

112TH CONGRESS
1ST SESSION

H. R. 2041

To reduce Federal spending in a responsible manner.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2011

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

A BILL

To reduce Federal spending in a responsible manner.

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.**

4 This Act may be cited as the “Returning to Respon-
5 sible Fiscal Policies Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) This Act is authorized by the United States
9 Constitution under clause 1 of section 8 of article I,

1 relating to the power of the Congress to tax and
2 spend.

3 (2) Should an amendment to the United States
4 Constitution be adopted and ratified by the States
5 setting a lower limitation on outlays than provided
6 in this Act, it is appropriate for Congress to con-
7 sider legislation immediately modifying maximum
8 outlay amounts in this Act.

9 (3) Total Federal outlays have averaged 20.6
10 percent of gross domestic product over the past 40
11 years.

12 (4) Total Federal outlays in fiscal year 2010
13 were 23.8 percent of gross domestic product.

14 (5) Total Federal outlays in fiscal year 2020
15 are projected to be 25.9 percent of gross domestic
16 product according to the Congressional Budget Of-
17 fice's Alternative Fiscal Scenario.

18 (6) It is appropriate and urgently necessary to
19 put total Federal outlays under a limitation as a
20 percentage of gross domestic product to ensure
21 spending is constrained sufficiently to reduce the
22 Federal debt to much lower, sustainable levels.

23 **SEC. 3. OUTLAYS EXCEEDING THE GDP OUTLAY LIMIT.**

24 (a) DEFINITIONS.—Section 250(c)(4) of the Bal-
25 anced Budget and Emergency Deficit Control Act of 1985

1 is amended by striking paragraph (4), redesignating the
2 succeeding paragraphs accordingly, and adding the fol-
3 lowing paragraphs:

4 “(19) The term ‘GDP’, for any fiscal year,
5 means the gross domestic product during such fiscal
6 year consistent with Department of Commerce defi-
7 nitions.

8 “(20)(A) The term ‘emergency requirement’
9 means any provision that provides new budget au-
10 thority and resulting outlays for a situation that
11 poses a threat to life, property, or national security
12 and is—

13 “(i) sudden, quickly coming into being, and
14 not building up over time;

15 “(ii) an urgent, pressing, and compelling
16 need requiring immediate action;

17 “(iii) unforeseen, unpredictable, and unan-
18 ticipated; and

19 “(iv) not permanent, temporary in nature.

20 “(B) An emergency that is part of an aggregate
21 level of anticipated emergencies, particularly when
22 normally estimated in advance, is not unforeseen.

23 “(21) The term ‘target fiscal year’ means the
24 fiscal year in which a GDP outlay limit is in effect
25 under section 253A.”.

1 (b) CAPS.—The Balanced Budget and Emergency
2 Deficit Control Act of 1985 is amended by inserting after
3 section 253 the following:

4 **“SEC. 253A. ENFORCING GDP OUTLAY LIMITS.**

5 “(a) ENFORCING GDP OUTLAY LIMITS.—In this sec-
6 tion, the term ‘GDP outlay limit’ means an amount, as
7 estimated by OMB, equal to—

8 “(1) the average GDP for the first 5 of the 6
9 fiscal years preceding the target fiscal year; multi-
10 plied by

11 “(2) 23 percent for fiscal year 2012; 22 percent
12 for fiscal year 2013; 21 percent for fiscal year 2014;
13 19.5 percent for fiscal year 2015; and 18 percent for
14 fiscal year 2016 and each subsequent fiscal year.

15 “(b) GDP OUTLAY LIMIT AND OUTLAYS.—

16 “(1) DETERMINING THE GDP OUTLAY LIMIT.—
17 The Office of Management and Budget shall esti-
18 mate the GDP outlay limit for the target fiscal year
19 at the outset of the previous fiscal year, on April 30,
20 on August 20, and 15 days after the conclusion of
21 the fiscal year. CBO shall provide advisory reports
22 calculating the GDP outlay limit at identical times.

23 “(2) TOTAL FEDERAL OUTLAYS.—In this sec-
24 tion, total Federal outlays shall include all on-budget
25 and off-budget outlays.

1 “(c) SEQUESTRATION.—

2 “(1) IN GENERAL.—

3 “(A) EXCESS SPENDING.—Not later than
4 45 calendar days after the beginning of a fiscal
5 year, OMB shall conduct a sequestration to
6 eliminate the excess outlay amount.

7 “(B) DEFINITION.—For purposes of this
8 subsection, the term ‘excess outlay amount’
9 means the amount by which total Federal out-
10 lays for a fiscal year exceed the GDP outlay
11 limit as adjusted pursuant to paragraph (2).

