

103^D CONGRESS
2^D SESSION

H. R. 4604

AN ACT

To establish direct spending targets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; PURPOSE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Budget Control Act of 1994”.

6 (b) **PURPOSE.**—The purpose of this Act is to create
7 a mechanism to monitor total costs of direct spending pro-
8 grams, and, in the event that actual or projected costs ex-
9 ceed targeted levels, to require the President and Congress
10 to address adjustments in direct spending.

1 **SEC. 2. ESTABLISHMENT OF DIRECT SPENDING TARGETS.**

2 (a) IN GENERAL.—The initial direct spending targets
3 for each of fiscal years 1994 through 1997 shall equal
4 total outlays for all direct spending except net interest and
5 deposit insurance as determined by the Director of the Of-
6 fice of Management and Budget (hereinafter referred to
7 in this Act as the “Director”) under subsection (b).

8 (b) INITIAL REPORT BY DIRECTOR.—

9 (1) Not later than 30 days after the date of en-
10 actment of this Act, the Director shall submit a re-
11 port to Congress setting forth projected direct
12 spending targets for each of fiscal years 1994
13 through 1997.

14 (2) The Director’s projections shall be based on
15 legislation enacted as of 5 days before the report is
16 submitted under paragraph (1). To the extent fea-
17 sible, the Director shall use the same economic and
18 technical assumptions used in preparing the concur-
19 rent resolution on the budget for fiscal year 1994
20 (H. Con. Res. 64, One Hundred Third Congress).

21 (c) ADJUSTMENTS.—Direct spending targets shall be
22 subsequently adjusted by the Director under section 6.

23 **SEC. 3. ANNUAL REVIEW OF DIRECT SPENDING AND RE-**
24 **CEIPTS BY PRESIDENT.**

25 As part of each budget submitted under section
26 1105(a) of title 31, United States Code, the President

1 shall provide an annual review of direct spending and re-
2 ceipts, which shall include (1) information supporting the
3 adjustment of direct spending targets pursuant to section
4 6, (2) information on total outlays for programs covered
5 by the direct spending targets, including actual outlays for
6 the prior fiscal year and projected outlays for the current
7 fiscal year and the 5 succeeding fiscal years, and (3) infor-
8 mation on the major categories of Federal receipts, includ-
9 ing a comparison between the levels of those receipts and
10 the levels projected as of the date of enactment of this
11 Act.

12 **SEC. 4. SPECIAL DIRECT SPENDING MESSAGE BY PRESI-**
13 **DENT.**

14 (a) TRIGGER.—In the event that the information sub-
15 mitted by the President under section 3 indicates—

16 (1) that actual outlays for direct spending in
17 the prior fiscal year exceeded the applicable direct
18 spending target, or

19 (2) that outlays for direct spending for the cur-
20 rent or budget year are projected to exceed the ap-
21 plicable direct spending targets,

22 the President shall include in his budget a special direct
23 spending message meeting the requirements of subsection
24 (b).

1 (b) CONTENTS.—(1) The special direct spending
2 message shall include:

3 (A) An explanation of any adjustments to the
4 direct spending targets pursuant to section 6.

5 (B) An analysis of the variance in direct spend-
6 ing over the adjusted direct spending targets.

7 (C) The President's recommendations for ad-
8 dressing the direct spending overages, if any, in the
9 prior, current, or budget year.

10 (2) The President's recommendations may consist of
11 any of the following:

12 (A) Proposed legislative changes to reduce out-
13 lays, increase revenues, or both, in order to recoup
14 or eliminate the overage for the prior, current, and
15 budget years in the current year, the budget year,
16 and the 4 outyears.

17 (B) Proposed legislative changes to reduce out-
18 lays, increase revenues, or both, in order to recoup
19 or eliminate part of the overage for the prior, cur-
20 rent, and budget year in the current year, the budg-
21 et year, and the 4 outyears, accompanied by a find-
22 ing by the President that, because of economic con-
23 ditions or for other specified reasons, only some of
24 the overage should be recouped or eliminated by out-
25 lay reductions or revenue increases, or both.

