

TITLE X—BUDGET ENFORCEMENT AND PROCESS PROVISIONS

Budget Enforcement
Act of 1997.
President.

SEC. 10001. SHORT TITLE; TABLE OF CONTENTS.

(a) Short <<NOTE: 2 USC 900 note.>> Title.—This title may be cited as the “Budget Enforcement Act of 1997”.

(b) Table of Contents.—The table of contents for this title is as follows:

Sec. 10001. Short title; table of contents.

Subtitle A—Amendments to the Congressional Budget and Impoundment Control Act of 1974

- Sec. 10101. Amendment to section 3.
- Sec. 10102. Amendments to section 201.
- Sec. 10103. Amendments to section 202.
- Sec. 10104. Amendment to section 300.
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SUBTITLE A—AMENDMENTS TO THE CONGRESSIONAL BUDGET AND
IMPOUNDMENT CONTROL ACT OF 1974

SEC. 10101. AMENDMENT TO SECTION 3.

2 USC 622. Section 3(9) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

“(9) The term ‘entitlement authority’ means—

“(A) the authority to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing that authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by that law; and

“(B) the food stamp program.”.

SEC. 10102. AMENDMENTS TO SECTION 201.

2 USC 601. (a) Term of Office.—The first sentence of section 201(a)(3) of the Congressional Budget Act of 1974 is amended to read as follows: “The term of office of the Director shall be 4 years and shall expire on January 3 of the year preceding each Presidential election.”.

(b) Conforming Change.—Section 201(e) of the Congressional Budget Act of 1974 is amended by inserting “and” before “the Library”, by striking “and the Office of Technology Assessment,”, by inserting “and” before “the Librarian”, and by striking “, and the Technology Assessment Board”.

(c) Redesignation of Executed Provision.—Section 201 of the Congressional Budget Act of 1974 is amended by redesignating subsection (g) (relating to revenue estimates) as subsection (f).

SEC. 10103. AMENDMENTS TO SECTION 202.

2 USC 602. (a) ASSISTANCE TO BUDGET COMMITTEES.—The first sentence of section 202(a) of the Congressional Budget Act of 1974 is amended by inserting “primary” before “duty”.

(b) ELIMINATION OF EXECUTED PROVISION.—Section 202 of the Congressional Budget Act of 1974 is amended by striking subsection (e) and by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively.

(c) REPORTING REQUIREMENT.—The first sentence of section 202(e)(1) of the Congressional Budget Act of 1974 (as redesignated) is amended by—

(1) striking “and” before “(B)”; and

(2) inserting before the period the following: “, and (C) a statement of the levels of budget authority and outlays for each program assumed to be extended in the baseline, as provided in section 257(b)(2)(A) and for excise taxes assumed to be extended under section 257(b)(2)(C) of the Balanced Budget and Emergency Deficit Control Act of 1985”.

SEC. 10104. AMENDMENT TO SECTION 300.

(a) **TIMETABLE.**—The item relating to February 25 in the timetable set forth in section 300 of the Congressional Budget Act of 1974 is amended by striking “February 25” and inserting “Not later than 6 weeks after President submits budget”.

2 USC 631.

(b) **CONFORMING AMENDMENTS.**—(1) Clause 4(g) of rule X of the Rules of the House of Representatives is amended by striking “on or before February 25 of each year” and inserting “not later than 6 weeks after the President submits his budget”.

(2) Clause 3(c) of rule XLVIII of the Rules of the House of Representatives is amended by striking “On or before March 15 of each year” and inserting “Within 6 weeks after the President submits a budget under section 1105(a) of title 31, United States Code” and by striking “section 301(c)” and inserting “section 301(d)”.

SEC. 10105. AMENDMENTS TO SECTION 301.

(a) **TERMS OF BUDGET RESOLUTIONS.**—Section 301(a) of the Congressional Budget Act of 1974 is amended by striking “, and planning levels for each of the two ensuing fiscal years,” and inserting “and for at least each of the 4 ensuing fiscal years”.

2 USC 632.

(b) **CONTENTS OF BUDGET RESOLUTIONS.**—Paragraphs (1) and (4) of section 301(a) of the Congressional Budget Act of 1974 are amended by striking “, budget outlays, direct loan obligations, and primary loan guarantee commitments” each place it appears and inserting “and outlays”.

(c) **ADDITIONAL MATTERS.**—Section 301(b) of the Congressional Budget Act of 1974 is amended by—

(1) striking paragraph (7) and inserting the following:

“(7) set forth procedures in the Senate whereby committee allocations, aggregates, and other levels can be revised for legislation if that legislation would not increase the deficit, or would not increase the deficit when taken with other legislation enacted after the adoption of the resolution, for the first fiscal year or the total period of fiscal years covered by the resolution;”;

(2) in paragraph 8, striking the period and inserting “; and”; and

(3) adding the following new paragraph:

“(9) set forth direct loan obligation and primary loan guarantee commitment levels.”.

(d) **VIEWS AND ESTIMATES.**—The first sentence of section 301(d) of the Congressional Budget Act of 1974 is amended by inserting “or at such time as may be requested by the Committee on the Budget,” after “Code,”.

(e) **HEARINGS AND REPORT.**—Section 301(e) of the Congressional Budget Act of 1974 is amended—

(1) by striking “In developing” and inserting the following:

“(1) In general.—In developing”; and

(2) by striking the sentence beginning with “The report accompanying” and all that follows through the end of the subsection and inserting the following:

“(2) **REQUIRED CONTENTS OF REPORT.**—The report accompanying the resolution shall include—

“(A) a comparison of the levels of total new budget authority, total outlays, total revenues, and the surplus or deficit for each fiscal year set forth in the resolution

with those requested in the budget submitted by the President;

“(B) with respect to each major functional category, an estimate of total new budget authority and total outlays, with the estimates divided between discretionary and mandatory amounts;

“(C) the economic assumptions that underlie each of the matters set forth in the resolution and any alternative economic assumptions and objectives the committee considered;

“(D) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the resolution;

“(E) the estimated levels of tax expenditures (the tax expenditures budget) by major items and functional categories for the President’s budget and in the resolution; and

“(F) allocations described in section 302(a).

“(3) ADDITIONAL CONTENTS OF REPORT.—The report accompanying the resolution may include—

“(A) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments;

“(B) an allocation of the level of Federal revenues recommended in the resolution among the major sources of such revenues;

“(C) information, data, and comparisons on the share of total Federal budget outlays and of gross domestic product devoted to investment in the budget submitted by the President and in the resolution;

“(D) the assumed levels of budget authority and outlays for public buildings, with a division between amounts for construction and repair and for rental payments; and

“(E) other matters, relating to the budget and to fiscal policy, that the committee deems appropriate.”.

2 USC 632.

(f) SOCIAL SECURITY CORRECTIONS.—(1) Section 301(i) of the Congressional Budget Act of 1974 is amended by—

(A) inserting “Social Security Point of Order.—” after “(i)”; and

(B) striking “as reported to the Senate” and inserting “(or amendment, motion, or conference report on the resolution)”; and

108 Stat 5092.

(2) Section 22 of House Concurrent Resolution 218 (103d Congress) is repealed.

SEC. 10106. AMENDMENTS TO SECTION 302.

2 USC 633.

(a) ALLOCATIONS AND SUBALLOCATIONS.—Section 302 of the Congressional Budget Act of 1974 is amended by striking subsections (a) and (b) and inserting the following:

“(a) COMMITTEE SPENDING ALLOCATIONS.—

“(1) Allocation among committees.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an allocation, consistent with the resolution recommended in the conference report, of the levels for the first fiscal year of the resolution, for at least each of the ensuing 4 fiscal years, and a total

for that period of fiscal years (except in the case of the Committee on Appropriations only for the fiscal year of that resolution) of—

“(A) total new budget authority; and

“(B) total outlays;

among each committee of the House of Representatives or the Senate that has jurisdiction over legislation providing or creating such amounts.

“(2) NO DOUBLE COUNTING.—In the House of Representatives, any item allocated to one committee may not be allocated to another committee.

“(3) FURTHER DIVISION OF AMOUNTS.—

“(A) In the senate.—In the Senate, the amount allocated to the Committee on Appropriations shall be further divided among the categories specified in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and shall not exceed the limits for each category set forth in section 251(c) of that Act.

“(B) IN THE HOUSE.—In the House of Representatives, the amounts allocated to each committee for each fiscal year, other than the Committee on Appropriations, shall be further divided between amounts provided or required by law on the date of filing of that conference report and amounts not so provided or required. The amounts allocated to the Committee on Appropriations shall be further divided—

“(i) between discretionary and mandatory amounts or programs, as appropriate; and

“(ii) consistent with the categories specified in section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(4) AMOUNTS NOT ALLOCATED.—In the House of Representatives or the Senate, if a committee receives no allocation of new budget authority or outlays, that committee shall be deemed to have received an allocation equal to zero for new budget authority or outlays.

“(5) ADJUSTING ALLOCATION OF DISCRETIONARY SPENDING IN THE HOUSE OF REPRESENTATIVES.—(A) If a concurrent resolution on the budget is not adopted by April 15, the chairman of the Committee on the Budget of the House of Representatives shall submit to the House, as soon as practicable, an allocation under paragraph (1) to the Committee on Appropriations consistent with the discretionary spending levels in the most recently agreed to concurrent resolution on the budget for the appropriate fiscal year covered by that resolution.

“(B) As soon as practicable after an allocation under paragraph (1) is submitted under this section, the Committee on Appropriations shall make suballocations and report those suballocations to the House of Representatives.

