

111TH CONGRESS
1ST SESSION

H. R. 2920

To reinstitute and update the Pay-As-You-Go requirement of budget neutrality on new tax and mandatory spending legislation, enforced by the threat of annual, automatic sequestration.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2009

Mr. HOYER (for himself, Mr. GEORGE MILLER of California, Mr. HILL, Mr. WELCH, Mr. SPRATT, Mr. ALTMIRE, Mr. ANDREWS, Mr. ARCURI, Mr. BACA, Mr. BAIRD, Mr. BARROW, Ms. BEAN, Mr. BERRY, Mr. BISHOP of Georgia, Mr. BISHOP of New York, Mr. BLUMENAUER, Mr. BOCCIERI, Mr. BOREN, Mr. BOSWELL, Mr. BOYD, Mr. BRADY of Pennsylvania, Mr. BRALEY of Iowa, Mr. BRIGHT, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CARDOZA, Mr. CARNAHAN, Mr. CARNEY, Ms. CASTOR of Florida, Mr. CHANDLER, Mr. CHILDERS, Mr. CLYBURN, Mr. CONNOLLY of Virginia, Mr. COOPER, Mr. COSTA, Mr. COURTNEY, Mr. CROWLEY, Mr. CUELLAR, Mrs. DAHLKEMPER, Mr. DAVIS of Alabama, Mr. DAVIS of Tennessee, Mrs. DAVIS of California, Ms. DEGETTE, Ms. DELAURO, Mr. DONNELLY of Indiana, Mr. DRIEHAUS, Mr. EDWARDS of Texas, Mr. ELLSWORTH, Ms. ESHOO, Mr. ETHERIDGE, Mr. FATTAH, Mr. FOSTER, Ms. FUDGE, Ms. GIFFORDS, Mr. GONZALEZ, Mr. GORDON of Tennessee, Mr. GENE GREEN of Texas, Mr. GRIFFITH, Mr. GUTIERREZ, Mrs. HALVORSON, Mr. HARE, Ms. HARMAN, Mr. HASTINGS of Florida, Mr. HEINRICH, Ms. HERSETH SANDLIN, Mr. HIGGINS, Mr. HIMES, Mr. HODES, Mr. HOLDEN, Mr. INSLEE, Mr. JOHNSON of Georgia, Mr. KAGEN, Mr. KANJORSKI, Ms. KILROY, Mrs. KIRKPATRICK of Arizona, Mr. KISSELL, Mr. KLEIN of Florida, Ms. KOSMAS, Mr. KRATOVIL, Mr. LANGEVIN, Mr. LARSEN of Washington, Mr. LARSON of Connecticut, Mr. LIPINSKI, Mr. LOEBSACK, Mr. LUJÁN, Mr. LYNCH, Mr. MAFFEI, Mrs. MALONEY, Ms. MARKEY of Colorado, Mr. MARSHALL, Mr. MASSA, Mr. MATHESON, Ms. MATSUI, Ms. MCCOLLUM, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MCMAHON, Mr. MCNERNEY, Mr. MELANCON, Mr. MINNICK, Mr. MOORE of Kansas, Mr. MORAN of Virginia, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. NYE, Mr. PASCRELL, Ms. PELOSI, Mr. PERLMUTTER, Mr. PERRIELLO, Mr. PETERS, Mr. PETERSON, Mr. PIERLUISI, Mr. POMEROY, Mr. PRICE of North Carolina, Mr. QUIGLEY, Mr. REYES, Mr. RODRIGUEZ, Mr. ROSS, Mr. RUPPERSBERGER, Mr. RYAN of Ohio, Mr. SABLÁN, Mr. SALAZAR, Ms. LINDA T. SÁNCHEZ of California, Ms. LORETTA SANCHEZ of California, Mr. SARBANES, Mr.

SCHAUER, Mr. SCHIFF, Mr. SCHRADER, Ms. SCHWARTZ, Mr. SCOTT of Georgia, Mr. SCOTT of Virginia, Mr. SESTAK, Ms. SHEA-PORTER, Mr. SHERMAN, Mr. SHULER, Mr. SIRES, Mr. SKELTON, Ms. SLAUGHTER, Mr. SMITH of Washington, Mr. SPACE, Ms. SPEIER, Mr. STUPAK, Mr. TANNER, Mrs. TAUSCHER, Mr. TEAGUE, Mr. THOMPSON of California, Ms. TITUS, Ms. TSONGAS, Mr. VAN HOLLEN, Mr. WALZ, Ms. WASSERMAN SCHULTZ, Mr. WAXMAN, Mr. WEXLER, Mr. WILSON of Ohio, Mr. WU, Mr. TONKO, and Mr. VISCLOSKEY) introduced the following bill; which was referred to the Committee on the Budget

A BILL

To reinstitute and update the Pay-As-You-Go requirement of budget neutrality on new tax and mandatory spending legislation, enforced by the threat of annual, automatic sequestration.

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 “Statutory Pay-As-You-Go Act of 2009”.

6 (b) TABLE OF CONTENTS.—The table of contents is
 7 as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose and expiration.
- Sec. 3. Definitions.
- Sec. 4. PAYGO estimates and PAYGO ledger.
- Sec. 5. Annual report and sequestration order.
- Sec. 6. Calculating a sequestration.
- Sec. 7. Special, temporary rule to reflect current policy.
- Sec. 8. Application of BBEDCA.
- Sec. 9. Amendments to the baseline.
- Sec. 10. Technical corrections.
- Sec. 11. Conforming amendments.
- Sec. 12. Exempt programs and activities.

1 **SEC. 2. PURPOSE AND EXPIRATION.**

2 (a) PURPOSE.—The purpose of this Act is to reestab-
3 lish a statutory procedure to enforce a rule of budget neu-
4 trality on new tax and mandatory spending legislation en-
5 acted through the end of calendar year 2013, by creating
6 an automatic statutory penalty that Congress and the
7 President will seek to avoid.

8 (b) EXPIRATION.—Sections 1 through 8 of this Act
9 shall expire on the later of December 31, 2013, or the
10 issuance and implementation of a sequestration order for
11 fiscal year 2014 if one is required by this Act.

12 **SEC. 3. DEFINITIONS.**

13 As used in this Act—

14 (1) The term “BBEDCA” means the Balanced
15 Budget and Emergency Deficit Control Act of 1985.

16 (2) The terms “appropriation Act”, “budget
17 authority”, and “outlays” have the meanings given
18 to them in section 3 of the Congressional Budget
19 and Impoundment Control Act of 1974.

20 (3) The terms “baseline”, “budget year”,
21 “CBO”, “current year”, “deposit insurance”,
22 “OMB”, “sequester”, and “sequestration” have the
23 meanings given to them in section 250 of BBEDCA.

24 (4) The term “AMT” means the Alternative
25 Minimum Tax for individuals under sections 55–59
26 of the Internal Revenue Code of 1986, the term

1 “EGTRRA” means the Economic Growth and Tax
2 Relief Reconciliation Act of 2001 (Public Law 107–
3 16), and the term “JGTRRA” means the Jobs and
4 Growth Tax Relief and Reconciliation Act of 2003
5 (Public Law 108–27).

