

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

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

§ 13101 **SEC. 13101. SEQUESTRATION.**

§ 13101(a) **(a) SECTIONS 250 THROUGH 254. — Sections 251 (except for subsection (a)(6)(I)) through 254 of part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.) are amended to read as follows:**

\* . . . \*<sup>1809</sup>

§ 13101(b) **(b) SECTION 250: DEFINITIONS. — Paragraph (12) of section 257 of such Act (as in effect immediately before the date of enactment of this Act) is redesignated as a new paragraph**

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<sup>1809</sup> See *supra* pp. 437-555.

(21) of section 250(c).<sup>1810</sup>

§ 13101(o) (c) **SECTION 255: EXEMPT PROGRAMS AND ACTIVITIES. —**

§ 13101(o)(1) (1) **Section 255(a) of such Act is amended to read as follows:**

**"(a) SOCIAL SECURITY BENEFITS AND TIER I RAILROAD RETIREMENT BENEFITS. — Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, and benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall be exempt from reduction under any order issued under this part."**

§ 13101(o)(2) (2) **Section 255(e) of such Act is amended to read as follows:**

**"(e) NON-DEFENSE UNOBLIGATED BALANCES. — Unobligated balances of budget authority carried over from prior fiscal years, except balances in the defense category, shall be exempt from reduction under any order issued under this part."**

§ 13101(o)(3) (3) **Section 255(g)(1)(B) of such Act is amended by inserting after the item relating to Railroad retirement tier II the following:**

**"Railroad supplemental annuity pension fund (60-8012-0-7--602);"**

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<sup>1810</sup> This paragraph defines the sale of an asset and the term "prepayment of a loan." See *supra* p. 448.

§ 13101(e)(4) (4) Section 255 of such Act is amended by inserting at the end the following:

**“(h)<sup>1811</sup> OPTIONAL EXEMPTION OF MILITARY PERSONNEL. —**

**“(1) 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) The President may not use the authority provided by paragraph (1) unless he notifies the Congress of the manner in which such authority will be exercised on or before the initial snapshot date for the budget year.”.**

§ 13101(d) (d) SECTION 256: EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES. —

§ 13101(d)(1) (1) Section 256(a) of such Act is amended to read as follows:

**“(a) AUTOMATIC SPENDING INCREASES. — Automatic spending increases are increases in outlays due to changes in indexes in the following programs:**

**“(1) National Wool Act;**

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<sup>1811</sup> As subsections (h) and (i) already existed, the Budget Enforcement Act should have added a new subsection (j) at the end of section 255, or perhaps have inserted the new subsection (h) in place of the existing subsection (f), which at least some drafters of the Budget Enforcement Act intended to repeal.

**"(2) Special milk program; and**

**"(3) Vocational rehabilitation  
basic State grants.**

**In those programs all amounts other than the  
automatic spending increases shall be exempt  
from reduction under any order issued under  
this part."**

§ 13101(d)(2)      **(2) Section 256 of such Act is amended by redesignating subsection (b) as subsection (h), subsection (c) as subsection (b), subsection (e) as subsection (f), subsection (f) as subsection (c), subsection (h) as subsection (i), and subsection (k) as subsection (e), by repealing subsections (i) and (l), and by inserting at the end the following:**

**" . . . . "**<sup>1812</sup>

§ 13101(d)(3)      **(3) Section 256 of such Act is amended by striking "section 252" each place it appears and by inserting "section 254".**

§ 13101(d)(4)      **(4) Section 256(c) (as redesignated) of such Act is amended by inserting after the first sentence the following: "No State's matching payments from the Federal Government for foster care maintenance payments or for adoption assistance maintenance payments may be reduced by a percentage exceeding the applicable domestic sequestration percentage."**

§ 13101(d)(5)      **(5) Section 256(d)(1) of such Act is amended to read as follows:**

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<sup>1812</sup> This paragraph added subsections (k) and (l) to section 256 of Gramm-Rudman-Hollings. See *supra* pp. 595-599.

**"(1) CALCULATION OF REDUCTION IN INDIVIDUAL PAYMENT AMOUNTS. — To achieve the total percentage reduction in those programs required by sections 252 and 253, and notwithstanding section 710 of the Social Security Act, OMB shall determine, and the applicable Presidential order under section 254 shall implement, the percentage reduction that shall apply to payments under the health insurance programs under title XVIII of the Social Security Act for services furnished after the order is issued, such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that fiscal year as determined on a 12-month basis."**

§ 13101(d)(6) (6) Section 256(d)(2)(C) of such Act is repealed.

§ 13101(e)(1) (e) THE BASELINE. — (1) Section 257 of such Act is amended to read as follows:

" . . . . " <sup>1813</sup>

§ 13101(e)(2) (2) Section 251(a)(6)(I) of such Act (as in effect immediately before the date of enactment of this Act) is redesignated as section 257(e) of such Act. Section 257(e) is amended by striking "assuming, for purposes of this paragraph and subparagraph (A)(i) of paragraph (3), that the" and inserting "The".

§ 13101(f) (f) Such Act is amended by inserting after section 257 the following:

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<sup>1813</sup> See *supra* pp. 600-617.

“ . . . . ” 1814

§ 13101(g) (g) Such Act is amended by inserting after section 258A the following:

“ . . . . ” 1815

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<sup>1814</sup> This subsection added sections 258 and 258A of Gramm-Rudman-Hollings. See *supra* pp. 619-639.

<sup>1815</sup> This subsection added sections 258B and 258C of Gramm-Rudman-Hollings. See *supra* pp. 643-662.