

108TH CONGRESS
1ST SESSION

S. 689

To balance the budget and protect the Social Security Trust Fund surpluses.

IN THE SENATE OF THE UNITED STATES

MARCH 21, 2003

Mr. VOINOVICH (for himself and Mr. FEINGOLD) introduced the following bill; which was read twice and referred jointly pursuant to the order of August 4, 1977, to the Committees on the Budget and Government Affairs, with instructions that if one committee reports, the other committee have thirty days to report or be discharged

A BILL

To balance the budget and protect the Social Security Trust Fund surpluses.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Truth in Budgeting and Social Security Protection Act
6 of 2003”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL REFORMS

- Sec. 101. Extension of the discretionary spending caps.
- Sec. 102. Extension of pay-as-you-go requirement.
- Sec. 103. Point of order to require compliance with the caps and pay-as-you-go.
- Sec. 104. Disclosure of interest costs.
- Sec. 105. Executive branch report on fiscal exposures.
- Sec. 106. Senate sets 302(b) allocations.
- Sec. 107. Long-Term Cost Recognition Point of Order.

TITLE II—REFORM OF BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS

- Sec. 201. Federal insurance programs.

TITLE III—BIENNIAL BUDGETING AND APPROPRIATIONS

- Sec. 301. Revision of timetable.
- Sec. 302. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
- Sec. 303. Amendments to title 31, United States Code.
- Sec. 304. Two-year appropriations; title and style of appropriations Acts.
- Sec. 305. Multiyear authorizations.
- Sec. 306. Government plans on a biennial basis.
- Sec. 307. Biennial appropriations bills.
- Sec. 308. Report on two-year fiscal period.
- Sec. 309. Effective date.

TITLE IV—COMMISSION ON FEDERAL BUDGET CONCEPTS

- Sec. 401. Establishment of Commission on Federal Budget Concepts.
- Sec. 402. Powers and duties of Commission.
- Sec. 403. Membership.
- Sec. 404. Staff and support services.
- Sec. 405. Report.
- Sec. 406. Termination.
- Sec. 407. Funding.

1 **TITLE I—GENERAL REFORMS**

2 **SEC. 101. EXTENSION OF THE DISCRETIONARY SPENDING**

3 **CAPS.**

4 (a) IN GENERAL.—Section 251(c) of the Balanced
 5 Budget and Emergency Deficit Control Act of 1985 is
 6 amended by striking paragraphs (7) through (16) and in-
 7 serting the following:

8 “(7) with respect to fiscal years 2004 through
 9 2009 an amount equal to the appropriated amount

1 of discretionary spending in budget authority and
 2 outlays for fiscal year 2003 adjusted to reflect infla-
 3 tion;”.

4 (b) EXPIRATION.—Section 275(b) of the Balanced
 5 Budget and Emergency Deficit Control Act of 1985 (2
 6 U.S.C. 900 note) is amended by striking subsection (b).

7 (c) ADDITIONAL ENFORCEMENT.—Section 205(g) of
 8 H. Con. Res. 290 (106th Congress) is repealed.

9 **SEC. 102. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

10 Section 252(a) of the Balanced Budget and Emer-
 11 gency Deficit Control Act of 1985 is amended by striking
 12 “enacted before October 1, 2002,” both places it appears.

13 **SEC. 103. POINT OF ORDER TO REQUIRE COMPLIANCE**
 14 **WITH THE CAPS AND PAY-AS-YOU-GO.**

15 Section 312(b) of the Congressional Budget Act of
 16 1974 (2 U.S.C. 643(b)) is amended to read as follows:

17 “(b) DISCRETIONARY SPENDING AND PAY-AS-YOU-
 18 GO POINT OF ORDER IN THE SENATE.—

19 “(1) IN GENERAL.—Except as otherwise pro-
 20 vided in this subsection, it shall not be in order in
 21 the Senate to consider any bill or resolution or any
 22 separate provision of a bill or resolution (or amend-
 23 ment, motion, or conference report on that bill or
 24 resolution) that would—

1 “(A) exceed any of the discretionary spend-
 2 ing limits in section 251(c) of the Balanced
 3 Budget and Emergency Deficit Control Act of
 4 1985; or

5 “(B) for direct spending or revenue legisla-
 6 tion, would cause or increase an on-budget def-
 7 icit for any one of the following three applicable
 8 time periods—

9 “(i) the first year covered by the most
 10 recently adopted concurrent resolution on
 11 the budget;

12 “(ii) the period of the first 5 fiscal
 13 years covered by the most recently adopted
 14 concurrent resolution on the budget; or

15 “(iii) the period of the 5 fiscal years
 16 following the first five fiscal years covered
 17 in the most recently adopted concurrent
 18 resolution on the budget.

19 “(2) POINT OF ORDER AGAINST A SPECIFIC
 20 PROVISION.—If the Presiding Officer sustains a
 21 point of order under paragraph (1) with respect to
 22 any separate provision of a bill or resolution, that
 23 provision shall be stricken from the measure and
 24 may not be offered as an amendment from the floor.

1 “(3) FORM OF THE POINT OF ORDER.—A point
2 of order under this section may be raised by a Sen-
3 ator as provided in section 313(e) of the Congres-
4 sional Budget Act of 1974.

5 “(4) CONFERENCE REPORTS.—If a point of
6 order is sustained under this section against a con-
7 ference report the report shall be disposed of as pro-
8 vided in section 313(d) of the Congressional Budget
9 Act of 1974.

10 “(5) ENFORCEMENT BY THE PRESIDING OFFI-
11 CER.—In the Senate, if a point of order lies against
12 a bill or resolution (or amendment, motion, or con-
13 ference report on that bill or resolution) under this
14 section, and no Senator has raised the point of
15 order, and the Senate has not waived the point of
16 order, then before the Senate may vote on the bill
17 or resolution (or amendment, motion, or conference
18 report on that bill or resolution), the Presiding Offi-
19 cer shall on his or her own motion raise a point of
20 order under this section.

21 “(6) EXCEPTIONS.—This subsection shall not
22 apply if a declaration of war by the Congress is in
23 effect or if a joint resolution pursuant to section 258
24 of the Balanced Budget and Emergency Deficit Con-
25 trol Act of 1985 has been enacted.”.

1 **SEC. 104. DISCLOSURE OF INTEREST COSTS.**

2 Section 308(a)(1) of the Congressional Budget Act
3 of 1974 (2 U.S.C. 639(a)(1)) is amended—

4 (1) in subparagraph (B), by striking “and”
5 after the semicolon;

6 (2) in subparagraph (C), by striking the period
7 and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(D) containing a projection by the Con-
10 gressional Budget Office of the cost of the debt
11 servicing that would be caused by such measure
12 for such fiscal year (or fiscal years) and each
13 of the 4 ensuing fiscal years.”.

14 **SEC. 105. EXECUTIVE BRANCH REPORT ON FISCAL EXPO-**
15 **SURES.**

16 (a) IN GENERAL.—The President shall submit to the
17 Committees on Appropriations, Budget, Finance, and
18 Governmental Affairs of the Senate, and the Committees
19 on Appropriations, Budget, Government Reform, and
20 Ways and Means of the House of Representatives, not
21 later than 2 weeks before the first Monday in February
22 of each year, a report (in this section referred to as the
23 “report”) on the fiscal exposures of the United States
24 Federal Government and their implications for long-term
25 financial health. The report shall also be included as part

1 of the Consolidated Financial Statement of the United
2 States Government.

3 (b) CONTENTS.—

4 (1) IN GENERAL.—The report shall include fis-
5 cal exposures for the following categories of fiscal
6 exposures:

7 (A) DEBT.—Debt, including—

8 (i) total gross debt;

9 (ii) publicly held debt; and

10 (iii) debt held by Government ac-
11 counts.

12 (B) OTHER FINANCIAL LIABILITIES.—

13 Other financial liabilities, including—

14 (i) civilian and military pensions;

15 (ii) post-retirement health benefits;

16 (iii) environmental liabilities;

17 (iv) accounts payable;

18 (v) loan guarantees; and

19 (vi) Social Security benefits due and
20 payable.

