either the House of

1 Representatives or of the Senate, means written  
2 communication with that committee that affords  
3 that committee an opportunity to comment on the  
4 matter that is the subject of the consultation before  
5 official action is taken on such matter.”.

6 **SEC. 203. ENFORCING DISCRETIONARY SPENDING LIMITS.**

7 (a) EXTENSION THROUGH FISCAL YEAR 2002.—Sec-  
8 tion 251 of the Balanced Budget and Emergency Deficit  
9 Control Act of 1985 is amended—

10 (1) in the side heading of subsection (a), by  
11 striking “1991–1998” and inserting “1997–2002”;

12 (2) in subsection (a)(7) by inserting “(excluding  
13 Saturdays, Sundays, or legal holidays)” after “5 cal-  
14 endar days”;

15 (3) in the first sentence of subsection (b)(1), by  
16 striking “1992, 1993, 1994, 1995, 1996, 1997 or  
17 1998” and inserting “1997 or any fiscal year there-  
18 after through 2002” and by striking “through  
19 1998” and inserting “through 2002”;

20 (4) in subsection (b)(1), by striking “the follow-  
21 ing:” and all that follows through “in concepts and  
22 definitions” the first place it appears and inserting  
23 “the following: the adjustments” and by striking  
24 subparagraphs (B) and (C);

1           (5) in subsection (b)(2), by striking “1991,  
2           1992, 1993, 1994, 1995, 1996, 1997, or 1998” and  
3           inserting “1997 or any fiscal year thereafter through  
4           2002”, by striking “through 1998” and inserting  
5           “through 2002”, and by striking subparagraphs (A),  
6           (B), (C), (E), and (G), and by redesignating sub-  
7           paragraphs (D), (F), and (H) as subparagraphs (A),  
8           (B), and (C), respectively;

9           (6) in subsection (b)(2)(A) (as redesignated),  
10          by striking “(i)”, by striking clause (ii), and by in-  
11          serting “fiscal” before “years”;

12          (7) in subsection (b)(2)(B) (as redesignated),  
13          by striking everything after “the adjustment in out-  
14          lays” and inserting “for a fiscal year is the amount  
15          of the excess but not to exceed 0.5 percent of the  
16          adjusted discretionary spending limit on outlays for  
17          that fiscal year in fiscal year 1997 or any fiscal year  
18          thereafter through 2002; and

19          (8) by adding at the end of subsection (b)(2)  
20          the following new subparagraphs:

21                 “(D) ALLOWANCE FOR IMF.—If an appro-  
22                 priations bill or joint resolution is enacted for  
23                 fiscal year 1998, 1999, 2000, 2001, or 2002  
24                 that includes an appropriation with respect to  
25                 clause (i) or (ii), the adjustment shall be the

1 amount of budget authority in the measure that  
2 is the dollar equivalent, in terms of Special  
3 Drawing Rights, of—

4 “(i) an increase in the United States  
5 quota as part of the International Mone-  
6 tary Fund Eleventh General Review of  
7 Quotas (United States Quota); or

8 “(ii) any increase in the maximum  
9 amount available to the Secretary of the  
10 Treasury pursuant to section 17 of the  
11 Bretton Woods Agreement Act, as amend-  
12 ed from time to time (New Arrangements  
13 to Borrow).

14 “(E) ALLOWANCE FOR INTERNATIONAL  
15 ARREARAGES.—

16 “(i) ADJUSTMENTS.—If an appropria-  
17 tions bill or joint resolution is enacted for  
18 fiscal year 1998, 1999, or 2000 that in-  
19 cludes an appropriation for arrearages for  
20 international organizations, international  
21 peacekeeping, and multilateral banks for  
22 that fiscal year, the adjustment shall be  
23 the amount of budget authority in such  
24 measure and the outlays flowing in all fis-  
25 cal years from such budget authority.

1                   “(ii) LIMITATIONS.—The total  
2                   amount of adjustments made pursuant to  
3                   this subparagraph for the period of fiscal  
4                   years 1998 through 2000 shall not exceed  
5                   \$1,884,000,000 in budget authority.”.

