

113TH CONGRESS  
1ST SESSION

# S. 1436

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

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IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2013

Mr. ENZI (for himself, Mr. PAUL, Mr. VITTER, Mr. BARRASSO, Mr. RISCH, Mr. ISAKSON, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on the Budget

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## A BILL

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

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 “One Percent Spending  
5 Reduction Act of 2013”.

6 **SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds the following:

8 (1) The fiscal crisis faced by the Federal Gov-  
9 ernment demands immediate action.

1           (2) The dramatic growth in spending and debt  
2 in recent years threatens our economic and national  
3 security:

4           (A) Federal spending has grown from 18  
5 percent of GDP in 2001 to nearly 23 percent  
6 of GDP in 2012.

7           (B) Total Federal debt exceeds  
8 \$16,000,000,000,000 and is projected to in-  
9 crease each year over the next 10 years.

10          (C) Without action, the Federal Govern-  
11 ment will continue to run massive deficits in the  
12 next decade and total Federal debt will rise to  
13 approximately \$25,000,000,000,000 by 2023.

14          (D) Interest payments on this debt will  
15 soon rise to the point where balancing the  
16 budget as a matter of policy is beyond the reach  
17 of Congress.

18          (3) Due to recent tax hikes, Federal revenues  
19 are scheduled to rise to approximately 19 percent of  
20 GDP, a full percentage point above the average of  
21 about 18 percent of GDP over the past 40 years.

22          (4) Absent reform, the growth of Social Secu-  
23 rity, Medicare, Medicaid, and other health-related  
24 spending will overwhelm all other Federal programs  
25 and consume all projected tax revenues.

1 (b) PURPOSE.—The purpose of this Act is to address  
2 the fiscal crisis by—

3 (1) acting quickly to balance the Federal budg-  
4 et and eliminate the parade of deficits and bal-  
5 looning interest payments;

6 (2) achieving balance by reducing spending one  
7 percent per year until spending equals projected  
8 long-term revenues; and

9 (3) reforming entitlement programs to ensure  
10 long-term fiscal stability and balance.

11 **SEC. 3. ESTABLISHMENT AND ENFORCEMENT OF SPEND-**  
12 **ING CAPS.**

13 (a) OUTLAY CAPS.—The Balanced Budget and  
14 Emergency Deficit Control Act of 1985 is amended by in-  
15 serting after section 253 the following new section:

16 **“SEC. 253A. ESTABLISHING OUTLAY CAPS.**

17 “(a) OUTLAY CAPS.—In this section, the term ‘outlay  
18 cap’ means:

19 “(1) FISCAL YEAR 2014.—For fiscal year 2014,  
20 the aggregate outlays (less net interest payments)  
21 for fiscal year 2014 shall be \$3,233,000,000,000,  
22 less one percent.

23 “(2) FISCAL YEAR 2015.—For fiscal year 2015,  
24 the aggregate outlays (less net interest payments)

1 for fiscal year 2015 shall be the amount computed  
2 under paragraph (1), less one percent.

3 “(3) FISCAL YEAR 2016 AND SUBSEQUENT FIS-  
4 CAL YEARS.—(A) For fiscal year 2016 and each sub-  
5 sequent fiscal year, the aggregate outlays shall be 19  
6 percent of the gross domestic product for that fiscal  
7 year as estimated by OMB prior to March of the  
8 previous fiscal year.

9 “(B) Notwithstanding paragraph (A), for any  
10 fiscal year beginning with fiscal year 2017, the ag-  
11 gregate projected outlays may not be less than the  
12 aggregate projected outlays for the preceding fiscal  
13 year.

14 “(b) SEQUESTRATION.—

15 “(1) IN GENERAL.—

16 “(A) EXCESS SPENDING.—Not later than  
17 45 calendar days after the beginning of a fiscal  
18 year, OMB shall conduct a sequestration to  
19 eliminate the excess outlay amount.

20 “(B) DEFINITIONS.—

21 “(i) For fiscal years 2014 and 2015  
22 and for purposes of this subsection, the  
23 term ‘excess outlay amount’ means the  
24 amount by which total projected Federal  
25 outlays (less net interest payments) for a

1           fiscal year exceeds the outlay cap for that  
2           fiscal year.

3           “(ii) For fiscal year 2016 and in sub-  
4           sequent fiscal years and for purposes of  
5           this subsection, the term ‘excess outlay  
6           amount’ means the amount by which total  
7           projected Federal outlays for a fiscal year  
8           exceeds the outlay cap for that fiscal year.

9           “(2) SEQUESTRATION.—

10           “(A) On August 15 of each year, CBO  
11           shall issue a sequestration preview report as de-  
12           scribed in section 254(c)(4).

13           “(B) On August 20 of each year, OMB  
14           shall issue a sequestration preview report as de-  
15           scribed in section 254(c)(4).