“(b) SUBALLOCATIONS BY APPROPRIATIONS COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to, the Committee on Appropriations of each House (after consulting with the Committee on Appropriations of the other House) shall suballocate each amount allocated to it for the budget year under subsection (a) among its subcommittees. Each Committee on Appropriations shall promptly report to its House suballocations made or revised under this subsection. The Committee on

Appropriations of the House of Representatives shall further divide among its subcommittees the divisions made under subsection (a)(3)(B) and promptly report those divisions to the House.”.

2 USC 633.

(b) POINT OF ORDER.—Section 302(c) of the Congressional Budget Act of 1974 is amended to read as follows:

“(c) POINT OF ORDER.—After the Committee on Appropriations has received an allocation pursuant to subsection (a) for a fiscal year, it shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report within the jurisdiction of that committee providing new budget authority for that fiscal year, until that committee makes the suballocations required by subsection (b).”.

(c) ENFORCEMENT OF POINT OF ORDER.—

(1) IN THE HOUSE.—Section 302(f)(1) of the Congressional Budget Act of 1974 is amended by—

(A) striking “providing new budget authority for such fiscal year or new entitlement authority effective during such fiscal year” and inserting “providing new budget authority for any fiscal year”; and

(B) striking “appropriate allocation made pursuant to subsection (b)” and all that follows through “exceeded.” and inserting “applicable allocation of new budget authority made under subsection (a) or (b) for the first fiscal year or the total of fiscal years to be exceeded.”.

(2) IN THE SENATE.—Section 302(f)(2) of the Congressional Budget Act of 1974 is amended to read as follows:

“(2) IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause—

“(A) in the case of any committee except the Committee on Appropriations, the applicable allocation of new budget authority or outlays under subsection (a) for the first fiscal year or the total of fiscal years to be exceeded; or

“(B) in the case of the Committee on Appropriations, the applicable suballocation of new budget authority or outlays under subsection (b) to be exceeded.”.

(d) PAY-AS-YOU-GO EXCEPTION IN THE HOUSE.—Section 302(g) of the Congressional Budget Act of 1974 is amended to read as follows:

“(g) PAY-AS-YOU-GO EXCEPTION IN THE HOUSE.—

“(1) IN GENERAL.—(A) Subsection (f)(1) and, after April 15, section 303(a) shall not apply to any bill or joint resolution, as reported, amendment thereto, or conference report thereon if, for each fiscal year covered by the most recently agreed to concurrent resolution on the budget—

“(i) the enactment of that bill or resolution as reported;

“(ii) the adoption and enactment of that amendment; or

“(iii) the enactment of that bill or resolution in the form recommended in that conference report, would not increase the deficit, and, if the sum of any revenue increases provided in legislation already enacted during the current session (when added to revenue increases, if any, in excess of any outlay increase provided by the legislation proposed for consideration) is at least as great as the sum of the amount, if any, by which the aggregate level of Federal

revenues should be increased as set forth in that concurrent resolution and the amount, if any, by which revenues are to be increased pursuant to pay-as-you-go procedures under section 301(b)(8), if included in that concurrent resolution.

“(B) Section 311(a), as that section applies to revenues, shall not apply to any bill, joint resolution, amendment thereto, or conference report thereon if, for each fiscal year covered by the most recently agreed to concurrent resolution on the budget—

“(i) the enactment of that bill or resolution as reported;

“(ii) the adoption and enactment of that amendment; or

“(iii) the enactment of that bill or resolution in the form recommended in that conference report, would not increase the deficit, and, if the sum of any outlay reductions provided in legislation already enacted during the current session (when added to outlay reductions, if any, in excess of any revenue reduction provided by the legislation proposed for consideration) is at least as great as the sum of the amount, if any, by which the aggregate level of Federal outlays should be reduced as required by that concurrent resolution and the amount, if any, by which outlays are to be reduced pursuant to pay-as-you-go procedures under section 301(b)(8), if included in that concurrent resolution.

“(2) REVISED ALLOCATIONS.—(A) As soon as practicable after Congress agrees to a bill or joint resolution that would have been subject to a point of order under subsection (f)(1) but for the exception provided in paragraph (1)(A) or would have been subject to a point of order under section 311(a) but for the exception provided in paragraph (1)(B), the chairman of the committee on the Budget of the House of Representatives shall file with the House appropriately revised allocations under section 302(a) and revised functional levels and budget aggregates to reflect that bill.

“(B) Such revised allocations, functional levels, and budget aggregates shall be considered for the purposes of this Act as allocations, functional levels, and budget aggregates contained in the most recently agreed to concurrent resolution on the budget.”

SEC. 10107. AMENDMENTS TO SECTION 303.

(a) IN GENERAL.—Section 303 of the Congressional Budget Act of 1974 is amended to read as follows:

2 USC 634.

“CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE
BUDGET-RELATED LEGISLATION IS CONSIDERED

“SEC. 303. (a) IN GENERAL.—Until the concurrent resolution on the budget for a fiscal year has been agreed to, it shall not be in order in the House of Representatives, with respect to the first fiscal year covered by that resolution, or the Senate, with respect to any fiscal year covered by that resolution, to consider any bill or joint resolution, amendment or motion thereto, or conference report thereon that—

“(1) first provides new budget authority for that fiscal year;

“(2) first provides an increase or decrease in revenues during that fiscal year;

“(3) provides an increase or decrease in the public debt limit to become effective during that fiscal year;

“(4) in the Senate only, first provides new entitlement authority for that fiscal year; or

“(5) in the Senate only, first provides for an increase or decrease in outlays for that fiscal year.

“(b) EXCEPTIONS IN THE HOUSE.— In the House of Representatives, subsection (a) does not apply—

“(1)(A) to any bill or joint resolution, as reported, providing advance discretionary new budget authority that first becomes available for the first or second fiscal year after the budget year; or

“(B) to any bill or joint resolution, as reported, first increasing or decreasing revenues in a fiscal year following the fiscal year to which the concurrent resolution applies;

“(2) after May 15, to any general appropriation bill or amendment thereto; or

“(3) to any bill or joint resolution unless it is reported by a committee.

“(c) APPLICATION TO APPROPRIATION MEASURES IN THE SENATE.—

“(1) IN GENERAL.—Until the concurrent resolution on the budget for a fiscal year has been agreed to and an allocation has been made to the Committee on Appropriations of the Senate under section 302(a) for that year, it shall not be in order in the Senate to consider any appropriation bill or joint resolution, amendment or motion thereto, or conference report thereon for that year or any subsequent year.

“(2) EXCEPTION.—Paragraph (1) does not apply to appropriations legislation making advance appropriations for the first or second fiscal year after the year the allocation referred to in that paragraph is made.”.

(b) CONFORMING AMENDMENT.—The item relating to section 303 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

“Sec. 303. Concurrent resolution on the budget must be adopted before budget-related legislation is considered.”.

SEC. 10108. AMENDMENT TO SECTION 304.

2 USC 635. Section 304 of the Congressional Budget Act of 1974 is amended by—

(1) striking “(a) In General.—”; and

(2) striking subsection (b).

SEC. 10109. AMENDMENT TO SECTION 305.

2 USC 636. (a) BUDGET ACT.—Section 305(a)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

“(1) When a concurrent resolution on the budget has been reported by the Committee on the Budget of the House of Representatives and has been referred to the appropriate calendar of the House, it shall be in order on any day thereafter, subject to clause 2(l)(6) of rule XI of the Rules of the House of Representatives, to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not

in order and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.”

(b) CONFORMING AMENDMENT IN THE HOUSE.—The first sentence of clause 2(l)(6) of rule XI of the Rules of the House of Representatives is amended by striking “, or as provided by section 305(a)(1)” and all that follows thereafter through “under that section”.

SEC. 10110. AMENDMENTS TO SECTION 308.

Section 308 of the Congressional Budget Act of 1974 is amended—

2 USC 639.

(1)(A) in the heading of subsection (a), by striking “, New Spending Authority, or New Credit Authority,”;

(B) in subsection (a)(1), by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(C) in subsection (a)(1)(B) (as redesignated), by striking “spending authority” through “commitments” and inserting “revenues, or tax expenditures”; and

(D) in paragraphs (1) and (2) of subsection (a), by striking “, new spending authority described in section 401(c)(2), or new credit authority,” each place it appears;

(2) in subsection (b)(1), by striking “, new spending authority described in section 401(c)(2), or new credit authority,”;

(3) in subsection (c), by inserting “and” after the semicolon at the end of paragraph (3), by striking “; and” at the end of paragraph (4) and inserting a period; and by striking paragraph (5); and

(4) by inserting “joint” before “resolution” each place it appears except when “concurrent”, “such”, or “reconciliation” precedes “resolution” and, in subsection (b)(1), by inserting “joint” before “resolutions” each place it appears.

SEC. 10111. AMENDMENTS TO SECTION 310.

Section 310(c)(1)(A) of the Congressional Budget Act of 1974 is amended—

2 USC 641.

(1) by striking “20 percent” the first place it appears and all that follows thereafter through “, and” and inserting the following:

“(I) in the Senate, 20 percent of the total of the amounts of the changes such committee was directed to make under paragraphs (1) and (2) of such subsection; or

“(II) in the House of Representatives, 20 percent of the sum of the absolute value of the changes the committee was directed to make under paragraph (1) and the absolute value of the changes the committee was directed to make under paragraph (2); and”;

(2) by striking “20 percent” the second place it appears and all that follows thereafter through “; and” and inserting the following:

“(I) in the Senate, 20 percent of the total of the amounts of the changes such committee was directed to make under paragraphs (1) and (2) of such subsection; or

“(II) in the House of Representatives, 20 percent of the sum of the absolute value of the changes the committee was directed to make under paragraph (1)

and the absolute value of the changes the committee was directed to make under paragraph (2); and”.

SEC. 10112. AMENDMENTS TO SECTION 311.