6 (5) The term “budgetary effects” means the
7 amounts by which PAYGO legislation changes man-
8 datory outlays or revenues relative to the baseline.
9 Budgetary effects that increase mandatory outlays
10 or decrease revenues are termed “costs” and budg-
11 etary effects that increase revenues or decrease man-
12 datory outlays are termed “savings”. For purposes
13 of these definitions, off-budget effects and debt serv-
14 ice effects are not counted as budgetary effects.

15 (6) The term “debit” refers to the net total
16 amount, when positive, by which costs recorded on
17 the PAYGO ledger for a fiscal year exceed savings
18 recorded on that ledger for that year.

19 (7) The term “discretionary programs” refers
20 to programs funded through appropriation Acts other
21 than mandatory programs.

22 (8) The term “entitlement law” means the stat-
23 utory mandate or requirement of the United States
24 to incur a financial obligation unless that obligation
25 is explicitly conditioned on the appropriation in sub-

1 sequent legislation of sufficient funds for that pur-
2 pose.

3 (9) The term “mandatory outlays” refers to
4 outlays flowing from—

5 (A) budget authority provided by laws
6 other than appropriation Acts;

7 (B) entitlement laws; or

8 (C) the Supplemental Nutrition Assistance
9 Program, and the term “mandatory programs”
10 refers to programs that produce mandatory out-
11 lays.

12 (10) The term “outyear” means a fiscal year
13 that occurs one or more years after the budget year.

14 (11) The term “PAYGO ledger” refers to a
15 table maintained by OMB (A) containing a column
16 for each fiscal year 2010 through 2014 and record-
17 ing in the applicable column or columns the average
18 of the budgetary effects of each PAYGO Act enacted
19 after the enactment of this Act and before January
20 1, 2014, and (B) displaying the net sum for each of
21 those fiscal years of the average budgetary effects of
22 all such Acts.

23 (12) The term “PAYGO legislation” or a
24 “PAYGO Act” refer to legislation that is scored as
25 increasing or decreasing governmental receipts or

1 mandatory outlays relative to the baseline, except
2 that when those budgetary effects are caused by
3 substantive legislative provisions in appropriation
4 Acts, the current-year and budget-year effects of
5 those provisions are not considered PAYGO legisla-
6 tion.

7 (13) The term “timing shift” refers to a delay
8 of the date on which mandatory outlays would other-
9 wise occur from the ninth outyear to the tenth out-
10 year or an acceleration of the date on which reve-
11 nues or offsetting receipts or collections would other-
12 wise occur from the tenth outyear to the ninth out-
13 year.

14 **SEC. 4. PAYGO ESTIMATES AND PAYGO LEDGER.**

15 (a) CBO ESTIMATES.—As soon as practicable after
16 Congress completes action on any PAYGO legislation,
17 CBO shall provide an estimate of its budgetary effects to
18 OMB.

19 (b) PAYGO LEDGER.—OMB shall maintain and
20 make publicly available a document containing a PAYGO
21 ledger and, not later than 7 days (excluding weekends and
22 legal holidays) after the enactment of any PAYGO legisla-
23 tion, OMB shall record on that ledger its estimate of the
24 legislation’s budgetary effects in each fiscal year, applying
25 the look-back requirement of subsection (e) and the aver-

1 aging requirement of subsection (h). The document shall
2 also explain any major differences between the OMB and
3 CBO estimates of the budgetary effects of PAYGO legisla-
4 tion.

5 (c) BASIS OF OMB ESTIMATES.—When estimating
6 and recording the budgetary effects of a PAYGO Act,
7 OMB shall employ economic and technical assumptions
8 consistent with those in the President’s most recent Budg-
9 et submitted under section 1105 of title 31, United States
10 Code, and shall use probabilistic methods where appro-
11 priate. Once it enters budgetary effects on the ledger,
12 OMB shall not change the entries other than to correct
13 errors. OMB’s assumptions, data, determinations, esti-
14 mates, and methodology under this Act are not subject
15 to review in any judicial or administrative proceeding.

16 (d) CURRENT POLICY EXCEPTIONS FOR CERTAIN
17 LEGISLATION.—Notwithstanding the definitions in para-
18 graphs (5), (11), and (12) of section 3, OMB estimates
19 of provisions of legislation within the four areas of the
20 budget identified in section 7 shall be entered on the
21 PAYGO scorecard as specified in that section, and the es-
22 timates so entered shall be treated as the budgetary effects
23 of PAYGO legislation for purposes of this section.

24 (e) LOOK-BACK TO CAPTURE CURRENT-YEAR EF-
25 FECTS.—For purposes of this section, OMB shall treat the

1 budgetary effects of PAYGO legislation enacted during a
2 session of Congress that occur during the current year as
3 though they occurred in the budget year.

4 (f) TIMING SHIFTS.—For purposes of this section,
5 OMB and CBO shall not count timing shifts in their esti-
6 mates of the budgetary effects of PAYGO legislation.

7 (g) EMERGENCY LEGISLATION.—If a provision of
8 PAYGO legislation is enacted that the President des-
9 ignates as an emergency requirement and that the Con-
10 gress so designates in statute, OMB shall display the
11 budgetary effects of that provision as an addendum in the
12 document containing the PAYGO ledger but shall not
13 record the budgetary effects in the ledger itself.

14 (h) AVERAGING USED TO MEASURE COMPLIANCE
15 OVER TEN YEARS.—OMB shall cumulate the budgetary
16 effects of a PAYGO Act over the budget year (which in-
17 cludes any look-back effects under subsection (e)) and the
18 nine subsequent outyears, divide that cumulative total by
19 ten, and enter the quotient in the budget-year column of
20 the PAYGO ledger and in each subsequent column, if any,
21 through the column for 2014.

22 (i) SCOREKEEPING GUIDELINES.—OMB and CBO
23 shall prepare estimates under this paragraph in conform-
24 ance with scorekeeping guidelines determined after con-

1 sultation among the House and Senate Committees on the
2 Budget, CBO, and OMB.

3 (j) TREATMENT OF PROGRAM CONVERSIONS.—For
4 purposes of this section, and notwithstanding other provi-
5 sions of this Act—

6 (1) if legislation converts an identifiable ele-
7 ment of a mandatory program into a discretionary
8 program (with that program element or a substan-
9 tially similar one continuing to be authorized), OMB
10 and CBO shall not score the conversion of that ele-
11 ment as reducing mandatory outlays; and

12 (2) if legislation converts an identifiable ele-
13 ment of a discretionary program into a mandatory
14 program, OMB and CBO shall estimate the legisla-
15 tion's budgetary effects in each year by subtracting
16 the discretionary baseline levels of that element from
17 the amount by which that legislation increases man-
18 datory outlays in that year.

19 **SEC. 5. ANNUAL REPORT AND SEQUESTRATION ORDER.**

20 (a) ANNUAL REPORT.—No later than 14 days (ex-
21 cluding weekends and holidays) after Congress adjourns
22 to end a session, OMB shall make publicly available an
23 annual PAYGO report and publish in the Federal Register
24 a notice of the report and information on how it can be
25 obtained. The report shall include an up-to-date document

1 containing a PAYGO ledger and information about esti-
2 mating differences as required by section 4(b), a descrip-
3 tion of and justification for any current policy exceptions
4 made under section 4(d), information about emergency
5 legislation (if any) required by section 4(g), information
6 about any sequestration if required by subsection (b), and
7 other data and explanations that enhance public under-
8 standing of this Act and actions taken under it. If Con-
9 gress does not adjourn to end a session, then for the pur-
10 poses of this Act it shall be deemed to have done so on
11 December 31 of that session.

