

104TH CONGRESS  
2D SESSION

# H. R. 4285

To amend the Congressional Budget and Impoundment Control Act of 1974  
to reform the budget process, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 1996

Mr. COX of California (for himself, Mr. LARGENT, Mr. BARTON of Texas, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. LIVINGSTON, Mr. ARCHER, Mr. KASICH, Mr. PAXON, Ms. MOLINARI, Mr. CLINGER, Mr. SOLOMON, Mr. GOSS, Mr. HORN, Mr. STENHOLM, Ms. HARMAN, Mr. CONDIT, Mr. HALL of Texas, Mr. PETERSON of Minnesota, Mr. POSHARD, Mr. MONTGOMERY, Mr. ROSE, Mr. PETE GEREN of Texas, Mr. ALLARD, Mr. BACHUS, Mr. BAKER of California, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BASS, Mr. BATEMAN, Mr. BE-REUTER, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BLILEY, Mr. BLUTE, Mr. BOEHLERT, Mr. BONILLA, Mr. BONO, Mr. BROWNBACK, Mr. BRYANT of Tennessee, Mr. BUNNING of Kentucky, Mr. BURR, Mr. BURTON of Indiana, Mr. BUYER, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CAMPBELL, Mr. CANADY of Florida, Mr. CASTLE, Mr. CHABOT, Mr. CHAMBLISS, Mrs. CHENOWETH, Mr. CHRISTENSEN, Mr. CHRYSLER, Mr. COBLE, Mr. COBURN, Mr. COLLINS of Georgia, Mr. COMBEST, Mr. COOLEY of Oregon, Mr. CRANE, Mr. CRAPO, Mr. CREMEANS, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DIAZ-BALART, Mr. DICKEY, Mr. DOOLITTLE, Mr. DORNAN, Mr. DREIER, Mr. DUNCAN, Ms. DUNN of Washington, Mr. EHLERS, Mr. EHRLICH, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. EWING, Mr. FLANAGAN, Mr. FOLEY, Mr. FOX of Pennsylvania, Mr. FIELDS of Texas, Mr. FORBES, Mr. FRANKS of New Jersey, Mr. FRANKS of Connecticut, Mr. FRELINGHUYSEN, Mr. FRISA, Mr. FUNDERBURK, Mr. GALLEGLY, Mr. GANSKE, Mr. GEKAS, Mr. GILCREST, Mr. GILLMOR, Mr. GILMAN, Mr. GOODLATTE, Mr. GOODLING, Mr. GRAHAM, Mr. GREENWOOD, Ms. GREENE of Utah, Mr. GUNDERSON, Mr. GUTKNECHT, Mr. HANCOCK, Mr. HANSEN, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYES, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HILLEARY, Mr. HOEKSTRA, Mr. HOKE, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. HUNTER, Mr. HYDE, Mr. INGLIS of South Carolina, Mr. ISTOOK, Mrs. JOHNSON of Connecticut, Mr. SAM JOHNSON of Texas, Mr. JONES, Mrs. KELLY, Mr. KIM, Mr. KING, Mr. KINGSTON, Mr. KLUG, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LAHOOD,

Mr. LATHAM, Mr. LATOURETTE, Mr. LAUGHLIN, Mr. LAZIO of New York, Mr. LEACH, Mr. LEWIS of California, Mr. LEWIS of Kentucky, Mr. LIGHTFOOT, Mr. LINDER, Mr. LONGLEY, Mr. LUCAS of Oklahoma, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCDADE, Mr. MCHUGH, Mr. MCINNIS, Mr. MCINTOSH, Mr. MCKEON, Mr. MANZULLO, Mr. MARTINI, Mr. METCALF, Mrs. MEYERS of Kansas, Mr. MICA, Mr. MILLER of Florida, Mr. MOORHEAD, Mrs. MYRICK, Mr. NETHERCUTT, Mr. NEUMANN, Mr. NEY, Mr. NORWOOD, Mr. OXLEY, Mr. PACKARD, Mr. PARKER, Mr. PETRI, Mr. POMBO, Mr. PORTMAN, Ms. PRYCE, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. RIGGS, Mr. ROBERTS, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mr. ROTH, Mrs. ROUKEMA, Mr. ROYCE, Mr. SALMON, Mr. SANFORD, Mr. SAXTON, Mr. SCARBOROUGH, Mr. SCHAEFER, Mr. SCHIFF, Mrs. SEASTRAND, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS, Mr. SHUSTER, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mrs. SMITH of Washington, Mr. SMITH of Michigan, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STOCKMAN, Mr. STUMP, Mr. TALENT, Mr. TATE, Mr. TAUZIN, Mr. THOMAS, Mr. THORNBERRY, Mr. TIAHRT, Mr. TORKILDSEN, Mr. UPTON, Mrs. VUCANOVICH, Mr. WALKER, Mr. WALSH, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITE, Mr. WICKER, Mr. WHITFIELD, Mr. WOLF, and Mr. ZIMMER) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Government Reform and Oversight, Appropriations, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Congressional Budget and Impoundment Control Act of 1974 to reform the budget process, 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; TABLE OF CONTENTS.**

4        (a) SHORT TITLE.—This Act may be cited as the  
 5        “Budget Process Reform Act”.

