

106TH CONGRESS  
2D SESSION

# H. R. 4397

To amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2000

Mr. NUSSLE (for himself, Mr. CARDIN, Mr. GOSS, Mr. MINGE, Mr. KASICH, Mr. STENHOLM, and Mr. DREIER) 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 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, 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,*

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

2 (a) **SHORT TITLE.**—This Act may be cited as the  
 3 “Comprehensive Budget Process Reform Act of 2000”.

4 (b) **TABLE OF CONTENTS.**—

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Effective date.
- Sec. 4. Declaration of purposes for the Budget Act.

**TITLE I—BUDGET WITH FORCE OF LAW**

- Sec. 101. Purposes.
- Sec. 102. The timetable.
- Sec. 103. Annual joint resolutions on the budget.
- Sec. 104. Budget required before spending bills may be considered; fall-back procedures if President vetoes joint budget resolution.
- Sec. 105. Conforming amendments to effectuate joint resolutions on the budget.

**TITLE II—RESERVE FUND FOR EMERGENCIES**

- Sec. 201. Purpose.
- Sec. 202. Repeal of adjustments for emergencies.
- Sec. 203. OMB emergency criteria.
- Sec. 204. Development of guidelines for application of emergency definition.
- Sec. 205. Reserve fund for emergencies in President’s budget.
- Sec. 206. Adjustments and reserve fund for emergencies in joint budget resolutions.
- Sec. 207. Up-to-date tabulations.
- Sec. 208. Prohibition on amendments to emergency reserve fund.
- Sec. 209. Effective date.

**TITLE III—ENFORCEMENT OF BUDGETARY DECISIONS**

Sec. 301. Purposes.

Subtitle A—Application of Points of Order to Unreported Legislation

Sec. 311. Application of Budget Act points of order to unreported legislation.

Subtitle B—Compliance With Budget Resolution

Sec. 321. Budget compliance statements.

Subtitle C—Justification for Budget Act Waivers

Sec. 331. Justification for Budget Act waivers in the House of Representatives.

Subtitle D—CBO Scoring of Conference Reports

Sec. 341. CBO scoring of conference reports.

**TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING**

Sec. 401. Purposes.

Subtitle A—Limitations on Direct Spending

- Sec. 411. Fixed-year authorizations required for new programs.  
 Sec. 412. Amendments to subject new direct spending to annual appropriations.

Subtitle B—Enhanced Congressional Oversight Responsibilities

- Sec. 421. Ten-year congressional review requirement of permanent budget authority.  
 Sec. 422. Justifications of direct spending.  
 Sec. 423. Survey of activity reports of House committees.  
 Sec. 424. Continuing study of additional budget process reforms.  
 Sec. 425. GAO reports.

Subtitle C—Strengthened Accountability

- Sec. 431. Ten-year CBO estimates.  
 Sec. 432. Repeal of rule XXIII of the Rules of the House of Representatives.

TITLE V—BUDGETING FOR UNFUNDED LIABILITIES AND OTHER  
 LONG-TERM OBLIGATIONS

- Sec. 501. Purposes.

Subtitle A—Budgetary Treatment of Federal Insurance Programs

- Sec. 511. Federal insurance programs.

Subtitle B—Reports on Long-Term Budgetary Trends

- Sec. 521. Reports on long-term budgetary trends.

TITLE VI—BASELINE AND BYRD RULE

- Sec. 601. Purpose.

Subtitle A—The Baseline

- Sec. 611. The President's budget.  
 Sec. 612. The congressional budget.  
 Sec. 613. Congressional Budget Office reports to committees.  
 Sec. 614. Outyear assumptions for discretionary spending.

Subtitle B—The Byrd Rule

- Sec. 621. Limitation on Byrd rule.

**1 SEC. 2. PURPOSE.**

2 The purposes of this Act are to—

- 3 (1) give the budget the force of law;  
 4 (2) budget for emergencies;  
 5 (3) strengthen enforcement of budgetary deci-  
 6 sions;

1           (4) increase accountability for Federal spend-  
2           ing;

3           (5) display the unfunded liabilities of Federal  
4           insurance programs; and

5           (6) mitigate the bias in the budget process to-  
6           ward higher spending.

7   **SEC. 3. EFFECTIVE DATE.**

8           Except as otherwise specifically provided, this Act  
9           and the amendments made by this Act shall become effec-  
10          tive on the date of enactment of this Act and shall apply  
11          with respect to fiscal years beginning after September 30,  
12          2001.

13   **SEC. 4. DECLARATION OF PURPOSES FOR THE BUDGET**  
14                           **ACT.**

15          Paragraphs (1) and (2) of section 2 of the Congres-  
16          sional Budget and Impoundment Control Act of 1974 are  
17          amended to read as follows:

18                 “(1) to assure effective control over the budg-  
19                 etary process;

20                 “(2) to facilitate the determination each year of  
21                 the appropriate level of Federal revenues and ex-  
22                 penditures by the Congress and the President;”.

1     **TITLE I—BUDGET WITH FORCE**  
 2                                     **OF LAW**

3     **SEC. 101. PURPOSES.**

4             The purposes of this title are to—

5                     (1) focus initial budgetary deliberations on ag-  
 6             gregate levels of Federal spending and taxation;

7                     (2) encourage cooperation between Congress  
 8             and the President in developing overall budgetary  
 9             priorities; and

10                    (3) reach budgetary decisions early in the legis-  
 11             lative cycle.

12     **SEC. 102. THE TIMETABLE.**

13             Section 300 of the Congressional Budget Act of 1974  
 14     is amended to read as follows:

15                                     “TIMETABLE

16             “SEC. 300. The timetable with respect to the congres-  
 17     sional budget process for any fiscal year is as follows:

**“On or before:**

First Monday in February .....

February 15 .....

Not later than 6 weeks after Presi-  
 dent submits budget.

April 1 .....

April 15 .....

June 10 .....

June 15 .....

June 30 .....

October 1 .....

**Action to be completed:**

President submits his budget.

Congressional Budget Office submits  
 report to Budget Committees.

Committees submit views and esti-  
 mates to Budget Committees.

Senate Budget Committee reports  
 joint resolution on the budget.

Congress completes action on joint  
 resolution on the budget.

House Appropriations Committee re-  
 ports last annual appropriation bill.

Congress completes action on rec-  
 onciliation legislation.

House completes action on annual ap-  
 propriation bills.

Fiscal year begins.”.

1 **SEC. 103. ANNUAL JOINT RESOLUTIONS ON THE BUDGET.**

2 (a) **CONTENT OF ANNUAL JOINT RESOLUTIONS ON**  
3 **THE BUDGET.**—Section 301(a) of the Congressional  
4 Budget Act of 1974 is amended as follows:

5 (1) Strike paragraph (4) and insert the fol-  
6 lowing new paragraph:

7 “(4) subtotals of new budget authority and out-  
8 lays for nondefense discretionary spending, defense  
9 discretionary spending, direct spending (excluding  
10 interest), and interest; and for fiscal years to which  
11 the amendments made by title II of the Comprehen-  
12 sive Budget Process Reform Act of 2000 apply, sub-  
13 totals of new budget authority and outlays for emer-  
14 gencies;”.

15 (2) Strike the last sentence of such subsection.

16 (b) **ADDITIONAL MATTERS IN JOINT RESOLUTION.**—  
17 Section 301(b) of the Congressional Budget Act of 1974  
18 is amended as follows:

19 (1) Strike paragraphs (2), (4), and (6) through  
20 (9).

21 (2) After paragraph (1), insert the following  
22 new paragraph:

23 “(2) if submitted by the Committee on Ways  
24 and Means of the House of Representatives or the  
25 Committee on Finance of the Senate to the Com-  
26 mittee on the Budget of that House of Congress,

1 amend section 3101 of title 31, United States Code,  
2 to change the statutory limit on the public debt;”.

3 (3) After paragraph (3), insert the following  
4 new paragraph:

5 “(4) require such other congressional proce-  
6 dures, relating to the budget, as may be appropriate  
7 to carry out the purposes of this Act;” and

8 (4) After paragraph (5), insert the following  
9 new paragraph:

10 “(6) set forth procedures in the Senate whereby  
11 committee allocations, aggregates, and other levels  
12 can be revised for legislation if that legislation would  
13 not increase the deficit, or would not increase the  
14 deficit when taken with other legislation enacted  
15 after the adoption of the resolution, for the first fis-  
16 cal year or the total period of fiscal years covered by  
17 the resolution.”.

18 (c) REQUIRED CONTENTS OF REPORT.—Section  
19 301(e)(2) of the Congressional Budget Act of 1974 is  
20 amended as follows:

21 (1) Redesignate subparagraphs (A), (B), (C),  
22 (D), (E), and (F) as subparagraphs (B), (C), (E),  
23 (F), (H), and (I), respectively.

24 (2) Before subparagraph (B) (as redesignated),  
25 insert the following new subparagraph:

1           “(A) new budget authority and outlays for  
2           each major functional category, based on alloca-  
3           tions of the total levels set forth pursuant to  
4           subsection (a)(1);”.

5           (3) In subparagraph (C) (as redesignated),  
6           strike “mandatory” and insert “direct spending”.

7           (4) After subparagraph (C) (as redesignated),  
8           insert the following new subparagraph:

9           “(D) a measure, as a percentage of gross  
10           domestic product, of total outlays, total Federal  
11           revenues, the surplus or deficit, and new out-  
12           lays for nondefense discretionary spending, de-  
13           fense spending, and direct spending as set forth  
14           in such resolution;”.

15           (5) After subparagraph (F) (as redesignated),  
16           insert the following new subparagraph:

17           “(G) if the joint resolution on the budget  
18           includes any allocation to a committee (other  
19           than the Committee on Appropriations) of levels  
20           in excess of current law levels, a justification  
21           for not subjecting any program, project, or ac-  
22           tivity (for which the allocation is made) to an-  
23           nual discretionary appropriations;”.



1 (d) ADDITIONAL CONTENTS OF REPORT.—Section  
2 301(e)(3) of the Congressional Budget Act of 1974 is  
3 amended as follows:

4 (1) Redesignate subparagraphs (A) and (B) as  
5 subparagraphs (B) and (C), respectively, strike sub-  
6 paragraphs (C) and (D), and redesignate subpara-  
7 graph (E) as subparagraph (D).

8 (2) Before subparagraph (B), insert the fol-  
9 lowing new subparagraph:

10 “(A) reconciliation directives described in  
11 section 310;”.