6           (b) SHIFTING OF DISCRETIONARY SPENDING LIMITS  
7 INTO THE BALANCED BUDGET AND EMERGENCY DEFICIT  
8 CONTROL ACT OF 1985.—Section 251 of the Balanced  
9 Budget and Emergency Deficit Control Act of 1985 is  
10 amended by adding at the end the following new sub-  
11 section:

12           “(c) DISCRETIONARY SPENDING LIMIT.—As used in  
13 this part, the term ‘discretionary spending limit’ means—

14                   “(1) with respect to fiscal year 1997, for the  
15                   discretionary category, the current adjusted amount  
16                   of new budget authority and outlays;

17                   “(2) with respect to fiscal year 1998—

18                           “(A) for the defense category:  
19                           \$269,000,000,000 in new budget authority and  
20                           \$266,823,000,000 in outlays;

21                           “(B) for the nondefense category:  
22                           \$252,357,000,000 in new budget authority and  
23                           \$282,853,000,000 in outlays; and

1           “(C) for the violent crime reduction cat-  
2           egory: \$5,500,000,000 in new budget authority  
3           and \$3,592,000,000 in outlays;

4           “(3) with respect to fiscal year 1999—

5           “(A) for the defense category:  
6           \$271,500,000,000 in new budget authority and  
7           \$266,518,000,000 in outlays; and

8           “(B) for the nondefense category:  
9           \$261,499,000,000 in new budget authority and  
10          \$292,803,000,000 in outlays;

11          “(4) with respect to fiscal year 2000, for the  
12          discretionary category: \$537,193,000,000 in new  
13          budget authority and \$564,265,000,000 in outlays;

14          “(5) with respect to fiscal year 2001, for the  
15          discretionary category: \$542,032,000,000 in new  
16          budget authority and \$564,396,000,000 in outlays;  
17          and

18          “(6) with respect to fiscal year 2002, for the  
19          discretionary category: \$551,074,000,000 in new  
20          budget authority and \$560,799,000,000 in outlays;  
21          as adjusted in strict conformance with subsection (b).”.

22       **SEC. 204. VIOLENT CRIME REDUCTION TRUST FUND.**

23       (a) SEQUESTRATION REGARDING VIOLENT CRIME  
24       REDUCTION TRUST FUND.—Section 251A of the Bal-

1 anced Budget and Emergency Deficit Control Act of 1985  
2 is repealed.

3 (b) CONFORMING AMENDMENT.—Section 310002 of  
4 Public Law 103–322 (42 U.S.C. 14212) is repealed.

5 **SEC. 205. ENFORCING PAY-AS-YOU-GO.**

6 (a) EXTENSION.—Section 252 (2 U.S.C. 902) is  
7 amended—

8 (1) by striking subsections (a) and (b) and in-  
9 serting the following:

10 “(a) PURPOSE.—The purpose of this section is to as-  
11 sure that any legislation enacted prior to September 30,  
12 2002, affecting direct spending or receipts that increases  
13 the deficit will trigger an offsetting sequestration.

14 “(b) SEQUESTRATION.—

15 “(1) TIMING.—Within 15 calendar days after  
16 Congress adjourns to end a session and on the same  
17 day as a sequestration (if any) under sections 251  
18 and 253, there shall be a sequestration to offset the  
19 amount of any net deficit increase in the budget  
20 year caused by all direct spending and receipts legis-  
21 lation (after adjusting for any prior sequestration as  
22 provided by paragraph (2)) plus any net deficit in-  
23 crease in the prior fiscal year caused by all direct  
24 spending and receipts legislation not reflected in the  
25 final OMB sequestration report for that year.

1           “(2) CALCULATION OF DEFICIT INCREASE.—  
2           OMB shall calculate the amount of deficit increase,  
3           if any, in the budget year by adding—

4                   “(A) all applicable estimates of direct  
5                   spending and receipts legislation transmitted  
6                   under subsection (d) applicable to the budget  
7                   year, other than any amounts included in such  
8                   estimates resulting from—

9                   “(i) full funding of, and continuation of, the de-  
10                  posit insurance guarantee commitment in effect on  
11                  the date of enactment of this section; and

12                  “(ii) emergency provisions as designated under  
13                  subsection (e); and