6        (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

#### TITLE I—STATEMENT OF CONGRESSIONAL PURPOSE

Sec. 101. Improvement in decision-making process.  
 Sec. 102. Reform of fiscal management.  
 Sec. 103. Safeguards against delay and inaction.

#### TITLE II—BINDING BUDGET LAW

Sec. 201. Joint resolution establishing binding budget law.  
 Sec. 202. Budget required before spending bills may be considered.  
 Sec. 203. “Baseline” budgeting prohibited; objective year-to-year comparisons required in budget law.  
 Sec. 204. “Rainy day” fund for natural disasters.  
 Sec. 205. President’s budget submissions.

#### TITLE III—ENFORCEMENT OF BUDGET DISCIPLINE

##### Subtitle A—Supermajority Required To Break Budget Law

Sec. 301. Two-thirds requirement for over-budget spending bills.  
 Sec. 302. Two-thirds requirement for waiver of this Act.

##### Subtitle B—Line Item Reduction

Sec. 303. Intent of Congress.  
 Sec. 304. President authorized to reduce spending to level contained in Congressional Budget Law.

##### Subtitle C—“Blank Check” Appropriations Prohibited

Sec. 305. Intent of Congress.  
 Sec. 306. Fixed-dollar appropriations required.  
 Sec. 307. Agency authority to adjust expenditures to appropriated amounts.  
 Sec. 308. Budget authority and entitlement authority may cover only a single fiscal period.

##### Subtitle D—“Pay-as-You-Go” Requirement for New Spending

Sec. 309. Spending offsets required; two-thirds point of order.

##### Subtitle E—“Lock-Box” for Savings From Spending Reductions

Sec. 310. Intent of Congress.  
 Sec. 311. Spending cuts by amendment to appropriations bills on House and Senate floors.  
 Sec. 312. CBO reports on “lock-box” savings from floor amendments.  
 Sec. 313. Reduced spending allocations.

#### TITLE IV—SUSTAINING MECHANISM

Sec. 401. Automatic continuing resolution.  
 Sec. 402. Contingency regulations.  
 Sec. 403. Indefinite appropriations prohibited.

#### TITLE V—PROTECTION OF SOCIAL SECURITY

Sec. 501. Benefits protected against deficit reduction.  
 Sec. 502. Conforming amendment.

TITLE VI—TECHNICAL AMENDMENTS TO FEDERAL LAW TO  
CARRY OUT THIS ACT

- Sec. 601. Amendments changing concurrent to joint resolutions.  
 Sec. 602. Further amendments to the Congressional Budget Act of 1974.  
 Sec. 603. Technical amendments to the Impoundment Control Act of 1974.  
 Sec. 604. Technical amendments to title 31, United States Code.

TITLE VII—DEFINITIONS AND RULES OF INTERPRETATION

- Sec. 701. Definitions.  
 Sec. 702. Use of terms.  
 Sec. 703. Effective date.

1           **TITLE I—STATEMENT OF**  
 2           **CONGRESSIONAL PURPOSE**

3   **SEC. 101. IMPROVEMENT IN DECISION-MAKING PROCESS.**

4           Because the Federal budget process is the principal  
 5 vehicle by which many of the most fundamental policy  
 6 choices in Government are made, the purpose of this Act  
 7 is to facilitate rational, informed, and timely decisions by  
 8 the Congress in the course of that process.

9   **SEC. 102. REFORM OF FISCAL MANAGEMENT.**

10          It is the sense of the Congress that a properly func-  
 11 tioning Federal budget process should focus the attention  
 12 of policymakers and the public on the aggregate impact  
 13 of Federal spending on the economy, and on the tradeoffs  
 14 that must be made among priorities in order to control  
 15 overall levels of spending. To this end, the Act is intended  
 16 to establish a budget process that, in each fiscal period—

17                 (1) requires the adoption of a budget before,  
 18                 not after, any spending begins;

1           (2) produces decisions on that budget early in  
2           the budgeting cycle;

3           (3) encourages cooperation between Congress  
4           and the President in adopting the budget;

5           (4) ties each subsequent spending decision to  
6           an overall, binding budget total;

7           (5) requires regular, periodic decisions on ap-  
8           propriate spending levels for all Federal programs,  
9           not just those arbitrarily deemed “controllable”; and

10          (6) produces a bias in favor of fiscal respon-  
11          sibility that can be overcome only if the Congress ex-  
12          pressly determines to do so.

13 **SEC. 103. SAFEGUARDS AGAINST DELAY AND INACTION.**

14          The Congress further finds that a properly function-  
15          ing budget process should contain safeguards against  
16          delay and inaction, so that temporary shut-downs of the  
17          Federal Government may be avoided when the President  
18          and the Congress fail to complete work on the budget prior  
19          to the beginning of a fiscal period. Accordingly, this Act  
20          is intended to provide an enforcement mechanism that  
21          gives meaning and importance to the timely adoption of  
22          a budget, and a sustaining mechanism that ensures a con-  
23          tinuation of the Government should the political process  
24          produce deadlock or a failure to act in a timely fashion.