21 (C) FINANCIAL COMMITMENTS.—Financial
22 commitments, including—

23 (i) undelivered orders; and

24 (ii) long-term operating leases.

1 (D) FINANCIAL CONTINGENCIES AND
 2 OTHER EXPOSURE.—Financial contingencies
 3 and other exposures, including—

4 (i) unadjudicated claims;

5 (ii) Federal insurance programs (in-
 6 cluding both the financial contingency for
 7 and risk assumed by such programs);

8 (iii) net future benefits under Social
 9 Security, Medicare Part A, Medicare Part
 10 B, and other social insurance programs;

11 (iv) life cycle costs, including deferred
 12 and future maintenance and operating
 13 costs associated with operating leases and
 14 the maintenance of capital assets;

15 (v) unfunded portions of incrementally
 16 funded capital projects;

17 (vi) disaster relief; and

18 (vii) others as deemed appropriate.

19 (2) ESTIMATES.—Where available, estimates
 20 for each exposure should be included. Where reason-
 21 able estimates are not available, a range of estimates
 22 may be appropriate.

23 (3) OTHER EXPOSURES.—Exposures that are
 24 analogous to those specified in paragraph (1) shall

1 also be included in the exposure categories identified
2 in such paragraph.

3 (c) **FORMAT.**—The report shall include a 1-page list
4 of all exposures. Additional disclosures shall include de-
5 scriptions of exposures, the estimation methodologies and
6 significant assumptions used, and an analysis of the impli-
7 cations of the exposures for the long-term financial out-
8 look. Additional analysis deemed informative may be pro-
9 vided on subsequent pages.

10 (d) **REVIEW WITH CONGRESS.**—Following the sub-
11 mission of the report on fiscal exposures to the Senate
12 and the House of Representatives, the Comptroller Gen-
13 eral shall review and report to the committee reviewing
14 the report on the report, discussing—

- 15 (1) the extent to which all required disclosures
- 16 under this section have been made;
- 17 (2) the quality of the cost estimates;
- 18 (3) the scope of the information;
- 19 (4) the long-range financial outlook; and
- 20 (5) any other matters deemed appropriate.

21 (e) **DEFINITIONS.**—In this section:

- 22 (1) **LIABILITIES.**—The terms “liabilities”,
- 23 “commitments”, and “contingencies” shall be de-
- 24 fined in accordance with generally accepted account-

1 ing principles and standards of the United States
 2 Federal Government.

3 (2) RISK ASSUMED.—The term “risk assumed”
 4 means the full portion of the risk premium based on
 5 the expected cost of losses inherent in the Govern-
 6 ment’s commitment that is not charged to the in-
 7 sured. For example, the present value of unpaid ex-
 8 pected losses net of associated premiums, based on
 9 the risk assumed as a result of insurance coverage.

10 (3) NET FUTURE BENEFIT PAYMENTS.—The
 11 term “net future benefit payments” means the net
 12 present value of negative cashflow. Negative
 13 cashflow is to be calculated as the current amount
 14 of funds needed to cover projected shortfalls, exclud-
 15 ing trust fund balances, over a 75-year period. This
 16 estimate should include births during the period and
 17 individuals below age 15 as of January 1 of the
 18 valuation year.

19 **SEC. 106. SENATE SETS 302(b) ALLOCATIONS.**

20 The Congressional Budget Act of 1974 (2 U.S.C. 621
 21 et seq.) is amended—

22 (1) in section 301(e)(2)(F) (2 U.S.C.
 23 632(e)(2)(F)), by striking “section 302(a)” and in-
 24 serting “subsections (a) and (b) of section 302”; and

1 (2) in section 302 (2 U.S.C. 633), by striking
2 subsection (b) and inserting the following:

3 “(b) SUBALLOCATIONS FOR APPROPRIATIONS COM-
4 MITTEE.—The joint explanatory statement accompanying
5 a conference report on a concurrent resolution on the
6 budget shall include suballocations of amounts allocated
7 to the Committees on Appropriations of each amount allo-
8 cated to those committees under subsection (a) among
9 each of the subcommittees of those committees.”.

10 **SEC. 107. LONG-TERM COST RECOGNITION POINT OF**
11 **ORDER.**

12 (a) IN GENERAL.—Title III of the Congressional
13 Budget Act of 1974 is amended by adding at the end the
14 following:

15 “LONG-TERM COST RECOGNITION POINT OF ORDER

16 “SEC. 318. (a) CONGRESSIONAL BUDGET OFFICE
17 ANALYSIS.—

18 “(1) IN GENERAL.—CBO shall, in conjunction
19 with the analysis required by section 402, prepare
20 and submit to the Committees on the Budget of the
21 House of Representatives and Senate a report on
22 each bill, joint resolution, amendment, motion, or
23 conference report reported by any committee of the
24 House of Representatives or the Senate that con-
25 tains any cost drivers that CBO concludes are likely
26 to have the effect of increasing the cost path of that

1 measure such that the estimated discounted cash
2 flows of the measure in the 10 years following the
3 10th year after the measure takes effect would be
4 150 percent or greater of the level of the estimated
5 discounted cash flows of the measure at the end of
6 the 10 years following the enactment of the meas-
7 ure.

8 “(2) PROJECTIONS.—Where possible, CBO
9 should use existing long-term projections of cost
10 drivers prepared by the appropriate Federal agency.

11 “(3) LIMIT.—Nothing in this section requires
12 CBO to develop cost estimates for a measure beyond
13 the 10th year after the measure takes effect.

14 “(b) COST DRIVERS.—Cost drivers CBO shall con-
15 sider under subsection (a) include—

16 “(1) demographic changes;

17 “(2) new technologies; and

18 “(3) environmental factors.

19 “(c) POINT OF ORDER.—It shall not be in order in
20 the House of Representatives or the Senate to consider
21 any bill, joint resolution, amendment, motion, or con-
22 ference report that CBO determines will increase the level
23 of the estimated discounted cash flows of that measure
24 as reported in subsection (a) by 150 percent or more.”.

1 **TITLE II—REFORM OF BUDG-**
 2 **ETARY TREATMENT OF FED-**
 3 **ERAL INSURANCE PROGRAMS**

4 **SEC. 201. FEDERAL INSURANCE PROGRAMS.**

5 (a) IN GENERAL.—The Congressional Budget Act of
 6 1974 is amended by adding after title V the following new
 7 title:

8 **“TITLE VI—BUDGETARY TREAT-**
 9 **MENT OF FEDERAL INSUR-**
 10 **ANCE PROGRAMS**

11 **“SEC. 601. SHORT TITLE.**

12 “This title may be cited as the ‘Federal Insurance
 13 Budgeting Act of 2003’.

14 **“SEC. 602. BUDGETARY TREATMENT.**

15 “(a) PRESIDENT’S BUDGET.—Beginning with fiscal
 16 year 2008, the budget of the Government submitted pur-
 17 suant to section 1105(a) of title 31, United States Code,
 18 shall be based on the risk-assumed cost of Federal insur-
 19 ance programs.

20 “(b) BUDGET ACCOUNTING.—For any Federal insur-
 21 ance program—

22 “(1) the program account shall—

23 “(A) pay the risk-assumed cost borne by
 24 taxpayers to the financing account; and

1 “(B) pay actual insurance program admin-
2 istrative costs; and

3 “(2) the financing account shall—

4 “(A) receive premiums and other income;

5 “(B) pay all claims for insurance and re-
6 ceive all recoveries; and

7 “(C) transfer to the program account on
8 not less than an annual basis amounts nec-
9 essary to pay insurance program administrative
10 costs; and

11 “(3) a negative risk-assumed cost shall be
12 transferred from the financing account to the pro-
13 gram account, and shall be transferred from the pro-
14 gram account to the general fund;

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

18 “(c) APPROPRIATIONS REQUIRED.—(1) Notwith-
19 standing any other provision of law, insurance commit-
20 ments may be made for fiscal year 2006 and thereafter
21 only to the extent that new budget authority to cover their
22 risk-assumed cost is provided in advance in an appropria-
23 tion Act.

