

budget and the requirement not to exceed the maximum deficit amount including HI. Further, the CBA of 1974 requires that credit amounts (new direct loan obligations and new primary loan guarantee commitments) be provided on a functional basis—even though the Federal Credit Reform Act of 1990 (incorporated into the CBA of 1974 as a new Title V) rendered these amounts less relevant or significant.

House Bill

In light of Congress' experience since 1990 with the Budget Enforcement Act, the House bill proposes changes that: make 5-year budget resolutions and 1-year/5-year enforcement permanent; focus points of order on the deficit impact of legislation; reduce the need for technical waivers to the congressional budget process; and rewrite points of order so that they apply only to the language that is actually before the House when it considers a bill.

Under the House bill, various changes are made in permanent provisions of the CBA of 1974, and the temporary provisions of the Act (except for the ones dealing with the discretionary spending limits) either are revised and made permanent, or are repealed. The term "budget authority" is redefined so that all types of spending including grants, loans, and entitlements compete on a level playing field. The term "direct spending" is defined so that salary and basic pay are more properly controlled as discretionary items.

The procedures for making and enforcing spending allocations to committees (in Sections 302 and 602) and for enforcing aggregate spending and revenue levels (in Section 311) are revised. In essence, the old enforcement system is replaced by an expanded enforcement procedure that focuses on committee responsibility and deficit impact.

The House bill modifies procedures for enforcing committee allocations and subdivisions in a new Section 302, which applies solely to the House and Senate Appropriations Committees, and a new Section 311, which applies to committees with jurisdiction over direct (mandatory) spending and revenues. Both provisions clarify the way points of order are applied. Under this proposal, points of order would only apply to the language that is actually before the House when it considers a bill.

Under the new Section 302, the Committees on Appropriations would receive an allocation of spending (for new budget authority and outlays), which they then would subdivide among their subcommittees. Appropriations legislation that would cause an allocation or subdivision of new budget authority to be exceeded would be out of order. The prohibition does not apply to current-year supplemental appropriations measures as long as the total allocation to the Committee is not exceeded. Outlay allocations would not be enforced in either chamber.

Under the new Section 311, committees other than the Appropriations Committees would be allocated a "deficit impact number" (or "surplus impact number") for the first fiscal year and the total for all fiscal years covered by the budget resolution. The deficit impact number (or surplus impact number) reflects the change in the deficit (or surplus) assumed under the budget resolution for direct spending or revenue legislation within a committee's jurisdiction. Legislation increasing the deficit (or lowering the surplus) in any fiscal year covered by the budget resolution that also produces a higher deficit (or lower surplus) than the committee's first-year or five-year impact number would be out of order.

Certain changes also are made by the House bill with respect to the reconciliation process under Section 310. First, spending directives may cover only direct spending, affirming the current practice that reconciliation is not applied to discretionary appropriations. Second, the current prohibition against making changes in Social Security in reconciliation legislation is changed to a prohibition against reducing Social Security benefits. Third, reconciliation instructions can either direct separate targets for revenues and spending changes or a combined deficit reduction amount. Under current law, a committee "complies" with its instructions so long as it does not exceed or fall below the separate revenue and spending targets by more than 20%. Under the House proposal, there is no wiggle room.

In addition, the following temporary requirements in Title VI are retained and made permanent: (1) that budget resolutions cover five fiscal years; and (2) that the House Budget Committee make an allocation of spending to the House Appropriations Committee consistent with the discretionary spending limits if the budget resolution is not adopted by April 30 (the House bill also retains the current law deadline of April 15 for adoption of the budget resolution).

The House bill modifies the prohibition under Section 303 against considering legislation for a fiscal year before the budget resolution for that year is adopted. Under the proposed procedure, any spending or revenue legislation first effective in the last fiscal year covered by the most recently agreed to budget resolution or in any subsequent fiscal year is out of order (i.e., the fifth year covered by the budget resolution and subsequent fiscal years). No exceptions are specified.

