In section 257(c)(4), the bill conforms the inflator for civilian and military personnel to the pay rate increases required by existing law. It also changes the reference for non-pay inflation from GNP to GDP.

In section 257(c)(5), the bill codifies the existing treatment of annualizing part-year budget-year appropriations, not just part-year current-year appropriations. This prevents any disjunction between the amount sequestered (which is based on a full-year scoring under section 251(d)(4)) and the amount scored, which follows baseline rules.

In section 257(c)(5), the bill allows the scoring of permissive transfers to be updated for those accomplished by the submission of the midsession review. But this change does not override the Gramm-Rudman-Hollings requirement to use budget technical assumptions of prior-year outlays in scoring bills; it applies only in the very unlikely case in which Congress adjourns without enacting even a temporary continuing appropriation to cover a set of accounts. It also applies to unofficial baseline projections made after the midsession review.

In section 257(e), the bill rewrites the treatment of asset sales to conform to existing practice: asset sales count for the budget (they are not a "means of financing"), but the proceeds of asset sales newly enacted in a session don't count in that session as negative spending, so can't be used to meet targets or cover other spending.

The bill also makes technical corrections to the "fast-track" procedures provided in section 258 and section 258A–C. Specifically:

The bill repeals the first of the two section 258's. It was intended to have been repealed by Budget Enforcement Act of 1990, and was replaced in Budget Enforcement Act of 1990 by section 258A.

In section 258A, B, and C, the bill conforms cross-references.

In the second of the two section 258's, the bill clarifies that the 1st sentence of section 258(a)(4) applies only to the Senate, as intended.

In section 258C, a conforming amendment makes this fast-track procedure triggered by receipt of a scorecard report rather than the deleted update report.

The House bill revises section 274 to make conforming amendments that should have been made in Budget Enforcement Act of 1990. Further, the fallback procedure, which was written in Gramm-Rudman-Hollings I in anticipation that it might be ruled unconstitutional (as it was), is deleted.

Finally, the House bill retains the current expiration date for section 253, extends the expiration date for sections 251, 257, and 258B to the end of fiscal year 1998, and extends the expiration date for sections 250, 252, 254, 255, 256, 258, 258A, and 258C to the end of fiscal year 2002.

In section 275, the bill provides that any part of the Act that touches pay-as-you-go sequestration is extended to 2002. The remaining parts are extended to 1998 (but this does not supersede provisions within various sections specifying a shorter application, such as the cap adjustment for IRS funding).

In section 15111(b), effective dates are set forth. The provisions of the bill are effective immediately, but they alter procedures or otherwise make changes with respect to reports, orders, calculations, etc. first applicable to fiscal year 1994. For fiscal year 1993, the current Gramm-Rudman-Hollings is deemed to remain in place.

Senate Amendment

The Senate amendment extends the expiration date of sections 250 through 258C (except for section 253, which pertains to the enforcement of the deficit targets) from the end of fiscal year 1995 to the end of fiscal year 1998.

Conference Agreement

The conference agreement contains the Senate language.

THE CONGRESSIONAL BUDGET PROCESS

Subtitle B of Title XV (Budget Process) of the House-passed bill amends the Congressional Budget Act (CBA) of 1974 (P.L. 93-344, as amended) and related Standing Rules of the House of Representatives to make various changes in the congressional budget process. (In addition, Subtitle B extends the discretionary spending limits in the CBA of 1974, which are used for purposes of sequestration under the Gramm-Rudman-Hollings Act, through fiscal year 1998; these changes are discussed elsewhere).

Title XIV (Enforcement Procedures) of the Senate amendment amends the CBA of 1974 only the purpose of extending certain procedures in Title VI of that Act (including the discretionary spending limits).

The conference agreement includes the Senate language. The House conferees believe that the recommended changes in the House proposal are useful and important and therefore intend to pursue these changes in another forum.