14                   “(B) the estimated amount of savings in  
15                   direct spending programs applicable to the  
16                   budget year resulting from the prior year’s se-  
17                   questration under this section or section 253, if  
18                   any (except for any amounts sequestered as a  
19                   result of any deficit increase in the fiscal year  
20                   immediately preceding the prior fiscal year), as  
21                   published in OMB’s final sequestration report  
22                   for that prior year; and

23                   “(C) all applicable estimates of direct  
24                   spending and receipts legislation transmitted  
25                   under subsection (d) for the current year that

1           are not reflected in the final OMB sequestra-  
2           tion report for that year, other than any  
3           amounts included in such estimates resulting  
4           from emergency provisions as designated under  
5           subsection (e).”;

6           (2) by amending subsection (c)(1)(B), by in-  
7           serting “and direct” after “guaranteed”;

8           (3) by amending subsection (d) to read as fol-  
9           lows:

10          “(d) ESTIMATES.—

11           “(1) CBO ESTIMATES.—As soon as practicable  
12           after Congress completes action on any direct spend-  
13           ing or receipts legislation, CBO shall provide an esti-  
14           mate of the budgetary effects of that legislation.

15           “(2) OMB ESTIMATES.—Not later than 5 cal-  
16           endar days (excluding Saturdays, Sundays, or legal  
17           holidays) after the enactment of any direct spending  
18           or receipts legislation, OMB shall transmit a report  
19           to the House of Representatives and to the Senate  
20           containing—

21           “(A) the CBO estimate of the budgetary  
22           effects of that legislation;

23           “(B) an OMB estimate of the budgetary  
24           effects of that legislation using current eco-  
25           nomic and technical assumptions; and

1           “(C) an explanation of any difference be-  
2           tween the two estimates.

3           “(3) SCOPE OF ESTIMATES.—The estimates  
4           under this section shall include the amount of  
5           change in outlays or receipts, as the case may be,  
6           for the current year (if applicable), the budget year,  
7           and each outyear.

8           “(4) SCOREKEEPING GUIDELINES.—OMB and  
9           CBO, after consultation with each other and the  
10          Committees on the Budget of the House of Rep-  
11          resentatives and the Senate, shall—

12                  “(A) determine common scorekeeping  
13                  guidelines; and

14                  “(B) in conformance with such guidelines,  
15                  prepare estimates under this section.”; and

16          (4) in subsection (e), by striking “, for any fis-  
17          cal year from 1991 through 1998,” and by striking  
18          “through 1995”.

19 **SEC. 206. REPORTS AND ORDERS.**

20          Section 254 of the Balanced Budget and Emergency  
21          Deficit Control Act of 1985 is amended—

22                  (1) by striking subsection (c) and redesignating  
23                  subsections (d) through (k) as (c) through (j), re-  
24                  spectively;

1           (2) in subsection (c)(2) (as redesignated), by  
2 striking “1998” and inserting “2002”; and

3           (3)(A) in subsection (f)(2)(A) (as redesignated),  
4 by striking “1998” and inserting “2002”; and

5           (B) in subsection (f)(3) (as redesignated), by  
6 striking “through 1998”.

7 **SEC. 207. EXEMPT PROGRAMS AND ACTIVITIES.**

8           (a) **VETERANS PROGRAMS.**—Section 255(b) of the  
9 Balanced Budget and Emergency Deficit Control Act of  
10 1985 is amended as follows:

11           (1) In the item relating to Veterans Insurance  
12 and Indemnity, strike “Indemnity” and insert “In-  
13 demnities”.

14           (2) In the item relating to Veterans’ Canteen  
15 Service Revolving Fund, strike “Veterans”.

16           (3) In the item relating to Benefits under chap-  
17 ter 21 of title 38, strike “(36–0137–0–1–702)” and  
18 insert “(36–0120–0–1–701)”.

19           (4) In the item relating to Veterans’ compensa-  
20 tion, strike “Veterans’ compensation” and insert  
21 “Compensation”.

22           (5) In the item relating to Veterans’ pensions,  
23 strike “Veterans’ pensions” and insert “Pensions”.

