

TITLE XIII BUDGET ENFORCEMENT

§ 13001 **SEC. 13001. SHORT TITLE; TABLE OF CONTENTS.**

§ 13001(a) **(a) SHORT TITLE.** — This title may be cited as the “Budget Enforcement Act of 1990”.¹⁸⁰⁸

¹⁸⁰⁸ The Budget Enforcement Act of 1990, Pub. L. No. 101-508, tit. XIII, 104 Stat. 1388-573 (1990) (codified as amended in scattered sections of 2 U.S.C., 15 U.S.C. § 1022, 31 U.S.C §§ 1105, 1341, 1342 (Supp. IV 1992)).

The statement of managers accompanying the conference report on the Budget Enforcement Act explained the purposes of the Act generally:

BUDGET ENFORCEMENT ACT OF 1990

The conference agreement adds new enforcement mechanisms for discretionary spending[,] entitlements, and rece[iv]e to preserve the deficit reduction achieved by this Act over the next five years. The conference agreement adds a pay-as-you-go mechanism to ensure that any new entitlement or receipt legislation will not increase the deficit. The conference agreement also sets forth limits (caps) on discretionary spending provided in the annual appropriations process for each of fiscal years 1991 through 1995, and enforces these through a mechanism to require across-the-board cuts within any category to make up for any overages. To enforce deficit targets in fiscal years 1994 and 1995, the conference agreement extends the existing Gramm-Rudman-Hollings mechanism through fiscal year 1995, but with new procedures to allow adjustment for revised economic and technical estimates, in 1994 and 1995 at the President's option.

H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1151 (1990), *reprinted in* 1990 U.S.C.C.A.N. 2017, 2856.

For legislative history of the Budget Enforcement Act, see generally H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1151-218 (1990), *reprinted in* 1990 U.S.C.C.A.N. 2017, 2856-923 (statement of managers provisions on the Budget Enforcement Act); 136 CONG. REC. S15,822-40 (daily ed. Oct. 18, 1990) (Senate debate on the Senate version of what would become the Budget Enforcement Act); H.R. 5835, 101st Cong., 2d Cong., 136 CONG. REC. S15,868, S15,985-99 (daily ed. Oct. 18, 1990) (the Senate version of what would become the Budget Enforcement Act); EDWARD DAVIS & ROBERT KEITH,
(continued...)

¹⁰⁰⁰(...continued)

BUDGET ENFORCEMENT ACT OF 1990: LEGISLATIVE HISTORY (Nov. 5, 1990) (Cong. Res. Serv. rep. no. 90-518 GOV).

Although a President's statement upon signing a piece of legislation has no validity as legislative history, as the President issues it after Congress has exercised the legislative powers that article I, section 1 of the Constitution vests exclusively with Congress, the following are excerpts from President Bush's statement upon signing the Omnibus Budget Reconciliation Act of 1990, of which the Budget Enforcement Act is part:

**Statement on Signing the Omnibus Budget Reconciliation Act of 1990
November 5, 1990**

Today I am signing H.R. 5835, the "Omnibus Budget Reconciliation Act of 1990," the centerpiece of the largest deficit reduction package in history and an important measure for ensuring America's long-term economic growth. This Act is the result of long, hard work by the Administration and the Congress. No one got everything he or she wanted, but the end product is a compromise that merits enactment.

H.R. 5835, and the discretionary spending caps associated with it, will achieve nearly \$500 billion — almost half a trillion dollars — in deficit reduction over the next 5 years. Over 70 percent of that deficit reduction derives from outlay reductions; less than 30 percent from revenue increases. In addition, the Act enacts significant budget process reforms to ensure that the agreement is fulfilled and that budgetary discipline is extended and strengthened.

Entitlement Reforms. The Act provides for the most comprehensive and substantial reform of mandatory "entitlement" programs ever — about \$100 billion in savings from restructuring and reforms in the following major programs:

- Farm programs;
- Federal housing programs;
- Student loan programs;
- Veterans programs;
- Postal subsidies;
- Federal employee benefits; and
- Medicare.

Discretionary Program Caps. The Act establishes 5-year caps on over-
(continued...)

¹⁰⁰⁰(...continued)

all discretionary spending that will result in savings of over \$180 billion. To keep domestic and international spending from growing any faster than inflation, the Act creates new automatic "mini-sequesters." The Act also provides for an orderly defense reduction without threatening national security.

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Social Security. Social Security is fully protected and taken off-budget.