12 (b) SEQUESTRATION ORDER.—If the annual report
13 issued at the end of a session of Congress under sub-
14 section (a) shows a debit on the PAYGO ledger for the
15 budget year, OMB shall prepare and the President shall
16 issue an order sequestering budgetary resources from
17 mandatory programs by enough to fully offset that debit,
18 as prescribed in section 6. OMB shall include that order
19 in the annual report and transmit it to the House of Rep-
20 resentatives and the Senate. If the President issues a se-
21 questration order, the annual report shall contain, for each
22 budget account to be sequestered, estimates of the baseline
23 level of budgetary resources subject to sequestration, the
24 amount of budgetary resources to be sequestered, and the

1 outlay reductions that will occur in the budget year and
2 the subsequent fiscal year because of that sequestration.

3 **SEC. 6. CALCULATING A SEQUESTRATION.**

4 (a) SEQUESTRATION BASE.—For purposes of this
5 section, OMB shall assume that mandatory programs are
6 at the levels in the baseline before the implementation of
7 the sequestration order.

8 (b) REDUCING NONEXEMPT BUDGETARY RE-
9 SOURCES BY A UNIFORM PERCENTAGE.—OMB shall cal-
10 culate the uniform percentage by which the budgetary re-
11 sources of nonexempt mandatory programs are to be se-
12 questered such that the outlay savings resulting from that
13 sequestration, as calculated under subsection (c), shall
14 fully offset the budget-year debit on the PAYGO ledger,
15 if any. If the uniform percentage calculated under the
16 prior sentence exceeds 4 percent, the Medicare programs
17 described in section 256(d) of BBEDCA shall be reduced
18 by 4 percent and the uniform percentage by which the
19 budgetary resources of all other nonexempt mandatory
20 programs are to be sequestered shall be increased, as nec-
21 essary, so that the sequestration of Medicare and of all
22 other nonexempt mandatory programs together produces
23 the required outlay savings.

1 (c) OUTLAY SAVINGS.—In determining the amount
2 by which a sequestration offsets a budget-year debit, OMB
3 shall count—

4 (1) the amount by which the sequestration in a
5 crop year of crop support payments, pursuant to
6 section 256(j) of BBEDCA, reduces outlays in the
7 budget year and the subsequent fiscal year;

8 (2) the amount by which the sequestration of
9 Medicare payments in the 12-month period following
10 the sequestration order, pursuant to section 256(d)
11 of BBEDCA, reduces outlays in the budget year and
12 the subsequent fiscal year; and

13 (3) the amount by which the sequestration in
14 the budget year of the budgetary resources of other
15 nonexempt mandatory programs reduces mandatory
16 outlays in the budget year and in the subsequent fis-
17 cal year.

18 **SEC. 7. SPECIAL, TEMPORARY RULE TO REFLECT CURRENT**
19 **POLICY.**

20 (a) PURPOSE.—The purpose of this section is to es-
21 tablish a temporary rule addressing the scoring of legisla-
22 tion affecting four areas of the budget and superseding
23 the scoring rules otherwise provided by this Act to the ex-
24 tent they are inconsistent. The four areas covered by this
25 section are—

1 (1) payments made under section 1848 of the
2 Social Security Act (titled Payment for Physicians’
3 Services);

4 (2) the Estate and Gift Tax under subtitle B of
5 the Internal Revenue Code of 1986;

6 (3) the AMT; and

7 (4) provisions of EGTRRA or JGTRRA that
8 amended the Internal Revenue Code of 1986 (or
9 provisions in later statutes further amending the
10 amendments made by EGTRRA or JGTRRA), other
11 than—

12 (A) the provisions of those two Acts that
13 were made permanent by the Pension Protec-
14 tion Act of 2006 (Public Law 109–280);

15 (B) amendments to the estate and gift tax
16 referred to in paragraph (2); and

17 (C) the AMT referred to in paragraph (3).

18 (b) DURATION.—This section shall remain in effect
19 through December 31, 2010, for each of the four areas
20 specified in subsection (a), except that if the President de-
21 termines that legislation sufficiently consistent with cur-
22 rent policy as described in subsection (c)(2) has not been
23 enacted in one or more of those four areas by that date,
24 the provisions of this section will remain in effect with re-
25 spect to that area or those areas until such legislation has

1 been enacted or until December 31, 2011, whichever oc-
2 curs sooner.

3 (c) CURRENT POLICY PROJECTION AND INITIAL
4 CURRENT LAW PROJECTIONS.—

5 (1) For purposes of this section, the budgetary
6 effects of legislation of the type referred to in sub-
7 section (a) shall be estimated relative to the baseline
8 under section 257 of BBEDCA but the budgetary
9 effects of that legislation shall be entered on the
10 PAYGO ledger only to the extent that they fall out-
11 side a range bounded by the current policy projec-
12 tion under paragraph (2) and the initial current law
13 projection under paragraph (3), as specified under
14 subsections (d), (e), or (f), as applicable. Each of
15 those two boundary projections shall be estimated
16 using the policy assumptions stated in paragraph (2)
17 or (3) as applicable, regardless of the enactment of
18 subsequent legislation, but the estimates of the dol-
19 lar levels of those two boundary projections shall
20 change—

21 (A) when economic and technical assump-
22 tions change with the issuance of a new budget
23 under section 1105 of title 31 United States
24 Code;

1 (B) with changes in the assumed effective
2 date of the legislation that is measured against
3 those two projections; and

4 (C) to the extent the policy assumptions
5 under either of those two projections interact
6 with other aspects of law, when legislation af-
7 fecting those other aspects of law is enacted.

8 With respect only to legislation affecting the AMT
9 or the amendments to provisions of the income tax
10 referred to in subsection (a)(4), the dollar levels of
11 those two boundary projections shall be estimated
12 separately, and the determination of whether and
13 the extent to which budgetary effects fall outside the
14 boundaries shall be made separately, for each sepa-
15 rate provision within that legislation.

16 (2) During the period specified in subsection
17 (b), there shall exist a current policy projection in
18 addition to the baseline specified in section 257 of
19 BBEDCA. This projection shall—

20 (A) with respect to payments made under
21 section 1848 of the Social Security Act, assume
22 that the applicable payment rates and payment
23 policies in effect for 2009 remain in effect
24 thereafter without change;

1 (B) with respect to the estate and gift tax,
2 assume that the tax rates, nominal exemption
3 amounts, and related parameters in effect for
4 tax year 2009 remain in effect thereafter with-
5 out change;

6 (C) with respect to the AMT, assume that
7 the exemption amounts and related parameters
8 in effect for tax year 2009 are increased in each
9 subsequent year by an amount equal to the
10 cost-of-living adjustment determined under sec-
11 tion 1(f)(3) of the Internal Revenue Code of
12 1986 for the calendar year in which the taxable
13 year begins, determined by substituting “cal-
14 endar year 2008” for “calendar year 1992” in
15 subparagraph (B) thereof; and

16 (D) with respect to the income tax provi-
17 sions referred to in subsection (a)(4), assume
18 that each such separate provision scheduled on
19 June 8, 2009, to be in effect for tax year 2010
20 remains in effect thereafter without change,
21 other than applicable indexing.