24           (6) After the last item, insert the following new  
25 items:

1 “Benefits under chapter 35 of title 38,  
2 United States Code, related to educational as-  
3 sistance for survivors and dependents of certain  
4 veterans with service-connected disabilities (36-  
5 0137-0-1-702);

6 “Assistance and services under chapter 31  
7 of title 38, United States Code, relating to  
8 training and rehabilitation for certain veterans  
9 with service-connected disabilities (36-0137-0-  
10 1-702);

11 “Benefits under subchapters I, II, and III  
12 of chapter 37 of title 38, United States Code,  
13 relating to housing loans for certain veterans  
14 and for the spouses and surviving spouses of  
15 certain veterans Guaranty and Indemnity Pro-  
16 gram Account (36-1119-0-1-704);

17 “Loan Guaranty Program Account (36-  
18 1025-0-1-704); and

19 “Direct Loan Program Account (36-1024-  
20 0-1-704).”.

21 (b) CERTAIN PROGRAM BASES.—Section 255(f) of  
22 the Balanced Budget and Emergency Deficit Control Act  
23 of 1985 is amended to read as follows:

24 “(f) OPTIONAL EXEMPTION OF MILITARY PERSON-  
25 NEL.—

1           “(1) The President may, with respect to any  
2 military personnel account, exempt that account  
3 from sequestration or provide for a lower uniform  
4 percentage reduction than would otherwise apply.

5           “(2) The President may not use the authority  
6 provided by paragraph (1) unless he notifies the  
7 Congress of the manner in which such authority will  
8 be exercised on or before the date specified in sec-  
9 tion 254(a) for the budget year.”.

10       (c) OTHER PROGRAMS AND ACTIVITIES.—(1) Section  
11 255(g)(1)(A) of the Balanced Budget Emergency Deficit  
12 Control Act of 1985 is amended as follows:

13           (A) After the first item, insert the following  
14 new item:

15                   “Activities financed by voluntary payments  
16 to the Government for goods or services to be  
17 provided for such payments;”.

18           (B) Strike “Thrift Savings Fund (26–8141–0–  
19 7–602);”.

20           (C) In the first item relating to the Bureau of  
21 Indian Affairs, insert “Indian land and water claims  
22 settlements and” after the comma.

23           (D) In the second item relating to the Bureau  
24 of Indian Affairs, strike “miscellaneous” and insert  
25 “Miscellaneous” and strike “, tribal trust funds”.

1           (E) Strike “Claims, defense (97–0102–0–1–  
2           051);”.

3           (F) In the item relating to Claims, judgments,  
4           and relief acts, strike “806” and insert “808”.

5           (G) Strike “Coinage profit fund (20–5811–0–  
6           2–803)”.

7           (H) Insert “Compact of Free Association (14–  
8           0415–0–1–808);” after the item relating to the  
9           Claims, judgments, and relief acts.

10          (I) Insert “Conservation Reserve Program (12–  
11          2319–0–1–302);” after the item relating to the  
12          Compensation of the President.

13          (J) In the item relating to the Customs Service,  
14          strike “852” and insert “806”.

15          (K) In the item relating to the Comptroller of  
16          the Currency, insert “, Assessment funds (20–8413–  
17          0–8–373)” before the semicolon.

18          (L) Strike “Director of the Office of Thrift Su-  
19          pervision;”.

20          (M) Strike “Eastern Indian land claims settle-  
21          ment fund (14–2202–0–1–806);”.

22          (N) After the item relating to the Exchange  
23          stabilization fund, insert the following new items:

1           “Farm Credit Administration, Limitation  
2           on Administrative Expenses (78-4131-0-3-  
3           351);

4           “Farm Credit System Financial Assistance  
5           Corporation, interest payment (20-1850-0-1-  
6           908);”.

7           (O) Strike “Federal Deposit Insurance Cor-  
8           poration;”.

9           (P) In the first item relating to the Federal De-  
10          posit Insurance Corporation, insert “(51-4064-0-3-  
11          373)” before the semicolon.

12          (Q) In the second item relating to the Federal  
13          Deposit Insurance Corporation, insert “(51-4065-  
14          0-3-373)” before the semicolon.

15          (R) In the third item relating to the Federal  
16          Deposit Insurance Corporation, insert “(51-4066-  
17          0-3-373)” before the semicolon.