1. BUDGET RESOLUTION COVERAGE AND ENFORCEMENT

Current Law

The Budget Enforcement Act of 1990 put in place temporary provisions in Title VI of the Budget Act to make the congressional budget process fit with the sequestration scheme that was also a part of the 1990 Budget Enforcement Act. These provisions were only temporary since Congress was venturing into new procedural territory and needed to see how the changes would play out. Titles III (Congressional Budget Process) and VI of the CBA of 1974 establish the requirements for the coverage and enforcement of the budget resolution. Each year, Congress adopts a concurrent resolution on the budget setting forth levels of spending, revenues, the deficit, and the public debt that reflect broad congressional budget policies and priorities. In general, budgetary legislation first effective in a fiscal year may not be considered until the budget resolution for that year has been adopted, with different exceptions specified for the House and Senate—including an exception in the House for regular appropriations measures considered after May 15.

The budget resolution is enforced principally through two means: (1) points of order under the CBA of 1974, which may be raised against legislation in violation of budget resolution levels or other CBA requirements, and (2) reconciliation instructions to House and Senate committees to bring existing spending revenue, and debt limit laws within their jurisdiction into conformity with budget resolution levels.

In particular, procedures under Section 302 and Section 311 of the CBA of 1974 (and under Section 602 for fiscal years 1991 through 1995 (see below) are prominent in the enforcement of budget resolution spending levels by points of order, especially with respect to the consideration of annual appropriations measures.

Under Section 302, once the budget resolution is adopted, all committees with spending jurisdiction receive an allocation of spending under the resolution for programs within their jurisdiction. (In the House, allocations are made for new budget authority, entitlement authority and outlays; in the Senate, allocations are made for new budget authority and outlays.) Committees then are required to subdivide amounts allocated to them among their subcommittees or by program. The Appropriations Committees must subdivide by subcommittee. In general, the House or Senate may not consider spending legislation for a fiscal year that would cause any committee subdivision of spending for that year to be exceeded. Outlay subdivisions are not enforced by point of order in the House.

Under section 311, the House and Senate may not consider spending or revenue measures that would cause the aggregate levels of spending and revenues in the budget resolution to be violated. An exception is provided in the House for instances in which the spending measure would not cause the pertinent committee's allocation of new discretionary budget authority or new entitlement authority to be exceeded. Section 311 also provides a procedure only in the Senate for the enforcement of spending and revenue levels for Social Security.

Title VI of the CBA of 1974, enacted as part of the Budget Enforcement Act (BEA) of 1990, sets forth temporary requirements for budget resolution coverage and enforcement for fiscal years 1991 through 1995. Budget resolutions and committee allocations are required to cover five fiscal years (rather than three fiscal years, as required under permanent law). Enforcement procedures under Section 302 are superseded through fiscal year 1995 by temporary requirements established in Section 602, including requirements that: (1) direct spending legislation is subject to a point of order if it breaches a spending allocation in the budget year or over the 5-year period covered by the allocation; (2) only the Appropriations Committees must make subdivisions of spending of amounts allocated to them under the budget resolution; and (3) if Congress has not adopted a budget resolution by April 15, the House Budget Committee must make an allocation of spending to the House Appropriations Committee consistent with the discretionary spending limits. Title VI also provides 1-year and 5-year enforcement of revenue legislation.

Under Section 310 of the CBA of 1974, reconciliation instructions in a budget resolution typically are used to reduce mandatory spending (particularly entitlements) and increase revenues, thereby reducing the deficit. Under Section 310(g), provisions making any change in Social Security may not be included in reconciliation legislation. (Provisions relating to the timing of action on reconciliation measures are discussed in Section 4 below.)

With respect to other elements included in a budget resolution, Section 710 of the Social Security Act requires that the receipts and disbursements of the Hospital Insurance Trust Fund be placed off budget, beginning in 1993. However, section 606 of the CBA of 1974 requires that a budget resolution not exceed the maximum deficit amount as determined under section 601(a)(1). The receipts and disbursements of the Hospital Insurance Trust Fund (HI) must be included in deficit calculations, notwithstanding any other provision of law, for purposes of determining the maximum deficit amount under section 601(a)(1). So, for the last several years, the budget resolution has included a separate display of the receipts and disbursements of the Hospital Insurance Trust Fund—and two separate deficit amounts, one including and one excluding the HI amounts—in order to comply with the requirement to place HI off-