24 “(2) An outstanding insurance commitment shall not
25 be modified in a manner that increases its risk-assumed

1 cost unless budget authority for the additional cost has
2 been provided in advance.

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

5 “(d) REESTIMATES.—

6 “(1) IN GENERAL.—The risk-assumed cost for
7 a fiscal year shall be reestimated in each subsequent
8 year. Such reestimate can equal zero. In the case of
9 a positive reestimate, the amount of the reestimate
10 shall be paid from the program account to the fi-
11 nancing account. In the case of a negative reesti-
12 mate, the amount of the reestimate shall be paid
13 from the financing account to the program account,
14 and shall be transferred from the program account
15 to the general fund. Reestimates shall be displayed
16 as a distinct and separately identified subaccount in
17 the program account.

18 “(2) APPROPRIATIONS.—There are appro-
19 priated such sums as are necessary to fund a posi-
20 tive reestimate under paragraph (1).

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

1 **“SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL**
2 **BUDGETING FOR FEDERAL INSURANCE PRO-**
3 **GRAMS.**

4 “(a) AGENCY REQUIREMENTS.—Agencies with re-
5 sponsibility for Federal insurance programs shall develop
6 models to estimate their risk-assumed cost by year
7 through the budget horizon and shall submit those models,
8 all relevant data, a justification for critical assumptions,
9 and the annual projected risk-assumed costs to OMB with
10 their budget requests each year starting with the request
11 for fiscal year 2005. Agencies will likewise provide OMB
12 with annual estimates of modifications, if any, and reesti-
13 mates of program costs.

14 “(b) DISCLOSURE.—When the President submits a
15 budget of the Government pursuant to section 1105(a) of
16 title 31, United States Code, for fiscal year 2005, OMB
17 shall publish a notice in the Federal Register advising in-
18 terested persons of the availability of information describ-
19 ing the models, data (including sources), and critical as-
20 sumptions (including explicit or implicit discount rate as-
21 sumptions) that it or other executive branch entities would
22 use to estimate the risk-assumed cost of Federal insurance
23 programs and giving such persons an opportunity to sub-
24 mit comments. At the same time, the chairman of the
25 Committee on the Budget shall publish a notice for CBO
26 in the Federal Register advising interested persons of the

1 availability of information describing the models, data (in-
 2 cluding sources), and critical assumptions (including ex-
 3 plicit or implicit discount rate assumptions) that it would
 4 use to estimate the risk-assumed cost of Federal insurance
 5 programs and giving such interested persons an oppor-
 6 tunity to submit comments.

7 “(c) REVISION.—After consideration of comments
 8 pursuant to subsection (b), and in consultation with the
 9 Committees on the Budget of the House of Representa-
 10 tives and the Senate, OMB and CBO shall revise the mod-
 11 els, data, and major assumptions they would use to esti-
 12 mate the risk-assumed cost of Federal insurance pro-
 13 grams.

14 “(d) DISPLAY.—

15 “(1) IN GENERAL.—For fiscal years 2005,
 16 2006, and 2007 the budget submissions of the Presi-
 17 dent pursuant to section 1105(a) of title 31, United
 18 States Code, and CBO’s reports on the economic
 19 and budget outlook pursuant to section 202(e)(1)
 20 and the President’s budgets, shall for display pur-
 21 poses only, estimate the risk-assumed cost of exist-
 22 ing or proposed Federal insurance programs.

23 “(2) OMB.—The display in the budget submis-
 24 sions of the President for fiscal years 2005, 2006,
 25 and 2007 shall include—

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

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

6 “(C) an alternate summary table of budget
7 functions and aggregates using risk-assumed
8 rather than cash-based cost estimates for Fed-
9 eral insurance programs.

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

19 “(e) OMB, CBO, AND GAO EVALUATIONS.—(1) Not
20 later than 6 months after the budget submission of the
21 President pursuant to section 1105(a) of title 31, United
22 States Code, for fiscal year 2007, OMB, CBO, and GAO
23 shall each submit to the Committees on the Budget of the
24 House of Representatives and the Senate a report that

1 evaluates the advisability and appropriate implementation
2 of this title.

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

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

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

9 “(C) The appropriateness of the explicit or im-
10 plicit discount rate used in the various risk-assumed
11 estimation models.

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

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

19 “(F) The relationship between risk-assumed ac-
20 crual budgeting for Federal insurance programs and
21 the specific requirements of the Balanced Budget
22 and Emergency Deficit Control Act of 1985.

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

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

4 **“SEC. 604. DEFINITIONS.**

5 “For purposes of this title:

6 “(1) The term ‘Federal insurance program’
7 means a program that makes insurance commit-
8 ments and includes the list of such programs as to
9 be defined by the budget concepts commission, as re-
10 quired by title IV of the Truth in Budgeting and So-
11 cial Security Protection Act of 2003.

12 “(2) The term ‘insurance commitment’ means
13 an agreement in advance by a Federal agency to in-
14 demnify a non-Federal entity against specified
15 losses. This term does not include loan guarantees
16 as defined in title V or benefit programs such as so-
17 cial security, medicare, and similar existing social in-
18 surance programs.

19 “(3)(A) The term ‘risk-assumed cost’ means the
20 net present value of the estimated cash flows to and
21 from the Government resulting from an insurance
22 commitment or modification thereof.

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

1 “(i) expected claims payments inherent in
2 the Government’s commitment;

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

6 “(iii) expected recoveries; and

7 “(iv) expected changes in claims, pre-
8 miums, or recoveries resulting from the exercise
9 by the insured of any option included in the in-
10 surance commitment.

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

18 “(D) The cost of a reestimate is the difference
19 between the net present value of the amount cur-
20 rently required by the financing account to pay esti-
21 mated claims and other expenditures and the
22 amount currently available in the financing account.
23 The cost of a reestimate shall be accounted for in
24 the current year in the budget of the Government

1 submitted pursuant to section 1105(a) of title 31,
2 United States Code.

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

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

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

21 “(6) The term ‘modification’ means any Gov-
22 ernment action that alters the risk-assumed cost of
23 an existing insurance commitment from the current
24 estimate of cash flows. This includes any action re-
25 sulting from new legislation, or from the exercise of

1 administrative discretion under existing law, that di-
 2 rectly or indirectly alters the estimated cost of exist-
 3 ing insurance commitments.

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

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

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

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

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

20 **“SEC. 605. AUTHORIZATIONS TO ENTER INTO CONTRACTS;**
 21 **ACTUARIAL COST ACCOUNT.**

22 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
 23 is authorized to be appropriated \$600,000 for each of fis-
 24 cal years 2004 through 2009 to the Director of the Office
 25 of Management and Budget and each agency responsible

1 for administering a Federal program to carry out this
2 title.

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

19 “(c) APPROPRIATION OF AMOUNT NECESSARY TO
20 COVER RISK-ASSUMED COST OF INSURANCE COMMIT-
21 MENTS AT TRANSITION DATE.—(1) A financing account
22 is established on September 30, 2007, for each Federal
23 insurance program.

24 “(2) There is appropriated to each financing account
25 the amount of the risk-assumed cost of Federal insurance

1 commitments outstanding for that program as of the close
2 of September 30, 2007.

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

5 **“SEC. 606. EFFECTIVE DATE.**

6 “(a) IN GENERAL.—This title shall take effect imme-
7 diately and shall expire on September 30, 2009.

8 “(b) SPECIAL RULE.—If this title is not reauthorized
9 by September 30, 2009, then the accounting structure and
10 budgetary treatment of Federal insurance programs shall
11 revert to the accounting structure and budgetary treat-
12 ment in effect immediately before the date of enactment
13 of this title.”.