22 (3) INITIAL CURRENT LAW PROJECTION.—Dur-
23 ing the period specified in subsection (b), there shall
24 exist an initial current law projection in addition to

1 the baseline specified in section 257 of BBEDCA.

2 This projection shall—

3 (A) with respect to payments made under
4 section 1848 of the Social Security Act, assume
5 that the applicable payment rates and payment
6 policies scheduled on June 8, 2009, to be in ef-
7 fect for each subsequent fiscal year shall be in
8 effect as scheduled;

9 (B) with respect to the estate and gift tax,
10 assume that the tax rates, nominal exemption
11 amounts, and related parameters scheduled on
12 June 8, 2009, to be in effect for each subse-
13 quent tax year shall be in effect as scheduled;

14 (C) with respect to the AMT, assume that
15 the exemption amounts and related parameters
16 scheduled on June 8, 2009, to be in effect for
17 each subsequent tax year shall be in effect as
18 scheduled; and

19 (D) with respect to provisions of the in-
20 come tax referred to in subsection (a)(4), as-
21 sume that each such provision scheduled on
22 June 8, 2009, to be in effect for each subse-
23 quent tax year shall be in effect as scheduled.

24 (d) BUDGETARY EFFECTS OF CERTAIN MEDICARE
25 LEGISLATION.—Notwithstanding the definitions in para-

1 graphs (5), (11), and (12) of section 3, OMB shall enter
2 on the PAYGO ledger the budgetary effects of any provi-
3 sion of PAYGO legislation that amends or supersedes the
4 system of payments under section 1848 of the Social Secu-
5 rity Act—

6 (1) only to the extent that the level of net Medi-
7 care outlays are estimated to be higher in a fiscal
8 year than if that provision of PAYGO legislation had
9 instead enacted (or maintained) the current policy
10 projection; or

11 (2) only to the extent that the level of net Medi-
12 care outlays are estimated to be lower in a fiscal
13 year than if that provision of PAYGO legislation had
14 instead enacted (or maintained) the initial current
15 law projection.

16 (e) BUDGETARY EFFECTS OF ESTATE AND GIFT TAX
17 LEGISLATION.—Notwithstanding the definitions in para-
18 graphs (5), (11), and (12) of section 3, OMB shall enter
19 on the PAYGO ledger the budgetary effects of any provi-
20 sion of PAYGO legislation that amends the estate and gift
21 tax—

22 (1) only to the extent that total revenues in a
23 fiscal year are estimated to be changed because tax
24 liability under the estate and gift tax is estimated to
25 be higher in tax year 2010 than if that provision of

1 PAYGO legislation had instead enacted (or main-
2 tained) the current policy projection;

3 (2) only to the extent that total revenues in a
4 fiscal year are estimated to be changed because tax
5 liability under the estate and gift tax is estimated to
6 be lower in tax year 2010 than if that provision of
7 PAYGO legislation had instead enacted (or main-
8 tained) the initial current law projection;

9 (3) only to the extent that total revenues in a
10 fiscal year are estimated to be changed because tax
11 liability under the estate and gift tax is estimated to
12 be lower in a tax year after 2010 than if that provi-
13 sion of PAYGO legislation had instead enacted (or
14 maintained) the current policy projection; or

15 (4) only to the extent that total revenues in a
16 fiscal year are estimated to be changed because tax
17 liability under the estate and gift tax is estimated to
18 be higher in a tax year after 2010 than if that provi-
19 sion of PAYGO legislation had instead enacted (or
20 maintained) the initial current law projection.

21 (f) BUDGETARY EFFECTS OF AMT AND CERTAIN IN-
22 COME TAX LEGISLATION TAKEN SEPARATELY; STACKING
23 ORDER AND INTERACTIVE EFFECTS.—Notwithstanding
24 the definitions in paragraphs (5), (11), and (12) of section
25 3, OMB shall enter on the PAYGO ledger the budgetary

1 effects of any PAYGO legislation that amends the AMT
2 or amends one of the income tax provisions referred to
3 in subsection (a)(4)—

4 (1) only to the extent that the level of income
5 tax revenues is estimated to be lower and the level
6 of outlays for refundable tax credits is estimated to
7 be higher in a fiscal year than if that PAYGO legis-
8 lation had instead enacted (or maintained) the cur-
9 rent policy projection with respect to that provision
10 of the income tax; or

11 (2) only to the extent that the level of income
12 tax revenues is estimated to be higher and the level
13 of outlays for refundable tax credits is estimated to
14 be lower in a fiscal year than if that PAYGO legisla-
15 tion had instead enacted (or maintained) the initial
16 current law projection with respect to that provision
17 of the income tax.

18 In making estimates under this section of the budgetary
19 effects of a PAYGO Act that amends both the AMT and
20 at least one separate provision of the income tax, or
21 amends more than one separate provision of the income
22 tax, OMB shall first estimate the budgetary effects of any
23 amendment to the AMT contained in that Act, and shall
24 then estimate the budgetary effects of each remaining
25 amendment to the income tax contained in that Act as

1 though any AMT amendments contained in that Act and
2 the preceding amendments made by that Act had been en-
3 acted but the succeeding amendments had not. For pur-
4 poses of this section, each separate income tax rate shall
5 be considered a separate provision.

6 **SEC. 8. APPLICATION OF BBEDCA.**

7 For purposes of this Act—

8 (1) notwithstanding section 275 of BBEDCA,
9 the provisions of sections 255, 256, and 257 of
10 BBEDCA, as amended by this Act, shall apply to
11 the provisions of this Act;

12 (2) references in sections 255, 256, and 257 to
13 “this part” shall be interpreted as applying to this
14 Act;

15 (3) references in sections 255, 256, and 257 of
16 BBEDCA to “section 254” shall be interpreted as
17 referencing section 5 of this Act;

18 (4) the reference in section 256(b) of BBEDCA
19 to “section 252 or 253” shall be interpreted as ref-
20 erencing section 5 of this Act;

21 (5) the reference in section 256(d)(1) of
22 BBEDCA to “section 252 or 253” shall be inter-
23 preted as referencing section 6 of this Act;

1 (6) the reference in section 256(d)(4) of
 2 BBEDCA to “section 252 or 253” shall be inter-
 3 preted as referencing section 5 of this Act;

4 (7) section 256(k) of the BBEDCA shall apply
 5 to a sequestration, if any, under this Act;

6 (8) references in section 257(e) to “section 251,
 7 252, or 253” shall be interpreted as referencing sec-
 8 tion 4 of this Act; and

9 (9) the term “direct spending” in section 257
 10 of BBEDCA shall be interpreted as applying to
 11 mandatory programs or the funding for mandatory
 12 programs, as appropriate.