12 (e) PRESIDENT’S BUDGET SUBMISSION TO THE CON-  
13 GRESS.—(1) The first two sentences of section 1105(a)  
14 of title 31, United States Code, are amended to read as  
15 follows:

16 “On or after the first Monday in January but not later  
17 than the first Monday in February of each year the Presi-  
18 dent shall submit a budget of the United States Govern-  
19 ment for the following fiscal year which shall set forth the  
20 following levels:

21 “(A) totals of new budget authority and out-  
22 lays;

23 “(B) total Federal revenues and the amount, if  
24 any, by which the aggregate level of Federal reve-  
25 nues should be increased or decreased by bills and

1 resolutions to be reported by the appropriate com-  
2 mittees;

3 “(C) the surplus or deficit in the budget;

4 “(D) subtotals of new budget authority and  
5 outlays for nondefense discretionary spending, de-  
6 fense discretionary spending, direct spending, and  
7 interest; and for fiscal years to which the amend-  
8 ments made by title II of the Comprehensive Budget  
9 Process Reform Act of 2000 apply, subtotals of new  
10 budget authority and outlays for emergencies; and

11 “(E) the public debt.

12 Each budget submission shall include a budget message  
13 and summary and supporting information and, as a sepa-  
14 rately delineated statement, the levels required in the pre-  
15 ceding sentence for at least each of the 9 ensuing fiscal  
16 years.”.

17 (2) The third sentence of section 1105(a) of title 31,  
18 United States Code, is amended by inserting “submission”  
19 after “budget”.

20 (f) LIMITATION ON CONTENTS OF BUDGET RESOLU-  
21 TIONS.—Section 305 of the Congressional Budget Act of  
22 1974 is amended by adding at the end the following new  
23 subsection:

1       “(e) LIMITATION ON CONTENTS.—(1) A joint resolu-  
2 tion on the budget and the report accompanying it may  
3 not—

4           “(A) appropriate or otherwise provide, im-  
5 pound, or rescind any new budget authority, in-  
6 crease any outlay, or increase or decrease any rev-  
7 enue (other than through reconciliation instruc-  
8 tions);

9           “(B) directly (other than through reconciliation  
10 instructions) establish or change any program,  
11 project, or activity;

12           “(C) establish or change any limit or control  
13 over spending, outlays, receipts, or the surplus or  
14 deficit except those that are enforced through con-  
15 gressional rule making; or

16           “(D) amend any law except as provided by sec-  
17 tion 304 (permissible revisions of joint resolutions on  
18 the budget) or enact any provision of law that con-  
19 tains any matter not permitted in section 301(a) or  
20 (b).

21       “(2) No allocation under section 302(a) shall be con-  
22 strued as changing such discretionary spending limit.

23       “(3) It shall not be in order in the House of Rep-  
24 resentatives or in the Senate to consider any joint resolu-  
25 tion on the budget or any amendment thereto or con-

1 ference report thereon that contains any matter not per-  
2 mitted in section 301(a) or (b).

3 “(4) Any joint resolution on the budget or any  
4 amendment thereto or conference report thereon that con-  
5 tains any matter not permitted in section 301(a) or (b)  
6 shall not be treated in the House of Representatives or  
7 the Senate as a budget resolution under subsection (a) or  
8 (b) or as a conference report on a budget resolution under  
9 subsection (c) of this section.”.

10 **SEC. 104. BUDGET REQUIRED BEFORE SPENDING BILLS**  
11 **MAY BE CONSIDERED; FALL-BACK PROCE-**  
12 **DURES IF PRESIDENT VETOES JOINT BUDG-**  
13 **ET RESOLUTION.**

14 (a) AMENDMENTS TO SECTION 302.—Section 302(a)  
15 of the Congressional Budget Act of 1974 is amended by  
16 striking paragraph (5).

17 (b) AMENDMENTS TO SECTION 303 AND CON-  
18 FORMING AMENDMENTS.—(1) Section 303 of the Con-  
19 gressional Budget Act of 1974 is amended—

20 (A) in subsection (b), by striking paragraph  
21 (2), by inserting “or” at the end of paragraph (1),  
22 and by redesignating paragraph (3) as paragraph  
23 (2); and

24 (B) by striking its section heading and inserting  
25 the following new section heading: “CONSIDERATION

1 OF BUDGET-RELATED LEGISLATION BEFORE BUDG-  
2 ET BECOMES LAW”.

3 (2) Section 302(g)(1) of the Congressional Budget  
4 Act of 1974 is amended by striking “and, after April 15,  
5 section 303(a)”.

6 (3)(A) Section 904(c)(1) of the Congressional Budget  
7 Act of 1974 is amended by inserting “303(a),” before  
8 “305(b)(2),”.

9 (B) Section 904(d)(2) of the Congressional Budget  
10 Act of 1974 is amended by inserting “303(a),” before  
11 “305(b)(2),”.

12 (c) EXPEDITED PROCEDURES UPON VETO OF JOINT  
13 RESOLUTION ON THE BUDGET.—(1) Title III of the Con-  
14 gressional Budget Act of 1974 is amended by adding after  
15 section 315 the following new section:

16 “EXPEDITED PROCEDURES UPON VETO OF JOINT  
17 RESOLUTION ON THE BUDGET

18 “SEC. 316. (a) SPECIAL RULE.—If the President ve-  
19 toes a joint resolution on the budget for a fiscal year, the  
20 majority leader of the House of Representatives or Senate  
21 (or his designee) may introduce a concurrent resolution  
22 on the budget or joint resolution on the budget for such  
23 fiscal year. If the Committee on the Budget of either  
24 House fails to report such concurrent or joint resolution  
25 referred to it within five calendar days (excluding Satur-  
26 days, Sundays, or legal holidays except when that House

1 of Congress is in session) after the date of such referral,  
2 the committee shall be automatically discharged from fur-  
3 ther consideration of such resolution and such resolution  
4 shall be placed on the appropriate calendar.

5 “(b) PROCEDURE IN THE HOUSE OF REPRESENTA-  
6 TIVES AND THE SENATE.—

7 “(1) Except as provided in paragraph (2), the  
8 provisions of section 305 for the consideration in the  
9 House of Representatives and in the Senate of joint  
10 resolutions on the budget and conference reports  
11 thereon shall also apply to the consideration of con-  
12 current resolutions on the budget introduced under  
13 subsection (a) and conference reports thereon.

14 “(2) Debate in the Senate on any concurrent  
15 resolution on the budget or joint resolution on the  
16 budget introduced under subsection (a), and all  
17 amendments thereto and debatable motions and ap-  
18 peals in connection therewith, shall be limited to not  
19 more than 10 hours and in the House such debate  
20 shall be limited to not more than 3 hours.

21 “(c) CONTENTS OF CONCURRENT RESOLUTIONS.—  
22 Any concurrent resolution on the budget introduced under  
23 subsection (a) shall be in compliance with section 301.

24 “(d) EFFECT OF CONCURRENT RESOLUTION ON THE  
25 BUDGET.—Notwithstanding any other provision of this

1 title, whenever a concurrent resolution on the budget de-  
 2 scribed in subsection (a) is agreed to, then the aggregates,  
 3 allocations, and reconciliation directives (if any) contained  
 4 in the report accompanying such concurrent resolution or  
 5 in such concurrent resolution shall be considered to be the  
 6 aggregates, allocations, and reconciliation directives for all  
 7 purposes of sections 302, 303, and 311 for the applicable  
 8 fiscal years and such concurrent resolution shall be  
 9 deemed to be a joint resolution for all purposes of this  
 10 title and the Rules of the House of Representatives and  
 11 any reference to the date of enactment of a joint resolution  
 12 on the budget shall be deemed to be a reference to the  
 13 date agreed to when applied to such concurrent resolu-  
 14 tion.”.

15 (2) The table of contents set forth in section 1(b) of  
 16 the Congressional Budget and Impoundment Control Act  
 17 of 1974 is amended by inserting after the item relating  
 18 to section 315 the following new item:

“Sec. 316. Expedited procedures upon veto of joint resolution on the budget.”.

19 **SEC. 105. CONFORMING AMENDMENTS TO EFFECTUATE**  
 20 **JOINT RESOLUTIONS ON THE BUDGET.**

21 (a) CONFORMING AMENDMENTS TO THE CONGRES-  
 22 SIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF  
 23 1974.—(1)(A) Sections 301, 302, 303, 305, 308, 310,  
 24 311, 312, 314, 405, and 904 of the Congressional Budget  
 25 Act of 1974 (2 U.S.C. 621 et seq.) are amended by strik-

1 ing “concurrent” each place it appears and by inserting  
2 “joint”.

3 (B)(i) Sections 302(d), 302(g), 308(a)(1)(A), and  
4 310(d)(1) of the Congressional Budget Act of 1974 are  
5 amended by striking “most recently agreed to concurrent  
6 resolution on the budget” each place it occurs and insert-  
7 ing “most recently enacted joint resolution on the budget  
8 or agreed to concurrent resolution on the budget (as appli-  
9 cable)”.

10 (ii) The section heading of section 301 is amended  
11 by striking “adoption of concurrent resolution” and insert-  
12 ing “joint resolutions”;

13 (iii) Section 304 of such Act is amended to read as  
14 follows:

15 “PERMISSIBLE REVISIONS OF BUDGET RESOLUTIONS  
16 “SEC. 304. At any time after the joint resolution on  
17 the budget for a fiscal year has been enacted pursuant  
18 to section 301, and before the end of such fiscal year, the  
19 two Houses and the President may enact a joint resolution  
20 on the budget which revises or reaffirms the joint resolu-  
21 tion on the budget for such fiscal year most recently en-  
22 acted. If a concurrent resolution on the budget has been  
23 agreed to pursuant to section 316, then before the end  
24 of such fiscal year, the two Houses may adopt a concur-  
25 rent resolution on the budget which revises or reaffirms



1 the concurrent resolution on the budget for such fiscal  
2 year most recently agreed to.”.

3 (C) Sections 302, 303, 310, and 311, of such Act  
4 are amended by striking “agreed to” each place it appears  
5 and by inserting “enacted”.

6 (2)(A) Paragraph (4) of section 3 of the Congres-  
7 sional Budget and Impoundment Control Act of 1974 is  
8 amended by striking “concurrent” each place it appears  
9 and by inserting “joint”.

10 (B) The table of contents set forth in section 1(b)  
11 of such Act is amended—

12 (i) in the item relating to section 301, by strik-  
13 ing “adoption of concurrent resolution” and insert-  
14 ing “joint resolutions”;

15 (ii) by striking the item relating to section 303  
16 and inserting the following:

“Sec. 303. Consideration of budget-related legislation before budget becomes  
law.”;

17 (iii) in the item relating to section 304, by  
18 striking “concurrent” and inserting “budget” the  
19 first place it appears and by striking “on the budg-  
20 et”; and

21 (iv) by striking “concurrent” and inserting  
22 “joint” in the item relating to section 305.