Finally, the House bill also makes changes in the required and optional elements of the budget resolution. It clarifies a requirement that the budget resolution include the receipts and disbursements of the Old Age Survivors and Disability Insurance (OASDI) trust funds solely for the purpose of Senate points of order. It specifies that the receipts and disbursements of the Hospital Insurance trust fund shall be included in the budget resolution. It also deletes the requirement that budget resolutions include direct loan and loan guaranty amounts; this requirement is no longer necessary in light of the credit reform provisions in Title V and the new definition of budget authority. Finally, the bill deletes the deferred enrollment procedure from the list of optional budget resolution elements.

Senate Amendment

The Senate amendment, in Section 14002(3)(B), extends all of the temporary enforcement procedures in Title VI and the CBA of 1974 through the end of fiscal year 1998 without change.

The conferees note that in the context of the other changes made by the conference agreement, the extension of section 601(b)(1) will codify a point of order in the Senate identical in effect to that created by section 12(b)(2) of the concurrent resolution adopted in April of 1993. (H.Con.Res. 64, 103rd Cong., 1st Sess., section 12(b)(2), 139 Cong. Rec. H1747, H1753 (daily ed. Mar. 31, 1993) (adopted)).

Conference Agreement

The House recedes to the Senate. 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.

2. TIMING OF CONGRESSIONAL BUDGET ACTION

Current Law

The timetable in Section 300 provides that the House of Representatives should complete action on all of the regular appropriations bills for the coming fiscal year by June 30. (Section 300 also provides that the House Appropriations Committee should report all of the regular appropriations bills for the coming fiscal year by June 10.) In furtherance of this objective, Section 309 of the Act prohibits the House of Representatives from considering a resolution that provides for an adjournment of more than three days in July until it has passed all of the regular appropriations bills for the coming fiscal year.

The timetable in Section 300 also provides that the House of Representatives should complete action on any required reconciliation legislation for the coming fiscal year by June 15. Section 310(f) of the Act prohibits the House of Representatives from considering a resolution that provides for an adjournment of more than three days in July until it has passed the required reconciliation legislation.

Section 402 of the Act, as originally framed in 1974, required that authorizing measures for a fiscal year be reported by May 15 preceding the fiscal year; this requirement was repealed (and the original language of section 402 was replaced with an unrelated provision) by the GRH Act of 1985.

House Bill

The House bill retains the June 30 deadline in Section 300 of the CBA of 1974 for the completion of House action on the regular appropriations bills for the coming fiscal year and changes the deadline for completed House action on required reconciliation measures from June 15 of June 30. Further, the House bill repeals the prohibitions against House consideration of a July adjournment resolution if either of these conditions have not been met. In Section 309, the current language dealing with the prohibition against adjournment in July is replaced by language that encourages (but does not require) the reporting of pertinent authorizing measure by May 15.

Senate Amendment

The Senate amendment contains no such changes.

Conference Agreement

The House recedes to the Senate. 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.

3. OTHER CHANGES IN THE CONGRESSIONAL BUDGET ACT OF 1974 AND RELATED HOUSE RULES

Current Law

Title IV of the CBA of 1974 contains provisions that control "backdoor spending" (borrowing, contract, and entitlement authority) and new credit authority (in Sections 401 and 402, respectively), require the Congressional Budget Office to prepare cost estimates for legislation and the General Accounting Office to study on a continuing basis permanent forms of spending (in Sections 403 and 405, respectively), require that certain previously off-budget entities be included in the budget (in Section 406), and establish in the House a Member User Group to study budgetary scorekeeping rules and practices (in Section 407). (Section 404 amended House and Senate rules with regard to the jurisdiction of the Appropriations Committees.)

Title V, referred to as the Federal Credit Reform Act of 1990, establishes procedures for accounting for credit transactions on a