14 (b) CONFORMING AMENDMENT.—The table of con-
15 tents set forth in section 1(b) of the Congressional Budget
16 and Impoundment Control Act of 1974 is amended by in-
17 serting after the item relating to section 507 the following
18 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 in-
surance programs.

“Sec. 604. Definitions.

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

“Sec. 606. Effective date.”.

1 **TITLE III—BIENNIAL BUDG-** 2 **ETING AND APPROPRIATIONS**

3 **SEC. 301. REVISION OF TIMETABLE.**

4 Section 300 of the Congressional Budget Act of 1974
5 (2 U.S.C. 631) is amended to read as follows:

6 “TIMETABLE

7 “SEC. 300. (a) IN GENERAL.—Except as provided by
8 subsection (b), the timetable with respect to the congres-
9 sional budget process for any Congress (beginning with
10 the One Hundred Eighth Congress) is as follows:

	“First Session
“On or before:	Action to be completed:
First Monday in February	President submits budget recommendations.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after budget submission.	Committees submit views and estimates to Budget Committees.
April 1	Budget Committees report concurrent resolution on the biennial budget.
May 15	Congress completes action on concurrent resolution on the biennial budget.
May 15	Biennial appropriation bills may be considered in the House.
June 10	House Appropriations Committee reports last biennial appropriation bill.
June 30	House completes action on biennial appropriation bills.
August 1	Congress completes action on reconciliation legislation.
October 1	Biennium begins.

“Second Session

“On or before:	Action to be completed:
February 15	President submits budget review.
Not later than 6 weeks after President submits budget review.	Congressional Budget Office submits report to Budget Committees.
The last day of the session	Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium.

1 “(b) SPECIAL RULE.—In the case of any first session
 2 of Congress that begins in any year immediately following
 3 a leap year and during which the term of a President (ex-
 4 cept a President who succeeds himself) begins, the fol-
 5 lowing dates shall supersede those set forth in subsection
 6 (a):

	“First Session
“On or before:	Action to be completed:
First Monday in April	President submits budget recommendations.
April 20	Committees submit views and estimates to Budget Committees.
May 15	Budget Committees report concurrent resolu- tion on the biennial budget.
June 1	Congress completes action on concurrent reso- lution on the biennial budget.
July 1	Biennial appropriation bills may be consid- ered in the House.
July 20	House completes action on biennial appropria- tion bills.
August 1	Congress completes action on reconciliation legislation.
October 1	Biennium begins.”.

7 **SEC. 302. AMENDMENTS TO THE CONGRESSIONAL BUDGET**
 8 **AND IMPOUNDMENT CONTROL ACT OF 1974.**

9 (a) DECLARATION OF PURPOSE.—Section 2(2) of the
 10 Congressional Budget and Impoundment Control Act of
 11 1974 (2 U.S.C. 621(2)) is amended by striking “each
 12 year” and inserting “biennially”.

13 (b) DEFINITIONS.—

14 (1) BUDGET RESOLUTION.—Section 3(4) of
 15 such Act (2 U.S.C. 622(4)) is amended by striking
 16 “fiscal year” each place it appears and inserting “bi-
 17 ennium”.

1 (2) BIENNIUM.—Section 3 of such Act (2
2 U.S.C. 622) is further amended by adding at the
3 end the following new paragraph:

4 “(11) The term ‘biennium’ means the period of
5 2 consecutive fiscal years beginning on October 1 of
6 any odd-numbered year.”.

7 (c) BIENNIAL CONCURRENT RESOLUTION ON THE
8 BUDGET.—

9 (1) CONTENTS OF RESOLUTION.—Section
10 301(a) of such Act (2 U.S.C. 632(a)) is amended—

11 (A) in the matter preceding paragraph (1)
12 by—

13 (i) striking “April 15 of each year”
14 and inserting “May 15 of each odd-num-
15 bered year”;

16 (ii) striking “the fiscal year beginning
17 on October 1 of such year” the first place
18 it appears and inserting “the biennium be-
19 ginning on October 1 of such year”; and

20 (iii) striking “the fiscal year beginning
21 on October 1 of such year” the second
22 place it appears and inserting “each fiscal
23 year in such period”;

1 (B) in paragraph (6), by striking “for the
2 fiscal year” and inserting “for each fiscal year
3 in the biennium”; and

4 (C) in paragraph (7), by striking “for the
5 first fiscal year” and inserting “for each fiscal
6 year in the biennium”.

7 (2) ADDITIONAL MATTERS.—Section 301(b)(3)
8 of such Act (2 U.S.C. 632(b)) is amended by strik-
9 ing “for such fiscal year” and inserting “for either
10 fiscal year in such biennium”.

11 (3) VIEWS OF OTHER COMMITTEES.—Section
12 301(d) of such Act (2 U.S.C. 632(d)) is amended by
13 inserting “(or, if applicable, as provided by section
14 300(b))” after “United States Code”.

15 (4) HEARINGS.—Section 301(e)(1) of such Act
16 (2 U.S.C. 632(e)) is amended by—

17 (A) striking “fiscal year” and inserting
18 “biennium”; and

19 (B) inserting after the second sentence the
20 following: “On or before April 1 of each odd-
21 numbered year (or, if applicable, as provided by
22 section 300(b)), the Committee on the Budget
23 of each House shall report to its House the con-
24 current resolution on the budget referred to in

1 subsection (a) for the biennium beginning on
 2 October 1 of that year.”.

3 (5) GOALS FOR REDUCING UNEMPLOYMENT.—
 4 Section 301(f) of such Act (2 U.S.C. 632(f)) is
 5 amended by striking “fiscal year” each place it ap-
 6 pears and inserting “biennium”.

7 (6) ECONOMIC ASSUMPTIONS.—Section
 8 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is
 9 amended by striking “for a fiscal year” and insert-
 10 ing “for a biennium”.

11 (7) SECTION HEADING.—The section heading of
 12 section 301 of such Act is amended by striking “**AN-**
 13 **NUAL**” and inserting “**BIENNIAL**”.

14 (8) TABLE OF CONTENTS.—The item relating
 15 to section 301 in the table of contents set forth in
 16 section 1(b) of such Act is amended by striking “An-
 17 nual” and inserting “Biennial”.

18 (d) COMMITTEE ALLOCATIONS.—Section 302 of such
 19 Act (2 U.S.C. 633) is amended—

20 (1) in subsection (a)(1) by—

21 (A) striking “for the first fiscal year of the
 22 resolution,” and inserting “for each fiscal year
 23 in the biennium,”;

1 (B) striking “for that period of fiscal
2 years” and inserting “for all fiscal years cov-
3 ered by the resolution”; and

4 (C) striking “for the fiscal year of that
5 resolution” and inserting “for each fiscal year
6 in the biennium”;

7 (2) in subsection (f)(1), by striking “for a fiscal
8 year” and inserting “for a biennium”;

9 (3) in subsection (f)(1), by striking “first fiscal
10 year” and inserting “each fiscal year of the bien-
11 nium”;

12 (4) in subsection (f)(2)(A), by—

13 (A) striking “first fiscal year” and insert-
14 ing “each fiscal year of the biennium”; and

15 (B) striking “the total of fiscal years” and
16 inserting “the total of all fiscal years covered by
17 the resolution”; and

18 (5) in subsection (g)(1)(A), by striking “April”
19 and inserting “May”.

20 (e) SECTION 303 POINT OF ORDER.—

21 (1) IN GENERAL.—Section 303(a) of such Act
22 (2 U.S.C. 634(a)) is amended by striking “first fis-
23 cal year” and inserting “each fiscal year of the bien-
24 nium”.

1 (2) EXCEPTIONS IN THE HOUSE.—Section
 2 303(b)(1) of such Act (2 U.S.C. 634(b)) is amend-
 3 ed—

4 (A) in subparagraph (A), by striking “the
 5 budget year” and inserting “the biennium”;
 6 and

7 (B) in subparagraph (B), by striking “the
 8 fiscal year” and inserting “the biennium”.