18          (S) In the item relating to the Federal Housing  
19          Finance Board, insert “(95-4039-0-3-371)” before  
20          the semicolon.

21          (T) In the item relating to the Federal payment  
22          to the railroad retirement account, strike “account”  
23          and insert “accounts”.

24          (U) In the item relating to the health profes-  
25          sions graduate student loan insurance fund, insert

1 “program account” after “fund” and strike  
2 “(Health Education Assistance Loan Program) (75-  
3 4305-0-3-553)” and insert “(75-0340-0-1-552)”.

4 (V) In the item relating to Higher education fa-  
5 cilities, strike “and insurance”.

6 (W) In the item relating to Internal Revenue  
7 collections for Puerto Rico, strike “852” and insert  
8 “806”.

9 (X) Amend the item relating to the Panama  
10 Canal Commission to read as follows:

11 “Panama Canal Commission, Panama  
12 Canal Revolving Fund (95-4061-0-3-403);”.

13 (Y) In the item relating to the Medical facilities  
14 guarantee and loan fund, strike “(75-4430-0-3-  
15 551)” and insert “(75-9931-0-3-550)”.

16 (Z) In the first item relating to the National  
17 Credit Union Administration, insert “operating fund  
18 (25-4056-0-3-373)” before the semicolon.

19 (AA) In the second item relating to the Na-  
20 tional Credit Union Administration, strike “central”  
21 and insert “Central” and insert “(25-4470-0-3-  
22 373)” before the semicolon.

23 (BB) In the third item relating to the National  
24 Credit Union Administration, strike “credit” and in-

1       sert “Credit” and insert “(25-4468-0-3-373)” be-  
2       fore the semicolon.

3               (CC) After the third item relating to the Na-  
4       tional Credit Union Administration, insert the fol-  
5       lowing new item:

6                       “Office of Thrift Supervision (20-4108-0-  
7                       3-373);”.

8               (DD) In the item relating to Payments to  
9       health care trust funds, strike “572” and insert  
10       “571”.

11               (EE) Strike “Compact of Free Association, eco-  
12       nomic assistance pursuant to Public Law 99-658  
13       (14-0415-0-1-806);”.

14               (FF) In the item relating to Payments to social  
15       security trust funds, strike “571” and insert “651”.

16               (GG) Strike “Payments to state and local gov-  
17       ernment fiscal assistance trust fund (20-2111-0-1-  
18       851);”.

19               (HH) In the item relating to Payments to the  
20       United States territories, strike “852” and insert  
21       “806”.

22               (II) Strike “Resolution Funding Corporation;”.

23               (JJ) In the item relating to the Resolution  
24       Trust Corporation, insert “Revolving Fund (22-  
25       4055-0-3-373)” before the semicolon.

1 (KK) After the item relating to the Tennessee  
2 Valley Authority funds, insert the following new  
3 items:

4 “Thrift Savings Fund;

5 “United States Enrichment Corporation  
6 (95-4054-0-3-271);

7 “Vaccine Injury Compensation (75-0320-  
8 0-1-551);

9 “Vaccine Injury Compensation Program  
10 Trust Fund (20-8175-0-7-551);”.

11 (2) Section 255(g)(1)(B) of the Balanced Budget and  
12 Emergency Deficit Control Act of 1985 is amended as fol-  
13 lows:

14 (A) Strike “The following budget” and insert  
15 “The following Federal retirement and disability”.

16 (B) In the item relating to Black lung benefits,  
17 strike “lung benefits” and insert “Lung Disability  
18 Trust Fund”.

19 (C) In the item relating to the Court of Federal  
20 Claims Court Judges’ Retirement Fund, strike  
21 “Court of Federal”.

22 (D) In the item relating to Longshoremen’s  
23 compensation benefits, insert “Special workers com-  
24 pensation expenses,” before “Longshoremen’s”.

1 (E) In the item relating to Railroad retirement  
2 tier II, strike “retirement tier II” and insert “Indus-  
3 try Pension Fund”.

