

[111 STAT 685]

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)

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

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

12. Amendments to section 310 of the Congressional Budget Act

HOUSE BILL (SECTION 11110)

The House bill provides that reconciliation instructions may direct committees to achieve specified changes in direct spending. Under current law, the instructions are to be expressed as a change in new entitlement authority and new budget authority. This section essentially codifies the recent practice of reconciling committees to report legislation providing the necessary change in direct spending. Under current law, reconciliation instructions may be for new budget authority, outlays and new entitlement authority. Direct spending is

defined under section 250(c)(8) of [the Balanced Budget and Emergency Deficit Control Act of 1985].

It also codifies the interpretation of the House that the fungibility rule in section 310 of the Budget Act applies to legislation regardless of whether it increases or decreases revenues or spending. In order to preserve the original intent of section 310 to provide committees maximum flexibility in meeting their reconciliation targets, committees are allowed to substitute changes in revenue for changes in spending, or vice versa, by up to 20 percent of the sum of the reconciled changes in spending and revenue as long as the result does not increase the deficit relative to the reconciliation instructions.

Under one interpretation, the existing fungibility rule could not be invoked when a committee reduces revenues because the revenue change may cancel out reductions in spending. Accordingly, the rule now explicitly provides that the substitution factor is 20 percent of the sum of the absolute value of the reconciled change in revenue and the absolute value of the reconciled change in spending.

SENATE AMENDMENT (SECTION 787)

The Senate amendment amends section 310(e)(2) of the Congressional Budget Act to provide 30 hours of Senate consideration of a Reconciliation Bill. The amendment requires consent to yield back time on the bill or to limit debate. It also provides 30 minutes of debate per first degree amendment, and 20 minutes of debate per second degree amendment until the 15th hour of debate after which all amendments are limited to 30 minutes of debate. And, it prohibits submitting first degree amendments after the 15th hour of consideration, and prohibits submitting second degree amendments after the 20th hour.

CONFERENCE AGREEMENT (SECTION 10111)

The Conference agreement reflects the House bill with a modification. The conference agreement only amends section 310 to modify subsection 310(c)(1)(A) regarding the application of the fungibility rule in the House. While no language regarding Senate floor procedure is included, the conference agreement calls for a Senate bipartisan task force to study and report on budget resolution and reconciliation floor procedures.

[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.]