23 (b) CONFORMING AMENDMENTS TO THE RULES OF  
24 THE HOUSE OF REPRESENTATIVES.—(1) Clauses 1(e)(1),

1 4(a)(4), 4(b)(2), 4(f)(1)(A), and 4(f)(2) of rule X, clause  
2 10 of rule XVIII, and clause 10 of rule XX of the Rules  
3 of the House of Representatives are amended by striking  
4 “concurrent” each place it appears and inserting “joint”.

5 (2) Clause 10 of rule XVIII of the Rules of the House  
6 of Representatives is amended—

7 (A) in paragraph (b)(2), by striking “(5)” and  
8 inserting “(6)”; and

9 (B) by striking paragraph (c).

10 (c) CONFORMING AMENDMENTS TO THE BALANCED  
11 BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF  
12 1985.—Section 258C(b)(1) of the Balanced Budget and  
13 Emergency Deficit Control Act of 1985 (2 U.S.C.  
14 907d(b)(1)) is amended by striking “concurrent” and in-  
15 serting “joint”.

16 (d) CONFORMING AMENDMENTS TO SECTION 310  
17 REGARDING RECONCILIATION DIRECTIVES.—(1) The side  
18 heading of section 310(a) of the Congressional Budget Act  
19 of 1974 (as amended by section 105(a)) is further amend-  
20 ed by inserting “JOINT EXPLANATORY STATEMENT AC-  
21 COMPANYING CONFERENCE REPORT ON” before “JOINT”.

22 (2) Section 310(a) of such Act is amended by striking  
23 “A” and inserting “The joint explanatory statement ac-  
24 companying the conference report on a”.

1           (3) The first sentence of section 310(b) of such Act  
2 is amended by striking “If” and inserting “If the joint  
3 explanatory statement accompanying the conference re-  
4 port on”.

5           (4) Section 310(c)(1) of such Act is amended by in-  
6 serting “the joint explanatory statement accompanying  
7 the conference report on” after “pursuant to”.

8           (5) Subsection (g) of section 310 of such Act is re-  
9 pealed.

10           (e) CONFORMING AMENDMENTS TO SECTION 3 RE-  
11 GARDING DIRECT SPENDING.—Section 3 of the Congres-  
12 sional Budget and Impoundment Control Act of 1974 is  
13 amended by adding at the end the following new para-  
14 graph:

15                   “(11) The term ‘direct spending’ has the mean-  
16 ing given to such term in section 250(c)(8) of the  
17 Balanced Budget and Emergency Deficit Control  
18 Act of 1985.”.

19           (f) TECHNICAL AMENDMENT REGARDING REVISED  
20 SUBALLOCATIONS.—Section 314(d) of the Congressional  
21 Budget Act of 1974 is amended by—

22                   (1) striking “REPORTING” in the side heading,  
23 by inserting “the chairmen of” before “the Commit-  
24 tees”, and by striking “may report” and inserting

1 “shall make and have published in the Congressional  
2 Record”; and

3 (2) adding at the end the following new sen-  
4 tence: “For purposes of considering amendments  
5 (other than for amounts for emergencies covered by  
6 subsection (b)(1)), suballocations shall be deemed to  
7 be so adjusted.”.

## 8 **TITLE II—RESERVE FUND FOR** 9 **EMERGENCIES**

### 10 **SEC. 201. PURPOSE.**

11 The purposes of this title are to—

12 (1) develop budgetary and fiscal procedures for  
13 emergencies;

14 (2) subject spending for emergencies to budg-  
15 etary procedures and controls; and

16 (3) establish criteria for determining compliance  
17 with emergency requirements.

### 18 **SEC. 202. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.**

19 (a) DISCRETIONARY SPENDING LIMITS.—(1) Section  
20 251(b)(2)(A) of the Balanced Budget and Emergency  
21 Deficit Control Act of 1985 is repealed.

22 (2) Such section 251(b)(2) is further amended by re-  
23 designating subparagraphs (B) through (G) as subpara-  
24 graphs (A) through (F).

1 (b) DIRECT SPENDING.—Sections 252(e) and  
2 252(d)(4)(B) of the Balanced Budget and Emergency  
3 Deficit Control Act of 1985 are repealed.

4 (c) EMERGENCY DESIGNATION.—Clause 2 of rule  
5 XXI of the Rules of the House of Representatives is  
6 amended by repealing paragraph (e) and by redesignating  
7 paragraph (f) as paragraph (e).

8 (d) AMOUNT OF ADJUSTMENTS.—Section 314(b) of  
9 the Congressional Budget Act of 1974 is amended by  
10 striking paragraph (1) and by redesignating paragraphs  
11 (2) through (6) as paragraphs (1) through (5), respec-  
12 tively.

13 **SEC. 203. OMB EMERGENCY CRITERIA.**

14 Section 3 of the Congressional Budget and Impound-  
15 ment Control Act of 1974 (as amended by section 105(e))  
16 is further amended by adding at the end the following new  
17 paragraph:

18 “(12)(A) The term ‘emergency’ means a situa-  
19 tion that—

20 “(i) requires new budget authority and  
21 outlays (or new budget authority and the out-  
22 lays flowing therefrom) for the prevention or  
23 mitigation of, or response to, loss of life or  
24 property, or a threat to national security; and

25 “(ii) is unanticipated.

1           “(B) As used in subparagraph (A), the term  
2           ‘unanticipated’ means that the situation is—

3                   “(i) sudden, which means quickly coming  
4                   into being or not building up over time;

5                   “(ii) urgent, which means a pressing and  
6                   compelling need requiring immediate action;

7                   “(iii) unforeseen, which means not pre-  
8                   dicted or anticipated as an emerging need; and

9                   “(iv) temporary, which means not of a per-  
10                  manent duration.”.

11 **SEC. 204. DEVELOPMENT OF GUIDELINES FOR APPLICA-**  
12 **TION OF EMERGENCY DEFINITION.**

13           Not later than 5 months after the date of enactment  
14 of this Act, the chairmen of the Committees on the Budget  
15 (in consultation with the President) shall, after consulting  
16 with the chairmen of the Committees on Appropriations  
17 and applicable authorizing committees of their respective  
18 Houses and the Directors of the Congressional Budget Of-  
19 fice and the Office of Management and Budget, jointly  
20 publish in the Congressional Record guidelines for applica-  
21 tion of the definition of emergency set forth in section  
22 3(12) of the Congressional Budget and Impoundment  
23 Control Act of 1974.

1 **SEC. 205. RESERVE FUND FOR EMERGENCIES IN PRESI-**  
 2 **DENT'S BUDGET.**

3 Section 1105 of title 31, United States Code is  
 4 amended by adding at the end the following new sub-  
 5 sections:

6 “(h) The budget transmitted pursuant to subsection  
 7 (a) for a fiscal year shall include a reserve fund for emer-  
 8 gencies. The amount set forth in such fund shall be cal-  
 9 culated as provided under section 317(b) of the Congres-  
 10 sional Budget Act of 1974.

11 “(i) In the case of any budget authority requested  
 12 for an emergency, such submission shall include a detailed  
 13 justification of the reasons that such emergency is an  
 14 emergency within the meaning of section 3(12) of the Con-  
 15 gressional Budget Act of 1974, consistent with the guide-  
 16 lines described in section 204 of the Comprehensive Budg-  
 17 et Process Reform Act of 2000.”.

18 **SEC. 206. ADJUSTMENTS AND RESERVE FUND FOR EMER-**  
 19 **GENCIES IN JOINT BUDGET RESOLUTIONS.**

20 (a) EMERGENCIES.—Title III of the Congressional  
 21 Budget Act of 1974 (as amended by section 104(c)) is  
 22 further amended by adding at the end the following new  
 23 section:

24 “EMERGENCIES  
 25 “SEC. 317. (a) ADJUSTMENTS.—

1           “(1) IN GENERAL.—After the reporting of a bill  
2 or joint resolution or the submission of a conference  
3 report thereon that provides budget authority for  
4 any emergency as identified pursuant to subsection  
5 (d)—

6           “(A) the chairman (in consultation with  
7 the ranking minority member) of the Com-  
8 mittee on the Budget of the House of Rep-  
9 resentatives or the Senate shall determine and  
10 certify, pursuant to the guidelines referred to in  
11 section 204 of the Comprehensive Budget Proc-  
12 ess Reform Act of 2000, the portion (if any) of  
13 the amount so specified that is for an emer-  
14 gency within the meaning of section 3(12); and

15           “(B) such chairman shall make the adjust-  
16 ment set forth in paragraph (2) for the amount  
17 of new budget authority (or outlays) in that  
18 measure and the outlays flowing from that  
19 budget authority.

20           “(2) MATTERS TO BE ADJUSTED.—The adjust-  
21 ments referred to in paragraph (1) are to be made  
22 to the allocations made pursuant to the appropriate  
23 joint resolution on the budget pursuant to section  
24 302(a) and shall be in an amount not to exceed the



1 amount reserved for emergencies pursuant to the re-  
2 quirements of subsection (b).

3 “(3) PERMISSIBLE COMMITTEE VOTE ON AD-  
4 JUSTMENTS.—Any adjustment made by the chair-  
5 man of the Committee on the Budget of the House  
6 of Representatives or the Senate under paragraph  
7 (1) may be placed before the committee for its con-  
8 sideration by a majority vote of the members of the  
9 committee, a quorum being present.

10 “(b) RESERVE FUND FOR EMERGENCIES.—

11 “(1) AMOUNTS.—(A) The amount set forth in  
12 the reserve fund for emergencies for budget author-  
13 ity for a fiscal year pursuant to section 301(a)(4)  
14 shall equal the average of the enacted levels of budg-  
15 et authority for emergencies in the 5 fiscal years  
16 preceding the current year.

17 “(B) The amount set forth in the reserve fund  
18 for emergencies for outlays pursuant to section  
19 301(a)(4) shall be the following:

20 “(i) For the budget year, the amount pro-  
21 vided by subparagraph (C)(i).

22 “(ii) For the year following the budget  
23 year, the sum of the amounts provided by sub-  
24 paragraphs (i) and (ii).

1           “(iii) For the second year following the  
2 budget year, the sum of the amounts provided  
3 by subparagraphs (i), (ii), and (iii).

4           “(iv) For the third year following the  
5 budget year, the sum of the amounts provided  
6 by subparagraphs (i), (ii), (iii), and (iv).

7           “(v) For the fourth year following the  
8 budget year, the sum of the amounts provided  
9 by subparagraphs (i), (ii), (iii), (iv), and (v).