2 USC 642.

(a) **IN GENERAL.**—Section 311 of the Congressional Budget Act of 1974 is amended to read as follows:

“BUDGET-RELATED LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

“SEC. 311. (a) ENFORCEMENT OF BUDGET AGGREGATES.—

“(1) IN THE HOUSE OF REPRESENTATIVES.—Except as provided by subsection (c), after the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority or reducing revenues, if—

“(A) the enactment of that bill or resolution as reported;

“(B) the adoption and enactment of that amendment; or

“(C) the enactment of that bill or resolution in the form recommended in that conference report;

would cause the level of total new budget authority or total outlays set forth in the applicable concurrent resolution on the budget for the first fiscal year to be exceeded, or would cause revenues to be less than the level of total revenues set forth in that concurrent resolution for the first fiscal year or for the total of that first fiscal year and the ensuing fiscal years for which allocations are provided under section 302(a), except when a declaration of war by the Congress is in effect.

“(2) IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that—

“(A) would cause the level of total new budget authority or total outlays set forth for the first fiscal year in the applicable resolution to be exceeded; or

“(B) would cause revenues to be less than the level of total revenues set forth for that first fiscal year or for the total of that first fiscal year and the ensuing fiscal years in the applicable resolution for which allocations are provided under section 302(a).

“(3) ENFORCEMENT OF SOCIAL SECURITY LEVELS IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in social security surpluses or an increase in social security deficits relative to the levels set forth in the applicable resolution for the first fiscal year or for the total of that fiscal year and the ensuing fiscal years for which allocations are provided under section 302(a).

“(b) SOCIAL SECURITY LEVELS.—

“(1) IN GENERAL.—For purposes of subsection (a)(3), social security surpluses equal the excess of social security revenues over social security outlays in a fiscal year or years with such an excess and social security deficits equal the excess of social

security outlays over social security revenues in a fiscal year or years with such an excess.

“(2)TAX TREATMENT.—For purposes of subsection (a)(3), no provision of any legislation involving a change in chapter 1 of the Internal Revenue Code of 1986 shall be treated as affecting the amount of social security revenues or outlays unless that provision changes the income tax treatment of social security benefits.

“(c)EXCEPTION IN THE HOUSE OF REPRESENTATIVES.—Subsection (a)(1) shall not apply in the House of Representatives to any bill, joint resolution, or amendment that provides new budget authority for a fiscal year or to any conference report on any such bill or resolution, if—

“(1) the enactment of that bill or resolution as reported;

“(2) the adoption and enactment of that amendment; or

“(3) the enactment of that bill or resolution in the form recommended in that conference report; would not cause the appropriate allocation of new budget authority made pursuant to section 302(a) for that fiscal year to be exceeded.”.

(b) TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the item relating to section 311 and inserting the following:

“Sec. 311. Budget-related legislation must be within appropriate levels.”.

SEC. 10113. AMENDMENT TO SECTION 312.

(a) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 is amended to read as follows:

2 USC 643.

“DETERMINATIONS AND POINTS OF ORDER

“SEC. 312. (a) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this title and title IV, the levels of new budget authority, outlays, direct spending, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as applicable.

“(b)DISCRETIONARY SPENDING POINT OF ORDER IN THE SENATE.—

“(1)IN GENERAL.—Except as otherwise provided in this subsection, it shall not be in order in the Senate to consider any bill or resolution (or amendment, motion, or conference report on that bill or resolution) that would exceed any of the discretionary spending limits in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(2)EXCEPTIONS.—This subsection shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

“(c)MAXIMUM DEFICIT AMOUNT POINT OF ORDER IN THE SENATE.—It shall not be in order in the Senate to consider any concurrent resolution on the budget for a fiscal year, or to consider any amendment to that concurrent resolution, or to consider a conference report on that concurrent resolution, if—

“(1) the level of total outlays for the first fiscal year set forth in that concurrent resolution or conference report exceeds; or

“(2) the adoption of that amendment would result in a level of total outlays for that fiscal year that exceeds; the recommended level of Federal revenues for that fiscal year, by an amount that is greater than the maximum deficit amount, if any, specified in the Balanced Budget and Emergency Deficit Control Act of 1985 for that fiscal year.

“(d)TIMING OF POINTS OF ORDER IN THE SENATE.—A point of order under this Act may not be raised against a bill, resolution, amendment, motion, or conference report while an amendment or motion, the adoption of which would remedy the violation of this Act, is pending before the Senate.

“(e)POINTS OF ORDER IN THE SENATE AGAINST AMENDMENTS BETWEEN THE HOUSES.—Each provision of this Act that establishes a point of order against an amendment also establishes a point of order in the Senate against an amendment between the Houses. If a point of order under this Act is raised in the Senate against an amendment between the Houses and the point of order is sustained, the effect shall be the same as if the Senate had disagreed to the amendment.

“(f) EFFECT OF A POINT OF ORDER IN THE SENATE.—In the Senate, if a point of order under this Act against a bill or resolution is sustained, the Presiding Officer shall then recommit the bill or resolution to the committee of appropriate jurisdiction for further consideration.”.

2 USC 644.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 313 of the Congressional Budget Act of 1974 is amended—

(A) by striking “(c) When” and inserting “(d) Conference Reports.—When”; and

(B) by striking subsection (e) and redesignating subsection (d) as subsection (e).

(2) TABLE OF CONTENTS.—The item relating to section 312 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “Effect of points” and inserting “Determinations and points”.

SEC. 10114. ADJUSTMENTS.

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

“ADJUSTMENTS

2 USC 645.

“SEC. 314. (a) ADJUSTMENTS.—

“(1) IN GENERAL.—After the reporting of a bill or joint resolution, the offering of an amendment thereto, or the submission of a conference report thereon, the chairman of the Committee on the Budget of the House of Representatives or the Senate shall make the adjustments set forth in paragraph (2) for the amount of new budget authority in that measure (if that measure meets the requirements set forth in subsection (b)) and the outlays flowing from that budget authority.

“(2)MATTERS TO BE ADJUSTED.—The adjustments referred to in paragraph (1) are to be made to—

“(A) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget;

“(B) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a); and

“(C) the budgetary aggregates as set forth in the appropriate concurrent resolution on the budget.

“(b) AMOUNTS OF ADJUSTMENTS.—The adjustment referred to in subsection (a) shall be—

“(1) an amount provided and designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985;

“(2) an amount provided for continuing disability reviews subject to the limitations in section 251(b)(2)(C) of that Act;

“(3) for any fiscal year through 2002, an amount provided that is the dollar equivalent of the Special Drawing Rights with respect to—

“(A) an increase in the United States quota as part of the International Monetary Fund Eleventh General Review of Quotas (United States Quota); or

“(B) any increase in the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreements Act, as amended from time to time (New Arrangements to Borrow);

“(4) an amount provided not to exceed \$1,884,000,000 for the period of fiscal years 1998 through 2000 for arrearages for international organizations, international peacekeeping, and multilateral development banks; or

“(5) an amount provided for an earned income tax credit compliance initiative but not to exceed—

“(A) with respect to fiscal year 1998, \$138,000,000 in new budget authority;

“(B) with respect to fiscal year 1999, \$143,000,000 in new budget authority;

“(C) with respect to fiscal year 2000, \$144,000,000 in new budget authority;

“(D) with respect to fiscal year 2001, \$145,000,000 in new budget authority; and

“(E) with respect to fiscal year 2002, \$146,000,000 in new budget authority.

“(c) APPLICATION OF ADJUSTMENTS.—The adjustments made pursuant to subsection (a) for legislation shall—

“(1) apply while that legislation is under consideration;

“(2) take effect upon the enactment of that legislation; and

“(3) be published in the Congressional Record as soon as practicable.

“(d) REPORTING REVISED SUBALLOCATIONS.—Following any adjustment made under subsection (a), the Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised suballocations under section 302(b) to carry out this section.

“(e) DEFINITIONS FOR CDRS.—As used in subsection (b)(2)—

“(1) the term ‘continuing disability reviews’ shall have the same meaning as provided in section 251(b)(2)(C)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985; and

“(2) the term ‘new budget authority’ shall have the same meaning as the term ‘additional new budget authority’ and

Congressional
Record,
publication.

the term ‘outlays’ shall have the same meaning as ‘additional outlays’ in that section.”.

(b) TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 313 the following new item:

“Sec. 314. Adjustments.”.

SEC. 10115. EFFECT OF ADOPTION OF A SPECIAL ORDER OF BUSINESS IN THE HOUSE OF REPRESENTATIVES.

(a) EFFECT OF POINTS OF ORDER.—Title III of the Congressional Budget Act of 1974 is amended by adding after section 314 the following new section:

2 USC 645a.

“EFFECT OF ADOPTION OF A SPECIAL ORDER OF BUSINESS IN THE HOUSE OF REPRESENTATIVES

“SEC. 315. For purposes of a reported bill or joint resolution considered in the House of Representatives pursuant to a special order of business, the term ‘as reported’ in this title or title IV shall be considered to refer to the text made in order as an original bill or joint resolution for the purpose of amendment or to the text on which the previous question is ordered directly to passage, as the case may be.”.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the item relating to section 314 the following new item:

“Sec. 315. Effect of adoption of a special order of business in the House of Representatives.”.

2 USC 651.

SEC. 10116. AMENDMENT TO SECTION 401 AND REPEAL OF SECTION 402.

