

105TH CONGRESS  
1ST SESSION

# H. R. 2825

To establish procedures to ensure a balanced Federal budget by fiscal year 2002 and to create a Social Security reform reserve fund to protect revenues generated by economic growth.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 1997

Mr. SANFORD 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 establish procedures to ensure a balanced Federal budget by fiscal year 2002 and to create a Social Security reform reserve fund to protect revenues generated by economic growth.

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; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Economic Growth and Social Security Transition Act”.

6 (b) PURPOSE.—The purpose of this Act is—

1           (1) to ensure a balanced Federal budget by fis-  
2           cal year 2002;

3           (2) to create a mechanism to monitor total  
4           costs of direct spending programs, and, in the event  
5           that actual or projected costs exceed targeted levels,  
6           to require the President and Congress to address ad-  
7           justments in direct spending; and

8           (3) to ensure that windfall revenues are used to  
9           help pay for the transition costs to a fully funded  
10          Social Security system that includes individually  
11          owned accounts that are invested in real assets such  
12          as equities, bonds and similar financial instruments.

13 **SEC. 2. ESTABLISHMENT OF DIRECT SPENDING AND REVE-**  
14 **NUE TARGETS.**

15          For purposes of this Act—

16           (1) the initial direct spending targets for each  
17           of fiscal years 1998 through 2002 shall equal total  
18           outlays for all direct spending except net interest as  
19           provided in H. Con. Res. 84, the concurrent resolu-  
20           tion on the budget for fiscal year 1998, unless such  
21           outlays are reduced by a subsequent concurrent res-  
22           olution on the budget; in which case, the lower level  
23           of total outlays for all direct spending except net in-  
24           terest shall be used; and

1           (2) the revenue targets are the revenue  
2           amounts provided in H. Con. Res. 84, the concur-  
3           rent resolution on the budget for fiscal year 1998.

4 **SEC. 3. ANNUAL REVIEW OF DIRECT SPENDING AND RE-**  
5 **CEIPTS BY PRESIDENT.**

6           As part of each budget submitted under section  
7 1105(a) of title 31, United States Code, the President  
8 shall provide an annual review of direct spending and re-  
9 ceipts, which shall include—

10           (1) information on total outlays for programs  
11 covered by the direct spending targets, including ac-  
12 tual outlays for the prior fiscal year and projected  
13 outlays for the current fiscal year and the 5 succeed-  
14 ing fiscal years; and

15           (2) any amount by which revenues for a budget  
16 year and any outyears through fiscal year 2002 ex-  
17 ceed the revenue target in section 2(2).

18 **SEC. 4. FINANCING TRANSITION TO A SOUND SOCIAL SECU-**  
19 **RITY SYSTEM.**

20           (a) INCLUSION ON SCORECARD.—The Office of Man-  
21 agement and Budget shall include the amount of any  
22 changes in revenues determined pursuant to section 3(2)  
23 as a deficit decrease under the estimates and reports re-  
24 quired by section 252(b) and section 254 of the Balanced  
25 Budget and Emergency Deficit Control Act of 1985.

1 (b) USE OF REVENUES EXCEEDING TARGET.—Any  
2 amount not to exceed the amount of deficit decrease deter-  
3 mined under section 3(2) may only be offset by legislation  
4 to help pay for the transition costs to a fully funded Social  
5 Security system that includes individually owned accounts  
6 that are invested in real assets such as equities, bonds and  
7 similar financial instruments.

8 **SEC. 5. SPECIAL DIRECT SPENDING MESSAGE BY PRESI-**  
9 **DENT.**

10 (a) TRIGGER.—If the information submitted by the  
11 President under section 3(1) indicates—

12 (1) that actual outlays for direct spending in  
13 the prior fiscal year exceeded the applicable direct  
14 spending target; or

15 (2) that outlays for direct spending for the cur-  
16 rent or future budget years are projected to exceed  
17 the applicable direct spending targets,

18 the President shall include in his budget a special direct  
19 spending message meeting the requirements of subsection  
20 (b).

21 (b) CONTENTS.—The special direct spending message  
22 shall include—

23 (1) an analysis of the variance in direct spend-  
24 ing over the direct spending targets; and

1           (2) the President’s recommendations for elimi-  
2           nating overages, if any, in the prior, current, or fu-  
3           ture budget years.

4           (c) PROPOSED SPECIAL DIRECT SPENDING RESOLU-  
5           TION.—The special direct spending message shall include  
6           the text of a special direct spending resolution implement-  
7           ing the President’s recommendations through reconcili-  
8           ation directives instructing the appropriate committees of  
9           the House of Representatives and Senate to determine and  
10          recommend changes in laws within their jurisdictions. If  
11          the President recommends no reductions pursuant to  
12          (b)(2)(C), the special direct spending message shall in-  
13          clude the text of a special resolution concurring in the  
14          President’s recommendation of no legislative action.

15          **SEC. 6. REQUIRED RESPONSE BY CONGRESS.**

16          (a) IN GENERAL.—It shall not be in order in the  
17          House of Representatives or the Senate to consider a con-  
18          current resolution on the budget unless that concurrent  
19          resolution fully eliminates the entirety of any overage con-  
20          tained in the applicable report of the President under sec-  
21          tion 5 through reconciliation directives.

22          (b) WAIVER AND SUSPENSION.—This section may be  
23          waived or suspended in the House of Representatives or  
24          the Senate only by the affirmative vote of three-fifths of  
25          the Members duly chosen and sworn. This section shall

1 be subject to the provisions of section 258 of the Balanced  
2 Budget and Emergency Deficit Control Act of 1985.

3 (c) APPEALS.—Appeals in the House of Representa-  
4 tives or the Senate from the decisions of the Chair relating  
5 to any provision of this section shall be limited to 1 hour,  
6 to be equally divided between, and controlled by, the appel-  
7 lant and the manager of the bill or joint resolution, as  
8 the case may be. An affirmative vote of three-fifths of the  
9 Members, duly chosen and sworn, shall be required to sus-  
10 tain an appeal of the ruling of the Chair on a point of  
11 order raised under this section.

12 **SEC. 7. RELATIONSHIP TO BALANCED BUDGET AND EMER-**  
13 **GENCY DEFICIT CONTROL ACT.**

14 Reductions in outlays resulting from legislation re-  
15 ported pursuant to section 6 shall not be taken into ac-  
16 count for purposes of any budget enforcement procedure  
17 under the Balanced Budget and Emergency Deficit Con-  
18 trol Act of 1985 and the Congressional Budget Act of  
19 1974.

20 **SEC. 8. ESTIMATING MARGIN.**

21 For any fiscal year for which the overage is less than  
22 one-half of 1 percent of the direct spending target for that  
23 year, the procedures set forth in sections 5 and 6 shall  
24 not apply.

1 **SEC. 9. EFFECTIVE DATE.**

2       This Act shall apply to direct spending targets and  
3 revenues for fiscal years 1998 through 2002 and shall ex-  
4 pire at the end of fiscal year 2002.

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