10          “(C) The amount used to calculate the levels of  
11 the reserve fund for emergencies for outlays shall be  
12 the—

13           “(i) average outlays flowing from new  
14 budget authority in the fiscal year that the  
15 budget authority was provided;

16           “(ii) average outlays flowing from new  
17 budget authority in the fiscal year fol-  
18 lowing the fiscal year in which the budget  
19 authority was provided;

20           “(iii) average outlays flowing from  
21 new budget authority in the second fiscal  
22 year following the fiscal year in which the  
23 budget authority was provided;

24           “(iv) average outlays flowing from  
25 new budget authority in the third fiscal

1 year following the fiscal year in which the  
2 budget authority was provided for budget  
3 authority provided; and

4 “(v) average outlays flowing from new  
5 budget authority in the fourth fiscal year  
6 following the fiscal year in which the budg-  
7 et authority was provided;

8 if such budget authority was provided within  
9 the period of the 5 fiscal years preceding the  
10 current year.

11 “(2) AVERAGE LEVELS.—For purposes of para-  
12 graph (1), the amount used for a fiscal year to cal-  
13 culate the average of the enacted levels when one or  
14 more of such 5 preceding fiscal years is any of fiscal  
15 years 1996 through 2000 shall be for emergencies  
16 within the definition of section 3(12)(A) as deter-  
17 mined by the Committees on the Budget of the  
18 House of Representatives and the Senate after re-  
19 ceipt of a report on such matter transmitted to such  
20 committees by the Director of the Congressional  
21 Budget Office 6 months after the date of enactment  
22 of this section and thereafter in February of each  
23 calendar year.

24 “(c) EMERGENCIES IN EXCESS OF AMOUNTS IN RE-  
25 SERVE FUND.—Whenever the Committee on Appropria-

1 tions or any other committee reports any bill or joint reso-  
2 lution that provides budget authority for any emergency  
3 and the report accompanying that bill or joint resolution,  
4 pursuant to subsection (d), identifies any provision that  
5 increases outlays or provides budget authority (and the  
6 outlays flowing therefrom) for such emergency, the enact-  
7 ment of which would cause—

8           “(1) in the case of the Committee on Appro-  
9           priations, the total amount of budget authority or  
10          outlays provided for emergencies for the budget  
11          year; or

12           “(2) in the case of any other committee, the  
13          total amount of budget authority or outlays provided  
14          for emergencies for the budget year or the total of  
15          the fiscal years;

16 in the joint resolution on the budget (pursuant to section  
17 301(a)(4)) to be exceeded:

18           “(A) Such bill or joint resolution shall be re-  
19          ferred to the Committee on the Budget of the House  
20          or the Senate, as the case may be, with instructions  
21          to report it without amendment, other than that  
22          specified in subparagraph (B), within 5 legislative  
23          days of the day in which it is reported from the orig-  
24          inating committee. If the Committee on the Budget  
25          of either House fails to report a bill or joint resolu-

1       tion referred to it under this subparagraph within  
2       such 5-day period, the committee shall be automati-  
3       cally discharged from further consideration of such  
4       bill or joint resolution and such bill or joint resolu-  
5       tion shall be placed on the appropriate calendar.

6               “(B) An amendment to such a bill or joint reso-  
7       lution referred to in this subsection shall only consist  
8       of an exemption from section 251 or 252 (as appli-  
9       cable) of the Balanced Budget and Emergency Def-  
10      icit Control Act of 1985 of all or any part of the  
11      provisions that provide budget authority (and the  
12      outlays flowing therefrom) for such emergency if the  
13      committee determines, pursuant to the guidelines re-  
14      ferred to in section 204 of the Comprehensive Budg-  
15      et Process Reform Act of 2000, that such budget  
16      authority is for an emergency within the meaning of  
17      section 3(12).

18              “(C) If such a bill or joint resolution is reported  
19      with an amendment specified in subparagraph (B)  
20      by the Committee on the Budget of the House of  
21      Representatives or the Senate, then the budget au-  
22      thority and resulting outlays that are the subject of  
23      such amendment shall not be included in any deter-  
24      minations under section 302(f) or 311(a) for any

1 bill, joint resolution, amendment, motion, or con-  
2 ference report.

3 “(d) COMMITTEE NOTIFICATION OF EMERGENCY  
4 LEGISLATION.—Whenever the Committee on Appropria-  
5 tions or any other committee of either House (including  
6 a committee of conference) reports any bill or joint resolu-  
7 tion that provides budget authority for any emergency, the  
8 report accompanying that bill or joint resolution (or the  
9 joint explanatory statement of managers in the case of a  
10 conference report on any such bill or joint resolution) shall  
11 identify all provisions that provide budget authority and  
12 the outlays flowing therefrom for such emergency and in-  
13 clude a statement of the reasons why such budget author-  
14 ity meets the definition of an emergency pursuant to the  
15 guidelines referred to in section 204 of the Comprehensive  
16 Budget Process Reform Act of 2000.”.

17 (b) CONFORMING AMENDMENT.—The table of con-  
18 tents set forth in section 1(b) of the Congressional Budget  
19 and Impoundment Control Act of 1974 is amended by in-  
20 serting after the item relating to section 316 the following  
21 new item:

“Sec. 317. Emergencies.”.

22 **SEC. 207. UP-TO-DATE TABULATIONS.**

23 Section 308(b)(2) of the Congressional Budget Act  
24 of 1974 is amended by striking “and” at the end of sub-  
25 paragraph (B), by striking the period at the end of sub-

1 paragraph (C) and inserting “; and”, and by adding at  
2 the end the following new subparagraph:

3 “(D) shall include an up-to-date tabulation  
4 of amounts remaining in the reserve fund for  
5 emergencies.”.

6 **SEC. 208. PROHIBITION ON AMENDMENTS TO EMERGENCY**  
7 **RESERVE FUND.**

8 (a) POINT OF ORDER.—Section 305 of the Congres-  
9 sional Budget Act of 1974 (as amended by section 103(c))  
10 is further amended by adding at the end the following new  
11 subsection:

12 “(f) POINT OF ORDER REGARDING EMERGENCY RE-  
13 SERVE FUND.—It shall not be in order in the House of  
14 Representatives or in the Senate to consider an amend-  
15 ment to a joint resolution on the budget which changes  
16 the amount of budget authority and outlays set forth in  
17 section 301(a)(4) for emergency reserve fund.”.

18 (b) TECHNICAL AMENDMENT.—(1) Section 904(c)(1)  
19 of the Congressional Budget Act of 1974 is amended by  
20 inserting “305(e), 305(f),” after “305(c)(4),”.

21 (2) Section 904(d)(2) of the Congressional Budget  
22 Act of 1974 is amended by inserting “305(e), 305(f),”  
23 after “305(c)(4),”.

1 **SEC. 209. EFFECTIVE DATE.**

2       The amendments made by this title shall apply to fis-  
3 cal year 2002 and subsequent fiscal years, but such  
4 amendments shall take effect only after the enactment of  
5 legislation changing or extending for any fiscal year the  
6 discretionary spending limits set forth in section 251 of  
7 the Balanced Budget and Emergency Deficit Control Act  
8 of 1985 or legislation reducing the amount of any seques-  
9 tration under section 252 of such Act by the amount of  
10 any reserve for any emergencies.

11       **TITLE III—ENFORCEMENT OF**  
12       **BUDGETARY DECISIONS**

13 **SEC. 301. PURPOSES.**

14       The purposes of this title are to—

15           (1) close loopholes in the enforcement of budget  
16 resolutions;

17           (2) require committees of the House of Rep-  
18 resentatives to include budget compliance statements  
19 in reports accompanying all legislation;

20           (3) require committees of the House of Rep-  
21 resentatives to justify the need for waivers of the  
22 Congressional Budget Act of 1974; and

23           (4) provide cost estimates of conference reports.



1 **Subtitle A—Application of Points of**  
2 **Order to Unreported Legislation**

3 **SEC. 311. APPLICATION OF BUDGET ACT POINTS OF ORDER**  
4 **TO UNREPORTED LEGISLATION.**

5 (a) Section 315 of the Congressional Budget Act of  
6 1974 is amended by striking “reported” the first place it  
7 appears.

8 (b) Section 303(b) of the Congressional Budget Act  
9 of 1974 (as amended by section 104(b)(1)) is further  
10 amended—

11 (1) in paragraph (1), by striking “(A)” and by  
12 redesignating subparagraph (B) as paragraph (2)  
13 and by striking the semicolon at the end of such new  
14 paragraph (2) and inserting a period; and

15 (2) by striking paragraph (2) (as redesignated  
16 by such section 104(b)(1)).

17 **Subtitle B—Compliance With**  
18 **Budget Resolution**

19 **SEC. 321. BUDGET COMPLIANCE STATEMENTS.**

20 Clause 3(d) of rule XIII of the Rules of the House  
21 of Representatives is amended by adding at the end the  
22 following new subparagraph:

23 “(4) A budget compliance statement prepared  
24 by the chairman of the Committee on the Budget,  
25 if timely submitted prior to the filing of the report,

1 which shall include assessment by such chairman as  
2 to whether the bill or joint resolution complies with  
3 the requirements of sections 302, 303, 306, 311,  
4 and 401 of the Congressional Budget Act of 1974  
5 or any other requirements set forth in a joint resolu-  
6 tion on the budget and may include the budgetary  
7 implications of that bill or joint resolution under sec-  
8 tion 251 or 252 of the Balanced Budget and Emer-  
9 gency Deficit Control Act of 1985, as applicable.”.

10 **Subtitle C—Justification for**  
11 **Budget Act Waivers**

12 **SEC. 331. JUSTIFICATION FOR BUDGET ACT WAIVERS IN**  
13 **THE HOUSE OF REPRESENTATIVES.**

14 Clause 6 of rule XIII of the Rules of the House of  
15 Representatives is amended by adding at the end the fol-  
16 lowing new paragraph:

17 “(h) It shall not be in order to consider any resolution  
18 from the Committee on Rules for the consideration of any  
19 reported bill or joint resolution which waives section 302,  
20 303, 311, or 401 of the Congressional Budget Act of  
21 1974, unless the report accompanying such resolution in-  
22 cludes a description of the provision proposed to be  
23 waived, an identification of the section being waived, the  
24 reasons why such waiver should be granted, and an esti-  
25 mated cost of the provisions to which the waiver applies.”.

## 1           **Subtitle D—CBO Scoring of** 2           **Conference Reports**

### 3   **SEC. 341. CBO SCORING OF CONFERENCE REPORTS.**

4           (a) The first sentence of section 402 of the Congres-  
5   sional Budget Act of 1974 is amended as follows:

6                 (1) Insert “or conference report thereon,” be-  
7   fore “and submit”.

8                 (2) In paragraph (1), strike “bill or resolution”  
9   and insert “bill, joint resolution, or conference re-  
10   port”.

11                (3) At the end of paragraph (2) strike “and”,  
12   at the end of paragraph (3) strike the period and in-  
13   sert “; and”, and after such paragraph (3) add the  
14   following new paragraph:

15                   “(4) A determination of whether such bill, joint  
16   resolution, or conference report provides direct  
17   spending.”.