(a) SECTION 401.—

(1) CONTROLS.—Section 401 of the Congressional Budget Act of 1974 is amended by—

(A) striking the heading and inserting the following:

“BUDGET-RELATED LEGISLATION NOT SUBJECT TO APPROPRIATIONS”;
and

(B) striking subsection (a) and inserting the following:

“(a) CONTROLS ON CERTAIN BUDGET-RELATED LEGISLATION NOT SUBJECT TO APPROPRIATIONS.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or joint resolution (in the House of Representatives only, as reported), amendment, motion, or conference report that provides—

“(1) new authority to enter into contracts under which the United States is obligated to make outlays;

“(2) new authority to incur indebtedness (other than indebtedness incurred under chapter 31 of title 31 of the United States Code) for the repayment of which the United States is liable; or

“(3) new credit authority;

unless that bill, joint resolution, amendment, motion, or conference report also provides that the new authority is to be effective for any fiscal year only to the extent or in the amounts provided in advance in appropriation Acts.”.

(2) POINT OF ORDER.—Section 401(b) of the Congressional Budget Act of 1974 is amended—

(A) by inserting “new” before “entitlement” in the heading;

(B) by striking paragraph (1) and inserting the following:

“(1)POINT OF ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or joint resolution (in the House of Representatives only, as reported), amendment, motion, or conference report that provides new entitlement authority that is to become effective during the current fiscal year.”; and

(C) in paragraph (2)—

(i) by striking “new spending authority described in subsection (c)(2)(C)” and inserting “new entitlement authority”; and

(ii) by striking “of that House” and inserting “of the Senate or may then be referred to the Committee on Appropriations of the House, as the case may be,”.

(3) DEFINITIONS.—Section 401 of the Congressional Budget Act of 1974 is amended by striking subsection (c).

(4) EXCEPTIONS.—Section 401(d) of the Congressional Budget Act of 1974 is amended—

(A) in paragraph (1), by striking “new spending authority if the budget authority for outlays which result from such new spending authority is derived” and inserting “new authority described in those subsections if outlays from that new authority will flow”;

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(C) in paragraph (2), as redesignated, by striking “new spending authority” and inserting “new authority described in those subsections”.

(5) REDESIGNATION.—Subsection (d) of section 401 of the Congressional Budget Act of 1974 is redesignated as subsection (c).

(6) CONFORMING AMENDMENTS.—(A) Clause 1(b)(4) of rule X of the Rules of the House of Representatives is amended to read as follows:

“(4) The amount of new authority to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts; new authority to incur indebtedness (other than indebtedness incurred under chapter 31 of title 31 of the United States Code) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts; new entitlement authority as defined in section 3(9) of the Congressional Budget Act of 1974, including bills and resolutions (reported by other committees) which provide new entitlement authority as defined in section 3(9) of the Congressional Budget Act of 1974 and are referred to the committee under clause 4(a); authority to forego the collection by the United States of proprietary offsetting receipts, the budget authority for which is not provided in advance by appropriation Acts to offset such foregone receipts; and authority to make payments by the United States (including loans, grants, and payments from

revolving funds) other than those covered by this subparagraph, the budget authority for which is not provided in advance by appropriation Acts.”.

(B) Clause 4(a)(2) of rule X of the Rules of the House of Representatives is amended by striking “new spending authority described in section 401(c)(2)(C)” and inserting “new entitlement authority as defined in section 3(9)” and by striking “total amount of new spending authority” and inserting “total amount of new entitlement authority”.

(C) Clause 2(l)(3) of rule XI of the Rules of the House of Representatives is amended by striking “new spending authority as described in section 401(c)(2)” and by inserting “new entitlement authority as defined in section 3(9)”.

(b) REPEALER OF SECTION 402.—Section 402 of the Congressional Budget Act of 1974 is repealed.

(c) CONFORMING AMENDMENTS.—

(1) REDESIGNATION.—Sections 403 through 407 of the Congressional Budget Act of 1974 are redesignated as sections 402 through 406, respectively.

(2) GAO ANALYSIS.—Section 404 (as redesignated) of the Congressional Budget Act of 1974 is amended by striking “spending authority as described by section 401(c)(2) and which provide permanent appropriations,” and inserting “mandatory spending”.

(3) TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by—

(A) striking the item for section 401 and inserting the following:

“Sec. 401. Budget-related legislation not subject to appropriations.”; and

(B) striking the item relating to section 402 and redesignating the items relating to sections 403 through 407 as the items relating to sections 402 through 406, respectively.

(4) CONFORMING AMENDMENTS.—

(A) Clause 2(l)(3) of rule XI of the Rules of the House of Representatives is amended by striking “section 403” and inserting “section 402”.

(B) Clause 7(d) of rule XIII of the Rules of the House of Representatives is amended by striking “section 403” and inserting “section 402”.

Loans.

SEC. 10117. AMENDMENTS TO TITLE V.

(a) SECTION 502.—Section 502 of the Federal Credit Reform Act of 1990 is amended as follows:

(1) In the second sentence of paragraph (1), insert “and financing arrangements that defer payment for more than 90 days, including the sale of a government asset on credit terms” before the period.

(2) In paragraph (5)(A), insert “or modification thereof” before the first comma.

(3) In paragraph (5), strike subparagraphs (B) and (C) and insert the following:

“(B) The cost of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following estimated cash flows:

2 USC 652.

2 USC 653-656.

2 USC 654.

2 USC 661a.

“(i) loan disbursements;

“(ii) repayments of principal; and

“(iii) payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries; including the effects of changes in loan terms resulting from the exercise by the borrower of an option included in the loan contract.

“(C) The cost of a loan guarantee shall be the net present value, at the time when the guaranteed loan is disbursed, of the following estimated cash flows:

“(i) payments by the Government to cover defaults and delinquencies, interest subsidies, or other payments; and

“(ii) payments to the Government including origination and other fees, penalties and recoveries; including the effects of changes in loan terms resulting from the exercise by the guaranteed lender of an option included in the loan guarantee contract, or by the borrower of an option included in the guaranteed loan contract.”.

(4) In paragraph (5), amend subparagraph (D) to read as follows:

“(D) The cost of a modification is the difference between the current estimate of the net present value of the remaining cash flows under the terms of a direct loan or loan guarantee contract, and the current estimate of the net present value of the remaining cash flows under the terms of the contract, as modified.”.

(5) In paragraph (5)(E), insert “the cash flows of” after “to”.

(6) In paragraph (5), by adding at the end the following:

“(F) When funds are obligated for a direct loan or loan guarantee, the estimated cost shall be based on the current assumptions, adjusted to incorporate the terms of the loan contract, for the fiscal year in which the funds are obligated.”.

(7) Redesignate paragraph (9) as paragraph (11) and after paragraph (8) add the following new paragraphs:

“(9) The term ‘modification’ means any Government action that alters the estimated cost of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment) from the current estimate of cash flows. This includes the sale of loan assets, with or without recourse, and the purchase of guaranteed loans. This also includes any action resulting from new legislation, or from the exercise of administrative discretion under existing law, that directly or indirectly alters the estimated cost of outstanding direct loans (or direct loan obligations) or loan guarantees (or loan guarantee commitments) such as a change in collection procedures.

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

(b) SECTION 504.—Section 504 of the Federal Credit Reform Act of 1990 is amended as follows:

(1) Amend subsection (b)(1) to read as follows:

“(1) new budget authority to cover their costs is provided in advance in an appropriations Act;”.

(2) In subsection (b)(2), strike “is enacted” and insert “has been provided in advance in an appropriations Act”.

(3) In subsection (c), strike “Subsection (b)” and insert “Subsections (b) and (e)”.

(4) In subsection (d)(1), strike “directly or indirectly alter the costs of outstanding direct loans and loan guarantees” and insert “modify outstanding direct loans (or direct loan obligations) or loan guarantees (or loan guarantee commitments)”.

(5) Amend subsection (e) to read as follows:

“(e) MODIFICATIONS.—An outstanding direct loan (or direct loan obligation) or loan guarantee (or loan guarantee commitment) shall not be modified in a manner that increases its costs unless budget authority for the additional cost has been provided in advance in an appropriations Act.”.

2 USC 661d.

(c) SECTION 505.—Section 505 of the Federal Credit Reform Act of 1990 is amended as follows:

(1) In subsection (c), by inserting before the period at the end of the second sentence the following: “, except that the rate of interest charged by the Secretary on lending to financing accounts (including amounts treated as lending to financing accounts by the Federal Financing Bank (hereinafter in this subsection referred to as the ‘Bank’) pursuant to section 406(b)) and the rate of interest paid to financing accounts on uninvested balances in financing accounts shall be the same as the rate determined pursuant to section 502(5)(E). For guaranteed loans financed by the Bank and treated as direct loans by a Federal agency pursuant to section 406(b), any fee or interest surcharge (the amount by which the interest rate charged exceeds the rate determined pursuant to section 502(5)(E)) that the Bank charges to a private borrower pursuant to section 6(c) of the Federal Financing Bank Act of 1973 shall be considered a cash flow to the Government for the purposes of determining the cost of the direct loan pursuant to section 502(5). All such amounts shall be credited to the appropriate financing account. The Bank is authorized to require reimbursement from a Federal agency to cover the administrative expenses of the Bank that are attributable to the direct loans financed for that agency. All such payments by an agency shall be considered administrative expenses subject to section 504(g). This subsection shall apply to transactions related to direct loan obligations or loan guarantee commitments made on or after October 1, 1991”.

Applicability.

(2) In subsection (c), by striking “supercede” and inserting “supersede”.