9 (3) APPLICATION TO THE SENATE.—Section
 10 303(c)(1) of such Act (2 U.S.C. 634(c)) is amended
 11 by—

12 (A) striking “fiscal year” and inserting
 13 “biennium”; and

14 (B) striking “that year” and inserting
 15 “each fiscal year of that biennium”.

16 (f) PERMISSIBLE REVISIONS OF CONCURRENT RESO-
 17 LUTIONS ON THE BUDGET.—Section 304(a) of such Act
 18 (2 U.S.C. 635) is amended—

19 (1) by striking “fiscal year” the first two places
 20 it appears and inserting “biennium”;

21 (2) by striking “for such fiscal year”; and

22 (3) by inserting before the period “for such bi-
 23 ennium”.

24 (g) PROCEDURES FOR CONSIDERATION OF BUDGET
 25 RESOLUTIONS.—Section 305(a)(3) of such Act (2 U.S.C.

1 636(b)(3)) is amended by striking “fiscal year” and in-
 2 serting “biennium”.

3 (h) COMPLETION OF HOUSE ACTION ON APPROPRIA-
 4 TION BILLS.—Section 307 of such Act (2 U.S.C. 638) is
 5 amended—

6 (1) by striking “each year” and inserting “each
 7 odd-numbered year”;

8 (2) by striking “annual” and inserting “bien-
 9 nial”;

10 (3) by striking “fiscal year” and inserting “bi-
 11 ennium”; and

12 (4) by striking “that year” and inserting “each
 13 odd-numbered year”.

14 (i) COMPLETION OF ACTION ON REGULAR APPRO-
 15 PRIATION BILLS.—Section 309 of such Act (2 U.S.C.
 16 640) is amended—

17 (1) by inserting “of any odd-numbered calendar
 18 year” after “July”;

19 (2) by striking “annual” and inserting “bien-
 20 nial”; and

21 (3) by striking “fiscal year” and inserting “bi-
 22 ennium”.

23 (j) RECONCILIATION PROCESS.—Section 310(a) of
 24 such Act (2 U.S.C. 641(a)) is amended—

1 (1) in the matter preceding paragraph (1), by
 2 striking “any fiscal year” and inserting “any bien-
 3 nium”; and

4 (2) in paragraph (1) by striking “such fiscal
 5 year” each place it appears and inserting “any fiscal
 6 year covered by such resolution”.

7 (k) SECTION 311 POINT OF ORDER.—

8 (1) IN THE HOUSE.—Section 311(a)(1) of such
 9 Act (2 U.S.C. 642(a)) is amended—

10 (A) by striking “for a fiscal year” and in-
 11 serting “for a biennium”;

12 (B) by striking “the first fiscal year” each
 13 place it appears and inserting “either fiscal
 14 year of the biennium”; and

15 (C) by striking “that first fiscal year” and
 16 inserting “each fiscal year in the biennium”.

17 (2) IN THE SENATE.—Section 311(a)(2) of
 18 such Act is amended—

19 (A) in subparagraph (A), by striking “for
 20 the first fiscal year” and inserting “for either
 21 fiscal year of the biennium”; and

22 (B) in subparagraph (B)—

23 (i) by striking “that first fiscal year”
 24 the first place it appears and inserting
 25 “each fiscal year in the biennium”; and

1 (ii) by striking “that first fiscal year
2 and the ensuing fiscal years” and inserting
3 “all fiscal years”.

4 (3) SOCIAL SECURITY LEVELS.—Section
5 311(a)(3) of such Act is amended by—

6 (A) striking “for the first fiscal year” and
7 inserting “each fiscal year in the biennium”;
8 and

9 (B) striking “that fiscal year and the ensu-
10 ing fiscal years” and inserting “all fiscal
11 years”.

12 (l) MDA POINT OF ORDER.—Section 312(c) of the
13 Congressional Budget Act of 1974 (2 U.S.C. 643) is
14 amended—

15 (1) by striking “for a fiscal year” and inserting
16 “for a biennium”;

17 (2) in paragraph (1), by striking “first fiscal
18 year” and inserting “either fiscal year in the bien-
19 nium”;

20 (3) in paragraph (2), by striking “that fiscal
21 year” and inserting “either fiscal year in the bien-
22 nium”; and

23 (4) in the matter following paragraph (2), by
24 striking “that fiscal year” and inserting “the appli-
25 cable fiscal year”.

1 **SEC. 303. AMENDMENTS TO TITLE 31, UNITED STATES**

2 **CODE.**

3 (a) DEFINITION.—Section 1101 of title 31, United
4 States Code, is amended by adding at the end thereof the
5 following new paragraph:

6 “(3) ‘biennium’ has the meaning given to such
7 term in paragraph (11) of section 3 of the Congres-
8 sional Budget and Impoundment Control Act of
9 1974 (2 U.S.C. 622(11)).”.

10 (b) BUDGET CONTENTS AND SUBMISSION TO THE
11 CONGRESS.—

12 (1) SCHEDULE.—The matter preceding para-
13 graph (1) in section 1105(a) of title 31, United
14 States Code, is amended to read as follows:

15 “(a) On or before the first Monday in February of
16 each odd-numbered year (or, if applicable, as provided by
17 section 300(b) of the Congressional Budget Act of 1974),
18 beginning with the One Hundred Seventh Congress, the
19 President shall transmit to the Congress, the budget for
20 the biennium beginning on October 1 of such calendar
21 year. The budget transmitted under this subsection shall
22 include a budget message and summary and supporting
23 information. The President shall include in each budget
24 the following:”.

25 (2) EXPENDITURES.—Section 1105(a)(5) of
26 title 31, United States Code, is amended by striking

1 “the fiscal year for which the budget is submitted
 2 and the 4 fiscal years after that year” and inserting
 3 “each fiscal year in the biennium for which the
 4 budget is submitted and in the succeeding 4 years”.

5 (3) RECEIPTS.—Section 1105(a)(6) of title 31,
 6 United States Code, is amended by striking “the fis-
 7 cal year for which the budget is submitted and the
 8 4 fiscal years after that year” and inserting “each
 9 fiscal year in the biennium for which the budget is
 10 submitted and in the succeeding 4 years”.

11 (4) BALANCE STATEMENTS.—Section
 12 1105(a)(9)(C) of title 31, United States Code, is
 13 amended by striking “the fiscal year” and inserting
 14 “each fiscal year in the biennium”.

15 (5) FUNCTIONS AND ACTIVITIES.—Section
 16 1105(a)(12) of title 31, United States Code, is
 17 amended in subparagraph (A), by striking “the fis-
 18 cal year” and inserting “each fiscal year in the bien-
 19 nium”.

20 (6) ALLOWANCES.—Section 1105(a)(13) of title
 21 31, United States Code, is amended by striking “the
 22 fiscal year” and inserting “each fiscal year in the bi-
 23 ennium”.

24 (7) ALLOWANCES FOR UNCONTROLLED EX-
 25 PENDITURES.—Section 1105(a)(14) of title 31,

1 United States Code, is amended by striking “that
 2 year” and inserting “each fiscal year in the bien-
 3 nium for which the budget is submitted”.

4 (8) TAX EXPENDITURES.—Section 1105(a)(16)
 5 of title 31, United States Code, is amended by strik-
 6 ing “the fiscal year” and inserting “each fiscal year
 7 in the biennium”.

8 (9) FUTURE YEARS.—Section 1105(a)(17) of
 9 title 31, United States Code, is amended—

10 (A) by striking “the fiscal year following
 11 the fiscal year” and inserting “each fiscal year
 12 in the biennium following the biennium”;

13 (B) by striking “that following fiscal year”
 14 and inserting “each such fiscal year”; and

15 (C) by striking “fiscal year before the fis-
 16 cal year” and inserting “biennium before the bi-
 17 ennium”.

18 (10) PRIOR YEAR OUTLAYS.—Section
 19 1105(a)(18) of title 31, United States Code, is
 20 amended—

21 (A) by striking “the prior fiscal year” and
 22 inserting “each of the 2 most recently com-
 23 pleted fiscal years,”;

24 (B) by striking “for that year” and insert-
 25 ing “with respect to those fiscal years”; and

1 (C) by striking “in that year” and insert-
 2 ing “in those fiscal years”.