Enforcement and Process Reform. The Act contains the toughest enforcement system ever. The Gramm-Rudman-Hollings sequester process is extended and strengthened with caps, mini-sequesters, and a new "pay-as-you-go" system.

Credit Reform. The Act implements a new Federal accounting and budgeting system to expose and limit previously hidden (and rapidly growing) liabilities.

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This act creates the conditions that should allow future interest rates to be lower than they would be otherwise. Lower interest rates can benefit the entire economy. They can mean more housing starts; more Americans driving new cars; reductions in mortgage payments for homeowners; more long-term investment; greater productivity; and increased numbers of jobs.

In signing this landmark Act, I pledge the continuing best efforts of my Administration to maintain not only the letter, but the spirit of the new fiscal order for the Federal Government that is embodied in this agreement.

....

I would also note certain constitutional difficulties in other titles of the Omnibus Budget Reconciliation Act. . . .

Further, the Constitution empowers the President to "recommend to [Congress] such Measures as he shall judge necessary and expedient." U.S. Const. Art. II, Sec. 3. Several sections of the Act raise constitutional difficulties by appearing or purporting to impose requirements that the executive branch submit legislative proposals of a predetermined kind. The executive branch has consistently treated provisions of this type as advisory rather than as mandatory, and to avoid a constitutional question will so construe the provisions at issue here.

George Bush

(continued...)

§ 13001(b) (b) TABLE OF CONTENTS. —

TITLE XIII — BUDGET ENFORCEMENT

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

Sec. 13001. Short title; Table of contents.

PART I — AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

Sec. 13101. Sequestration.

PART II — RELATED AMENDMENTS

Sec. 13111. Temporary Amendments to the Congressional Budget Act of 1974.

Sec. 13112. Conforming amendments.

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

Sec. 13201. Credit Accounting.

Sec. 13202. Codification of Provision Regarding Revenue Estimates.

Sec. 13203. Debt Increase As Measure of Deficit; Display of Federal Retirement Trust Fund Balances.

¹⁰⁰⁰(...continued)

Statement on Signing the Omnibus Budget Reconciliation Act of 1990, 26 WEEKLY COMP. PRES. DOC. 1764-66 (Nov. 5, 1990).

The Budget Enforcement Act is title XIII of the Omnibus Budget Reconciliation Act of 1990, Pub. L. No. 101-508 (1990). Titles I through XII do not relate to the budget process:

- Title I. Agriculture and related programs.
- Title II. Banking, housing, and related programs.
- Title III. Student loans and labor provisions.
- Title IV. Medicare, medicaid, and other health-related programs.
- Title V. Income security, human resources, and related programs.
- Title VI. Energy and environmental programs.
- Title VII. Civil service and postal service programs.
- Title VIII. Veterans' programs.
- Title IX. Transportation.
- Title X. Miscellaneous user fees and other provisions.
- Title XI. Revenue provisions.
- Title XII. Pensions.

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- Sec. 13204. Pay-as-you-go Procedures.**
 - Sec. 13205. Amendments to Section 303.**
 - Sec. 13206. Amendments to Section 308.**
 - Sec. 13207. Standardization of Language Regarding Points of Order.**
 - Sec. 13208. Standardization of Additional Deficit Control Provisions.**
 - Sec. 13209. Codification of Precedent with regard to Conference Reports and Amendments between Houses.**
 - Sec. 13210. Superseded Deadlines and Conforming Changes.**
 - Sec. 13211. Definitions.**
 - Sec. 13212. Savings Transfers between Fiscal Years.**
 - Sec. 13213. Conforming Change to Title 31.**
 - Sec. 13214. The Byrd Rule on Extraneous Matter in Reconciliation.**

Subtitle C — Social Security

- Sec. 13301. Off-budget Status of OASDI Trust Funds.**
- Sec. 13302. Protection of OASDI Trust Funds in the House of Representatives.**
- Sec. 13303. Social Security Firewall and Point of Order in the Senate.**
- Sec. 13304. Report to the Congress by the Board of Trustees of the OASDI Trust Funds Regarding the Actuarial Balance of the Trust Funds.**
- Sec. 13305. Exercise of Rulemaking Power.**
- Sec. 13306. Effective Date.**

Subtitle D — Treatment of Fiscal Year 1991 Sequestration

- Sec. 13401. Restoration of Funds Sequestered.**

Subtitle E — Government-sponsored Enterprises

- Sec. 13501. Financial Safety and Soundness of Government-Sponsored Enterprises.**