(3) By amending subsection (d) to read as follows:

“(d) AUTHORIZATION FOR LIQUIDATING ACCOUNTS.—(1) Amounts in liquidating accounts shall be available only for payments resulting from direct loan obligations or loan guarantee commitments made prior to October 1, 1991, for—

“(A) interest payments and principal repayments to the Treasury or the Federal Financing Bank for amounts borrowed;

“(B) disbursements of loans;

“(C) default and other guarantee claim payments;

“(D) interest supplement payments;

“(E) payments for the costs of foreclosing, managing, and selling collateral that are capitalized or routinely deducted from the proceeds of sales;

“(F) payments to financing accounts when required for modifications;

“(G) administrative expenses, if—

“(i) amounts credited to the liquidating account would have been available for administrative expenses under a provision of law in effect prior to October 1, 1991; and

“(ii) no direct loan obligation or loan guarantee commitment has been made, or any modification of a direct loan or loan guarantee has been made, since September 30, 1991; or

“(H) such other payments as are necessary for the liquidation of such direct loan obligations and loan guarantee commitments.

“(2) Amounts credited to liquidating accounts in any year shall be available only for payments required in that year. Any unobligated balances in liquidating accounts at the end of a fiscal year shall be transferred to miscellaneous receipts as soon as practicable after the end of the fiscal year.

“(3) If funds in liquidating accounts are insufficient to satisfy obligations and commitments of such accounts, there is hereby provided permanent, indefinite authority to make any payments required to be made on such obligations and commitments.”.

(d) SECTION 506.—Section 506 of the Federal Credit Reform Act of 1990 is amended—

(1) by striking “(a) In General.—”;

(2) by striking “(1)” and inserting the following:

“(a) IN GENERAL.—”;

(3) by striking “(2) The” and inserting the following:

“(b) STUDY.—The”;

(4) by striking “(3)” and inserting the following:

“(c) Access to Data.—”;

(5) in subsection (c) (as redesignated) by striking “paragraph (2)” and inserting “subsection (b)”.

SEC. 10118. REPEAL OF TITLE VI.

(a) REPEALER.—Title VI of the Congressional Budget Act of 1974 is repealed.

(b) CONFORMING AMENDMENTS.—(1) The items relating to title VI of the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 are repealed.

(2) Clause 4(h) of rule X of the Rules of the House of Representatives is amended by striking “section 302 or section 602 (in the case of fiscal years 1991 through 1995)” and inserting “section 302”.

SEC. 10119. AMENDMENTS TO SECTION 904.

(a) CONFORMING AMENDMENT.—Section 904(a) of the Congressional Budget Act of 1974 is amended by striking “(except section 905)” and by striking “V, and VI (except section 601(a))” and inserting “and V”.

(b) WAIVERS.—Section 904(c) of the Congressional Budget Act of 1974 is amended to read as follows:

“(c) WAIVERS.—

“(1) PERMANENT.—Sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act may be waived

2 USC 661e.

2 USC 665 *et seq.*

2 USC 621 note.

or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

“(2) TEMPORARY.—Sections 301(i), 302(c), 302(f), 310(g), 311(a), 312(b), and 312(c) of this Act and sections 258(a)(4)(C), 258A(b)(3)(C)(I), 258B(f)(1), 258B(h)(1), 258(h)(3), 258C(a)(5), and 258C(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.”.

2 USC 621 note. (c) APPEALS.—Section 904(d) of the Congressional Budget Act of 1974 is amended to read as follows:

“(d) APPEALS.—

“(1) PROCEDURE.—Appeals in the Senate from the decisions of the Chair relating to any provision of title III or IV or section 1017 shall, except as otherwise provided therein, be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, concurrent resolution, reconciliation bill, or rescission bill, as the case may be.

“(2) PERMANENT.—An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under sections 305(b)(2), 305(c)(4), 306, 310(d)(2), 313, 904(c), and 904(d) of this Act.

“(3) TEMPORARY.—An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under sections 301(i), 302(c), 302(f), 310(g), 311(a), 312(b), and 312(c) of this Act and sections 258(a)(4)(C), 258A(b)(3)(C)(I), 258B(f)(1), 258B(h)(1), 258(h)(3), 258C(a)(5), and 258C(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985.”.

(d) EXPIRATION OF SUPERMAJORITY VOTING REQUIREMENTS.—Section 904 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

“(e) EXPIRATION OF CERTAIN SUPERMAJORITY VOTING REQUIREMENTS.—Subsections (c)(2) and (d)(3) shall expire on September 30, 2002.”.

SEC. 10120. REPEAL OF SECTIONS 905 AND 906.

2 USC 621 note, 632 note. (a) Repealer.—Sections 905 and 906 of the Congressional Budget Act of 1974 are repealed.

(b) CONFORMING AMENDMENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the items relating to sections 905 and 906.

SEC. 10121. AMENDMENTS TO SECTIONS 1022 AND 1024.

2 USC 691a. (a) SECTION 1022.—Section 1022(b)(1)(F) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “section 601” and inserting “section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985”.

2 USC 691c. (b) SECTION 1024.—Section 1024(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “section 601(a)(2)” and inserting “section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985”.

SEC. 10122. AMENDMENT TO SECTION 1026.

Section 1026(7)(A)(iv) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “; and” and inserting “; or”.

2 USC 691e.

SEC. 10123. SENATE TASK FORCE ON CONSIDERATION OF BUDGET MEASURES.

(a) APPOINTMENT OF MEMBERS.—The Majority Leader and Minority Leader of the Senate shall each appoint 3 Senators to serve on a bipartisan task force to study the floor procedures for the consideration of budget resolutions and reconciliation bills in the Senate as provided in sections 305(b) and 310(e) of the Congressional Budget Act of 1974.

(b) REPORT OF THE TASK FORCE.—The task force shall submit its report to the Senate not later than October 8, 1997.

Subtitle B—Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985

SEC. 10201. PURPOSE.

2 USC 900 note.

The purpose of this subtitle is to extend discretionary spending limits and pay-as-you-go requirements.

SEC. 10202. GENERAL STATEMENT AND DEFINITIONS.

(a) GENERAL STATEMENT.—Section 250(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the first 2 sentences and inserting the following: “This part provides for budget enforcement as called for in House Concurrent Resolution 84 (105th Congress, 1st session).”.

2 USC 900.

(b) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (1)—

(A) by striking “(but including” through “amount’ ”; and

(B) by striking “section 601 of that Act as adjusted under sections 251 and 253” and inserting “section 251”;

(2) by striking paragraph (4) and inserting the following:

“(4) The term ‘category’ means the subsets of discretionary appropriations in section 251(c). Discretionary appropriations in each of the categories shall be those designated in the joint explanatory statement accompanying the conference report on the Balanced Budget Act of 1997. New accounts or activities shall be categorized only after consultation with the committees on Appropriations and the Budget of the House of Representatives and the Senate and that consultation shall, to the extent practicable, include written communication to such committees that affords such committees the opportunity to comment before official action is taken with respect to new accounts or activities.”;

(3) by striking paragraph (6) and inserting the following:

“(6) The term ‘budgetary resources’ means new budget authority, unobligated balances, direct spending authority, and obligation limitations.”;

(4) in paragraph (9), by striking “submission of the fiscal year 1992 budget that are not included with a budget submission” and inserting “that budget submission that are not included with it”;

(5) in paragraph (14), by inserting “first 4” before “fiscal years” and by striking “through fiscal year 1995”;

(6) by striking paragraphs (17) and (20) and by redesignating paragraphs (18), (19), and (21) as paragraphs (17), (18), and (19), respectively;

(7) in paragraph (17) (as redesignated), by striking “Omnibus Budget Reconciliation Act of 1990” and inserting “Balanced Budget Act of 1997”;

(8) in paragraph (18) (as redesignated), by striking all after “expenses” and inserting “the Federal deposit insurance agencies, and other Federal agencies supervising insured depository institutions, resulting from full funding of, and continuation of, the deposit insurance guarantee commitment in effect under current estimates.”; and

(9) by striking paragraph (19) (as redesignated) and inserting the following:

“(19) The term ‘asset sale’ means the sale to the public of any asset (except for those assets covered by title V of the Congressional Budget Act of 1974), whether physical or financial, owned in whole or in part by the United States.”.

SEC. 10203. ENFORCING DISCRETIONARY SPENDING LIMITS.

(a) EXTENSION THROUGH FISCAL YEAR 2002.—Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

2 USC 661d.

(1) in the heading of subsection (a), by striking “Fiscal Years 1991-1998”;

(2) in subsection (a)(3), by striking “(h)” both places it appears and inserting “(f)”;

(3) by striking subsection (a)(7) and inserting the following:

“(7) Estimates.—

“(A) CBO ESTIMATES.—As soon as practicable after Congress completes action on any discretionary appropriation, CBO, after consultation with the Committees on the Budget of the House of Representatives and the Senate, shall provide OMB with an estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by that legislation.

Reports.

“(B) OMB ESTIMATES AND EXPLANATION OF DIFFERENCES.—Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing the CBO estimate of that legislation, an OMB estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by that legislation, and an explanation of any difference between the 2 estimates. If during the preparation of the report OMB determines that there is a significant difference between OMB and CBO, OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate

regarding that difference and that consultation shall include, to extent practicable, written communication to those committees that affords such committees the opportunity to comment before the issuance of the report.

“(C) ASSUMPTIONS AND GUIDELINES.—OMB estimates under this paragraph shall be made using current economic and technical assumptions. OMB shall use the OMB estimates transmitted to the Congress under this paragraph. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the House and Senate Committees on the Budget, CBO, and OMB.

“(D) ANNUAL APPROPRIATIONS.—For purposes of this paragraph, amounts provided by annual appropriations shall include any new budget authority and outlays for the current year (if any) and the budget year in accounts for which funding is provided in that legislation that result from previously enacted legislation.”;

(4) by striking subsection (b) and inserting the following:

“(b) ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.—

“(1) PREVIEW REPORT.—When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall include adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear to reflect changes in concepts and definitions. Such changes shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions minus those levels using the concepts and definitions in effect before such changes. Such changes may only be made after consultation with the committees on Appropriations and the Budget of the House of Representatives and the Senate and that consultation shall include written communication to such committees that affords such committees the opportunity to comment before official action is taken with respect to such changes.