18           (b) The second sentence of section 402 of the Con-  
19   gressional Budget Act of 1974 is amended by inserting  
20   before the period the following: “, or in the case of a con-  
21   ference report, shall be included in the joint explanatory  
22   statement of managers accompanying such conference re-  
23   port if timely submitted before such report is filed”.

1       **TITLE IV—ACCOUNTABILITY**  
2       **FOR FEDERAL SPENDING**

3       **SEC. 401. PURPOSES.**

4       The purposes of this title are to—

5               (1) require committees to develop a schedule for  
6       reauthorizing all programs within their jurisdictions;

7               (2) provide an opportunity to offer amendments  
8       to subject new entitlement programs to annual dis-  
9       cretionary appropriations;

10              (3) require the Committee on the Budget to  
11       justify any allocation to an authorizing committee  
12       for legislation that would not be subject to annual  
13       discretionary appropriation;

14              (4) provide estimates of the long-term impact of  
15       spending and tax legislation;

16              (5) provide a point of order for legislation cre-  
17       ating a new direct spending program that does not  
18       expire within 10 years; and

19              (6) require a vote in the House of Representa-  
20       tives on any measure that increases the statutory  
21       limit on the public debt.

1     **Subtitle A—Limitations on Direct**  
2                     **Spending**

3     **SEC. 411. FIXED-YEAR AUTHORIZATIONS REQUIRED FOR**  
4                     **NEW PROGRAMS.**

5             Section 401 of the Congressional Budget Act of 1974  
6     is amended—

7                     (1) by striking subsection (b) and inserting the  
8             following new subsections:

9             “(b) **LIMITATION ON DIRECT SPENDING.**—It shall  
10     not be in order in the House of Representatives or in the  
11     Senate to consider a bill or joint resolution, or an amend-  
12     ment, motion, or conference report that provides direct  
13     spending for a new program, unless such spending is lim-  
14     ited to a period of 10 or fewer fiscal years.

15             “(c) **LIMITATION ON AUTHORIZATION OF DISCRE-**  
16     **TIONARY APPROPRIATIONS.**—It shall not be in order in  
17     the House of Representatives or in the Senate to consider  
18     any bill, joint resolution, amendment, or conference report  
19     that authorizes the appropriation of new budget authority  
20     for a new program, unless such authorization is specifi-  
21     cally provided for a period of 10 or fewer fiscal years.”;  
22     and

23                     (2) by redesignating subsection (c) as sub-  
24             section (d) and by striking “(a) and (b)” both places

1 it appears in such redesignated subsection (d) and  
2 inserting “(a), (b), and (c)”.

3 **SEC. 412. AMENDMENTS TO SUBJECT NEW DIRECT SPEND-**  
4 **ING TO ANNUAL APPROPRIATIONS.**

5 (a) HOUSE PROCEDURES.—Clause 5 of rule XVIII  
6 of the Rules of the House of Representatives is amended  
7 by adding at the end the following new paragraph:

8 “(c)(1) In the Committee of the Whole, an amend-  
9 ment only to subject a new program which provides direct  
10 spending to discretionary appropriations, if offered by the  
11 chairman of the Committee on the Budget (or his des-  
12 ignee) or the chairman of the Committee of Appropria-  
13 tions (or his designee), may be precluded from consider-  
14 ation only by the specific terms of a special order of the  
15 House. Any such amendment, if offered, shall be debatable  
16 for twenty minutes equally divided and controlled by the  
17 proponent of the amendment and a Member opposed and  
18 shall not be subject to amendment.

19 “(2) As used in subparagraph (1), the term ‘direct  
20 spending’ has the meaning given such term in section  
21 3(11) of the Congressional Budget and Impoundment  
22 Control Act of 1974, except that such term does not in-  
23 clude direct spending described in section 401(d)(1) of  
24 such Act.”.

1 (b) ADJUSTMENT OF DISCRETIONARY SPENDING  
2 LIMITS FOR DISCRETIONARY APPROPRIATIONS OFFSET  
3 BY DIRECT SPENDING SAVINGS.—

4 (1) PURPOSE.—The purpose of the amend-  
5 ments made by this subsection is to hold the discre-  
6 tionary spending limits and the allocations made to  
7 the Committee on Appropriations under section  
8 302(a) of the Congressional Budget Act of 1974  
9 harmless for legislation that offsets a new discre-  
10 tionary program with a designated reduction in di-  
11 rect spending.

12 (2) DESIGNATING DIRECT SPENDING SAVINGS  
13 IN AUTHORIZATION LEGISLATION FOR NEW DISCRE-  
14 TIONARY PROGRAMS.—Section 252 of the Balanced  
15 Budget and Emergency Deficit Control Act of 1985  
16 (as amended by section 202) is further amended by  
17 adding at the end the following new subsection:

18 “(e) OFFSETS.—If a provision of direct spending leg-  
19 islation is enacted that—

20 “(1) decreases direct spending for any fiscal  
21 year; and

22 “(2) is designated as an offset pursuant to this  
23 subsection and such designation specifically identi-  
24 fies an authorization of discretionary appropriations  
25 (contained in such legislation) for a new program,

1 then the reductions in new budget authority and outlays  
2 in all fiscal years resulting from that provision shall be  
3 designated as an offset in the reports required under sub-  
4 section (d).”.

5           (3) EXEMPTING SUCH DESIGNATED DIRECT  
6           SPENDING SAVINGS FROM PAYGO SCORECARD.—Sec-  
7           tion 252(d)(4) of the Balanced Budget and Emer-  
8           gency Deficit Control Act of 1985 (as amended by  
9           section 202(b)) is further amended by adding at the  
10          end the following new subparagraph:

11                   “(B) offset provisions as designated under  
12                   subsection (e).”.

13           (4) ADJUSTMENT IN DISCRETIONARY SPENDING  
14           LIMITS.—Section 251(b)(2) of the Balanced Budget  
15           and Emergency Deficit Control Act of 1985 (as  
16           amended by section 202(a)(2)) is further amended  
17           by adding at the end the following new subpara-  
18          graph:

19                   “(G) DISCRETIONARY AUTHORIZATION  
20                   OFFSETS.—If an Act other than an appropria-  
21                   tion Act includes any provision reducing direct  
22                   spending and specifically identifies any such  
23                   provision as an offset pursuant to section  
24                   252(e), the adjustments shall be an increase in  
25                   the discretionary spending limits for budget au-



1           thority and outlays in each fiscal year equal to  
2           the amount of the budget authority and outlay  
3           reductions, respectively, achieved by the speci-  
4           fied offset in that fiscal year, except that the  
5           adjustments for the budget year in which the  
6           offsetting provision takes effect shall not exceed  
7           the amount of discretionary new budget author-  
8           ity provided for the new program (authorized in  
9           that Act) in an Act making discretionary appro-  
10          priations and the outlays flowing therefrom.”.

11           (5) ADJUSTMENT IN APPROPRIATION COMMIT-  
12          TEE’S ALLOCATIONS.—Section 314(b) of the Con-  
13          gressional Budget Act of 1974 (as amended by sec-  
14          tion 202(d)) is further amended by striking “; or”  
15          at the end of paragraph (4), by striking the period  
16          and inserting “; or” at the end of paragraph (5),  
17          and by adding at the end the following new para-  
18          graph:

19               “(6) the amount provided in an Act making dis-  
20          cretionary appropriations for the program for which  
21          an offset was designated pursuant to section 252(e)  
22          of the Balanced Budget and Emergency Deficit Con-  
23          trol Act of 1985 and any outlays flowing therefrom,  
24          but not to exceed the amount of the designated de-

1       crease in direct spending for that year for that pro-  
2       gram in a prior law.”.

3               (6) ADJUSTMENT IN AUTHORIZING COMMIT-  
4       TEE’S ALLOCATIONS.—Section 314 of the Congres-  
5       sional Budget Act of 1974 is amended by adding at  
6       the end the following new subsection:

7       “(f) ADJUSTMENT IN AUTHORIZING COMMITTEE’S  
8       ALLOCATIONS BY AMOUNT OF DIRECT SPENDING OFF-  
9       SET.—After the reporting of a bill or joint resolution (by  
10      a committee other than the Committee on Appropria-  
11      tions), or the offering of an amendment thereto or the sub-  
12      mission of a conference report thereon, that contains a  
13      provision that decreases direct spending for any fiscal year  
14      and that is designated as an offset pursuant to section  
15      252(e) of the Balanced Budget and Emergency Deficit  
16      Control Act of 1985, the chairman of the Committee on  
17      the Budget shall reduce the allocations of new budget au-  
18      thority and outlays made to such committee under section  
19      302(a)(1) by the amount so designated.”.

1 **Subtitle B—Enhanced Congressional**  
2 **oversight responsibilities**  
3 **ities**

4 **SEC. 421. TEN-YEAR CONGRESSIONAL REVIEW REQUIRE-**  
5 **MENT OF PERMANENT BUDGET AUTHORITY.**

6 (a) **TIMETABLE FOR REVIEW.**—Clause 2(d)(1) of  
7 rule X of the Rules of the House of Representatives is  
8 amended by striking subdivisions (B) and (C) and insert-  
9 ing the following new subdivision:

10 “(B) provide in its plans a specific timetable for  
11 its review of those laws, programs, or agencies with-  
12 in its jurisdiction, including those that operate under  
13 permanent budget authority or permanent statutory  
14 authority and such timetable shall demonstrate that  
15 each law, program, or agency within the committee’s  
16 jurisdiction will be reauthorized at least once every  
17 10 years.”.

18 (b) **REVIEW OF PERMANENT BUDGET AUTHORITY**  
19 **BY THE COMMITTEE ON APPROPRIATIONS.**—Clause 4(a)  
20 of rule X of the Rules of the House of Representatives  
21 is amended—

22 (1) by striking subparagraph (2); and

23 (2) by redesignating subparagraphs (3) and (4)  
24 as subparagraphs (2) and (3) and by striking “from

1 time to time” and inserting “at least once each Con-  
2 gress” in subparagraph (2) (as redesignated).

3 (c) CONFORMING AMENDMENT.—Clause 4(e)(2) of  
4 rule X of the Rules of the House of Representatives is  
5 amended by striking “from time to time” and inserting  
6 “at least once every ten years”.

7 **SEC. 422. JUSTIFICATIONS OF DIRECT SPENDING.**

8 (a) SECTION 302 ALLOCATIONS.—Section 302(a) of  
9 the Congressional Budget Act of 1974 (as amended by  
10 section 104(a)) is further amended by adding at the end  
11 the following new paragraph:

12 “(5) JUSTIFICATION OF CERTAIN SPENDING AL-  
13 LOCATIONS.—The joint explanatory statement ac-  
14 companying a conference report on a joint resolution  
15 on the budget that includes any allocation to a com-  
16 mittee (other than the Committee on Appropria-  
17 tions) of levels in excess of current law levels shall  
18 set forth a justification (such as an activity that is  
19 fully offset by increases in dedicated receipts and  
20 that such increases would trigger, under existing  
21 law, an adjustment in the appropriate discretionary  
22 spending limit) for not subjecting any program,  
23 project, or activity (for which the allocation is made)  
24 to annual discretionary appropriation.”.

