

[111 STAT 679]

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

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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.”.

(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)”;

(2) Section 22 of House Concurrent Resolution 218 (103d Congress) is repealed.

[2 USC 632.](#)

[108 Stat 5092.](#)

**EXPLANATORY STATEMENT OF MANAGERS
(H. CONF. REPT. 105-217)**

6. Amendments to section 301 of the Congressional Budget Act

HOUSE BILL (SECTION 11105)

This section makes various changes in the content and enforcement of the budget resolution through changes to Section 301 of the Budget Act. First, and most importantly, it permanently extends the requirement that the term of budget resolutions be for a period of at least 5 years. Under current law, the resolution must cover three fiscal years, but this window was temporarily extended to five years as part of the Omnibus Budget Reconciliation Acts of 1990 and 1993.

Second, it eliminates the requirement that budget resolutions set forth levels of direct loan obligations and primary loan guarantee commitment levels because under the Credit Reform Act of 1990 all loans are scored up front as new budget authority.

Third, it extends a provision, applicable only in the Senate, that provides for adjustments of committee allocations for deficit-neutral legislation as long as the legislation is deficit-neutral in the first year covered by the resolution and for the 5-year period covered by the resolution.

Fourth, it allows the Budget Committee Chairmen to set an alternative deadline for submission of committee views and estimates.

Finally, it extends the Social Security point of order in the Senate to include the concurrent budget resolution and any related amendments, motions, or conference reports.

SENATE AMENDMENT (SECTION 1604)

The Senate amendment is identical to the House bill with two exceptions. First, it adds a new paragraph (9) to include direct loan obligations and primary loan commitment guarantee levels as items that may be included in a budget resolution. Second, it also amends the listing of those items that must be included in a committee report accompanying a budget resolution and adds a listing of those items that may be included in such a report.

CONFERENCE AGREEMENT (SECTION 10105)

The Conference agreement reflects the House bill with an amendment.

The Conference agreement modifies the scope of budget resolutions to provide that a budget resolution must cover at least five years. The Congress has expanded the scope of budget enforcement activities in recent years. The 1990 BEA (section 606 of

the Budget Act) expanded the scope of budget enforcement by requiring budget resolutions to set 5-year enforceable levels. The Senate adopted its pay-as-you-go rule in 1993 that established a 10-year time-frame with respect to direct spending and revenue legislation. The 1996 budget resolution covered 7 years. The Bipartisan Budget Agreement covers ten years. The conference agreement retains the requirement that budget resolutions cover at least five years and provides Congress with the discretion to set a longer time frame in a budget resolution.

The conference agreement eliminates the requirement that a budget resolution contain direct loan and loan guarantee levels. The Conference agreement allows a budget resolution to set credit levels. The Federal Credit Reform Act of 1990 ("Credit Reform") modified the budgetary treatment of credit programs to require a subsidy appropriation before a direct loan obligation or loan guarantee commitment is made. Under credit reform, budget authority and outlays are scored when the subsidy appropriation is made and these levels are enforced by the section 302 allocations and the section 311 aggregates established by the budget resolution. Since the subsidy appropriation controls credit activity levels, there is no reason to continue these credit levels.

Credit reform is largely dependent on estimates made by the Executive Branch about interest rates and default risk. The integrity of these subsidy estimates is entirely in the control of the Executive Branch. If the Executive Branch made gross errors with respect to subsidy estimates or intentionally manipulated these estimates, the subsidy appropriation becomes much less relevant for determining credit levels. The conferees have been satisfied with the implementation of the Federal Credit Reform Act. However, if there are significant errors in subsidy estimates, for whatever reason, the Congress may want to return to establishing credit levels in a budget resolution. While the conferees do not believe credit levels need to be established in a budget resolution, for the reasons stated above, the conference agreement leaves this option to the discretion of the Congress.

[Joint Explanatory Statement on the Committee of Conference on the Balanced Budget Act of 1997; (Conference Report), Committee on the Budget, House of Representatives, 105th Congress, 1st Session, Washington D.C. 1997.]