“(2) SEQUESTRATION REPORTS.—When OMB submits a sequestration report under section 254(e), (f), or (g) for a fiscal year, OMB shall calculate, and the sequestration report and subsequent budgets submitted by the President under section 1105(a) of title 31, United States Code, shall include adjustments to discretionary spending limits (and those limits as adjusted) for the fiscal year and each succeeding year through 2002, as follows:

“(A) EMERGENCY APPROPRIATIONS.—If, for any fiscal year, appropriations for discretionary accounts are enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all fiscal years from such appropriations. This subparagraph shall not apply to appropriations to cover agricultural crop disaster assistance.

“(B) SPECIAL OUTLAY ALLOWANCE.—If, in any fiscal year, outlays for a category exceed the discretionary spending limit for that category but new budget authority does not exceed its limit for that category (after application of the first step of a sequestration described in subsection

(a)(2), if necessary), the adjustment in outlays for a fiscal year is the amount of the excess but not to exceed 0.5 percent of the sum of the adjusted discretionary spending limits on outlays for that fiscal year.

“(C) CONTINUING DISABILITY REVIEWS.—(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for continuing disability reviews under the heading ‘Limitation on Administrative Expenses’ for the Social Security Administration, the adjustments for that fiscal year shall be the additional new budget authority provided in that Act for such reviews for that fiscal year and the additional outlays flowing from such amounts, but shall not exceed—

“(I) for fiscal year 1998, \$290,000,000 in additional new budget authority and \$338,000,000 in additional outlays;

“(II) for fiscal year 1999, \$520,000,000 in additional new budget authority and \$520,000,000 in additional outlays;

“(III) for fiscal year 2000, \$520,000,000 in additional new budget authority and \$520,000,000 in additional outlays;

“(IV) for fiscal year 2001, \$520,000,000 in additional new budget authority and \$520,000,000 in additional outlays; and

“(V) for fiscal year 2002, \$520,000,000 in additional new budget authority and \$520,000,000 in additional outlays.

“(ii) As used in this subparagraph—

“(I) the term ‘continuing disability reviews’ means reviews or redeterminations as defined under section 201(g)(1)(A) of the Social Security Act and reviews and redeterminations authorized under section 211 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;

“(II) the term ‘additional new budget authority’ means the amount provided for a fiscal year, in excess of \$200,000,000, in an appropriations Act and specified to pay for the costs of continuing disability reviews under the heading ‘Limitation on Administrative Expenses’ for the Social Security Administration; and

“(III) the term ‘additional outlays’ means outlays, in excess of \$200,000,000 in a fiscal year, flowing from the amounts specified for continuing disability reviews under the heading ‘Limitation on Administrative Expenses’ for the Social Security Administration, including outlays in that fiscal year flowing from amounts specified in Acts enacted for prior fiscal years (but not before 1996).

“(D) ALLOWANCE FOR IMF.—If an appropriation bill or joint resolution is enacted for a fiscal year through 2002 that includes an appropriation with respect to clause (i) or (ii), the adjustment shall be the amount of budget authority in the measure that is the dollar equivalent of the Special Drawing Rights with respect to—

“(i) an increase in the United States quota as part of the International Monetary Fund Eleventh General Review of Quotas (United States Quota); or

“(ii) any increase in the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreements Act, as amended from time to time (New Arrangements to Borrow).

“(E) ALLOWANCE FOR INTERNATIONAL ARREARAGES.—

“(i) ADJUSTMENTS.—If an appropriation bill or joint resolution is enacted for fiscal year 1998, 1999, or 2000 that includes an appropriation for arrearages for international organizations, international peacekeeping, and multilateral development banks for that fiscal year, the adjustment shall be the amount of budget authority in that measure and the outlays flowing in all fiscal years from that budget authority.

“(ii) LIMITATIONS.—The total amount of adjustments made pursuant to this subparagraph for the period of fiscal years 1998 through 2000 shall not exceed \$1,884,000,000 in budget authority.

“(F) EITC compliance initiative.—If an appropriation bill or joint resolution is enacted for a fiscal year that includes an appropriation for an earned income tax credit compliance initiative, the adjustment shall be the amount of budget authority in that measure for that initiative and the outlays flowing in all fiscal years from that budget authority, but not to exceed—

“(i) with respect to fiscal year 1998, \$138,000,000 in new budget authority and \$131,000,000 in outlays;

“(ii) with respect to fiscal year 1999, \$143,000,000 in new budget authority and \$143,000,000 in outlays;

“(iii) with respect to fiscal year 2000, \$144,000,000 in new budget authority and \$144,000,000 in outlays;

“(iv) with respect to fiscal year 2001, \$145,000,000 in new budget authority and \$145,000,000 in outlays; and

“(v) with respect to fiscal year 2002, \$146,000,000 in new budget authority and \$146,000,000 in outlays.”.

(b) SHIFTING OF DISCRETIONARY SPENDING LIMITS INTO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subsection:

“(c) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term ‘discretionary spending limit’ means—

“(1) with respect to fiscal year 1997, for the discretionary category, the current adjusted limits of new budget authority and outlays;

“(2) with respect to fiscal year 1998—

“(A) for the defense category: \$269,000,000,000 in new budget authority and \$266,823,000,000 in outlays;

“(B) for the nondefense category: \$252,357,000,000 in new budget authority and \$282,853,000,000 in outlays; and

“(C) for the violent crime reduction category: \$5,500,000,000 in new budget authority and \$3,592,000,000 in outlays;

“(3) with respect to fiscal year 1999—

“(A) for the defense category: \$271,500,000,000 in new budget authority and \$266,518,000,000 in outlays;

“(B) for the nondefense category: \$255,699,000,000 in new budget authority and \$287,850,000,000 in outlays; and

“(C) for the violent crime reduction category: \$5,800,000,000 in new budget authority and \$4,953,000,000 in outlays;

“(4) with respect to fiscal year 2000—

“(A) for the discretionary category: \$532,693,000,000 in new budget authority and \$558,711,000,000 in outlays; and

“(B) for the violent crime reduction category: \$4,500,000,000 in new budget authority and \$5,554,000,000 in outlays;

“(5) with respect to fiscal year 2001, for the discretionary category: \$542,032,000,000 in new budget authority and \$564,396,000,000 in outlays; and

“(6) with respect to fiscal year 2002, for the discretionary category: \$551,074,000,000 in new budget authority and \$560,799,000,000 in outlays;

as adjusted in strict conformance with subsection (b).”.

(c) REPEAL OF DUPLICATIVE PROVISIONS.—Sections 201, 202, 204(b), 206, and 211 of House Concurrent Resolution 84 (105th Congress) are repealed.

SEC. 10204. VIOLENT CRIME REDUCTION SPENDING.

(a) SEQUESTRATION REGARDING VIOLENT CRIME REDUCTION SPENDING.—

2 USC 901a.

(1) REPEAL.—Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

2 USC 900.

(2) TABLE OF CONTENTS.—The item relating to section 251A in the table contents set forth in section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(b) CONFORMING AMENDMENT.—Section 310002 of Public Law 103-322 (42 U.S.C. 14212) is repealed.

SEC. 10205. ENFORCING PAY-AS-YOU-GO.

2 USC 902.

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking subsections (a) and (b) and inserting the following:

“(a) PURPOSE.—The purpose of this section is to assure that any legislation enacted before October 1, 2002, affecting direct spending or receipts that increases the deficit will trigger an offsetting sequestration.

“(b) SEQUESTRATION.—

“(1) TIMING.—Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 251 or 253, there shall be a sequestration to offset the amount of any net deficit increase caused by all direct spending and receipts legislation enacted before October 1, 2002, as calculated under paragraph (2).

“(2) CALCULATION OF DEFICIT INCREASE.—OMB shall calculate the amount of deficit increase or decrease by adding—

“(A) all OMB estimates for the budget year of direct spending and receipts legislation transmitted under subsection (d);

“(B) the estimated amount of savings in direct spending programs applicable to budget year resulting from the prior year’s sequestration under this section or section 253, if any, as published in OMB’s final sequestration report for that prior year; and

“(C) any net deficit increase or decrease in the current year resulting from all OMB estimates for the current year of direct spending and receipts legislation transmitted under subsection (d) that were not reflected in the final OMB sequestration report for the current year.”;

(2) by amending subsection (c)(1)(B), by inserting “and direct” after “guaranteed”;

(3) by amending subsection (d) to read as follows:

“(d) ESTIMATES.—

“(1) CBO ESTIMATES.—As soon as practicable after Congress completes action on any direct spending or receipts legislation, CBO shall provide an estimate to OMB of that legislation.

“(2) OMB ESTIMATES.—Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of enactment of any direct spending or receipts legislation, OMB shall transmit a report to the House of Representatives and to the Senate containing—

“(A) the CBO estimate of that legislation;

“(B) an OMB estimate of that legislation using current economic and technical assumptions; and

“(C) an explanation of any difference between the 2 estimates.

“(3) SIGNIFICANT DIFFERENCES.—If during the preparation of the report under paragraph (2) OMB determines that there is a significant difference between the OMB and CBO estimates, OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate regarding that difference and that consultation, to the extent practicable, shall include written communication to such committees that affords such committees the opportunity to comment before the issuance of that report.

“(4) SCOPE OF ESTIMATES.—The estimates under this section shall include the amount of change in outlays or receipts for the current year (if applicable), the budget year, and each outyear excluding any amounts resulting from—

“(A) full funding of, and continuation of, the deposit insurance guarantee commitment in effect under current estimates; and

“(B) emergency provisions as designated under subsection (e).