1 **TITLE II—BINDING BUDGET LAW**

2 **SEC. 201. JOINT RESOLUTION ESTABLISHING BINDING**  
3 **BUDGET LAW.**

4 (a) INTENT OF CONGRESS.—(1) To encourage early  
5 consultation and cooperation between the Congress and  
6 the President on decisions concerning overall spending lev-  
7 els for all Federal programs, the Congress shall enact a  
8 binding budget law, in the form of a joint resolution, by  
9 April 15 of the calendar year before that in which the fis-  
10 cal period commences. The amendments contained in this  
11 section and the technical amendments contained in sec-  
12 tions 601 and 701 of this Act are intended to assist in  
13 the establishment of this requirement. The budget law it-  
14 self shall fit on a single page, which sets forth specific  
15 budget ceilings for the major functional categories which  
16 together comprise the entire Federal budget.

17 (2) By thus requiring that the budget process begin  
18 with highly generalized macroeconomic decisions about  
19 spending in major functional categories, this section is in-  
20 tended to facilitate agreement within Congress itself, and  
21 between Congress and the President, on how much the  
22 Federal Government should spend in the ensuing fiscal pe-  
23 riod.

1 (b) REVISION OF TIMETABLE.—Section 300 of the  
 2 Congressional Budget Act of 1974 (2 U.S.C. 631) is  
 3 amended to read as follows:

4 “TIMETABLE

5 “SEC. 300. The timetable with respect to the Con-  
 6 gressional budget process for any Congress (beginning  
 7 with the One Hundred Fifth Congress) is as follows:

**“On or before:**

First Monday in February .....

February 15 .....

February 25 .....

March 31 .....

April 15 .....

President signs joint resolution or  
 Congress overrides veto.  
 15th day after enactment of joint  
 budget resolution.

June 10 .....

June 30 .....

August 1 .....

September 30 .....

October 1 .....

**Action to be completed:**

President submits proposed one-page  
 budget law.

Congressional Budget Office submits  
 report to Budget Committees.

Committees submit views and esti-  
 mates to Budget Committees.

Budget Committees report joint reso-  
 lution on the budget.

Congress completes action on joint  
 resolution on the budget and trans-  
 mits it to the President for signa-  
 ture or veto.

Authorization and appropriations bills  
 may be considered in the Congress.

President submits detailed budget  
 and supporting documents.

House Appropriations Committee re-  
 port last of annual appropriation  
 bills.

House completes action on annual ap-  
 propriation bills.

Senate completes action on annual  
 appropriation bills.

Congress completes action on rec-  
 onciliation legislation and annual  
 appropriation bills.

Fiscal period begins. Congress com-  
 pletes all necessary action on budg-  
 et, authorizations and appropri-  
 ations, or automatic continuing reso-  
 lution takes effect.”.

1 **SEC. 202. BUDGET REQUIRED BEFORE SPENDING BILLS**  
2 **MAY BE CONSIDERED.**

3 (a) **INTENT OF CONGRESS.**—The purpose of this pro-  
4 vision is to ensure that until the budget is signed into law,  
5 no authorization or appropriations bill shall be considered  
6 in the Congress.

7 (b) **TWO-THIRDS REQUIREMENT FOR ALL SPENDING**  
8 **BILLS IN ABSENCE OF BUDGET LAW.**—Section 303 of the  
9 Congressional Budget Act of 1974 is amended by striking  
10 subsections (b) and (c) and inserting the following new  
11 subsection:

12 “(b) Unless and until a joint resolution on the budget  
13 is enacted with respect to any major functional category  
14 for a fiscal period, it shall not be in order in either the  
15 House of Representatives or the Senate or any committee  
16 or subcommittee thereof to mark up, amend, report, or  
17 approve any spending bill affecting spending in that cat-  
18 egory, unless such bill is required to be approved by the  
19 affirmative vote of two-thirds of the Members voting, a  
20 quorum being present.”.

21 (c) **REPEALER.**—Section 603 of the Congressional  
22 Budget Act of 1974, providing for consideration of spend-  
23 ing bills prior to adoption of the budget resolution, is re-  
24 pealed.

1 **SEC. 203. “BASELINE” BUDGETING PROHIBITED; OBJEC-**  
2 **TIVE YEAR-TO-YEAR COMPARISONS RE-**  
3 **QUIRED IN BUDGET LAW.**

4 In order to facilitate honest comparison of budget fig-  
5 ures, the starting point for Presidential and congressional  
6 budgets shall be the levels of outlays for the current fiscal  
7 period. Any increases or decreases proposed in the budget  
8 for the next fiscal period shall be measured from such lev-  
9 els. The technical amendments contained in title VI of this  
10 Act are intended to assist in the establishment of this re-  
11 quirement.

12 **SEC. 204. “RAINY DAY” FUND FOR NATURAL DISASTERS.**

13 (a) INTENT OF CONGRESS.—It is the intent of Con-  
14 gress, by this provision, to require that the budget contain  
15 a separate functional category for a contingency fund for  
16 natural disasters. This budget category shall specify the  
17 amount of funds to be available for programs, projects,  
18 and activities designed to provide relief in the case of  
19 floods, earthquakes, hurricanes, and other natural disas-  
20 ters. Disbursements from this “Rainy Day” fund shall be  
21 permitted only for certified natural disasters, and shall not  
22 be used for any other purpose. The purpose of this section  
23 is to ensure that the unanticipated costs of disaster relief  
24 do not disrupt the budget process, and that instead such  
25 costs are provided for at the beginning of the budget cycle.