16           “(C) On October 31 of each year, OMB  
17           shall issue its final sequestration report as de-  
18           scribed in section 254(f)(3). It shall be accom-  
19           panied by a Presidential order detailing uniform  
20           spending reductions equal to the excess outlay  
21           amount as defined in this section.

22           “(D) The reductions shall generally follow  
23           the process set forth in sections 253 and 254,  
24           except as provided in this section.

1           “(3) CONGRESSIONAL ACTION.—If the August  
2           20 OMB report projects a sequestration, the Com-  
3           mittees on Budget of the Senate and House of Rep-  
4           resentatives may report a resolution directing their  
5           committees to change the existing law to achieve the  
6           spending reductions outlined in the August 20 re-  
7           port necessary to meet the outlay limits.

8           “(c) NO EXEMPT PROGRAMS.—Section 255 and sec-  
9           tion 256 shall not apply to this section, except that pay-  
10          ments for net interest (budget function 900) shall be ex-  
11          empt from the spending reductions under sequestration.

12          “(d) LOOK BACK.—If, after November 14, a bill re-  
13          sulting in outlays for the fiscal year in progress is enacted  
14          that causes excess outlays, the excess outlay amount for  
15          the next fiscal year shall be increased by the amount or  
16          amounts of that breach.”.

17          (b) CONFORMING AMENDMENTS TO BBEDCA.—

18                 (1) SEQUESTRATION PREVIEW REPORTS.—Sec-  
19                 tion 254(c)(4) of the Balanced Budget and Emer-  
20                 gency Deficit Control Act of 1985 is amended to  
21                 read as follows:

22                 “(4) OUTLAY CAP SEQUESTRATION REPORTS.—  
23                 The preview reports shall set forth for the budget  
24                 year estimates for the following:

1           “(A)(i) For each of budget years 2014 and  
2           2015: the aggregate projected outlays (less net  
3           interest payments), less one percent.

4           “(ii) For budget year 2016 and each sub-  
5           sequent budget year: the estimated gross do-  
6           mestic product (GDP) for that budget year.

7           “(B) The amount of reductions required  
8           under section 253A.

9           “(C) The sequestration percentage nec-  
10          essary to achieve the required reduction under  
11          section 253A.”.

12          (2) FINAL SEQUESTRATION REPORTS.—Section  
13          254(f) of the Balanced Budget and Emergency Def-  
14          icit Control Act of 1985 is amended by inserting at  
15          the end the following:

16          “(6) OUTLAY CAPS SEQUESTRATION RE-  
17          PORTS.—The final reports shall contain all the infor-  
18          mation required in the outlay cap sequestration pre-  
19          view reports. In addition, these reports shall contain,  
20          for the budget year, for each account to be seques-  
21          tered, estimates of the baseline level of sequestrable  
22          budgetary resources and resulting outlays and the  
23          amount of budgetary sources to be sequestered and  
24          result in outlay reductions. The reports shall also  
25          contain estimates of the effects on outlays on the se-

1       questionation of each outyear for direct spending pro-  
2       grams.”.

3       (c) ENFORCEMENT.—Title III of the Congressional  
4 Budget Act of 1974 is amended by adding after section  
5 315 the following:

6       **“SEC. 316. ENFORCEMENT PROCEDURES.**

7       “(a) OUTLAY CAPS.—It shall not be in order in the  
8 House of Representatives or the Senate to consider any  
9 bill, joint resolution, amendment, or conference report that  
10 includes any provision that would cause the most recently  
11 reported, current outlay cap set forth in section 253A of  
12 the Balanced Budget and Emergency Deficit Control Act  
13 of 1985 to be breached.

14       “(b) WAIVER OR SUSPENSION.—

15               “(1) IN THE SENATE.—The provisions of this  
16 section may be waived or suspended in the Senate  
17 only by the affirmative vote of two-thirds of the  
18 Members, duly chosen and sworn.

19               “(2) IN THE HOUSE.—The provisions of this  
20 section may be waived or suspended in the House of  
21 Representatives only by a rule or order proposing  
22 only to waive such provisions by an affirmative vote  
23 of two-thirds of the Members, duly chosen and  
24 sworn.



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

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

7 **SEC. 4. CONFORMING AMENDMENTS.**

8       The table of contents set forth in—

9               (1) section 1(b) of the Congressional Budget  
10       and Impoundment Control Act of 1974 is amended  
11       by inserting after the item relating to section 315  
12       the following new item:

“Sec. 316. Enforcement procedures.”;

13       and

14               (2) section 250(a) of the Balanced Budget and  
15       Emergency Deficit Control Act of 1985 is amended  
16       by inserting after the item relating to section 253  
17       the following new item:

“Sec. 253A. Establishing outlay caps.”.

18 **SEC. 5. EFFECTIVE DATE.**

19       This Act and the amendments made by it shall apply  
20 to fiscal year 2014 and subsequent fiscal years, including  
21 any reports and calculations required for implementation  
22 in fiscal year 2014.

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