

[111 STAT 698]

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

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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

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(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—

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“(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:

2 USC 901.

“(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;

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“(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.

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

26. Amendments to section 251 of Gramm-Rudman-Hollings

HOUSE BILL (SECTION 11203)

The House bill provides for the extension of discretionary spending limits and enforcement procedures (sequestration) through 2002. Retains adjustments for emergencies, changes in concepts and definitions, and estimating differences in outlays. Adds automatic adjustments in these limits for legislation relating to the International Monetary Fund and arrearages. Eliminates adjustments for inflation, estimating differences in budget authority as well as expired adjustments for loan forgiveness and IRS compliance.

It imposes separate spending limits for defense and non defense discretionary spending for 1998 and 1999 and then collapses these limits under a general purpose discretionary spending limit for 2000, 2001 and 2002.

In conformance with the Bipartisan Budget Agreement, the House bill allows the separate limits on the violent crime reduction category to expire at the end of 1998. Funding for these programs will be subject to the non defense discretionary spending limit in 1999 and 2000 and the general purpose discretionary limits in 2001 and 2002.

SENATE AMENDMENT (SECTION 1653)

The Senate amendment is substantially similar to the House bill except that it extends separate violent crime reduction spending limits through 2002.

CONFERENCE AGREEMENT (SECTION 10203)

The Conference agreement reflects the House bill with some modifications. The violent crime reduction spending limits are extended through 2000.

[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.]