1 (b) AMENDMENT TO TITLE III OF THE CONGRES-  
2 SIONAL BUDGET ACT OF 1974.—Title III of the Congres-  
3 sional Budget Act of 1974 (as amended by section 311)  
4 is amended by adding at the end the following new section:

5 “RAINY DAY FUND FOR NATURAL DISASTERS

6 “SEC. 316. (a) CONTINGENCY RESERVE FOR NATU-  
7 RAL DISASTERS.—The budget law shall include a major  
8 functional category for natural disasters.

9 “(b) AUTHORIZATION OF FUNDS FROM NATURAL  
10 DISASTER CATEGORY.—Any committee that receives an  
11 allocation under section 602(a) for any budget authority  
12 or outlays within functional category 950 (natural disas-  
13 ters) may only report legislation providing that budget au-  
14 thority or outlays if—

15 “(1) the President has made a request for such  
16 disaster funds;

17 “(2) the programs to be funded are included in  
18 the Presidential request; and

19 “(3) the projected obligations for unforeseen  
20 emergency needs exceed the ten-year rolling average  
21 annual expenditure for existing programs included in  
22 the Presidential request for any applicable year.

23 “(c) MAINTENANCE OF STATE AND LOCAL EF-  
24 FORTS.—States and local governments shall maintain cur-  
25 rent disaster relief efforts so that Federal assistance pay-  
26 ments do not replace, subvert, or otherwise have the effect

1 of reducing regularly budgeted State and local expendi-  
2 tures for law enforcement, fire fighting, road construction  
3 and maintenance, building construction and maintenance  
4 or any other category of regular government expenditure.  
5 Federal payments for natural disasters within major func-  
6 tional category 950 shall only be made for incremental  
7 costs directly attributable to unforeseen events resulting  
8 from unforeseen disasters, and shall not replace or reduce  
9 regular State and local expenditures for the same or simi-  
10 lar purposes.

11       “(d) INCENTIVE TO BUDGET SUFFICIENT FUNDS  
12 FOR NATURAL DISASTERS.—In the event that the Con-  
13 gress does not budget a sufficient amount for natural dis-  
14 asters and then authorizes spending for natural disasters  
15 in excess of the budgeted amount, the President shall im-  
16 pound an amount equal to the excess in this or, if nec-  
17 essary, subsequent fiscal years.

18       “(e) EXECUTIVE LIMITATIONS.—The President may  
19 not waive any requirement for States or local governments  
20 to make minimum matching payments as a condition of  
21 receiving Federal payments for natural disasters within  
22 major functional category 950 or waive all or part of any  
23 repayment of Federal loans for any State or local govern-  
24 ment matching share required as a condition of receiving  
25 any such payment.

1       “(f) CONGRESSIONAL LIMITATIONS.—The House of  
2 Representatives or the Senate may only reduce or waive  
3 any State matching requirement or forgive all or part of  
4 loans for any State matching share as required under the  
5 Robert T. Stafford Disaster Relief and Emergency Assist-  
6 ance Act (42 U.S.C. 5121 et seq.) by an affirmative vote  
7 of two-thirds of the Members voting, a quorum being  
8 present.”.

9       **SEC. 205. PRESIDENT’S BUDGET SUBMISSIONS.**

10       (a) INTENT OF CONGRESS.—It is the intent of Con-  
11 gress, by this provision, to require that not later than the  
12 first Monday in February of each year before the begin-  
13 ning of a new fiscal period the President submit a budget  
14 of the United States Government for the following fiscal  
15 period beginning on October 1 of the current calendar year  
16 on a single page, which sets forth specific budget ceilings  
17 in each major functional category. On or before the fif-  
18 teenth day after a joint resolution on the budget is en-  
19 acted, the President shall submit to the Congress a de-  
20 tailed budget for that fiscal period, including all sum-  
21 maries and explanations required under section 1105(a)  
22 of title 31, United States Code.

23       (b) AMENDMENTS TO TITLE 31, UNITED STATES  
24 CODE.—Section 1105(a) of title 31, United States Code  
25 (relating to the contents of the President’s annual budget

1 submission to the Congress), is amended by striking the  
 2 first two sentences thereof and all that follows through  
 3 “following:” and inserting in lieu thereof the following:

4 “(a)(1) Not later than the first Monday in February  
 5 of each year before that in which a fiscal period com-  
 6 mences, the President shall submit a budget of the United  
 7 States Government for the following fiscal period on a sin-  
 8 gle page, which sets forth specific budget ceilings in each  
 9 major functional category.

10 “(2) Not later than the fifteenth day after a joint  
 11 resolution on the budget for the following budget period  
 12 is enacted, the President shall submit a detailed budget  
 13 for that fiscal period, including a budget message and  
 14 summary and supporting information, including the fol-  
 15 lowing:”.