“(5) SCOREKEEPING GUIDELINES.—OMB and CBO, after consultation with each other and the Committees on the Budget of the House of Representatives and the Senate, shall—

“(A) determine common scorekeeping guidelines; and

“(B) in conformance with such guidelines, prepare estimates under this section.”; and

(4) in subsection (e), by striking “, for any fiscal year from 1991 through 1998,” and by striking “through 1995”.

SEC. 10206. REPORTS AND ORDERS.

2 USC 904.

Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking subsection (c) and redesignating subsections (d) through (k) as (c) through (j), respectively;

(2) in subsection (c) (as redesignated), by striking “1998” and inserting “2002”;

(3) in subsection (d) (as redesignated), by striking “(h)” and inserting “(f)”;

(4)(A) in subsection (f)(2)(A) (as redesignated), by striking “1998” and inserting “2002”;

(B) in subsection (f)(3) (as redesignated), by striking “through 1998”; and

(C) by striking subsection (f)(4) (as redesignated) and by redesignating paragraphs (5) and (6) of that subsection as paragraphs (4) and (5), respectively; and

(5) in subsection (g) (as redesignated), by striking “(g)” each place it appears and inserting “(f)”.

SEC. 10207. EXEMPT PROGRAMS AND ACTIVITIES.

2 USC 905.

(a) **VETERANS PROGRAMS.**—Section 255(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In the item relating to Veterans Insurance and Indemnity, strike “Indemnity” and insert “Indemnities”.

(2) In the item relating to Veterans’ Canteen Service Revolving Fund, strike “Veterans’ “.

(3) In the item relating to Benefits under chapter 21 of title 38, strike “(36-0137-0-1-702)” and insert “(36-0120-0-1-701)”.

(4) In the item relating to Veterans’ compensation, strike “Veterans’ compensation” and insert “Compensation”.

(5) In the item relating to Veterans’ pensions, strike “Veterans’ pensions” and insert “Pensions”.

(6) After the last item, insert the following new items: “Benefits under chapter 35 of title 38, United States Code, related to educational assistance for survivors and dependents of certain veterans with service-connected disabilities (36-0137-0-1-702);

“Assistance and services under chapter 31 of title 38, United States Code, relating to training and rehabilitation for certain veterans with service-connected disabilities (36-0137-0-1-702);

“Benefits under subchapters I, II, and III of chapter 37 of title 38, United States Code, relating to housing loans for certain veterans and for the spouses and surviving spouses of certain veterans Guaranty and Indemnity Program Account (36-1119-0-1-704);

“Loan Guaranty Program Account (36-1025-0-1-704); and

“Direct Loan Program Account (36-1024-0-1-704).”.

(b) **CERTAIN PROGRAM BASES.**—Section 255(f) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(f) **OPTIONAL EXEMPTION OF MILITARY PERSONNEL.**—

“(1) IN GENERAL.—The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

“(2) LIMITATION.—The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget year.”.

(c) OTHER PROGRAMS AND ACTIVITIES.—(1) Section 255(g)(1)(A) of the Balanced Budget Emergency Deficit Control Act of 1985 is amended as follows:

2 USC 905.

(A) After the first item, insert the following new item:

“Activities financed by voluntary payments to the Government for goods or services to be provided for such payments;”.

(B) Strike “Thrift Savings Fund (26-8141-0-7-602);”.

(C) In the first item relating to the Bureau of Indian Affairs, insert “Indian land and water claims settlements and” after the comma.

(D) In the second item relating to the Bureau of Indian Affairs, strike “miscellaneous” and insert “Miscellaneous” and strike “, tribal trust funds”.

(E) Strike “Claims, defense (97-0102-0-1-051);”.

(F) In the item relating to Claims, judgments, and relief acts, strike “806” and insert “808”.

(G) Strike “Coinage profit fund (20-5811-0-2-803);”.

(H) Insert “Compact of Free Association (14-0415-0-1- 808);” after the item relating to the Claims, judgments, and relief acts.

(I) Insert “Conservation Reserve Program (12-2319-0-1- 302);” after the item relating to the Compensation of the President.

(J) In the item relating to the Customs Service, strike “852” and insert “806”.

(K) In the item relating to the Comptroller of the Currency, insert “, Assessment funds (20-8413-0-8-373)” before the semicolon.

(L) Strike “Director of the Office of Thrift Supervision;”.

(M) Strike “Eastern Indian land claims settlement fund (14-2202-0-1-806);”.

(N) After the item relating to the Exchange stabilization fund, insert the following new items:

“Farm Credit Administration, Limitation on Administrative Expenses (78-4131-0-3-351);

“Farm Credit System Financial Assistance Corporation, interest payment (20-1850-0-1-908);”.

(O) Strike “Federal Deposit Insurance Corporation;”.

(P) In the first item relating to the Federal Deposit Insurance Corporation, insert “(51-4064-0-3-373)” before the semicolon.

(Q) In the second item relating to the Federal Deposit Insurance Corporation, insert “(51-4065-0-3-373)” before the semicolon.

(R) In the third item relating to the Federal Deposit Insurance Corporation, insert “(51-4066-0-3-373)” before the semicolon.

(S) In the item relating to the Federal Housing Finance Board, insert “(95-4039-0-3-371)” before the semicolon.

(T) In the item relating to the Federal payment to the railroad retirement account, strike “account” and insert “accounts”.

(U) In the item relating to the health professions graduate student loan insurance fund, insert “program account” after “fund” and strike “(Health Education Assistance Loan Program) (75-4305-0-3-553)” and insert “(75-0340-0-1-552)”.

(V) In the item relating to Higher education facilities, strike “and insurance”.

(W) In the item relating to Internal revenue collections for Puerto Rico, strike “852” and insert “806”.

(X) Amend the item relating to the Panama Canal Commission to read as follows:

“Panama Canal Commission, Panama Canal Revolving Fund (95-4061-0-3-403);”.

(Y) In the item relating to the Medical facilities guarantee and loan fund, strike “(75-4430-0-3-551)” and insert “(75-9931-0-3-550)”.

(Z) In the first item relating to the National Credit Union Administration, insert “operating fund (25-4056-0-3-373)” before the semicolon.

(AA) In the second item relating to the National Credit Union Administration, strike “central” and insert “Central” and insert “(25-4470-0-3-373)” before the semicolon.

(BB) In the third item relating to the National Credit Union Administration, strike “credit” and insert “Credit” and insert “(25-4468-0-3-373)” before the semicolon.

(CC) After the third item relating to the National Credit Union Administration, insert the following new item:

“Office of Thrift Supervision (20-4108-0-3-373);”.

(DD) In the item relating to Payments to health care trust funds, strike “572” and insert “571”.

(EE) Strike “Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14-0415-0-1-806);”.

(FF) In the item relating to Payments to social security trust funds, strike “571” and insert “651”.

(GG) Strike “Payments to state and local government fiscal assistance trust fund (20-2111-0-1-851);”.

(HH) In the item relating to Payments to the United States territories, strike “852” and insert “806”.

(II) Strike “Resolution Funding Corporation;”.

(JJ) In the item relating to the Resolution Trust Corporation, insert “Revolving Fund (22-4055-0-3-373)” before the semicolon.

(KK) After the item relating to the Tennessee Valley Authority funds, insert the following new items:

“Thrift Savings Fund;

“United States Enrichment Corporation (95-4054-0-3-271);

“Vaccine Injury Compensation (75-0320-0-1-551);

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

(2) Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(A) Strike “The following budget” and insert “The following Federal retirement and disability”.

(B) In the item relating to Black lung benefits, strike “lung benefits” and insert “Lung Disability Trust Fund”.

(C) In the item relating to the Court of Federal Claims Court Judges’ Retirement Fund, strike “Court of Federal”.

(D) In the item relating to Longshoremen’s compensation benefits, insert “Special workers compensation expenses,” before “Longshoremen’s”.

(E) In the item relating to Railroad retirement tier II, strike “retirement tier II” and insert “Industry Pension Fund”.

(3) Section 255(g)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(A) Strike the following items:

“Agency for International Development, Housing, and other credit guarantee programs (72-4340-0-3-151);

“Agricultural credit insurance fund (12-4140-0-1- 351);”.

(B) In the item relating to Check forgery, strike “Check” and insert “United States Treasury check”.

(C) Strike “Community development grant loan guarantees (86-0162-0-1-451);”.

(D) After the item relating to the United States Treasury Check forgery insurance fund, insert the following new item:

“Credit liquidating accounts;”.

(E) Strike the following items:

“Credit union share insurance fund (25-4468-0-3-371);”.

“Economic development revolving fund (13-4406-0-3-452);”.

“Export-Import Bank of the United States, Limitation of program activity (83-4027-0-3-155);”.

“Federal Deposit Insurance Corporation (51-8419-0-8-371);”.

“Federal Housing Administration fund (86-4070-0-3-371);”.

“Federal ship financing fund (69-4301-0-3-403);”.

“Federal ship financing fund, fishing vessels (13-4417-0-3-376);”.

“Government National Mortgage Association, Guarantees of mortgage-backed securities (86-4238-0-3-371);”.

“Health education loans (75-4307-0-3-553);”.

“Indian loan guarantee and insurance fund (14-4410-0-3-452);”.

“Railroad rehabilitation and improvement financing fund (69-4411-0-3-401);”.

“Rural development insurance fund (12-4155-0-3-452);”.

“Rural electric and telephone revolving fund (12-4230-8-3-271);”.

“Rural housing insurance fund (12-4141-0-3-371);”.

“Small Business Administration, Business loan and investment fund (73-4154-0-3-376);”.

“Small Business Administration, Lease guarantees revolving fund (73-4157-0-3-376);”.