1 (C) A proposal to make no legislative changes
2 to recoup or eliminate any overage, accompanied by
3 a finding by the President that, because of economic
4 conditions or for other specified reasons, no legisla-
5 tive changes are warranted.

6 (3) Except as provided by paragraph (4), any pro-
7 posed legislative change under paragraph (2) to reduce
8 outlays may include reductions in direct spending or in
9 the discretionary spending limits under section 601 of the
10 Congressional Budget Act of 1974.

11 (4) The President's recommendations may not con-
12 sist of any proposed legislative changes under the old-age,
13 survivors, and disability insurance program established
14 under title II of the Social Security Act.

15 (c) PROPOSED SPECIAL DIRECT SPENDING RESOLU-
16 TION.—

17 (1) PRESIDENT'S RECOMMENDATIONS TO BE
18 SUBMITTED AS DRAFT RESOLUTION.—If the Presi-
19 dent recommends reductions consistent with sub-
20 section (b)(2)(A) or (B), the special direct spending
21 message shall include the text of a special direct
22 spending resolution implementing the President's
23 recommendations through reconciliation directives
24 instructing the appropriate committees of the House
25 of Representatives and Senate to determine and rec-

1 ommend changes in laws within their jurisdictions to
2 reduce outlays or increase revenues by specified
3 amounts. If the President recommends no reductions
4 pursuant to (b)(2)(C), the special direct spending
5 message shall include the text of a special resolution
6 concurring in the President's recommendation of no
7 legislative action.

8 (2) RESOLUTION TO BE INTRODUCED IN
9 HOUSE.—Within 10 days after the President's spe-
10 cial direct spending message is submitted, the text
11 required by paragraph (1) shall be introduced as a
12 concurrent resolution in the House of Representa-
13 tives by the chairman of the Committee on the
14 Budget of the House of Representatives without sub-
15 stantive revision. If the chairman fails to do so, after
16 the tenth day the resolution may be introduced by
17 any Member of the House of Representatives. A con-
18 current resolution introduced under this paragraph
19 shall be referred to the Committee on the Budget.

20 **SEC. 5. REQUIRED RESPONSE BY CONGRESS.**

21 (a) REQUIREMENT FOR SPECIAL DIRECT SPENDING
22 RESOLUTION.—Whenever the President submits a special
23 direct spending message under section 4, the Committee
24 on the Budget of the House of Representatives shall re-
25 port, not later than April 15, the concurrent resolution

1 on the budget and include in it a separate title that meets
2 the requirements of subsections (b) and (c).

3 (b) CONTENTS OF SEPARATE TITLE.—The separate
4 title of the concurrent resolution on the budget shall con-
5 tain reconciliation directives to the appropriate committees
6 of the House of Representatives and Senate to determine
7 and recommend changes in laws within their jurisdictions
8 to reduce outlays or increase revenues by specified
9 amounts (which in total equal or exceed the reductions
10 recommended by the President, up to the amount of the
11 overage). If this separate title recommends that no legisla-
12 tive changes be made to recoup or eliminate an overage,
13 then a statement to that effect shall be set forth in that
14 title.

15 (c) REQUIREMENT FOR SEPARATE VOTE TO IN-
16 CREASE TARGETS.—If the separate title of a concurrent
17 resolution on the budget proposes to recoup or eliminate
18 less than the entire overage for the prior, current, and
19 budget years, then the Committee on the Budget of the
20 House of Representatives shall report a resolution direct-
21 ing the Committee on Government Operations to report
22 legislation increasing the direct spending targets for each
23 applicable year by the full amount of the overage not re-
24 couped or eliminated. It shall not be in order in the House
25 of Representatives to consider that concurrent resolution

1 on the budget until the House of Representatives has
2 agreed to the resolution directing the increase in direct
3 spending targets.