16 **TITLE III—ENFORCEMENT OF**  
 17 **BUDGET DISCIPLINE**

18 **Subtitle A—Supermajority**

19 **Required To Break Budget Law**

20 **SEC. 301. TWO-THIRDS REQUIREMENT FOR OVER-BUDGET**  
 21 **SPENDING BILLS.**

22 (a) **ADDITIONAL CBO DUTIES.**—Section 308 of the  
 23 Congressional Budget Act of 1974 is amended by adding  
 24 at the end the following new subsections:

1       “(d) DETERMINATION OF BUDGET EFFECT OF PRO-  
2       POSED SPENDING BILLS.—The Congressional Budget Of-  
3       fice shall provide to the appropriate House of Congress  
4       (or the appropriate committee, subcommittee, or con-  
5       ference thereof) prior to any spending bill being voted on  
6       by the House of Representatives or the Senate, or by any  
7       subcommittee, committee, or conference committee there-  
8       of, its estimate of the costs in each major functional cat-  
9       egory attributable to that bill during the fiscal period in  
10      which it is to become effective and in each of the next  
11      4 years, together with the basis for such estimate. The  
12      Congressional Budget Office report shall not be required,  
13      however, if the Congressional Budget Office certifies that  
14      a spending bill will likely result in applicable costs of less  
15      than \$10,000,000. For purposes of estimating the costs  
16      attributable to any spending bill that includes new credit  
17      authority, the report shall deem the difference between (1)  
18      the market value of any loan or other credit made or guar-  
19      anteed by the Federal Government during a fiscal period  
20      (if the underlying obligation were sold by the Federal Gov-  
21      ernment) and (2) its face amount, to be the costs attrib-  
22      utable to such loan or guarantee in the fiscal period in  
23      which it is made.

24      “(e) CBO REPORT REQUIRED PRIOR TO VOTE ON  
25      SPENDING BILLS.—It shall not be in order in either the

1 House of Representatives or the Senate, or in any sub-  
2 committee, conference committee, or committee thereof, to  
3 vote on any spending bill, unless and until the report re-  
4 ferred to in subsection (d) has been made available to that  
5 House of Congress or the appropriate committee, con-  
6 ference committee, or subcommittee thereof. This require-  
7 ment may be waived only by the affirmative vote of two-  
8 thirds of the Members voting, a quorum being present.”.

9 (b) NEW BUDGET ENFORCEMENT POINT OF  
10 ORDER.—Section 311 of the Congressional Budget Act of  
11 1974 is amended by adding at the end the following new  
12 subsections:

13 “(d) TWO-THIRDS REQUIREMENT FOR ALL OVER-  
14 BUDGET SPENDING BILLS.—It shall not be in order in  
15 either the House of Representatives or the Senate (or in  
16 any committee, subcommittee, or conference committee  
17 thereof) to vote on any spending bill that the report re-  
18 ferred to in section 308(d) indicates would in any fiscal  
19 period covered by the report exceed a budget ceiling, un-  
20 less such bill is required to be approved by the affirmative  
21 vote of two-thirds of the Members voting, a quorum being  
22 present.

23 “(e) DETERMINATION OF SPENDING IN A CAT-  
24 EGORY.—A spending bill shall be deemed to exceed a  
25 budget ceiling if—

1           “(1) its cost in any major functional category  
2 as estimated in the report referred to in section  
3 308(d);

4           “(2) all other budget authority, budget outlays,  
5 and all entitlement authority, if any, in that major  
6 functional category for the relevant fiscal periods  
7 contained in any previously enacted legislation for  
8 the fiscal period; and

9           “(3) to the extent that new budget authority or  
10 entitlement authority for the relevant fiscal period  
11 has not been granted (or modified or rescinded from  
12 the level of the previous fiscal period) in any other  
13 enacted legislation for any program within such  
14 major functional category, the amounts of budget  
15 authority and entitlement authority for such major  
16 functional category (or part thereof) for the previous  
17 fiscal period;

18 exceed the applicable budget ceiling for such major func-  
19 tional category.”.

20 **SEC. 302. TWO-THIRDS REQUIREMENT FOR WAIVER OF**  
21 **THIS ACT.**

22           No waiver or contravention of any provision of this  
23 Act, including the calendar deadlines for completion of  
24 Congressional action, the provisions establishing par-  
25 liamentary points of order, the provisions concerning over-

1 budget spending, and the amendment of automatic con-  
2 tinuing resolutions, shall be effective unless approved by  
3 the affirmative vote of two-thirds of the Members of the  
4 House of Representatives or the Senate, or both, as the  
5 case may be, a quorum being present. No committee of  
6 either the House of Representatives or the Senate shall  
7 have jurisdiction to report a rule governing procedures for  
8 consideration of spending bills covered by this Act, if such  
9 rule would waive or violate the provisions of this section  
10 or any other section of this Act. Nothing in this provision  
11 shall be deemed to require a supermajority vote to amend  
12 this Act. It shall not be in order in either the House of  
13 Representatives or the Senate to proceed in violation of  
14 this section.

## 15 **Subtitle B—Line Item Reduction**

### 16 **SEC. 303. INTENT OF CONGRESS.**

17 It is the purpose of this subtitle to provide a workable  
18 means of enforcement of the binding budget law that Con-  
19 gress is to enact prior to each fiscal period. The Presi-  
20 dent's line-item veto authority permits the elimination of  
21 an appropriation, but does not permit enforcement of the  
22 budget as written by Congress, a more traditional execu-  
23 tive role. Line item reduction will permit enforcement of  
24 the spending ceilings in the budget law already approved  
25 by Congress, thus recognizing the respective roles given

1 to the legislative branch to pass a budget law, and to the  
2 executive branch to take care that it is faithfully executed.