4 (3) Section 255(g)(2) of the Balanced Budget and  
5 Emergency Deficit Control Act of 1985 is amended as fol-  
6 lows:

7 (A) Strike the following items:

8 “Agency for International Development,  
9 Housing, and other credit guarantee programs  
10 (72-4340-0-3-151);

11 “Agricultural credit insurance fund (12-  
12 4140-0-1-351);”.

13 (B) In the item relating to Check forgery,  
14 strike “Check” and insert “United States Treasury  
15 check”.

16 (C) Strike “Community development grant loan  
17 guarantees (86-0162-0-1-451);”.

18 (D) After the item relating to the United States  
19 Treasury Check forgery insurance fund, insert the  
20 following new item:

21 “Credit liquidating accounts;”.

22 (E) Strike the following items:

23 “Credit union share insurance fund (25-  
24 4468-0-3-371);

1           “Economic development revolving fund  
2           (13-4406-0-3);

3           “Export-Import Bank of the United  
4           States, Limitation of program activity (83-  
5           4027-0-1-155);

6           “Federal deposit Insurance Corporation  
7           (51-8419-0-8-371);

8           “Federal Housing Administration fund  
9           (86-4070-0-3-371);

10          “Federal ship financing fund (69-4301-0-  
11          3-403);

12          “Federal ship financing fund, fishing ves-  
13          sels (13-4417-0-3-376);

14          “Government National Mortgage Associa-  
15          tion, Guarantees of mortgage-backed securities  
16          (86-4238-0-3-371);

17          “Health education loans (75-4307-0-3-  
18          553);

19          “Indian loan guarantee and insurance fund  
20          (14-4410-0-3-452);

21          “Railroad rehabilitation and improvement  
22          financing fund (69-4411-0-3-401);

23          “Rural development insurance fund (12-  
24          4155-0-3-452);

1           “Rural electric and telephone revolving  
2 fund (12-4230-8-3-271);

3           “Rural housing insurance fund (12-4141-  
4 0-3-371);

5           “Small Business Administration, Business  
6 loan and investment fund (73-4154-0-3-376);

7           “Small Business Administration, Lease  
8 guarantees revolving fund (73-4157-0-3-376);

9           “Small Business Administration, Pollution  
10 control equipment contract guarantee revolving  
11 fund (73-4147-0-3-376);

12           “Small Business Administration, Surety  
13 bond guarantees revolving fund (73-4156-0-3-  
14 376);

15           “Department of Veterans Affairs Loan  
16 guaranty revolving fund (36-4025-0-3-704);”.

17       (d) LOW-INCOME PROGRAMS.—Section 255(h) of the  
18 Balanced Budget and Emergency Deficit Control Act of  
19 1985 is amended as follows:

20           (1) Amend the item relating to Child nutrition  
21 to read as follows:

22           “State child nutrition programs (with the  
23 exception of special milk programs) (12-3539-  
24 0-1-605);”.

1           (2) Amend the item relating to the Women, in-  
2           fants, and children program to read as follows:

3                   “Special supplemental nutrition program  
4                   for women, infants, and children (WIC) (12-  
5                   3510-0-1-605).”.

6           (e) IDENTIFICATION OF PROGRAMS.—Section 255(i)  
7 of the Balanced Budget and Emergency Deficit Control  
8 Act of 1985 is amended to read as follows:

9           “(i) IDENTIFICATION OF PROGRAMS.—For purposes  
10 of subsections (b), (g), and (h), each account is identified  
11 by the designated budget account identification code num-  
12 ber set forth in the Budget of the United States Govern-  
13 ment 1996–Appendix, and an activity within an account  
14 is designated by the name of the activity and the identi-  
15 fication code number of the account.”.

16           (f) OPTIONAL EXEMPTION OF MILITARY PERSON-  
17 NEL.—Section 255(h) of the Balanced Budget and Emer-  
18 gency Deficit Control Act of 1985 (relating to optional ex-  
19 emption of military personnel) is repealed.

20 **SEC. 208. GENERAL AND SPECIAL SEQUESTRATION RULES.**

21           (a) SECTION HEADING.—(1) The section heading of  
22 section 256 of the Balanced Budget and Emergency Defi-  
23 cit Control Act of 1985 is amended by striking “**EXCEP-**  
24 **TIONS, LIMITATIONS, AND SPECIAL RULES**” and in-

1 setting “**GENERAL AND SPECIAL SEQUESTRATION**  
2 **RULES**”.