1 (b) PRESIDENTS' BUDGET SUBMISSIONS.—Section  
2 1105(a) of title 31, United States Code, is amended by  
3 adding at the end the following new paragraph:

4 “(33) a justification for not subjecting each  
5 proposed new direct spending program, project, or  
6 activity to discretionary appropriations (such as an  
7 activity that is fully offset by increases in dedicated  
8 receipts and that such increases would trigger, under  
9 existing law, an adjustment in the appropriate dis-  
10 cretionary spending limit).”.

11 (c) COMMITTEE JUSTIFICATION FOR DIRECT SPEND-  
12 ING.—Clause 4(e)(2) of rule X of the Rules of the House  
13 of Representatives is amended by inserting before the pe-  
14 riod the following: “, and will provide specific information  
15 in any report accompanying such bills and joint resolu-  
16 tions to the greatest extent practicable to justify the rea-  
17 sons that the programs, projects, and activities involved  
18 would not be subject to annual appropriation (such as an  
19 activity that is fully offset by increases in dedicated re-  
20 ceipts and that such increases would trigger, under exist-  
21 ing law, an adjustment in the appropriate discretionary  
22 spending limit)”.

1 **SEC. 423. SURVEY OF ACTIVITY REPORTS OF HOUSE COM-**  
2 **MITTEES.**

3 Clause 1(d) of rule XI of the Rules of the House of  
4 Representatives is amended by redesignating paragraph  
5 (4) as paragraph (5) and by inserting after paragraph (3)  
6 the following new paragraph:

7 “(4) Such report shall include a summary of and jus-  
8 tifications for all bills and joint resolutions reported by  
9 such committee that—

10 “(A) were considered before the adoption of the  
11 appropriate budget resolution and did not fall within  
12 an exception set forth in section 303(b) of the Con-  
13 gressional Budget Act of 1974;

14 “(B) exceeded its allocation under section  
15 302(a) of such Act or breached an aggregate level  
16 in violation of section 311 of such Act; or

17 “(C) contained provisions in violation of section  
18 401 of such Act.

19 Such report shall also specify the total amount by which  
20 legislation reported by that committee exceeded its alloca-  
21 tion under section 302(a) or breached the revenue floor  
22 under section 311(a) of such Act for each fiscal year dur-  
23 ing that Congress.”.

1 **SEC. 424. CONTINUING STUDY OF ADDITIONAL BUDGET**  
2 **PROCESS REFORMS.**

3 Section 703 of the Congressional Budget Act of 1974  
4 is amended as follows:

5 (1) In subsection (a), strike “and” at the end  
6 of paragraph (3), strike the period at the end of  
7 paragraph (4) and insert “; and”, and at the end  
8 add the following new paragraph:

9 “(5) evaluating whether existing programs,  
10 projects, and activities should be subject to discre-  
11 tionary appropriations and establishing guidelines  
12 for subjecting new or expanded programs, projects,  
13 and activities to annual appropriation and rec-  
14 ommend any necessary changes in statutory enforce-  
15 ment mechanisms and scoring conventions to effec-  
16 tuate such changes. These guidelines are only for  
17 advisory purposes.”.

18 (2) In subsection (b), strike “from time to  
19 time” and insert “during the One Hundred Seventh  
20 Congress”.

21 **SEC. 425. GAO REPORTS.**

22 The last sentence of section 404 of the Congres-  
23 sional Budget Act of 1974 is amended to read as follows:  
24 “Such report shall be revised at least once every five years  
25 and shall be transmitted to the chairman and ranking mi-

1 nority member of each committee of the House of Rep-  
2 resentatives and the Senate.”.

3                   **Subtitle C—Strengthened**  
4                   **Accountability**

5 **SEC. 431. TEN-YEAR CBO ESTIMATES.**

6           (a) CBO REPORTS ON LEGISLATION.—Section  
7 308(a)(1)(B) of the Congressional Budget Act of 1974 is  
8 amended by striking “four” and inserting “nine”.

9           (b) ANALYSIS BY CBO.—Section 402(1) of the Con-  
10 gressional Budget Act of 1974 is amended by striking “4”  
11 and inserting “nine”.

12           (c) COST ESTIMATES.—Clause 3(d)(2)(A) of rule  
13 XIII of the Rules of the House of Representatives is  
14 amended by striking “five” each place it appears and in-  
15 serting “10”.

16 **SEC. 432. REPEAL OF RULE XXIII OF THE RULES OF THE**  
17                   **HOUSE OF REPRESENTATIVES.**

18           Rule XXIII of the Rules of the House of Representa-  
19 tives (relating to the establishment of the statutory limit  
20 on the public debt) is repealed.



1 **TITLE V—BUDGETING FOR UN-**  
2 **FUNDED LIABILITIES AND**  
3 **OTHER LONG-TERM OBLIGA-**  
4 **TIONS**

5 **SEC. 501. PURPOSES.**

6 The purposes of this title are to—

7 (1) budget for the long-term costs of Federal  
8 insurance programs;

9 (2) improve congressional control of those costs;

10 and

11 (3) periodically report on long-term budgetary  
12 trends.

13 **Subtitle A—Budgetary Treatment**  
14 **of Federal Insurance Programs**

15 **SEC. 511. FEDERAL INSURANCE PROGRAMS.**

16 (a) IN GENERAL.—The Congressional Budget Act of  
17 1974 is amended by adding after title V the following new  
18 title:

19 **“TITLE VI—BUDGETARY TREAT-**  
20 **MENT OF FEDERAL INSUR-**  
21 **ANCE PROGRAMS**

22 **“SEC. 601. SHORT TITLE.**

23 “This title may be cited as the ‘Federal Insurance  
24 Budgeting Act of 2000’.

1 **“SEC. 602. BUDGETARY TREATMENT.**

2 “(a) PRESIDENT’S BUDGET.—Beginning with fiscal  
3 year 2007, the budget of the Government pursuant to sec-  
4 tion 1105(a) of title 31, United States Code, shall be  
5 based on the risk-assumed cost of Federal insurance pro-  
6 grams.

7 “(b) BUDGET ACCOUNTING.—For any Federal insur-  
8 ance program—

9 “(1) the program account shall—

10 “(A) pay the risk-assumed cost borne by  
11 the taxpayer to the financing account, and

12 “(B) pay actual insurance program admin-  
13 istrative costs;

14 “(2) the financing account shall—

15 “(A) receive premiums and other income,

16 “(B) pay all claims for insurance and re-  
17 ceive all recoveries,

18 “(C) transfer to the program account on  
19 not less than an annual basis amounts nec-  
20 essary to pay insurance program administrative  
21 costs;

22 “(3) a negative risk-assumed cost shall be  
23 transferred from the financing account to the pro-  
24 gram account, and shall be transferred from the pro-  
25 gram account to the general fund; and

1           “(4) all payments by or receipts of the financ-  
2           ing accounts shall be treated in the budget as a  
3           means of financing.

4           “(c) APPROPRIATIONS REQUIRED.—(1) Notwith-  
5           standing any other provision of law, insurance commit-  
6           ments may be made for fiscal year 2007 and thereafter  
7           only to the extent that new budget authority to cover their  
8           risk-assumed cost is provided in advance in an appropria-  
9           tion Act.

10          “(2) An outstanding insurance commitment shall not  
11          be modified in a manner that increases its risk-assumed  
12          cost unless budget authority for the additional cost has  
13          been provided in advance.

14          “(3) Paragraph (1) shall not apply to Federal insur-  
15          ance programs that constitute entitlements.

16          “(d) REESTIMATES.—The risk-assumed cost for a  
17          fiscal year shall be reestimated in each subsequent year.  
18          Such reestimate can equal zero. In the case of a positive  
19          reestimate, the amount of the reestimate shall be paid  
20          from the program account to the financing account. In  
21          the case of a negative reestimate, the amount of the reesti-  
22          mate shall be paid from the financing account to the pro-  
23          gram account, and shall be transferred from the program  
24          account to the general fund. Reestimates shall be dis-

1 played as a distinct and separately identified subaccount  
2 in the program account.

3 “(e) ADMINISTRATIVE EXPENSES.—All funding for  
4 an agency’s administration of a Federal insurance pro-  
5 gram shall be displayed as a distinct and separately identi-  
6 fied subaccount in the program account.

7 **“SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL**  
8 **BUDGETING FOR FEDERAL INSURANCE PRO-**  
9 **GRAMS.**

10 “(a) AGENCY REQUIREMENTS.—Agencies with re-  
11 sponsibility for Federal insurance programs shall develop  
12 models to estimate their risk-assumed cost by year  
13 through the budget horizon and shall submit those models,  
14 all relevant data, a justification for critical assumptions,  
15 and the annual projected risk-assumed costs to OMB with  
16 their budget requests each year starting with the request  
17 for fiscal year 2003. Agencies will likewise provide OMB  
18 with annual estimates of modifications, if any, and reesti-  
19 mates of program costs. Nothing in this subsection shall  
20 be construed to require an agency, which is subject to stat-  
21 utory requirements, to maintain a risk-based assessment  
22 system with a minimum level of reserves against loss and  
23 to assess insured entities for risk-based premiums, to pro-  
24 vide models, critical assumptions, or other data that

1 would, as determined by such agency, affect financial mar-  
2 kets or the viability of insured entities.

3 “(b) DISCLOSURE.—When the President submits a  
4 budget of the Government pursuant to section 1105(a) of  
5 title 31, United States Code, for fiscal year 2003, OMB  
6 shall publish a notice in the Federal Register advising in-  
7 terested persons of the availability of information describ-  
8 ing the models, data (including sources), and critical as-  
9 sumptions (including explicit or implicit discount rate as-  
10 sumptions) that it or other executive branch entities would  
11 use to estimate the risk-assumed cost of Federal insurance  
12 programs and giving such persons an opportunity to sub-  
13 mit comments. At the same time, the chairman of the  
14 Committee on the Budget shall publish a notice for CBO  
15 in the Federal Register advising interested persons of the  
16 availability of information describing the models, data (in-  
17 cluding sources), and critical assumptions (including ex-  
18 plicit or implicit discount rate assumptions) that it would  
19 use to estimate the risk-assumed cost of Federal insurance  
20 programs and giving such interested persons an oppor-  
21 tunity to submit comments.