3 (11) PRIOR YEAR RECEIPTS.—Section
 4 1105(a)(19) of title 31, United States Code, is
 5 amended—

6 (A) by striking “the prior fiscal year” and
 7 inserting “each of the 2 most recently com-
 8 pleted fiscal years”;

9 (B) by striking “for that year” and insert-
 10 ing “with respect to those fiscal years”; and

11 (C) by striking “in that year” each place
 12 it appears and inserting “in those fiscal years”.

13 (c) ESTIMATED EXPENDITURES OF LEGISLATIVE
 14 AND JUDICIAL BRANCHES.—Section 1105(b) of title 31,
 15 United States Code, is amended by striking “each year”
 16 and inserting “each even-numbered year”.

17 (d) RECOMMENDATIONS TO MEET ESTIMATED DE-
 18 FICIENCIES.—Section 1105(c) of title 31, United States
 19 Code, is amended—

20 (1) by striking “the fiscal year for” the first
 21 place it appears and inserting “each fiscal year in
 22 the biennium for”;

23 (2) by striking “the fiscal year for” the second
 24 place it appears and inserting “each fiscal year of
 25 the biennium, as the case may be,”; and

1 (3) by striking “that year” and inserting “for
2 each year of the biennium”.

3 (e) CAPITAL INVESTMENT ANALYSIS.—Section
4 1105(e)(1) of title 31, United States Code, is amended
5 by striking “ensuing fiscal year” and inserting “biennium
6 to which such budget relates”.

7 (f) SUPPLEMENTAL BUDGET ESTIMATES AND
8 CHANGES.—

9 (1) IN GENERAL.—Section 1106(a) of title 31,
10 United States Code, is amended—

11 (A) in the matter preceding paragraph (1),
12 by—

13 (i) striking “Before July 16 of each
14 year,” and inserting “Before February 15
15 of each even numbered year,”; and

16 (ii) striking “fiscal year” and insert-
17 ing “biennium”;

18 (B) in paragraph (1), by striking “that fis-
19 cal year” and inserting “each fiscal year in
20 such biennium”;

21 (C) in paragraph (2), by striking “4 fiscal
22 years following the fiscal year” and inserting “4
23 fiscal years following the biennium”; and

24 (D) in paragraph (3), by striking “fiscal
25 year” and inserting “biennium”.

1 (2) CHANGES.—Section 1106(b) of title 31,
2 United States Code, is amended by—

3 (A) striking “the fiscal year” and inserting
4 “each fiscal year in the biennium”;

5 (B) striking “April 11 and July 16 of each
6 year” and inserting “February 15 of each even-
7 numbered year”; and

8 (C) striking “July 16” and inserting “Feb-
9 ruary 15 of each even-numbered year.”.

10 (g) CURRENT PROGRAMS AND ACTIVITIES ESTI-
11 MATES.—

12 (1) IN GENERAL.—Section 1109(a) of title 31,
13 United States Code, is amended—

14 (A) by striking “On or before the first
15 Monday after January 3 of each year (on or be-
16 fore February 5 in 1986)” and inserting “At
17 the same time the budget required by section
18 1105 is submitted for a biennium”; and

19 (B) by striking “the following fiscal year”
20 and inserting “each fiscal year of such period”.

21 (2) JOINT ECONOMIC COMMITTEE.—Section
22 1109(b) of title 31, United States Code, is amended
23 by striking “March 1 of each year” and inserting
24 “within 6 weeks of the President’s budget submis-
25 sion for each odd-numbered year (or, if applicable,

1 as provided by section 300(b) of the Congressional
2 Budget Act of 1974)”.
3

4 (h) YEAR-AHEAD REQUESTS FOR AUTHORIZING
5 LEGISLATION.—Section 1110 of title 31, United States
6 Code, is amended by—

7 (1) striking “May 16” and inserting “March
8 31”; and

9 (2) striking “year before the year in which the
10 fiscal year begins” and inserting “calendar year pre-
11 ceding the calendar year in which the biennium be-
12 gins”.

13 **SEC. 304. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE**
14 **OF APPROPRIATIONS ACTS.**

15 Section 105 of title 1, United States Code, is amend-
16 ed to read as follows:

17 **“§ 105. Title and style of appropriations Acts**

18 “(a) The style and title of all Acts making appropria-
19 tions for the support of the Government shall be as fol-
20 lows: ‘An Act making appropriations (here insert the ob-
21 ject) for each fiscal year in the biennium of fiscal years
22 (here insert the fiscal years of the biennium).’.

23 “(b) All Acts making regular appropriations for the
24 support of the Government shall be enacted for a biennium
25 and shall specify the amount of appropriations provided
for each fiscal year in such period.

1 “(c) For purposes of this section, the term ‘biennium’
 2 has the same meaning as in section 3(11) of the Congres-
 3 sional Budget and Impoundment Control Act of 1974 (2
 4 U.S.C. 622(11)).”.

5 **SEC. 305. MULTIYEAR AUTHORIZATIONS.**

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

9 “AUTHORIZATIONS OF APPROPRIATIONS

10 “SEC. 319. (a) POINT OF ORDER.—It shall not be
 11 in order in the House of Representatives or the Senate
 12 to consider—

13 “(1) any bill, joint resolution, amendment, mo-
 14 tion, or conference report that authorizes appropria-
 15 tions for a period of less than 2 fiscal years, unless
 16 the program, project, or activity for which the ap-
 17 propriations are authorized will require no further
 18 appropriations and will be completed or terminated
 19 after the appropriations have been expended; and

20 “(2) in any odd-numbered year, any authoriza-
 21 tion or revenue bill or joint resolution until Congress
 22 completes action on the biennial budget resolution,
 23 all regular biennial appropriations bills, and all rec-
 24 onciliation bills.

25 “(b) APPLICABILITY.—In the Senate, subsection (a)
 26 shall not apply to—

1 “(1) any measure that is privileged for consid-
 2 eration pursuant to a rule or statute;

3 “(2) any matter considered in Executive Ses-
 4 sion; or

5 “(3) an appropriations measure or reconcili-
 6 ation bill.”.

7 (b) AMENDMENT TO TABLE OF CONTENTS.—The
 8 table of contents set forth in section 1(b) of the Congres-
 9 sional Budget and Impoundment Control Act of 1974 is
 10 amended by adding after the item relating to section 313
 11 the following new item:

“Sec. 319. Authorizations of appropriations.”.

12 **SEC. 306. GOVERNMENT PLANS ON A BIENNIAL BASIS.**

13 (a) STRATEGIC PLANS.—Section 306 of title 5,
 14 United States Code, is amended—

15 (1) in subsection (a), by striking “September
 16 30, 1997” and inserting “September 30, 2003”;

17 (2) in subsection (b)—

18 (A) by striking “at least every three years”
 19 and inserting “at least every 4 years”; and

20 (B) by striking “five years forward” and
 21 inserting “six years forward”; and

22 (3) in subsection (c), by inserting a comma
 23 after “section” the second place it appears and add-
 24 ing “including a strategic plan submitted by Sep-

1 tember 30, 2003 meeting the requirements of sub-
2 section (a)’’.

3 (b) BUDGET CONTENTS AND SUBMISSION TO CON-
4 GRESS.—Paragraph (28) of section 1105(a) of title 31,
5 United States Code, is amended by striking ‘‘beginning
6 with fiscal year 1999, a’’ and inserting ‘‘beginning with
7 fiscal year 2004, a biennial’’.