12 “(2) PREVIEW REPORT.—CBO shall submit an
13 advisory sequestration preview report as described in
14 section 254(c)(4) on August 10 of each year. OMB
15 shall produce a sequestration preview report on Au-
16 gust 20 as described in section 254(c)(4). Fifteen
17 days after the fiscal year begins, OMB shall issue an
18 updated sequestration report as described in section
19 254(e). Thirty days later, the OMB should issue its
20 final sequestration report as described in section
21 254(f)(3). It shall be accompanied by a Presidential
22 order detailing the uniform spending reductions. The
23 reductions should generally follow the process set
24 forth in section 253 and 254, except as provided in
25 this section.

1 “(3) CONGRESSIONAL ACTION.—If the August
2 20 OMB report projects a sequestration, the Senate
3 and House Budget Committees may report a resolu-
4 tion directing their committees to change the exist-
5 ing law to achieve the goals outlined in the August
6 20 report.

7 “(4) REDUCING NONEXEMPT BUDGETARY RE-
8 SOURCES BY A PROPORTIONAL PERCENTAGE.—

9 “(A) CALCULATION.—OMB shall calculate
10 the increase in outlays attributable to each of
11 the 3 categories described in subparagraph (B)
12 such that the outlay savings resulting from se-
13 questration, as calculated under this subsection,
14 eliminate excess outlays.

15 “(B) CATEGORIES.—The 3 categories are
16 as follows:

17 “(i) Direct spending (social security,
18 medicare, and other such programs).

19 “(ii) Discretionary security spending.

20 “(iii) Discretionary non-security
21 spending.

22 “(C) REDUCTIONS PROPORTIONAL.—The
23 percentage reductions for each category de-
24 scribed in subparagraph (B) shall be in propor-

1 tion to the growth in outlays in such category
2 from the previous fiscal year.

3 “(D) UNIFORM REDUCTION WITHIN CAT-
4 EGORIES.—To achieve the percent reduction
5 within a category under subparagraph (C), a
6 uniform reduction will occur across all pro-
7 grams within that category to achieve the per-
8 cent reduction required for that category.

9 “(E) PRO RATA BASIS.—If legislation
10 funding the Government does not reflect fund-
11 ing amounts for the entire fiscal year, seques-
12 tration required by this section shall be done on
13 a pro rata basis. If legislation funding the Gov-
14 ernment for the remainder of a fiscal year is
15 enacted, the total sequestration required in a
16 fiscal year shall total the necessary level which
17 may be undertaken in a single step or in a se-
18 quence of steps.

19 “(d) NO EXEMPT PROGRAMS.—Section 255 shall not
20 apply to this section, except that payments for net interest
21 (budget function 900) shall be exempt.

22 “(e) LOOK BACK.—If, after November 15, a bill re-
23 sulting in outlays for the fiscal year in progress is enacted
24 that causes excess outlays, the excess outlays for the next

1 fiscal year shall be increased by the amount or amounts
2 of that breach.”.

3 (c) BBEDCA.—Notwithstanding section 275 of the
4 Balanced Budget and Emergency Deficit Control Act of
5 1985, the relevant provisions of such Act shall apply to
6 the extent necessary to enforce this Act, including amend-
7 ments made by this Act.

8 (d) EFFECTIVE DATE.—This section shall apply be-
9 ginning in fiscal year 2013 and beyond, including any re-
10 ports and calculations required for implementation in fis-
11 cal year 2013.

12 **SEC. 4. ENFORCEMENT PROCEDURES UNDER THE CON-**
13 **GRESSIONAL BUDGET ACT OF 1974.**

14 (a) ENFORCEMENT.—Title III of the Congressional
15 Budget Act of 1974 is amended by adding after section
16 315 the following:

17 **“SEC. 316. ENFORCEMENT PROCEDURES.**

18 “(a) GDP OUTLAY LIMITS.—It shall not be in order
19 in the House of Representatives or the Senate to consider
20 any bill, joint resolution, amendment, or conference report
21 that includes any provision that would cause the most re-
22 cently reported, current GDP outlay limits set forth in sec-
23 tion 253A of the Balanced Budget and Emergency Deficit
24 Control Act of 1985 to be exceeded.

25 “(b) WAIVER OR SUSPENSION.—

1 “(1) IN THE SENATE.—The provisions of this
2 section may be waived or suspended in the Senate
3 only by the affirmative vote of two-thirds of the
4 Members, present and voting.

5 “(2) IN THE HOUSE.—The provisions of this
6 section may be waived or suspended in the House of
7 Representatives only by a rule or order proposing
8 only to waive such provisions by an affirmative vote
9 of two-thirds of the Members, present and voting.

10 “(c) POINT OF ORDER PROTECTION.—In the House,
11 it shall not be in order to consider a rule or order that
12 waives the application of paragraph (2) of subsection (b).

13 “(d) MOTION TO SUSPEND.—It shall not be in order
14 for the Speaker to entertain a motion to suspend the appli-
15 cation of this section under clause 1 of rule XV.”.

16 (b) TABLE OF CONTENTS.—The table of contents in
17 section 1(b) of the Congressional Budget and Impound-
18 ment Control Act of 1974 is amended by inserting after
19 the item relating to section 315 the following:

“Sec. 316. Enforcement procedures.”.

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