22 “(c) REVISION.—(1) After consideration of comments  
23 pursuant to subsection (b), and in consultation with the  
24 Committees on the Budget of the House of Representa-  
25 tives and the Senate, OMB and CBO shall revise the mod-

1 els, data, and major assumptions they would use to esti-  
2 mate the risk-assumed cost of Federal insurance pro-  
3 grams. Except as provided by the next sentence, this para-  
4 graph shall not apply to an agency that is subject to statu-  
5 tory requirements to maintain a risk-based assessment  
6 system with a minimum level of reserves against loss and  
7 to assess insured entities for risk-based premiums. How-  
8 ever, such agency shall consult with the aforementioned  
9 entities.

10       “(2) When the President submits a budget of the  
11 Government pursuant to section 1105(a) of title 31,  
12 United States Code, for fiscal year 2004, OMB shall pub-  
13 lish a notice in the Federal Register advising interested  
14 persons of the availability of information describing the  
15 models, data (including sources), and critical assumptions  
16 (including explicit or implicit discount rate assumptions)  
17 that it or other executive branch entities used to estimate  
18 the risk-assumed cost of Federal insurance programs.

19       “(d) DISPLAY.—

20               “(1) IN GENERAL.—For fiscal years 2004,  
21 2005, and 2006 the budget submissions of the Presi-  
22 dent pursuant to section 1105(a) of title 31, United  
23 States Code, and CBO’s reports on the economic  
24 and budget outlook pursuant to section 202(e)(1)  
25 and the President’s budgets, shall for display pur-

1 poses only, estimate the risk-assumed cost of exist-  
2 ing or proposed Federal insurance programs.

3 “(2) OMB.—The display in the budget submis-  
4 sions of the President for fiscal years 2004, 2005,  
5 and 2006 shall include—

6 “(A) a presentation for each Federal insur-  
7 ance program in budget-account level detail of  
8 estimates of risk-assumed cost;

9 “(B) a summary table of the risk-assumed  
10 costs of Federal insurance programs; and

11 “(C) an alternate summary table of budget  
12 functions and aggregates using risk-assumed  
13 rather than cash-based cost estimates for Fed-  
14 eral insurance programs.

15 “(3) CBO.—In the 108th Congress and the  
16 first session of the 109th Congress, CBO shall in-  
17 clude in its estimates under section 308, for display  
18 purposes only, the risk-assumed cost of existing Fed-  
19 eral insurance programs, or legislation that CBO, in  
20 consultation with the Committees on the Budget of  
21 the House of Representatives and the Senate, deter-  
22 mines would create a new Federal insurance pro-  
23 gram.

24 “(e) OMB, CBO, AND GAO EVALUATIONS.—(1) Not  
25 later than 6 months after the budget submission of the

1 President pursuant to section 1105(a) of title 31, United  
2 States Code, for fiscal year 2006, OMB, CBO, and GAO  
3 shall each submit to the Committees on the Budget of the  
4 House of Representatives and the Senate a report that  
5 evaluates the advisability and appropriate implementation  
6 of this title.

7 “(2) Each report made pursuant to paragraph (1)  
8 shall address the following:

9 “(A) The adequacy of risk-assumed estimation  
10 models used and alternative modeling methods.

11 “(B) The availability and reliability of data or  
12 information necessary to carry out this title.

13 “(C) The appropriateness of the explicit or im-  
14 plicit discount rate used in the various risk-assumed  
15 estimation models.

16 “(D) The advisability of specifying a statutory  
17 discount rate (such as the Treasury rate) for use in  
18 risk-assumed estimation models.

19 “(E) The ability of OMB, CBO, or GAO, as ap-  
20 plicable, to secure any data or information directly  
21 from any Federal agency necessary to enable it to  
22 carry out this title.

23 “(F) The relationship between risk-assumed ac-  
24 cural budgeting for Federal insurance programs and



1 the specific requirements of the Balanced Budget  
2 and Emergency Deficit Control Act of 1985.

3 “(G) Whether Federal budgeting is improved by  
4 the inclusion of risk-assumed cost estimates for Fed-  
5 eral insurance programs.

6 “(H) The advisability of including each of the  
7 programs currently estimated on a risk-assumed cost  
8 basis in the Federal budget on that basis.

9 **“SEC. 604. DEFINITIONS.**

10 “For purposes of this title:

11 “(1) The term ‘Federal insurance program’  
12 means a program that makes insurance commit-  
13 ments and includes the list of such programs in-  
14 cluded in the joint explanatory statement of man-  
15 agers accompanying the conference report on the  
16 Comprehensive Budget Process Reform Act of 2000.

17 “(2) The term ‘insurance commitment’ means  
18 an agreement in advance by a Federal agency to in-  
19 demnify a nonfederal entity against specified losses.  
20 This term does not include loan guarantees as de-  
21 fined in title V or benefit programs such as social  
22 security, medicare, and similar existing social insur-  
23 ance programs.

24 “(3)(A) The term ‘risk-assumed cost’ means the  
25 net present value of the estimated cash flows to and

1 from the Government resulting from an insurance  
2 commitment or modification thereof.

3 “(B) The cash flows associated with an insur-  
4 ance commitment include—

5 “(i) expected claims payments inherent in  
6 the Government’s commitment;

7 “(ii) net premiums (expected premium col-  
8 lections received from or on behalf of the in-  
9 sured less expected administrative expenses);

10 “(iii) expected recoveries; and

11 “(iv) expected changes in claims, pre-  
12 miums, or recoveries resulting from the exercise  
13 by the insured of any option included in the in-  
14 surance commitment.

15 “(C) The cost of a modification is the difference  
16 between the current estimate of the net present  
17 value of the remaining cash flows under the terms  
18 of the insurance commitment, and the current esti-  
19 mate of the net present value of the remaining cash  
20 flows under the terms of the insurance commitment  
21 as modified.

22 “(D) The cost of a reestimate is the difference  
23 between the net present value of the amount cur-  
24 rently required by the financing account to pay esti-  
25 mated claims and other expenditures and the

1 amount currently available in the financing account.  
2 The cost of a reestimate shall be accounted for in  
3 the current year in the budget of the Government  
4 pursuant to section 1105(a) of title 31, United  
5 States Code.

6 “(E) For purposes of this definition, expected  
7 administrative expenses shall be construed as the  
8 amount estimated to be necessary for the proper ad-  
9 ministration of the insurance program. This amount  
10 may differ from amounts actually appropriated or  
11 otherwise made available for the administration of  
12 the program.

13 “(4) The term ‘program account’ means the  
14 budget account for the risk-assumed cost, and for  
15 paying all costs of administering the insurance pro-  
16 gram, and is the account from which the risk-as-  
17 sumed cost is disbursed to the financing account.

18 “(5) The term ‘financing account’ means the  
19 nonbudget account that is associated with each pro-  
20 gram account which receives payments from or  
21 makes payments to the program account, receives  
22 premiums and other payments from the public, pays  
23 insurance claims, and holds balances.

24 “(6) The term ‘modification’ means any Gov-  
25 ernment action that alters the risk-assumed cost of

1 an existing insurance commitment from the current  
2 estimate of cash flows. This includes any action re-  
3 sulting from new legislation, or from the exercise of  
4 administrative discretion under existing law, that di-  
5 rectly or indirectly alters the estimated cost of exist-  
6 ing insurance commitments.

7 “(7) The term ‘model’ means any actuarial, fi-  
8 nancial, econometric, probabilistic, or other method-  
9 ology used to estimate the expected frequency and  
10 magnitude of loss-producing events, expected pre-  
11 miums or collections from or on behalf of the in-  
12 sured, expected recoveries, and administrative ex-  
13 penses.

14 “(8) The term ‘current’ has the same meaning  
15 as in section 250(c)(9) of the Balanced Budget and  
16 Emergency Deficit Control Act of 1985.

17 “(9) The term ‘OMB’ means the Director of  
18 the Office of Management and Budget.

19 “(10) The term ‘CBO’ means the Director of  
20 the Congressional Budget Office.

21 “(11) The term ‘GAO’ means the Comptroller  
22 General of the United States.

1 **“SEC. 605. AUTHORIZATIONS TO ENTER INTO CONTRACTS;**  
2 **ACTUARIAL COST ACCOUNT.**

3 “(a) AUTHORIZATION OF APPROPRIATIONS.—There  
4 is authorized to be appropriated \$600,000 for each of fis-  
5 cal years 2001 through 2006 to the Director of the Office  
6 of Management and Budget and each agency responsible  
7 for administering a Federal program to carry out this  
8 title.

9 “(b) TREASURY TRANSACTIONS WITH THE FINANC-  
10 ING ACCOUNTS.—The Secretary of the Treasury shall bor-  
11 row from, receive from, lend to, or pay the insurance fi-  
12 nancing accounts such amounts as may be appropriate.  
13 The Secretary of the Treasury may prescribe forms and  
14 denominations, maturities, and terms and conditions for  
15 the transactions described above. The authorities de-  
16 scribed above shall not be construed to supersede or over-  
17 ride the authority of the head of a Federal agency to ad-  
18 minister and operate an insurance program. All the trans-  
19 actions provided in this subsection shall be subject to the  
20 provisions of subchapter II of chapter 15 of title 31,  
21 United States Code. Cash balances of the financing ac-  
22 counts in excess of current requirements shall be main-  
23 tained in a form of uninvested funds, and the Secretary  
24 of the Treasury shall pay interest on these funds.

25 “(c) APPROPRIATION OF AMOUNT NECESSARY TO  
26 COVER RISK-ASSUMED COST OF INSURANCE COMMIT-

1 MENTS AT TRANSITION DATE.—(1) A financing account  
2 is established on September 30, 2006, for each Federal  
3 insurance program.

4 “(2) There is appropriated to each financing account  
5 the amount of the risk-assumed cost of Federal insurance  
6 commitments outstanding for that program as of the close  
7 of September 30, 2006.

8 “(3) These financing accounts shall be used in imple-  
9 menting the budget accounting required by this title.

10 **“SEC. 606. EFFECTIVE DATE.**

11 “(a) IN GENERAL.—This title shall take effect imme-  
12 diately and shall expire on September 30, 2008.

13 “(b) SPECIAL RULE.—If this title is not reauthorized  
14 by September 30, 2008, then the accounting structure and  
15 budgetary treatment of Federal insurance programs shall  
16 revert to the accounting structure and budgetary treat-  
17 ment in effect immediately before the date of enactment  
18 of this title.”.

19 (b) CONFORMING AMENDMENT.—The table of con-  
20 tents set forth in section 1(b) of the Congressional Budget  
21 and Impoundment Control Act of 1974 is amended by in-  
22 serting after the item relating to section 507 the following  
23 new items:

“TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE  
PROGRAMS

“Sec. 601. Short title.

“Sec. 602. Budgetary treatment.

“Sec. 603. Timetable for implementation of accrual budgeting for Federal insurance programs.

“Sec. 604. Definitions.

“Sec. 605. Authorizations to enter into contracts; actuarial cost account.

“Sec. 606. Effective date.”.