“Small Business Administration, Pollution control equipment contract guarantee revolving fund (73-4147-0-3-376);”.

“Small Business Administration, Surety bond guarantees revolving fund (73-4156-0-3-376);”.

“Department of Veterans Affairs Loan guaranty revolving fund (36-4025-0-3-704);”.

2 USC 905.

(d) **LOW-INCOME PROGRAMS.**—Section 255(h) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Amend the item relating to Child nutrition to read as follows:

“Child nutrition programs (with the exception of special milk programs) (12-3539-0-1-605);”.

(2) After the second item insert the following new items:

“Temporary assistance for needy families (75-1552-0-1-609);

“Contingency fund (75-1522-0-1-609);”

“Child care entitlement to States (75-1550-0-1-609);

(3) Amend the item relating to Women, infants, and children program to read as follows:

“Special supplemental nutrition program for women, infants, and children (WIC) (12-3510-0-1-605);”.

(4) After the last item add the following new item:

“Family support payments to States (75-1501-0-1-609);”.

(e) **IDENTIFICATION OF PROGRAMS.**—Section 255(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(i) **IDENTIFICATION OF PROGRAMS.**—For purposes of subsections (b), (g), and (h), each account is identified by the designated budget account identification code number set forth in the Budget of the United States Government 1998-Appendix, and an activity within an account is designated by the name of the activity and the identification code number of the account.”.

(f) **OPTIONAL EXEMPTION OF MILITARY PERSONNEL.**—Section 255(h) of the Balanced Budget and Emergency Deficit Control Act of 1985 (relating to optional exemption of military personnel) is repealed.

SEC. 10208. GENERAL AND SPECIAL SEQUESTRATION RULES.

(a) **HEADINGS.**—

2 USC 906.

(1) **SECTION.**—The section heading of section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking “exceptions, limitations, and special rules” and inserting “general and special sequestration rules”.

2 USC 900.

(2) **TABLE OF CONTENTS.**—The item relating to section 256 in the table contents set forth in section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES.”.

(b) **AUTOMATIC SPENDING INCREASES.**—Section 256(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

“(b) STUDENT LOANS.—For all student loans under part B or D of title IV of the Higher Education Act of 1965 made during the period when a sequestration order under section 254 is in effect as required by section 252 or 253, origination fees under sections 438(c)(2) and 455(c) of that Act shall each be increased by 0.50 percentage point.”.

(d) HEALTH CENTERS.—Section 256(e)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the dash and all that follows thereafter and inserting “2 percent.”.

(e) TREATMENT OF FEDERAL ADMINISTRATIVE EXPENSES.—Section 256(h) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (2), by striking “joint resolution” and inserting “part”; and

(2) in paragraph (4), by striking subparagraphs (D) and (H), by redesignating subparagraphs (E), (F), (G), and (I), as subparagraphs (D), (E), (F), and (G), respectively, and by adding at the end the following new subparagraph:

“(H) Farm Credit Administration.”.

(f) COMMODITY CREDIT CORPORATION.—Section 256(j) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking paragraphs (2) through (5) and inserting the following:

“(2) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—(A) Loan eligibility under any contract entered into with a person by the Commodity Credit Corporation prior to the time an order has been issued under section 254 shall not be reduced by an order subsequently issued. Subject to subparagraph (B), after an order is issued under such section for a fiscal year, any cash payments for loans or loan deficiencies made by the Commodity Credit Corporation shall be subject to reduction under the order.

“(B) Each loan contract entered into with producers or producer cooperatives with respect to a particular crop of a commodity and subject to reduction under subparagraph (A) shall be reduced in accordance with the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of an order under section 254, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for the next succeeding crop of the commodity, under the authority provided in paragraph (3).

“(3) DELAYED REDUCTION IN OUTLAYS PERMISSIBLE.—Notwithstanding any other provision of this title, if an order under section 254 is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (1) may provide for reductions in outlays for the account involved to occur in the fiscal year following the fiscal year to which the order applies.

“(4) UNIFORM PERCENTAGE RATE OF REDUCTION AND OTHER LIMITATIONS.—All reductions described in paragraph (2) which are required to be made in connection with an order issued under section 254 with respect to a fiscal year shall be made so as to ensure that outlays for each program, project, activity, or account involved are reduced by a percentage rate that is uniform for all such programs, projects, activities, and

accounts, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order.

“(5) DAIRY PROGRAM.—Notwithstanding any other provision of this subsection, as the sole means of achieving any reduction in outlays under the milk price support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use. That price reduction (measured in cents per hundred weight of milk marketed) shall occur under section 201(d)(2)(A) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued under section 254, and shall not exceed the aggregate amount of the reduction in outlays under the milk price support program that otherwise would have been achieved by reducing payments for the purchase of milk or the products of milk under this subsection during the applicable fiscal year.”.

2 USC 906. (g) EFFECTS OF SEQUESTRATION.—Section 256(k) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In paragraph (1), strike “other than a trust or special fund account” and insert “, except as provided in paragraph (5)” before the period.

(2) Amend paragraph (6) to read as follows:

“(6) Budgetary resources sequestered in revolving, trust, and special fund accounts and offsetting collections sequestered in appropriation accounts shall not be available for obligation during the fiscal year in which the sequestration occurs, but shall be available in subsequent years to the extent otherwise provided in law.”.

SEC. 10209. THE BASELINE.

2 USC 907. (a) IN GENERAL.—Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (b)(2) by amending subparagraph (A) to read as follows:

“(A)(i) No program established by a law enacted on or before the date of enactment of the Balanced Budget Act of 1997 with estimated current year outlays greater than \$50,000,000 shall be assumed to expire in the budget year or the outyears. The scoring of new programs with estimated outlays greater than \$50,000,000 a year shall be based on scoring by the Committees on Budget or OMB, as applicable. OMB, CBO, and the Budget Committees shall consult on the scoring of such programs where there are differences between CBO and OMB.

“(ii) On the expiration of the suspension of a provision of law that is suspended under section 171 of Public Law 104-127 and that authorizes a program with estimated fiscal year outlays that are greater than \$50,000,000, for purposes of clause (i), the program shall be assumed to continue to operate in the same manner as the program operated immediately before the expiration of the suspension.”;

(2) by adding the end of subsection (b)(2) the following new subparagraph:

“(D) If any law expires before the budget year or any outyear, then any program with estimated current year outlays greater than \$50,000,000 that operates under that law shall be assumed to continue to operate under that law as in effect immediately before its expiration.”;

(3) in the second sentence of subsection (c)(5), by striking “national product fixed-weight price index” and inserting “domestic product chain-type price index”; and

(4) by striking subsection (e) and inserting the following:

“(e) ASSET SALES.—Amounts realized from the sale of an asset shall not be included in estimates under section 251, 252, or 253 if that sale would result in a financial cost to the Federal Government as determined pursuant to scorekeeping guidelines.”.

(b) PRESIDENT’S BUDGET.—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following:

“(32) a statement of the levels of budget authority and outlays for each program assumed to be extended in the baseline as provided in section 257(b)(2)(A) and for excise taxes assumed to be extended under section 257(b)(2)(C) of the Balanced Budget and Emergency Deficit Control Act of 1985.”.

(c) BUDGETARY TREATMENT OF CERTAIN TRUST FUND OPERATIONS.—Section 710 of the Social Security Act (42 U.S.C. 911) is amended to read as follows:

“BUDGETARY TREATMENT OF TRUST FUND OPERATIONS

“SEC. 710. (a) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund and the taxes imposed under sections 1401 and 3101 of the Internal Revenue Code of 1986 shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

“(b) No provision of law enacted after the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriated funds authorized under the Social Security Act as in effect on the date of the enactment of the Balanced Budget and Emergency Deficit control Act of 1985) may provide for payments from the general fund of the Treasury to any Trust Fund specified in subsection (a) or for payments from any such Trust Fund to the general fund of the Treasury.”.

SEC. 10210. TECHNICAL CORRECTION.

Section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985, entitled “Modification of Presidential Order”, is repealed. 2 USC 908.

SEC. 10211. JUDICIAL REVIEW.

Section 274 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows: 2 USC 922.

(1) Strike “252” or “252(b)” each place it occurs and insert “254”.

(2) In subsection (d)(1)(A), strike “257(l) to the extent that” and insert “256(a) if” and at the end insert “or”.

(3) In subsection (d)(1)(B), strike “new budget” and all that follows through “spending authority” and insert “budgetary resources” and strike “or” after the comma.

(4) Strike subsection (d)(1)(C).

(5) Strike subsection (f) and redesignate subsections (g) and (h) as subsections (f) and (g), respectively.

(6) In subsection (g) (as redesignated), strike “base levels of total revenues and total budget outlays, as” and insert “figures”, and strike “251(a)(2)(B) or (c)(2),” and insert “254”.

SEC. 10212. EFFECTIVE DATE.

(a) EXPIRATION.—Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking “Part C of this title, section” and inserting “Sections 251, 253, 258B, and”;

(2) by striking “1995” and inserting “2002”; and

(3) by adding at the end the following new sentence: “The remaining sections of part C of this title shall expire September 30, 2006.”.

(b) EXPIRATION.—Section 14002(c)(3) of the Omnibus Budget Reconciliation Act of 1993 (2 U.S.C. 900 note) is repealed.

SEC. 10213. REDUCTION OF PREEXISTING BALANCES AND EXCLUSION OF EFFECTS OF THIS ACT FROM PAYGO SCORECARD.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall—

(1) reduce any balances of direct spending and receipts legislation for any fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 to zero; and

(2) not make any estimates of changes in direct spending outlays and receipts under subsection (d) of that section for any fiscal year resulting from the enactment of this Act or of the Taxpayer Relief Act of 1997.