13 **SEC. 9. AMENDMENTS TO THE BASELINE.**

14 In section 257 of BBEDCA—

15 (1) strike “entitlement authority” and insert in
 16 lieu thereof “entitlement laws”;

17 (2) amend subsection (b)(2)(A) to read—

18 “(A) If any law expires before the budget year
 19 or before any outyear, then any program with esti-
 20 mated current-year outlays of more than
 21 \$50,000,000 operating under that law is assumed to
 22 continue to operate under that law as in effect im-
 23 mediately before its expiration. For purposes of the
 24 preceding sentence, the Food, Conservation, and En-
 25 ergy Act of 2008 or a similar successor Act is treat-

1 ed as a program assumed to be continued after its
2 scheduled expiration.”;

3 (3) amend subsection (b)(2)(D) to read—

4 “(D) Payments of social insurance, deposit in-
5 surance, pension insurance, and any similar statu-
6 tory financial insurance guarantees are assumed to
7 be made in full regardless of the sufficiency of the
8 funds supporting those programs, and funding for
9 flood insurance and any similar contractual insur-
10 ance programs is assumed to be sufficient to fulfill
11 existing contracts.”;

12 (4) amend subsection (c)(1) by striking “Budg-
13 etary resources” and inserting in lieu thereof “Ex-
14 cept as provided in subsection (d), budgetary re-
15 sources” and by striking “to offset pay absorption
16 and for pay annualization” and inserting in lieu
17 thereof “to adjust Pell grant funding”;

18 (5) amend subsection (c)(2) to read—

19 “(2) EXPIRING HOUSING CONTRACTS.—New
20 budget authority shall be added to the baseline in
21 the budget year and the outyears to cover the costs
22 of renewing expiring subsidized housing contracts
23 that were funded in the current year under
24 multiyear contracts whose budget authority was re-
25 corded in years prior to the current year. The

1 amount added (before adjusting for inflation) shall
2 be the amount needed to renew the expiring con-
3 tracts through an uninterrupted series of 12-month
4 contracts, assuming unchanged rental or equivalent
5 prices.”;

6 (6) amend subsection (c)(4) to read—

7 “(4) PELL GRANTS.—Notwithstanding para-
8 graph (1), new budget authority for the Pell grant
9 program shall be included in the baseline in an
10 amount sufficient to cover the costs of the program
11 at the maximum award level specified in the most
12 recently enacted full-year appropriation Acts, the
13 budget authority in the budget year shall be ad-
14 justed for any cumulative funding shortfall or sur-
15 plus from prior academic years, and the adjustment
16 for inflation under paragraph (5) shall not apply.”;
17 and

18 (7) insert after subsection (c) the following
19 (and redesignate the subsequent subsections accord-
20 ingly):

21 “(d) DISASTERS.—Notwithstanding subsections (b)
22 and (c), temporary mandatory funding and tax provisions
23 related to major natural or man-made disasters shall be
24 assumed to expire on schedule, and discretionary funding
25 for major natural or man-made disaster shall not be pro-

1 jected. In lieu, the baseline shall include a disaster allow-
 2 ance that is not designated as mandatory or discretionary
 3 and is not allocated to any committee of Congress. The
 4 amount of budget authority assumed for this disaster al-
 5 lowance shall equal a probabilistic estimate of the amount
 6 of Federal exposure to the risk of major natural or man-
 7 made disasters occurring in the remainder of the current
 8 year, the budget year, and each outyear, and the amount
 9 of outlays shall equal the estimated expenditures of that
 10 budget authority. Major disasters shall include disaster
 11 costs other than those normally covered by routine fire-
 12 fighting funding and normal and ongoing costs of disaster
 13 agencies, programs, or activities.”.

14 **SEC. 10. TECHNICAL CORRECTIONS.**

15 (1) Section 250(c)(18) of BBEDCA is amended
 16 by striking “the expenses the Federal deposit insur-
 17 ance agencies” and inserting “the expenses of the
 18 Federal deposit insurance agencies”.

19 (2) Section 256(k)(1) of BBEDCA is amended
 20 by striking “in paragraph (5)” and inserting “in
 21 paragraph (6)”.

22 **SEC. 11. CONFORMING AMENDMENTS.**

23 (a) Section 256(a) of BBEDCA is repealed.

24 (b) Section 256(b) of BBEDCA is amended by strik-
 25 ing “origination fees under sections 438(c)(2) and 455(c)

1 of that Act shall each be increased by 0.50 percentage
 2 point.” and inserting in lieu thereof “origination fees
 3 under sections 438(c) (2) and (6) and 455(c) and loan
 4 processing and issuance fees under section
 5 428(f)(1)(A)(ii) of that Act shall each be increased by the
 6 uniform percentage specified in that sequestration order,
 7 and, for student loans originated during the period of the
 8 sequestration, special allowance payments under section
 9 438(b) of that Act accruing during the period of the se-
 10 questration shall be reduced by the uniform percentage
 11 specified in that sequestration order.”.

12 (c) Section 256(c) of BBEDCA is repealed.

13 (d) Section 256(d) of BBEDCA is amended—

14 (1) by redesignating paragraphs (2), (3), and
 15 (4) as paragraphs (3), (5), and (6);

16 (2) by amending paragraph (1) to read as fol-
 17 lows:

18 “(1) CALCULATION OF REDUCTION IN PAYMENT
 19 AMOUNTS.—To achieve the total percentage reduc-
 20 tion in those programs required by section 252 or
 21 253, subject to paragraph (2), and notwithstanding
 22 section 710 of the Social Security Act, OMB shall
 23 determine, and the applicable Presidential order
 24 under section 254 shall implement, the percentage
 25 reduction that shall apply, with respect to the health

1 insurance programs under title XVIII of the Social
2 Security Act—

3 “(A) in the case of parts A and B of such
4 title, to individual payments for services fur-
5 nished during the one-year period beginning on
6 the first day of the first month beginning after
7 the date the order is issued (or, if later, the
8 date specified in paragraph (4)); and

9 “(B) in the case of parts C and D, to
10 monthly payments under contracts under such
11 parts for the same one-year period;

12 such that the reduction made in payments under
13 that order shall achieve the required total percentage
14 reduction in those payments for that period.”;

15 (3) by inserting after paragraph (1) the fol-
16 lowing:

17 “(2) UNIFORM REDUCTION RATE; MAXIMUM
18 PERMISSIBLE REDUCTION.—Reductions in payments
19 for programs and activities under such title XVIII
20 pursuant to a sequestration order under section 254
21 shall be at a uniform rate, which shall not exceed 4
22 percent, across all such programs and activities sub-
23 ject to such order.”;

24 (4) by inserting after paragraph (3), as redesign-
25 nated, the following:

1 “(4) TIMING OF SUBSEQUENT SEQUESTRATION
2 ORDER.—A sequestration order required by section
3 252 or 253 with respect to programs under such
4 title XVIII shall not take effect until the first month
5 beginning after the end of the effective period of any
6 prior sequestration order with respect to such pro-
7 grams, as determined in accordance with paragraph
8 (1).”;

9 (5) in paragraph (6), as redesignated, to read
10 as follows:

11 “(6) SEQUESTRATION DISREGARDED IN COM-
12 PUTING PAYMENT AMOUNTS.—The Secretary of
13 Health and Human Services shall not take into ac-
14 count any reductions in payment amounts which
15 have been or may be effected under this part, for
16 purposes of computing any adjustments to payment
17 rates under such title XVIII, specifically including—

18 “(A) the part C growth percentage under
19 section 1853(c)(6);

20 “(B) the part D annual growth rate under
21 section 1860D–2(b)(6); and

22 “(C) application of risk corridors to part D
23 payment rates under section 1860D–15(e).”;
24 and

1 (6) by adding after paragraph (6), as redesignig-
 2 nated, the following:

3 “(7) EXEMPTIONS FROM SEQUESTRATION.—In
 4 addition to the programs and activities specified in
 5 section 255, the following shall be exempt from se-
 6 questration under this part:

7 “(A) PART D LOW-INCOME SUBSIDIES.—
 8 Premium and cost-sharing subsidies under sec-
 9 tion 1860D–14 of the Social Security Act.