3 (2) The item relating to section 256 in the table con-  
4 tents set forth in section 250(a) of the Balanced Budget  
5 and Emergency Deficit Control Act of 1985 is amended  
6 to read as follows:

“Sec. 256. General and special sequestration rules.”.

7 (b) **AUTOMATIC SPENDING INCREASES**.—Section  
8 256(a) of the Balanced Budget and Emergency Deficit  
9 Control Act of 1985 is amended by striking paragraph (1)  
10 and redesignating paragraphs (2) and (3) as paragraphs  
11 (1) and (2), respectively.

12 (c) **GUARANTEED AND DIRECT STUDENT LOAN PRO-**  
13 **GRAMS**.—Section 256(b) of the Balanced Budget and  
14 Emergency Deficit Control Act of 1985 is amended to  
15 read as follows:

16 “(b) **STUDENT LOANS**.—(1) For all student loans  
17 under part B or D of title IV of the Higher Education  
18 Act of 1965 made during the period when a sequestration  
19 order under section 254 is in effect, origination fees under  
20 sections 438(c)(2) and 455(c) of that Act shall be in-  
21 creased by a uniform percentage sufficient to produce the  
22 dollar savings in student loan programs (as a result of  
23 that sequestration order) required by section 252 or 253,  
24 as applicable.



1 (g) COMMODITY CREDIT CORPORATION.—Section  
2 256(j)(5) of the Balanced Budget and Emergency Deficit  
3 Control Act of 1985 is amended to read as follows:

4 “(5) DAIRY PROGRAM.—Notwithstanding other  
5 provisions of this subsection, as the sole means of  
6 achieving any reduction in outlays under the milk  
7 price support program, the Secretary of Agriculture  
8 shall provide for a reduction to be made in the price  
9 received by producers for all milk produced in the  
10 United States and marketed by producers for com-  
11 mercial use. That price reduction (measured in cents  
12 per hundred weight of milk marketed) shall occur  
13 under section 201(d)(2)(A) of the Agricultural Act  
14 of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the  
15 day any sequestration order is issued under section  
16 254, and shall not exceed the aggregate amount of  
17 the reduction in outlays under the milk price sup-  
18 port program that otherwise would have been  
19 achieved by reducing payments for the purchase of  
20 milk or the products of milk under this subsection  
21 during the applicable fiscal year.”.

22 (h) EFFECTS OF SEQUESTRATION.—Section 256(k)  
23 of the Balanced Budget and Emergency Deficit Control  
24 Act of 1985 is amended as follows:

1           (1) In paragraph (1), strike “other than a trust  
2           or special fund account” and insert “, except as pro-  
3           vided in paragraph (5)” before the period.

4           (2) Strike paragraph (4), redesignate para-  
5           graphs (5) and (6) as paragraphs (4) and (5), re-  
6           spectively, and amend paragraph (5) (as redesign-  
7           nated) to read as follows:

8           “(5) Budgetary resources sequestered in revolv-  
9           ing, trust, and special fund accounts, and offsetting  
10          collections sequestered in appropriation accounts  
11          shall not be available for obligation during the fiscal  
12          year in which the sequestration occurs, but shall be  
13          available in subsequent years to the extent otherwise  
14          provided in law.”.

15 **SEC. 209. THE BASELINE.**

16          Section 257 of the Balanced Budget and Emergency  
17          Deficit Control Act of 1985 is amended—

18          (1) in subsection (b)(2) by amending subparagraph  
19          (A) to read as follows:

20                 “(A)(i) Except as provided in clause (ii), no  
21                 program with estimated current year outlays greater  
22                 than \$50,000,000 shall be assumed to expire in the  
23                 budget year or the outyears.

24                 “(ii) Clause (i) shall not apply to a program if  
25                 legislation establishing or modifying that program

1 contains a provision stating ‘Section 257(b)(2) of  
2 the Balanced Budget and Emergency Deficit Control  
3 Act of 1985 shall not apply to the program specified  
4 in \_\_\_\_ of this Act.’, the blank space being filled in  
5 with the appropriate section or sections of that legis-  
6 lation.