8 (c) PERFORMANCE PLANS.—Section 1115 of title 31,
9 United States Code, is amended—

10 (1) in subsection (a)—

11 (A) in the matter before paragraph (1)—

12 (i) by striking ‘‘section 1105(a)(29)’’
13 and inserting ‘‘section 1105(a)(28)’’; and

14 (ii) by striking ‘‘an annual’’ and in-
15 serting ‘‘a biennial’’;

16 (B) in paragraph (1) by inserting after
17 ‘‘program activity’’ the following: ‘‘for both
18 years 1 and 2 of the biennial plan’’;

19 (C) in paragraph (5) by striking ‘‘and’’
20 after the semicolon,

21 (D) in paragraph (6) by striking the period
22 and inserting a semicolon; and inserting ‘‘and’’
23 after the inserted semicolon; and

24 (E) by adding after paragraph (6) the fol-
25 lowing:

1 “(7) cover a 2-year period beginning with the
2 first fiscal year of the next biennial budget cycle.”;

3 (2) in subsection (d) by striking “annual” and
4 inserting “biennial”; and

5 (3) in paragraph (6) of subsection (f) by strik-
6 ing “annual” and inserting “biennial”.

7 (d) MANAGERIAL ACCOUNTABILITY AND FLEXI-
8 BILITY.—Section 9703 of title 31, United States Code, re-
9 lating to managerial accountability, is amended—

10 (1) in subsection (a)—

11 (A) in the first sentence by striking “an-
12 nual”; and

13 (B) by striking “section 1105(a)(29)” and
14 inserting “section 1105(a)(28)”;

15 (2) in subsection (e)—

16 (A) in the first sentence by striking “one
17 or” before “years”;

18 (B) in the second sentence by striking “a
19 subsequent year” and inserting “for a subse-
20 quent 2-year period”; and

21 (C) in the third sentence by striking
22 “three” and inserting “four”.

23 (e) PILOT PROJECTS FOR PERFORMANCE BUDG-
24 ETING.—Section 1119 of title 31, United States Code, is
25 amended—

1 (1) in paragraph (1) of subsection (d), by strik-
 2 ing “annual” and inserting “biennial”; and

3 (2) in subsection (e), by striking “annual” and
 4 inserting “biennial”.

5 (f) STRATEGIC PLANS.—Section 2802 of title 39,
 6 United States Code, is amended—

7 (1) is subsection (a), by striking “September
 8 30, 1997” and inserting “September 30, 2003”;

9 (2) in subsection (b), by striking “at least every
 10 three years” and inserting “at least every 4 years”;

11 (3) by striking “five years forward” and insert-
 12 ing “six years forward”; and

13 (4) in subsection (c), by inserting a comma
 14 after “section” the second place it appears and in-
 15 serting “including a strategic plan submitted by
 16 September 30, 2003 meeting the requirements of
 17 subsection (a)”.

18 (g) PERFORMANCE PLANS.—Section 2803(a) of title
 19 39, United States Code, is amended—

20 (1) in the matter before paragraph (1), by
 21 striking “an annual” and inserting “a biennial”;

22 (2) in paragraph (1), by inserting after “pro-
 23 gram activity” the following: “for both years 1 and
 24 2 of the biennial plan”;

1 (3) in paragraph (5), by striking “and” after
2 the semicolon;

3 (4) in paragraph (6), by striking the period and
4 inserting “; and”; and

5 (5) by adding after paragraph (6) the following:

6 “(7) cover a 2-year period beginning with the
7 first fiscal year of the next biennial budget cycle.”.

8 (h) COMMITTEE VIEWS OF PLANS AND REPORTS.—
9 Section 301(d) of the Congressional Budget Act (2 U.S.C.
10 632(d)) is amended by adding at the end “Each committee
11 of the Senate or the House of Representatives shall review
12 the strategic plans, performance plans, and performance
13 reports, required under section 306 of title 5, United
14 States Code, and sections 1115 and 1116 of title 31,
15 United States Code, of all agencies under the jurisdiction
16 of the committee. Each committee may provide its views
17 on such plans or reports to the Committee on the Budget
18 of the applicable House.”.

19 (i) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 this section shall take effect on March 1, 2003.

22 (2) AGENCY ACTIONS.—Effective on and after
23 the date of enactment of this Act, each agency shall
24 take such actions as necessary to prepare and sub-

1 mit any plan or report in accordance with the
 2 amendments made by this Act.

3 **SEC. 307. BIENNIAL APPROPRIATIONS BILLS.**

4 (a) IN GENERAL.—Title III of the Congressional
 5 Budget Act of 1974 (2 U.S.C. 631 et seq.) is amended
 6 by adding at the end the following:

7 “CONSIDERATION OF BIENNIAL APPROPRIATIONS BILLS

8 “SEC. 320. It shall not be in order in the House of
 9 Representatives or the Senate in any odd-numbered year
 10 to consider any regular bill providing new budget authority
 11 or a limitation on obligations under the jurisdiction of any
 12 of the subcommittees of the Committees on Appropria-
 13 tions for only the first fiscal year of a biennium, unless
 14 the program, project, or activity for which the new budget
 15 authority or obligation limitation is provided will require
 16 no additional authority beyond 1 year and will be com-
 17 pleted or terminated after the amount provided has been
 18 expended.”.

19 (b) AMENDMENT TO TABLE OF CONTENTS.—The
 20 table of contents set forth in section 1(b) of the Congres-
 21 sional Budget and Impoundment Control Act of 1974 is
 22 amended by adding after the item relating to section 313
 23 the following new item:

“Sec. 320. Consideration of biennial appropriations bills.”.

1 **SEC. 308. REPORT ON TWO-YEAR FISCAL PERIOD.**

2 Not later than 180 days after the date of enactment
3 of this subpart, the Director of OMB shall—

4 (1) determine the impact and feasibility of
5 changing the definition of a fiscal year and the
6 budget process based on that definition to a 2-year
7 fiscal period with a biennial budget process based on
8 the 2-year period; and

9 (2) report the findings of the study to the Com-
10 mittees on the Budget of the House of Representa-
11 tives and the Senate.

12 **SEC. 309. EFFECTIVE DATE.**

13 (a) IN GENERAL.—Except as provided in sections
14 306 and 308 and subsection (b), this title and the amend-
15 ments made by this title shall take effect on January 1,
16 2003, and shall apply to budget resolutions and appropria-
17 tions for the biennium beginning with fiscal year 2004.

18 (b) AUTHORIZATIONS FOR THE BIENNIUM.—For
19 purposes of authorizations for the biennium beginning
20 with fiscal year 2004, the provisions of this title and the
21 amendments made by this title relating to 2-year author-
22 izations shall take effect January 1, 2003.

1 **TITLE IV—COMMISSION ON**
 2 **FEDERAL BUDGET CONCEPTS**

3 **SEC. 401. ESTABLISHMENT OF COMMISSION ON FEDERAL**
 4 **BUDGET CONCEPTS.**

5 There is established a commission to be known as the
 6 Commission on Federal Budget Concepts (referred to in
 7 this title as the “Commission”).

8 **SEC. 402. POWERS AND DUTIES OF COMMISSION.**

9 (a) DUTIES OF THE COMMISSION.—

10 (1) IN GENERAL.—The duties of the Commis-
 11 sion shall include—

12 (A) a review of the 1967 report of the
 13 President’s Commission on Budget Concepts
 14 and assessment of the implementation of the
 15 recommendations of that report;

16 (B) identification and evaluation of the
 17 structure, concepts, classifications, and bases of
 18 accounting of the Federal budget;

19 (C) identification of any applicable general
 20 accounting principles and practices in the pri-
 21 vate sector and evaluation of their value to
 22 budget practices in the Federal sector;

23 (D) a report that shall include rec-
 24 ommendations for modifications to the struc-
 25 ture, concepts, classifications, and bases of ac-

1 counting of the Federal budget that would en-
2 hance the usefulness of the budget for public
3 policy and financial planning.

4 (2) SPECIFIC AREAS OF CONSIDERATION.—Spe-
5 cific areas for consideration by the Commission shall
6 include the following:

7 (A) Should part ownership by the Govern-
8 ment be sufficient to make an entity Federal
9 and to include it in the budget?

10 (B) When is Federal control of an entity,
11 including control exercised through Federal reg-
12 ulations, sufficient to cause it to be included in
13 the budget?