3 **SEC. 304. PRESIDENT AUTHORIZED TO REDUCE SPENDING**  
4 **TO LEVEL CONTAINED IN CONGRESSIONAL**  
5 **BUDGET LAW.**

6 The Impoundment Control Act of 1974 (2 U.S.C.  
7 681 et seq.) is amended by inserting after section 1013  
8 the following new section:

9 “PRESIDENTIAL LINE-ITEM REDUCTION OF SPENDING IN  
10 EXCESS OF LIMITS IN CONGRESSIONAL BUDGET LAW

11 “SEC. 1013A. (a) SCOPE OF LINE ITEM REDUCTION  
12 AUTHORITY.—If the Congress, by two-thirds vote, as pre-  
13 scribed in the Budget Process Reform Act, shall exceed  
14 the budget ceilings in the binding budget law or an auto-  
15 matic continuing resolution for a fiscal period, the Presi-  
16 dent may exercise line-item reduction authority as pro-  
17 vided in this section. The President’s line-item reduction  
18 authority shall permit the reduction of over-budget spend-  
19 ing in a major functional category to the level established  
20 in the binding budget law or the automatic continuing res-  
21 olution.

22 “(b) TRANSMITTAL OF MESSAGE DETAILING USE OF  
23 LINE-ITEM REDUCTION.—The President shall transmit to  
24 both Houses of Congress one or more special messages  
25 detailing his use of line item reduction authority to rescind  
26 (in whole or in part) items of budget authority or entitle-

1 ment authority sufficient to ensure that the levels of budg-  
2 et authority, entitlement authority, and outlays in a func-  
3 tional category do not exceed the levels stated in the budg-  
4 et law or an automatic continuing resolution for the appli-  
5 cable fiscal period. The levels of budget authority, entitle-  
6 ment authority, and outlays shall be determined on the  
7 basis of the reports made by the Congressional Budget  
8 Office pursuant to section 308.

9       “(c) CONTENTS OF SPECIAL MESSAGE.—Each spe-  
10 cial message transmitted under subsection (a) shall speci-  
11 fy, with respect to each item of budget authority to be  
12 rescinded by line-item reduction, the matters referred to  
13 in paragraphs (1) through (5) of section 1012(a).

14       “(d) REQUIREMENT NOT TO MAKE AVAILABLE FOR  
15 OBLIGATION.—Any item of budget authority to be re-  
16 scinded by means of line-item reduction as set forth in  
17 a special message pursuant to this section shall not be  
18 made available for obligation if, within 45 calendar days  
19 after the transmittal by the President of such special mes-  
20 sage to both Houses of Congress, a bill has not been en-  
21 acted disapproving the line-item reduction of the amount  
22 to be rescinded. Funds made available for obligation under  
23 this procedure may not be included in a special message  
24 again.”.

1           **Subtitle C—“Blank Check”**  
2           **Appropriations Prohibited**

3   **SEC. 305. INTENT OF CONGRESS.**

4           It is the intent of Congress, by this provision, to put  
5 an end to open-ended, “blank check” appropriations,  
6 which typically provide for the spending of “such sums  
7 as may be necessary.” By requiring explicit decisions con-  
8 cerning the desired level of spending for each federal pro-  
9 gram (except Social Security and interest on the debt),  
10 it is intended that currently uncontrolled programs will be  
11 brought within the discipline of an overall budget.

12   **SEC. 306. FIXED-DOLLAR APPROPRIATIONS REQUIRED.**

13           Section 401 of the Congressional Budget Act of 1974  
14 is amended by adding at the end the following new sub-  
15 section:

16           “(e) **FIXED-DOLLAR APPROPRIATIONS.**—(1) For  
17 every account except Social Security, as defined in section  
18 3(2)(B)(16) of the Congressional Budget Act of 1974, and  
19 interest on the debt—

20                   “(A) every appropriation for a fiscal period for  
21 any program, project, or activity (including claims,  
22 judgments, and relief acts) shall be for a specific,  
23 fixed dollar amount; and

24                   “(B) any appropriations of ‘such sums as may  
25 be necessary’ (except with respect to the automatic

1 continuing resolution provided for by section 1311 of  
2 title 31, United States Code) are hereby prohibited.

3 “(2) It shall not be in order in either the House of  
4 Representatives or the Senate (or in any committee, sub-  
5 committee, or conference) to consider any appropriation  
6 that is in violation of paragraph (1).”.

7 **SEC. 307. AGENCY AUTHORITY TO ADJUST EXPENDITURES**  
8 **TO APPROPRIATED AMOUNTS.**

9 Chapter 13 of title 31, United States Code (as  
10 amended by section 502) is amended by inserting after  
11 section 1314 the following new section:

12 **“§ 1315. Contingency regulations for former ‘blank-**  
13 **check’ spending programs**

14 “(a) Notwithstanding any other provision of law, the  
15 head of each Executive agency that administers any pro-  
16 gram that previously operated with ‘blank-check’ spending  
17 authority shall provide for or approve the adjustments of  
18 any agency expenditures, including eligibility require-  
19 ments, or the scope, duration, level, and availability of  
20 payments, salaries and benefits, grants, loans, benefits,  
21 services, or reimbursements, or both, with respect to the  
22 program, such that aggregate outlays for a fiscal period  
23 do not exceed the fixed-dollar appropriation provided pur-  
24 suant to section 401(e) of the Congressional Budget Act  
25 of 1974 (requiring fixed-dollar appropriations). Notwith-

1 standing any other provision of law, the obligation of the  
2 United States to make payments (including loans and  
3 grants) to any person or government shall be subject to  
4 the authority granted under this section.