10 “(B) PART D CATASTROPHIC SUBSIDY.—
 11 Payments under section 1860D–15(b) and
 12 (e)(2)(B) of the Social Security Act.

13 “(C) QUALIFIED INDIVIDUAL (QI) PRE-
 14 MIUMS.—Payments to States for coverage of
 15 Medicare cost-sharing for certain low-income
 16 Medicare beneficiaries under section 1933 of
 17 the Social Security Act.”.

18 **SEC. 12. EXEMPT PROGRAMS AND ACTIVITIES.**

19 (a) DESIGNATIONS.—Section 255 of BBEDCA is
 20 amended by redesignating paragraph (i) as (j) and strik-
 21 ing “1998” and inserting in lieu thereof “2010”.

22 (b) SOCIAL SECURITY, VETERANS PROGRAMS, NET
 23 INTEREST, AND TAX CREDITS.—Subsections (a) through
 24 (d) of section 255 of BBEDCA are amended to read as
 25 follows:

1 “(a) SOCIAL SECURITY BENEFITS AND TIER I RAIL-
2 ROAD RETIREMENT BENEFITS.—Benefits payable under
3 the old-age, survivors, and disability insurance program
4 established under title II of the Social Security Act (title
5 42, United States Code, section 401 et seq.), and benefits
6 payable under section 231b(a), 231b(f)(2), 231c(a), and
7 231c(f) of title 45 United States Code, shall be exempt
8 from reduction under any order issued under this part.

9 “(b) VETERANS PROGRAMS.—The following pro-
10 grams shall be exempt from reduction under any order
11 issued under this part—

12 “Canteen Service Revolving Fund (36–4014–0–
13 3–705).

14 “National Service Life Insurance Fund (36–
15 8132–0–7–701).

16 “Native American Veteran Housing Loan Pro-
17 gram (36–1120–0–1–704).

18 “Service-Disabled Veterans Insurance Fund
19 (36–4012–0–3–701).

20 “Veterans Insurance and Indemnities (36–
21 0120–0–1–701).

22 “Veterans Reopened Insurance Fund (36–
23 4010–0–3–701).

24 “Veterans Special Life Insurance Fund (36–
25 8455–0–8–701).

1 “United States Government Life Insurance
2 Fund (36–8150–0–7–701).

3 “Benefits under chapter 21 of title 38, United
4 States Code, relating to specially adapted housing
5 and mortgage-protection life insurance for certain
6 veterans with service-connected disabilities (36–
7 0120–01–701).

8 “Compensation and Pensions (36–0102–0–1–
9 701) to include Burial Benefits under chapter 23 of
10 title 38.

11 “Benefits under chapter 33 of title 38, United
12 States Code, relating to educational assistance pro-
13 vided by the Post-9/11 Educational Assistance Act
14 of 2008 (36–0137–0–1–702).

15 “Benefits under chapter 39 of title 38, United
16 States Code, relating to automobiles and adaptive
17 equipment for certain disabled veterans and mem-
18 bers of the Armed Forces (36–0137–0–1–702).

19 “Benefits under chapter 35 of title 38, United
20 States Code, related to educational assistance for
21 survivors and dependents of certain veterans with
22 service-connected disabilities (36–0137–0–1–702).

23 “Assistance and services under chapter 31 of
24 title 38, United States Code, relating to training and

1 rehabilitation for certain veterans with service-con-
 2 nected disabilities (36–0137–0–1–702).

3 “Benefits under subchapters I, II, and III of
 4 chapter 37 of title 38, United States Code, relating
 5 to housing loans for certain veterans and for the
 6 spouses and surviving spouses of certain veterans
 7 Housing Program Account (36–1119–0–1–704).

8 “Special Benefits for Certain World War II
 9 Veterans (28–0401–0–1–701).

10 “(c) NET INTEREST.—No reduction of payments for
 11 net interest (all of major functional category 900) shall
 12 be made under any order issued under this part.

13 “(d) REFUNDABLE INCOME TAX CREDITS.—Pay-
 14 ments to individuals made pursuant to provisions of the
 15 Internal Revenue Code of 1986 establishing refundable
 16 tax credits shall be exempt from reduction under any order
 17 issued under this part.”.

18 (c) OTHER PROGRAMS AND ACTIVITIES, LOW-IN-
 19 COME PROGRAMS, AND ECONOMIC RECOVERY PRO-
 20 GRAMS.—Subsections (g) and (h) of section 255 of
 21 BBEDCA are amended to read as follows:

22 “(g) OTHER PROGRAMS AND ACTIVITIES.—

23 “(1)(A) The following budget accounts and ac-
 24 tivities shall be exempt from reduction under any
 25 order issued under this part:

1 “Activities resulting from private dona-
2 tions, bequests, or voluntary contributions to
3 the Government.

4 “Activities financed by voluntary payments
5 to the Government for goods or services to be
6 provided for such payments.

7 “Administration of Territories, Northern
8 Mariana Islands Covenant grants (14-0412-0-
9 1-808).

10 “Advances to the Unemployment Trust
11 Fund and Other Funds (16-0327-0-1-600).

12 “Appropriations for the District of Colum-
13 bia (to the extent they are appropriations of lo-
14 cally raised funds).

15 “Black Lung Disability Trust Fund Refi-
16 nancing (16-0329-0-1-601).

17 “Bonneville Power Administration Fund
18 and borrowing authority established pursuant
19 to section 13 of Public Law 93-454 (1974), as
20 amended (89-4045-0-3-271).

21 “Claims, Judgments, and Relief Acts (20-
22 1895-0-1-808).

23 “Colorado River Basins Power Marketing
24 Fund, Western Area Power Administration
25 (89-4452-0-3-271).

1 “Compact of Free Association (14-0415-
2 0-1-808).

3 “Compensation of the President (11-
4 0209-0-1-802).

5 “Construction, Rehabilitation, Operation
6 and Maintenance, Western Area Power Admin-
7 istration (89-5068-0-2-271).

8 “Comptroller of the Currency, Assessment
9 Funds (20-8413-0-8-373).

10 “Continuing Fund, Southeastern Power
11 Administration (89-5653-0-2-271).

12 “Continuing Fund, Southwestern Power
13 Administration (89-5649-0-2-271).

14 “Dual Benefits Payments Account (60-
15 0111-0-1-601).

16 “Emergency Fund, Western Area Power
17 Administration (89-5069-0-2-271).

18 “Exchange Stabilization Fund (20-4444-
19 0-3-155); Federal Deposit Insurance Corpora-
20 tion, Deposit Insurance Fund (51-4596-4-4-
21 373).

22 “Federal Deposit Insurance Corporation,
23 FSLIC Resolution Fund (51-4065-0-3-373).