4 (d) CONFERENCE REPORTS MUST FULLY ADDRESS
5 OVERAGE.—It shall not be in order in the House of Rep-
6 resentatives to consider a conference report on a concur-
7 rent resolution on the budget unless that conference report
8 fully addresses the entirety of any overage contained in
9 the applicable report of the President under section 4
10 through reconciliation directives requiring spending reduc-
11 tions, revenue increases, or changes in the direct spending
12 targets.

13 (e) PROCEDURE IF HOUSE BUDGET COMMITTEE
14 FAILS TO REPORT REQUIRED RESOLUTION.—

15 (1) AUTOMATIC DISCHARGE OF HOUSE BUDGET
16 COMMITTEE.—If a special direct spending resolution
17 is required and the Committee on the Budget of the
18 House of Representatives fails to report a resolution
19 meeting the requirements of subsections (b) and (c)
20 by April 15, then the committee shall be automati-
21 cally discharged from further consideration of the
22 concurrent resolution reflecting the President's rec-
23 ommendations introduced pursuant to section
24 4(c)(2) and the concurrent resolution shall be placed
25 on the appropriate calendar.

1 (2) CONSIDERATION BY HOUSE.—Ten days
2 after the Committee on the Budget of the House of
3 Representatives has been discharged under para-
4 graph (1), any Member may move that the House
5 proceed to consider the resolution. Such motion shall
6 be highly privileged and not debatable.

7 (f) APPLICATION OF CONGRESSIONAL BUDGET
8 ACT.—To the extent that they are relevant and not incon-
9 sistent with this Act, the provisions of title III of the Con-
10 gressional Budget Act of 1974 shall apply in the House
11 of Representatives and the Senate to special direct spend-
12 ing resolutions, resolutions increasing targets under sub-
13 section (c), and reconciliation legislation reported pursu-
14 ant to directives contained in those resolutions.

15 (g) LIMITATION ON CHANGES TO THE SOCIAL SECUR-
16 RITY ACT.—Notwithstanding any other provision of law,
17 it shall not be in order in the Senate or the House of Rep-
18 resentatives to consider any reconciliation bill reported
19 pursuant to a concurrent resolution on the budget agreed
20 to under section 301 or 304 or reconciliation legislation
21 reported pursuant to directives contained in any special
22 direct spending resolution, or any amendment thereto or
23 conference report thereon, that contains recommendations
24 to make any legislative changes under the old-age, survi-

1 vors, and disability insurance program established under
2 title II of the Social Security Act.

3 **SEC. 6. ADJUSTMENTS TO DIRECT SPENDING TARGETS.**

4 (a) REQUIRED ANNUAL ADJUSTMENTS.—Prior to
5 the submission of the President’s budget for each of fiscal
6 years 1994 through 1997, the Director shall adjust the
7 direct spending targets in accordance with this section.
8 Any such adjustments shall be reflected in the targets
9 used in the President’s report under section 3 and mes-
10 sage (if any) under section 4.

11 (b) ADJUSTMENT FOR INCREASES IN BENE-
12 FICIARIES.—(1) The Director shall adjust the direct
13 spending targets for increases (if any) in actual or pro-
14 jected numbers of beneficiaries under direct spending pro-
15 grams for which the number of beneficiaries is a variable
16 in determining costs.