14 (C) Are privately owned assets under long-
15 term leases to the Federal Government effec-
16 tively purchased by the Government during the
17 lease period?

18 (D) Should there be an “off-budget” sec-
19 tion of the budget? How should the Federal
20 Government differentiate between spending and
21 receipts?

22 (E) Should the total costs of refundable
23 tax credits belong on the spending side of the
24 budget?

1 (F) When should Federal Reserve earnings
 2 be reported as receipts or offsetting receipts
 3 (negative spending) in the net interest portion
 4 of the budget?

5 (G) What is a “user fee” and under what
 6 circumstances is it properly an offset to spend-
 7 ing or a governmental receipt? What uses do
 8 trust funds have?

9 (H) Do trust fund balances provide mis-
 10 leading information? Do the roughly 200 trust
 11 funds add clarity or confusion to the budget
 12 process?

13 (I) Are there better ways than trust fund
 14 accounting to identify long-term liabilities?

15 (J) Should accrual budgetary accounting
 16 be adopted for Federal retirement, military re-
 17 tirement, or Social Security and other entitle-
 18 ments?

19 (K) Are off-budget accounts suitable for
 20 capturing accruals in the budget?

21 (L) What is the appropriate budgetary
 22 treatment of—

23 (i) purchases and sales of financial as-
 24 sets, including equities, bonds, and foreign
 25 currencies;

- 1 (ii) emergency spending;
- 2 (iii) the cost of holding fixed assets
- 3 (cost of capital);
- 4 (iv) sales of physical assets; and
- 5 (v) seigniorage on coins and currency?

6 (M) When policy changes have strong but
 7 indirect feedback effects on revenues and other
 8 aggregates, should they be reported in budget
 9 estimates?

10 (N) How should the policies that are one-
 11 sided bets on economic events (probabilistic
 12 scoring) be represented in the budget?

13 (b) POWERS OF THE COMMISSION.—

14 (1) CONDUCT OF BUSINESS.—The Commission
 15 may hold hearings, take testimony, receive evidence,
 16 and undertake such other activities necessary to
 17 carry out its duties.

18 (2) ACCESS TO INFORMATION.—The Commis-
 19 sion may secure directly from any department or
 20 agency of the United States information necessary
 21 to carry out its duties. Upon request of the Chair of
 22 the Commission, the head of that department or
 23 agency shall furnish that information to the Com-
 24 mission.

1 (3) POSTAL SERVICE.—The Commission may
2 use the United States mails in the same manner and
3 under the same conditions as other departments and
4 agencies of the United States.

5 **SEC. 403. MEMBERSHIP.**

6 (a) MEMBERSHIP.—The Commission shall be com-
7 posed of 12 members as follows:

8 (1) Three members appointed by the chairman
9 of the Committee on the Budget of the Senate.

10 (2) Three members appointed by the chairman
11 of the Committee on the Budget of the House of
12 Representatives.

13 (3) Three members appointed by the ranking
14 member of the Committee on the Budget of the Sen-
15 ate.

16 (4) Three members appointed by the ranking
17 member of the Committee on the Budget of the
18 House of Representatives.

19 (b) QUALIFICATIONS AND TERM.—

20 (1) QUALIFICATIONS.—Members appointed to
21 the Commission pursuant to subsection (a) shall—

22 (A) have expertise and experience in the
23 fields or disciplines related to the subject areas
24 to be considered by the Commission; and

25 (B) not be Members of Congress.

1 (2) TERM OF APPOINTMENT.—The term of an
2 appointment to the Commission shall be for the life
3 of the Commission.

4 (3) CHAIR AND VICE CHAIR.—The Chair and
5 Vice Chair may be elected from among the members
6 of the Commission. The Vice Chair shall assume the
7 duties of the Chair in the Chair's absence.

8 (c) MEETINGS; QUORUM; AND VACANCIES.—

9 (1) MEETINGS.—The Commission shall meet at
10 least once a month on a day to be decided by the
11 Commission. The Commission may meet at such
12 other times at the call of the Chair or of a majority
13 of its voting members. The meetings of the Commis-
14 sion shall be open to the public, unless by public
15 vote, the Commission shall determine to close a
16 meeting or any portion of a meeting to the public.

17 (2) QUORUM.—A majority of the voting mem-
18 bership shall constitute a quorum of the Commis-
19 sion, except that 3 or more voting members may
20 conduct hearings.

21 (3) VACANCIES.—A vacancy on the Commission
22 shall be filled in the same manner in which the origi-
23 nal appointment was filled under subsection (a).

24 (d) COMPENSATION AND EXPENSES.—Members of
25 the Commission shall serve without pay for their service

1 on the Commission, but may receive travel expenses, in-
2 cluding per diem in lieu of subsistence, at rates authorized
3 for employees of agencies under subchapter I of chapter
4 57 of title 5, United States Code.

5 **SEC. 404. STAFF AND SUPPORT SERVICES.**

6 (a) STAFF.—With the advance approval of the Com-
7 mission, the executive director may appoint such personnel
8 as is appropriate. The staff of the Commission shall be
9 appointed without regard to political affiliation and with-
10 out regard to the provisions of title 5, United States Code,
11 governing appointments in the competitive service, and
12 may be paid without regard to the provisions of chapter
13 51 and subchapter III of chapter 53 of such title relating
14 to classifications and General Schedule pay rates.

15 (b) EXECUTIVE DIRECTOR.—The Chairman shall ap-
16 point an executive director, who shall be paid the rate of
17 basic pay for level II of the Executive Schedule.

18 (c) EXPERTS AND CONSULTANTS.—With the advance
19 approval of the Commission, the executive director may
20 procure temporary and intermittent services under section
21 3109(b) of title 5, United States Code.

22 (d) TECHNICAL AND ADMINISTRATIVE ASSIST-
23 ANCE.—Upon the request of the Commission—

24 (1) the head of any agency, office, or establish-
25 ment within the executive or legislative branches of

1 the United States shall provide, without reimburse-
2 ment, such technical assistance as the Commission
3 determines is necessary to carry out its duties; and

4 (2) the Administrator of the General Services
5 Administration shall provide, on a reimbursable
6 basis, such administrative support services as the
7 Commission may require.

8 (e) DETAIL OF FEDERAL PERSONNEL.—Upon the
9 request of the Commission, the head of an agency, office,
10 or establishment in the executive or legislative branch of
11 the United States is authorized to detail, without reim-
12 bursement, any of the personnel of that agency, office, or
13 establishment to the Commission to assist the Commission
14 in carrying out its duties. Any such detail shall not inter-
15 rupt or otherwise affect the employment status or privi-
16 leges of that employee.

17 (f) CBO.—The Director of the Congressional Budget
18 Office shall provide the Commission with its latest re-
19 search on the accuracy of its past budget and economic
20 projections as compared to those of the Office of Manage-
21 ment and Budget and, if possible, those of private sector
22 forecasters. The Commission shall work with the Directors
23 of the Congressional Budget Office and the Office of Man-
24 agement and Budget in their efforts to explain the factors
25 affecting the accuracy of budget projections.

1 **SEC. 405. REPORT.**

2 Not later than _____, the Commission shall
3 transmit a report to the President and to each House of
4 Congress. The report shall contain a detailed statement
5 of the findings and conclusions of the Commission, to-
6 gether with its recommendations for such legislative or ad-
7 ministrative actions as it considers appropriate. No find-
8 ing, conclusion, or recommendation may be made by the
9 Commission unless approved by a majority of those voting,
10 a quorum being present. At the request of any Commis-
11 sion member, the report shall include that member's dis-
12 senting findings, conclusions, or recommendations.

13 **SEC. 406. TERMINATION.**

14 The Commission shall terminate 30 days after the
15 date of transmission of the report required in section 405.

16 **SEC. 407. FUNDING.**

17 There are authorized to be appropriated not more
18 than \$1,000,000 to carry out this title. Sums so appro-
19 priated shall remain available until expended.

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