1 “Federal Deposit Insurance Corporation,
2 Noninterest Bearing Transaction Account
3 Guarantee (51-4458-0-3-373).

4 “Federal Deposit Insurance Corporation,
5 Office of Inspector General (51-4595-0-4-
6 373).

7 “Federal Deposit Insurance Corporation,
8 Senior Unsecured Debt Guarantee (51-4457-
9 0-3-373).

10 “Federal Housing Finance Agency, Admin-
11 istrative Expenses (95-5532-0-2-371).

12 “Federal Payment to the District of Co-
13 lumbia Judicial Retirement and Survivors An-
14 nuity Fund (20-1713-0-1-752).

15 “Federal Payment to the District of Co-
16 lumbia Pension Fund (20-1714-0-1-601).

17 “Federal Payments to the Railroad Retire-
18 ment Accounts (60-0113-0-1-601).

19 “Federal Reserve Bank Reimbursement
20 Fund (20-1884-0-1-803).

21 “Financial Agent Services (20-1802-0-1-
22 803).

23 “Foreign Military Sales Trust Fund (11-
24 8242-0-7-155).

1 “Hazardous Waste Management, Con-
2 servation Reserve Program (12-4336-0-3-
3 999).

4 “Health Education Assistance Loans Pro-
5 gram Account (75-0340-0-1-552).

6 “Host Nation Support Fund for Relocation
7 (97-8337-0-7-051).

8 “Internal Revenue Collections for Puerto
9 Rico (20-5737-0-2-806).

10 “Intragovernmental funds, including those
11 from which the outlays are derived primarily
12 from resources paid in from other government
13 accounts, except to the extent such funds are
14 augmented by direct appropriations for the fis-
15 cal year during which an order is in effect.

16 “Medical Facilities Guarantee and Loan
17 Fund (75-9931-0-3-551).

18 “National Credit Union Administration,
19 Central Liquidity Facility (25-4470-0-3-373).

20 “National Credit Union Administration,
21 Corporate Credit Union Share Guarantee Pro-
22 gram (25-4476-0-3-376).

23 “National Credit Union Administration,
24 Credit Union Homeowners Affordability Relief
25 Program (25-4473-0-3-371).

1 “National Credit Union Administration,
2 Credit Union Share Insurance Fund (25-4468-
3 0-3-373).

4 “National Credit Union Administration,
5 Credit Union System Investment Program (25-
6 4474-0-3-376).

7 “National Credit Union Administration,
8 Operating fund (25-4056-0-3-373).

9 “National Credit Union Administration,
10 Share Insurance Fund Corporate Debt Guar-
11 antee Program (25-4469-0-3-376).

12 “National Credit Union Administration,
13 U.S. Central Federal Credit Union Capital Pro-
14 gram (25-4475-0-3-376).

15 “Office of Thrift Supervision (20-4108-0-
16 3-373).

17 “Operation and Maintenance, Alaska
18 Power Administration (89-0302-0-1-271).

19 “Operation and Maintenance, Southeastern
20 Power Administration (89-0302-0-1-271).

21 “Operation and Maintenance, South-
22 western Power Administration (89-0303-0-1-
23 271).

24 “Panama Canal Commission Compensation
25 Fund (16-5155-0-2-602).

1 “Payment of Vietnam and USS Pueblo
2 prisoner-of-war claims within the Salaries and
3 Expenses, Foreign Claims Settlement account
4 (15-0100-0-1-153).

5 “Payment to Civil Service Retirement and
6 Disability Fund (24-0200-0-1-805).

7 “Payment to Department of Defense Medi-
8 care-Eligible Retiree Health Care Fund (97-
9 0850-0-1-054).

10 “Payment to Judiciary Trust Funds (10-
11 0941-0-1-752).

12 “Payment to Military Retirement Fund
13 (97-0040-0-1-054).

14 “Payment to the Foreign Service Retire-
15 ment and Disability Fund (19-0540-0-1-153).

16 “Payments to Copyright Owners (03-
17 5175-0-2-376).

18 “Payments to Health Care Trust Funds
19 (75-0580-0-1-571).

20 “Payments to Social Security Trust Funds
21 (28-0404-0-1-651).

22 “Payments to the United States Terri-
23 tories, Fiscal Assistance (14-0418-0-1-806).

1 “Payments to trust funds from excise
2 taxes or other receipts properly creditable to
3 such trust funds.

4 “Payments to widows and heirs of de-
5 ceased Members of Congress (00-0215-0-1-
6 801).

7 “Postal Service Fund (18-4020-0-3-372).

8 “Reimbursement to Federal Reserve Banks
9 (20-0562-0-1-803).

10 “Salaries of article III judges.

11 “Soldiers and Airmen’s Home, payment of
12 claims (84-8930-0-7-705).

13 “Tennessee Valley Authority Fund, except
14 nonpower programs and activities (64-4110-0-
15 3-999).

16 “Tribal and Indian trust accounts within
17 the Department of the Interior which fund
18 prior legal obligations of the Government or
19 which are established pursuant to Acts of Con-
20 gress regarding Federal management of tribal
21 real property or other fiduciary responsibilities,
22 including but not limited to Tribal Special
23 Fund (14-5265-0-2-452), Tribal Trust Fund
24 (14-8030-0-7-452), Indian Land and Water
25 Claims Settlements (14-2303-0-1-452), White

1 Earth Settlement (14-2204-0-1-452), and In-
2 dian Water Rights and Habitat Acquisition
3 (14-5505-0-2-303).

4 “United Mine Workers of America 1992
5 Benefit Plan (95-8260-0-7-551).

6 “United Mine Workers of America 1993
7 Benefit Plan (95-8535-0-7-551).

8 “United Mine Workers of America Com-
9 bined Benefit Fund (95-8295-0-7-551).

10 “United States Enrichment Corporation
11 Fund (95-4054-0-3-271).

12 “Universal Service Fund (27-5183-0-2-
13 376); Vaccine Injury Compensation (75-0320-
14 0-1-551).

15 “Vaccine Injury Compensation Program
16 Trust Fund (20-8175-0-7-551).

17 “Western Area Power Administration,
18 Borrowing Authority, Recovery Act (89-4404-
19 0-3-271).

20 “(B) The following Federal retirement and dis-
21 ability accounts and activities shall be exempt from
22 reduction under any order issued under this part:

23 “Black Lung Disability Trust Fund (20-
24 8144-0-7-601).

1 “Central Intelligence Agency Retirement
2 and Disability System Fund (56–3400–0–1–
3 054).

4 “Civil Service Retirement and Disability
5 Fund (24–8135–0–7–602).

6 “Comptrollers general retirement system
7 (05–0107–0–1–801).

8 “Contributions to U.S. Park Police annu-
9 ity benefits, Other Permanent Appropriations
10 (14–9924–0–2–303).

11 “Court of Appeals for Veterans Claims Re-
12 tirement Fund (95–8290–0–7–705).

13 “Department of Defense Medicare-Eligible
14 Retiree Health Care Fund (97–5472–0–2–551).

15 “District of Columbia Federal Pension
16 Fund (20–5511–0–2–601).

17 “District of Columbia Judicial Retirement
18 and Survivors Annuity Fund (20–8212–0–7–
19 602).

20 “Energy Employees Occupational Illness
21 Compensation Fund (16–1523–0–1–053).