## 1   **Subtitle B—Reports on Long-Term** 2                                   **Budgetary Trends**

### 3   **SEC. 521. REPORTS ON LONG-TERM BUDGETARY TRENDS.**

4           (a) THE PRESIDENT’S BUDGET.—Section 1105(a) of  
5 title 31, United States Code (as amended by section 404),  
6 is further amended by adding at the end the following new  
7 paragraph:

8                   “(34) an analysis based upon current law and  
9           an analysis based upon the policy assumptions un-  
10           derlying the budget submission for every fifth year  
11           of the period of 75 fiscal years beginning with such  
12           fiscal year, of the estimated levels of total new budg-  
13           et authority and total budget outlays, estimated rev-  
14           enues, estimated surpluses and deficits, and, for so-  
15           cial security, medicare, medicaid, and all other direct  
16           spending, estimated levels of total new budget au-  
17           thority and total budget outlays; and a specification  
18           of its underlying assumptions and a sensitivity anal-  
19           ysis of factors that have a significant effect on the  
20           projections made in each analysis; and a comparison  
21           of the effects of each of the two analyses on the  
22           economy, including such factors as inflation, foreign  
23           investment, interest rates, and economic growth.”.

1 (b) CBO REPORTS.—Section 202(e)(1) of the Con-  
2 gressional Budget Act of 1974 is amended by adding at  
3 the end the following new sentences: “Such report shall  
4 also include an analysis based upon current law for every  
5 fifth year of the period of 75 fiscal years beginning with  
6 such fiscal year, of the estimated levels of total new budget  
7 authority and total budget outlays, estimated revenues, es-  
8 timated surpluses and deficits, and, for social security,  
9 medicare, medicaid, and all other direct spending, esti-  
10 mated levels of total new budget authority and total budg-  
11 et outlays. The report described in the preceding sentence  
12 shall also specify its underlying assumptions and set forth  
13 a sensitivity analysis of factors that have a significant ef-  
14 fect on the projections made in the report.”.

15 **TITLE VI—BASELINES AND BYRD**  
16 **RULE**

17 **SEC. 601. PURPOSE.**

18 The purposes of this title are to—

19 (1) require budgetary comparisons to prior year  
20 levels; and

21 (2) restrict the application of the Byrd rule to  
22 measures other than conference reports.



## 1                   **Subtitle A—The Baseline**

### 2   **SEC. 611. THE PRESIDENT’S BUDGET.**

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

5                   “(5) except as provided in subsection (b) of this  
6 section, estimated expenditures and appropriations  
7 for the current year and estimated expenditures and  
8 proposed appropriations the President decides are  
9 necessary to support the Government in the fiscal  
10 year for which the budget is submitted and the 4 fis-  
11 cal years following that year, and, except for detailed  
12 budget estimates, the percentage change from the  
13 current year to the fiscal year for which the budget  
14 is submitted for estimated expenditures and for ap-  
15 propriations.”.

16           (b) Section 1105(a)(6) of title 31, United States  
17 Code, is amended to read as follows:

18                   “(6) estimated receipts of the Government in  
19 the current year and the fiscal year for which the  
20 budget is submitted and the 4 fiscal years after that  
21 year under—

22                           “(A) laws in effect when the budget is sub-  
23 mitted; and

24                           “(B) proposals in the budget to increase  
25 revenues, and the percentage change (in the

1 case of each category referred to in subpara-  
2 graphs (A) and (B)) between the current year  
3 and the fiscal year for which the budget is sub-  
4 mitted and between the current year and each  
5 of the 9 fiscal years after the fiscal year for  
6 which the budget is submitted.”.

7 (c) Section 1105(a)(12) of title 31, United States  
8 Code, is amended to read as follows:

9 “(12) for each proposal in the budget for legis-  
10 lation that would establish or expand a Government  
11 activity or function, a table showing—

12 “(A) the amount proposed in the budget  
13 for appropriation and for expenditure because  
14 of the proposal in the fiscal year for which the  
15 budget is submitted;

16 “(B) the estimated appropriation required  
17 because of the proposal for each of the 4 fiscal  
18 years after that year that the proposal will be  
19 in effect; and

20 “(C) the estimated amount for the same  
21 activity or function, if any, in the current fiscal  
22 year,

23 and, except for detailed budget estimates, the per-  
24 centage change (in the case of each category re-  
25 ferred to in subparagraphs (A), (B), and (C)) be-

1       tween the current year and the fiscal year for which  
2       the budget is submitted.”.

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

6       (e) Section 1105(a) of title 31, United States Code,  
7 (as amended by sections 412(b) and 521(a)) is further  
8 amended by adding at the end the following new para-  
9 graphs:

10           “(35) a comparison of levels of estimated ex-  
11 penditures and proposed appropriations for each  
12 function and subfunction in the current fiscal year  
13 and the fiscal year for which the budget is sub-  
14 mitted, along with the proposed increase or decrease  
15 of spending in percentage terms for each function  
16 and subfunction.

17           “(36) a table on sources of growth in total di-  
18 rect spending under current law and as proposed in  
19 this budget submission for the budget year and the  
20 ensuing 9 fiscal years, which shall include changes  
21 in outlays attributable to the following: cost-of-living  
22 adjustments; changes in the number of program re-  
23 cipients; increases in medical care prices, utilization  
24 and intensity of medical care; and residual factors.

1           “(37) a comparison of the estimated level of ob-  
2           ligation limitations, budget authority, and outlays  
3           for highways subject to the discretionary spending  
4           limits for highways (if any) set forth in section  
5           251(c) of the Balanced Budget and Emergency Def-  
6           icit Control Act of 1985 for the fiscal year for which  
7           the budget is submitted and the corresponding levels  
8           for such year under current law as adjusted pursu-  
9           ant to section 251(b)(1)(D) of such Act.”.

10          (f) Section 1109(a) of title 31, United States Code,  
11 is amended by inserting after the first sentence the fol-  
12 lowing new sentence: “For discretionary spending, these  
13 estimates shall assume the levels set forth in the discre-  
14 tionary spending limits under section 251(c) of the Bal-  
15 anced Budget and Emergency Deficit Control Act of 1985,  
16 as adjusted, for the appropriate fiscal years (and if no  
17 such limits are in effect, these estimates shall assume the  
18 adjusted levels for the most recent fiscal year for which  
19 such levels were in effect).”.

20 **SEC. 612. THE CONGRESSIONAL BUDGET.**

21          Section 301(e) of the Congressional Budget Act of  
22 1974 (as amended by section 103) is further amended—

23           (1) in paragraph (1), by inserting at the end  
24           the following: “The basis of deliberations in devel-  
25           oping such joint resolution shall be the estimated

1 budgetary levels for the preceding fiscal year. Any  
2 budgetary levels pending before the committee and  
3 the text of the joint resolution shall be accompanied  
4 by a document comparing such levels or such text to  
5 the estimated levels of the prior fiscal year. Any  
6 amendment offered in the committee that changes a  
7 budgetary level and is based upon a specific policy  
8 assumption for a program, project, or activity shall  
9 be accompanied by a document indicating the esti-  
10 mated amount for such program, project, or activity  
11 in the current year.”; and

12 (2) in paragraph (2), by striking “and” at the  
13 end of subparagraph (H) (as redesignated), by strik-  
14 ing the period and inserting a semicolon at the end  
15 of subparagraph (I) (as redesignated), and by add-  
16 ing at the end the following new subparagraphs:

17 “(J) a comparison of levels for the current  
18 fiscal year with proposed spending and revenue  
19 levels for the subsequent fiscal years along with  
20 the proposed increase or decrease of spending  
21 in percentage terms for each function; and

22 “(K) a comparison of the proposed levels  
23 of new budget authority and outlays for the  
24 highway category (if any) (as defined in section  
25 250(c)(4)(B) of the Balanced Budget and

1           Emergency Deficit Control Act of 1985) for the  
2           budget year with the corresponding levels under  
3           current law as adjusted consistent with the an-  
4           ticipated revenue alignment adjustments to be  
5           made pursuant to section 251(b)(1)(D) of such  
6           Act.”.

7   **SEC. 613. CONGRESSIONAL BUDGET OFFICE REPORTS TO**  
8                           **COMMITTEES.**

9           (a) The first sentence of section 202(e)(1) of the Con-  
10          gressional Budget Act of 1974 is amended by inserting  
11          “compared to comparable levels for the current year” be-  
12          fore the comma at the end of subparagraph (A) and before  
13          the comma at the end of subparagraph (B).

14          (b) Section 202(e)(1) of the Congressional Budget  
15          Act of 1974 is amended by inserting after the first sen-  
16          tence the following new sentence: “Such report shall also  
17          include a table on sources of spending growth in total di-  
18          rect spending for the budget year and the ensuing 9 fiscal  
19          years, which shall include changes in outlays attributable  
20          to the following: cost-of-living adjustments; changes in the  
21          number of program recipients; increases in medical care  
22          prices, utilization and intensity of medical care; and resid-  
23          ual factors.”.

24          (c) Section 308(a)(1)(B) of the Congressional Budget  
25          Act of 1974 is amended by inserting “and shall include

1 a comparison of those levels to comparable levels for the  
 2 current fiscal year” before “if timely submitted”.

3 **SEC. 614. OUTYEAR ASSUMPTIONS FOR DISCRETIONARY**  
 4 **SPENDING.**

5 For purposes of chapter 11 of title 31 of the United  
 6 States Code, or the Congressional Budget Act of 1974,  
 7 unless otherwise expressly provided, in making budgetary  
 8 projections for years for which there are no discretionary  
 9 spending limits, the Director of the Office of Management  
 10 and Budget and the Director of the Congressional Budget  
 11 Office shall assume discretionary spending levels at the  
 12 levels for the last fiscal year for which such levels were  
 13 in effect.

14 **Subtitle B—The Byrd Rule**

15 **SEC. 621. LIMITATION ON BYRD RULE.**

16 (a) PROTECTION OF CONFERENCE REPORTS.—Sec-  
 17 tion 313 of the Congressional Budget Act of 1974 is  
 18 amended—

19 (1) in subsection (c), by striking “and again  
 20 upon the submission of a conference report on such  
 21 a reconciliation bill or resolution,”;

22 (2) by striking subsection (d);

23 (3) by redesignating subsection (e) as sub-  
 24 section (d); and

25 (4) in subsection (e), as redesignated—

1           (A) by striking “, motion, or conference re-  
2           port” the first place it appears and inserting “,  
3           or motion”; and

4           (B) by striking “, motion, or conference re-  
5           port” the second and third places it appears  
6           and inserting “or motion”.

7           (b) CONFORMING AMENDMENT.—The first sentence  
8           of section 312(e) of the Congressional Budget Act of 1974  
9           is amended by inserting “, except for section 313,” after  
10          “Act”.

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