7 “(iii) No bill, resolution, amendment, motion, or  
8 conference report shall be subject to a point of order  
9 under section 306 of the Congressional Budget Act  
10 of 1974 solely because it includes the provision spec-  
11 ified in clause (ii).

12 “(iv) Upon the expiration of the suspensions  
13 contained in section 171 of Public Law 104–193  
14 with regard to a program in such Act with estimated  
15 fiscal year outlays greater than \$50,000,000, that  
16 program shall be assumed to operate under that Act  
17 as in effect immediately before reversion to the laws  
18 suspended by such Act.”

19 (2) by adding at the end of subsection (b)(2)  
20 the following new subparagraph:

21 “(D) If any law expires before the budget year  
22 or any outyear, then any program with estimated  
23 current year outlays greater than \$50 million which  
24 operates under that law shall be assumed to con-

1       tinue to operate under that law as in effect imme-  
2       diately before its expiration.”;

3           (3) in the second sentence of subsection (c)(5),  
4       by striking “national product fixed-weight price  
5       index” and inserting “domestic product chain-type  
6       price index”; and

7           (4) by striking subsection (e) and inserting the  
8       following:

9       “(e) ASSET SALES.—Amounts realized from the sale  
10      of an asset other than a loan asset shall not be counted  
11      against legislation if that sale would result in a financial  
12      cost to the Federal Government.”.

13   **SEC. 210. TECHNICAL CORRECTION.**

14       Section 258 of the Balanced Budget and Emergency  
15      Deficit Control Act of 1985, entitled “Modification of  
16      Presidential Order”, is repealed.

17   **SEC. 211. JUDICIAL REVIEW.**

18       Section 274 of the Balanced Budget and Emergency  
19      Deficit Control Act of 1985 is amended as follows:

20           (1) Strike “252” or “252(b)” each place it oc-  
21       curs and insert “254”.

22           (2) In subsection (d)(1)(A), strike “257(l) to  
23       the extent that” and insert “256(a) if”, strike the  
24       parenthetical phrase, and at the end insert “or”.

1           (3) In subsection (d)(1)(B), strike “new budg-  
2           et” and all that follows through “spending author-  
3           ity” and insert “budgetary resources” and strike  
4           “or” after the comma.

5           (4) Strike subsection (d)(1)(C).

6           (5) Strike subsection (f) and redesignate sub-  
7           sections (g) and (h) as subsections (f) and (g), re-  
8           spectively.

9           (6) In subsection (g) (as redesignated), strike  
10          “base levels of total revenues and total budget out-  
11          lays, as” and insert “figures”, and “251 (a)(2)(B)  
12          or (c)(2),” and insert “254”.

13 **SEC. 212. EFFECTIVE DATE.**

14          (a) EXPIRATION.—Section 275(b) of the Balanced  
15 Budget and Emergency Deficit Control Act of 1985 is  
16 amended—

17           (1) by striking “Part C of this title, section”  
18           and inserting “Sections 251, 253, 258B, and”;

19           (2) by striking “1995” and inserting “2002”;  
20           and

21           (3) by adding at the end the following new sen-  
22           tence: “The remaining sections of part C of this title  
23           shall expire September 30, 2006.”.

1 (b) EXPIRATION.—Section 14002(c)(3) of the Omni-  
2 bus Budget Reconciliation Act of 1993 (2 U.S.C. 900  
3 note) is repealed.

4 **SEC. 213. REDUCTION OF PREEXISTING BALANCES AND EX-**  
5 **CLUSION OF EFFECTS OF THIS ACT FROM**  
6 **PAYGO SCORECARD.**

7 Upon the enactment of this Act, the Director of the  
8 Office of Management and Budget shall—

9 (1) reduce any balances of direct spending and  
10 receipts legislation for any fiscal year under section  
11 252 of the Balanced Budget and Emergency Deficit  
12 Control Act of 1985 to zero; and

13 (2) not make any estimates of changes in direct  
14 spending outlays and receipts under subsection (d)  
15 of such section 252 for any fiscal year resulting  
16 from the enactment of this Act or the Revenue Rec-  
17 onciliation Act of 1997.

○