22 “Foreign National Employees Separation
23 Pay (97–8165–0–7–051).

1 “Foreign Service National Defined Con-
2 tributions Retirement Fund (19-5497-0-2-
3 602).

4 “Foreign Service National Separation Li-
5 ability Trust Fund (19-8340-0-7-602).

6 “Foreign Service Retirement and Dis-
7 ability Fund (19-8186-0-7-602).

8 “Government Payment for Annuitants,
9 Employees Health Benefits (24-0206-0-1-
10 551); Government Payment for Annuitants,
11 Employee Life Insurance (24-0500-0-1-602).

12 “Judicial Officers’ Retirement Fund (10-
13 8122-0-7-602).

14 “Judicial Survivors’ Annuities Fund (10-
15 8110-0-7-602).

16 “Military Retirement Fund (97-8097-0-
17 7-602).

18 “National Railroad Retirement Investment
19 Trust (60-8118-0-7-601).

20 “National Oceanic and Atmospheric Ad-
21 ministration retirement (13-1450-0-1-306).

22 “Pensions for former Presidents (47-
23 0105-0-1-802).

24 “Postal Service Retiree Health Benefits
25 Fund (24-5391-0-2-551).

1 “Rail Industry Pension Fund (60–8011–
2 0–7–601).

3 “Retired Pay, Coast Guard (70–0602–0–
4 1–403).

5 “Retirement Pay and Medical Benefits for
6 Commissioned Officers, Public Health Service
7 (75–0379–0–1–551).

8 “Special Benefits for Disabled Coal Miners
9 (16–0169–0–1–601).

10 “Special Benefits, Federal Employees’
11 Compensation Act (16–1521–0–1–600).

12 “Special Workers Compensation Expenses
13 (16–9971–0–7–601).

14 “Tax Court Judges Survivors Annuity
15 Fund (23–8115–0–7–602).

16 “United States Court of Federal Claims
17 Judges’ Retirement Fund (10–8124–0–7–602).

18 “United States Secret Service, DC Annuity
19 (70–0400–0–1–751).

20 “Voluntary Separation Incentive Fund
21 (97–8335–0–7–051).

22 “(2) Prior legal obligations of the Government
23 in the following budget accounts and activities shall
24 be exempt from any order issued under this part:

1 “Biomass Energy Development (20–0114–
2 0–1–271).

3 “Check Forgery Insurance Fund (20–
4 4109–0–3–803).

5 “Credit liquidating accounts.

6 “Credit reestimates.

7 “Employees Life Insurance Fund (24–
8 8424–0–8–602).

9 “Aviation Insurance Revolving Fund (69–
10 4120–0–3–402).

11 “Federal Crop Insurance Corporation
12 Fund (12–4085–0–3–351).

13 “Federal Emergency Management Agency,
14 National Flood Insurance Fund (58–4236–0–
15 3–453).

16 “Geothermal resources development fund
17 (89–0206–0–1–271).

18 “Homeowners Assistance Fund (97–4090–
19 0–3–051).

20 “International Trade Administration, Op-
21 erations and administration (13–1250–0–1–
22 376).

23 “Low-Rent Public Housing—Loans and
24 Other Expenses (86–4098–0–3–604).

1 “Maritime Administration, War Risk In-
2 surance Revolving Fund (69-4302-0-3-403).

3 “Natural Resource Damage Assessment
4 Fund (14-1618-0-1-302).

5 “Overseas Private Investment Corporation,
6 Noncredit Account (71-4184-0-3-151).

7 “Pension Benefit Guaranty Corporation
8 Fund (16-4204-0-3-601).

9 “Rail service assistance within the Safety
10 and Operations account (69-0700-0-1-401).

11 “San Joaquin Restoration Fund (14-
12 5537-0-2-301).

13 “Servicemembers’ Group Life Insurance
14 Fund (36-4009-0-3-701).

15 “Terrorism Insurance Program (20-0123-
16 0-1-376).

17 “(3) Nonbudgetary accounts and activities, in-
18 cluding the following, are exempt from sequestration
19 under this part:

20 “Credit financing accounts.

21 “Deposit funds.

22 “Federal Reserve.

23 “Government Sponsored Enterprises, in-
24 cluding the Federal National Mortgage Associa-

1 tion and the Federal Home Loan Mortgage
2 Corporation.

3 “Thrift Savings Fund.

4 “(h) LOW-INCOME PROGRAMS.—The following pro-
5 grams shall be exempt from reduction under any order
6 issued under this part:

7 “Academic Competitiveness/Smart Grant Pro-
8 gram (91-0205-0-1-502).

9 “Child Care Entitlement to States (75-1550-
10 0-1-609).

11 “Child Enrollment Contingency Fund (75-
12 5551-0-2-551).

13 “Child Nutrition Programs (with the exception
14 of special milk programs) (12-3539-0-1-605).

15 “Children’s Health Insurance Fund (75-0515-
16 0-1-551).

17 “Commodity Supplemental Food Program (12-
18 3512-0-1-605).

19 “Contingency Fund (75-1522-0-1-609).

20 “Family Support Programs (75-1501-0-1-
21 551).

22 “Federal Pell Grants under section 401 title IV
23 of the Higher Education Act.

1 “Grants to States for Low-Income House
2 Projects in Lieu of Low-Income Housing Credit Al-
3 locations, Recovery Act (20–0139–0–1–604).

4 “Grants to States for Medicaid (75–0512–0–1–
5 551).

6 “Payments for Foster Care and Permanency
7 (75–1545–0–1–609).

8 “Special Supplemental Nutrition Program for
9 Women, Infants, and Children (WIC) (12–3510–0–
10 1–605).

11 “Supplemental Nutrition Assistance Program
12 (12–3505–0–1–605).

13 “Supplemental Security Income Program (28–
14 0406–0–1–609).

15 “Temporary Assistance for Needy Families
16 (75–1552–0–1–609).”.

17 (d) ECONOMIC RECOVERY PROGRAMS.—Section 255
18 of BBEDCA is amended by adding the following after
19 subsection (h):

20 “(i) ECONOMIC RECOVERY PROGRAMS.—The fol-
21 lowing programs shall be exempt from reduction under
22 any order issued under this part:

23 “All programs enacted in, or increases in pro-
24 grams provided by, the American Recovery and Re-
25 investment Act of 2009.

1 “Exchange Stabilization Fund-Money Market
2 Mutual Fund Guaranty Facility (20-4274-0-3-
3 376).

4 “Office of Financial Stability (20-0128-0-1-
5 376).

6 “Financial Stabilization Reserve (20-0131-4-
7 1-376).

8 “GSE Mortgage-Backed Securities Purchase
9 Program Account (20-0126-0-1-371).

10 “GSE Preferred Stock Purchase Agreements
11 (20-0125-0-1-371).

12 “Office of Financial Stability (20-0128-0-1-
13 376).

14 “Special Inspector General for the Troubled
15 Asset Relief Program (20-0133-0-1-376).

16 “Troubled Asset Relief Program Account (20-
17 0132-0-1-376).

18 “Troubled Asset Relief Program Equity Pur-
19 chase Program (20-0134-0-1-376).

20 “Troubled Asset Relief Program, Home Afford-
21 able Modification Program (20-0136-0-1-604).”.

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