17 (2) The adjustment shall be made by —

18 (A) computing, for each program under para-
19 graph (1), the percentage change between (i) the an-
20 nual average number of beneficiaries under that pro-
21 gram (including actual numbers of beneficiaries for
22 the prior fiscal year and projections for the budget
23 and subsequent fiscal years) to be used in the Presi-
24 dent’s budget with which the adjustments will be
25 submitted, and (ii) the annual average number of

1 beneficiaries used in the adjustments made by the
2 Director in the previous year (or, in the case of ad-
3 justments made in 1994, the annual average number
4 of beneficiaries used in the Director's initial report
5 under section 2(b));

6 (B) applying the percentages computed under
7 subparagraph (A) to the projected levels of outlays
8 for each program consistent with the direct spending
9 targets in effect immediately prior to the adjust-
10 ment; and

11 (C) adding the results of the calculations re-
12 quired by subparagraph (B) to the direct spending
13 targets in effect immediately prior to the adjust-
14 ment.

15 (3) No adjustment shall be made for any program
16 for a fiscal year in which the percentage increase com-
17 puted under paragraph (2)(A) is less than or equal to
18 zero.

19 (c) ADJUSTMENTS FOR REVENUE LEGISLATION.—

20 (1) The Director shall adjust the targets as follows—

21 (A) they shall be increased by the amount of
22 any increase in receipts; or

23 (B) they shall be decreased by the amount of
24 any decrease in receipts,

1 resulting from receipts legislation enacted after the date
2 of enactment of this Act, except legislation enacted under
3 section 5.

4 (d) ADJUSTMENTS TO REFLECT CONGRESSIONAL
5 DECISIONS.—Upon enactment of a reconciliation bill pur-
6 suant to instructions under section 5, the Director shall
7 adjust direct spending targets for the current year, the
8 budget year, and each outyear through 1997 by—

9 (1) increasing the target for the current year
10 and the budget year by the amount stated for that
11 year in that reconciliation bill (but if a separate vote
12 was required by section 5(c), only if that vote has
13 occurred); and

14 (2) decreasing the target for the current, budg-
15 et, and outyears through 1997 by the amount of re-
16 ductions in direct spending enacted in that reconcili-
17 ation bill.

18 (e) DESIGNATED EMERGENCIES.—The Director shall
19 adjust the targets to reflect the costs of legislation that
20 is designated as an emergency by Congress and the Presi-
21 dent under section 252(b) of the Balanced Budget and
22 Emergency Deficit Control Act of 1985.

1 **SEC. 7. RELATIONSHIP TO BALANCED BUDGET AND EMER-**
2 **GENCY DEFICIT CONTROL ACT.**

3 Reductions in outlays or increases in receipts result-
4 ing from legislation reported pursuant to section 5 shall
5 not be taken into account for purposes of any budget en-
6 forcement procedures under the Balanced Budget and
7 Emergency Deficit Control Act of 1985.

8 **SEC. 8. ESTIMATING MARGIN.**

9 For any fiscal year for which the overage is less than
10 one-half of 1 percent of the direct spending target for that
11 year, the procedures set forth in sections 4 and 5 shall
12 not apply.

13 **SEC. 9. CONSIDERATION OF APPROPRIATION BILLS.**

14 (a) POINT OF ORDER.—It shall not be in order in
15 the House of Representatives to consider any general ap-
16 propriation bill if the President has submitted a direct
17 spending message under section 4 until Congress has
18 adopted a concurrent resolution on the budget for the
19 budget year that meets the requirements of section 5.

20 (b) WAIVER.—The point of order established by sub-
21 section (a) may only be waived for all general appropria-
22 tion bills for that budget year through the adoption of one
23 resolution waiving that point of order.

24 **SEC. 10. MEANS-TESTED PROGRAMS.**

25 In making recommendations under sections 4 and 5,
26 the President and the Congress should seriously consider

1 all other alternatives before proposing reductions in
2 means-tested programs.

3 **SEC. 11. EFFECTIVE DATE.**

4 This Act shall apply to direct spending targets for
5 fiscal years 1994 through 1997 and shall expire at the
6 end of fiscal year 1997.

Passed the House of Representatives July 21, 1994.

Attest:

Clerk.

103RD CONGRESS
2^D SESSION

H. R. 4604

AN ACT

To establish direct spending targets, and for other purposes.