5 “(b) Before the beginning of a fiscal period, the head  
6 of each Executive agency referred to in subsection (a) shall  
7 promulgate a reasonably detailed plan for each of its pro-  
8 grams that previously operated with ‘blank check’ spend-  
9 ing authority, setting forth the manner in which the agen-  
10 cy shall implement this section for that fiscal period.

11 “(c) In the event that any claim or judgment against  
12 the United States exceeds the aggregate appropriations  
13 for claims, judgments, and relief for the current fiscal pe-  
14 riod, then the excess shall be paid first out of discretionary  
15 funds appropriated in such fiscal period to the department  
16 or agency against which the judgment or claim is due, next  
17 out of unobligated funds appropriated to that department  
18 or agency in such fiscal period, and finally out of such  
19 funds as may be appropriated to that department or agen-  
20 cy in the next and subsequent fiscal periods. The obliga-  
21 tion set forth herein of a department or agency to pay  
22 such claims or judgments in excess of amounts authorized  
23 therefore in applicable judgment, claim and relief acts  
24 shall supersede all other budget requirements for that de-

1 partment or agency, any other provision of law to the con-  
2 trary notwithstanding.”.

3 **SEC. 308. BUDGET AUTHORITY AND ENTITLEMENT AU-**  
4 **THORITY MAY COVER ONLY A SINGLE FISCAL**  
5 **PERIOD.**

6 Chapter 13 of title 31, United States Code (as  
7 amended by sections 401 and 402), is amended by insert-  
8 ing after section 1312 the following new section:

9 **“§ 1313. Budget authority and entitlement authority**  
10 **must cover single fiscal period**

11 “(a) Notwithstanding any other provision of law and  
12 except as provided by subsection (b), no budget authority  
13 or entitlement authority—

14 “(1) enacted on or after the date of enactment  
15 of this section shall be effective for more than one  
16 fiscal period; or

17 “(2) enacted before the date of enactment of  
18 this section shall continue in effect beyond the end  
19 of the first fiscal period beginning after the date of  
20 enactment of this section.

21 “(b) Subsection (a) does not apply with respect to  
22 appropriations for the repayment of indebtedness incurred  
23 under chapter 31 or benefits payable under the old-age,  
24 survivors, and disability insurance program established  
25 under title II of the Social Security Act, as in effect on

1 the date of enactment of the Budget Process Reform Act  
2 of 1996.”.

3           **Subtitle D—“Pay-as-You-Go”**  
4           **Requirement for New Spending**

5           **SEC. 309. SPENDING OFFSETS REQUIRED; TWO-THIRDS**  
6                           **POINT OF ORDER.**

7           (a) SPENDING OFFSETS AND POINT OF ORDER.—  
8 Title III of the Congressional Budget Act of 1974 is  
9 amended by adding at the end the following new section:

10                           “SPENDING OFFSETS REQUIRED

11           “SEC. 314. (a)(1) Except as provided by paragraph  
12 (2), it shall not be in order in either the House of Rep-  
13 resentatives or the Senate to consider any spending bill  
14 that a report referred to in section 308(d) indicates would  
15 in any fiscal period exceed a budget ceiling, unless the  
16 Congressional Budget Office has further determined that  
17 any such increased spending called for therein is offset  
18 fully in each such fiscal period in that spending bill by  
19 at least an equal amount of reductions in spending in the  
20 same functional category.

21           “(2) In the case of a spending bill that a report re-  
22 ferred to in section 308(d) indicates would in any fiscal  
23 period would exceed a budget ceiling for the natural disas-  
24 ter functional category, the increased spending called for  
25 therein may be fully offset by at least an equal amount

1 of reductions in spending in any other functional category  
2 or categories.

3 “(b)(1) The point of order set forth in subsection  
4 (a)(1) may be waived or suspended in the Senate or in  
5 the House of Representatives, and an appeal of the ruling  
6 of the Chair on a point of order raised under this section  
7 may be sustained, only by the affirmative vote of two-  
8 thirds of the Members voting, a quorum being present.

9 “(2) In the case of a spending bill covered by sub-  
10 section (a)(2), an appeal of the ruling of the chair on a  
11 point of order raised under paragraph (1) may be sus-  
12 tained by a majority of the Members voting, a quorum  
13 being present.”.

14 (b) CONFORMING AMENDMENT.—Section 602(e) of  
15 the Congressional Budget Act of 1974, providing for an  
16 exemption in the House from pay-as-you-go rules, is re-  
17 pealed.

## 18 **Subtitle E—“Lock-Box” for Savings** 19 **From Spending Reductions**

### 20 **SEC. 310. INTENT OF CONGRESS.**

21 It is the purpose of this subtitle to establish proce-  
22 dures to ensure that budget savings from House and Sen-  
23 ate amendments to appropriations bills result in actual  
24 spending cuts, rather than higher spending on other pro-  
25 grams.

1 **SEC. 311. SPENDING CUTS BY AMENDMENT TO APPROPRIA-**  
2 **TIONS BILLS ON HOUSE AND SENATE**  
3 **FLOORS.**

4 Title III of the Congressional Budget Act of 1974  
5 (as amended by section 311) is amended by adding at the  
6 end the following new section:

7 “LOCK-BOX FOR SAVINGS FROM SPENDING REDUCTIONS

8 “SEC. 315. (a) CONTEMPORANEOUS RECORD OF  
9 SPENDING CUT AMENDMENTS DURING FLOOR CONSID-  
10 ERATION.—During floor consideration of any appropria-  
11 tion bill, the Clerk of the House shall make available to  
12 Members in the House of Representatives, and the Sec-  
13 retary of the Senate shall make available to Members of  
14 the Senate, a running tally of the amendments adopted  
15 reflecting increases and decreases of budget authority  
16 from the levels in the bill as reported from the Committee  
17 on Appropriations of that House.

18 “(b) CBO RECORD OF SPENDING REDUCTIONS.—  
19 The Director of the Congressional Budget Office (the ‘Di-  
20 rector’) shall maintain a record of net spending reductions  
21 made by floor amendments to appropriation bills in the  
22 House of Representatives and in the Senate. These ‘lock-  
23 box’ totals shall be recorded for each subcommittee of the  
24 respective Committees on Appropriations, separately re-  
25 flecting the net amount of spending cuts made by the  
26 House, and the net amount of spending cuts made by the

1 Senate. Each total shall include only amounts correspond-  
2 ing to amendments that result in net spending reductions.

3 “(c) CBO PROCEDURES FOR MAINTAINING RECORD  
4 OF SPENDING CUTS.—(1) Upon the engrossment of any  
5 appropriation bill by either House of Congress, the Direc-  
6 tor shall credit the applicable appropriations subcommittee  
7 ‘lock-box’ totals with amounts equal to the net reductions  
8 in new budget authority and in outlays resulting from  
9 floor amendments agreed to by that House.

10 “(2) CALCULATION OF ‘LOCK-BOX’ SAVINGS IN SEN-  
11 ATE.—For purposes of calculating under this section and  
12 section 315(a) the net amounts of reductions in new budg-  
13 et authority and in outlays resulting from amendments  
14 agreed to by the Senate on an appropriation bill, the  
15 amendments reported to the Senate by its Committee on  
16 Appropriations shall be considered to be part of the origi-  
17 nal text of the bill.

18 “(d) DEFINITION.—As used in this section, the term  
19 ‘appropriation bill’ means any general or special appro-  
20 priation bill, and any bill or joint resolution making sup-  
21 plemental, deficiency, or continuing appropriations.”.

22 **SEC. 312. CBO REPORTS ON “LOCK-BOX” SAVINGS FROM**  
23 **FLOOR AMENDMENTS.**

24 Section 308(b)(1) of the Congressional Budget Act  
25 of 1974 is amended by adding at the end the following

1 new sentence: “Such reports shall also include an up-to-  
2 date tabulation of the amounts contained in the record of  
3 spending reductions under section 315(a).”.

4 **SEC. 313. REDUCED SPENDING ALLOCATIONS.**

5 (a) ALLOCATIONS TO HOUSE AND SENATE COMMIT-  
6 TEES ON APPROPRIATIONS.—Section 602(a) of the Con-  
7 gressional Budget Act of 1974 is amended by adding at  
8 the end the following new paragraph:

9 “(5) Upon the engrossment of Senate amend-  
10 ments to any appropriation bill (as defined in section  
11 315(d)), the amounts allocated under paragraph (1)  
12 or (2) to the Committee on Appropriations of each  
13 House shall be reduced by the amount of any ‘lock-  
14 box’ savings, as follows: New budget authority shall  
15 be reduced by the average of the applicable House  
16 and Senate ‘lock-box’ totals. Outlays shall also be re-  
17 duced by the average of the applicable House and  
18 Senate totals. The revised levels of budget authority  
19 and outlays shall be submitted to each House by the  
20 chairman of the Committee on the Budget of that  
21 House and shall be printed in the Congressional  
22 Record. Once an allocation has been reduced under  
23 this section, the same spending reduction shall not  
24 be used to reduce it further.”.

1 (b) ALLOCATIONS TO SUBCOMMITTEES OF HOUSE  
 2 AND SENATE COMMITTEES ON APPROPRIATIONS.—Sec-  
 3 tion 602(b)(1) of the Congressional Budget Act of 1974  
 4 is amended by adding at the end the following new sen-  
 5 tence: “Whenever an adjustment is made to an allocation  
 6 pursuant to subsection (a)(5), the chairman of the Com-  
 7 mittee on Appropriations of each House shall reduce the  
 8 most recent suballocations under subparagraph (A) by the  
 9 same total amount as that adjustment. The revised sub-  
 10 allocations shall be submitted to each House by the chair-  
 11 man of the Committee on Appropriations of that House  
 12 and shall be printed in the Congressional Record.”.

## 13 TITLE IV—SUSTAINING 14 MECHANISM

### 15 SEC. 401. AUTOMATIC CONTINUING RESOLUTION.

16 Chapter 13 of title 31, United States Code, is amend-  
 17 ed by inserting after section 1310 the following new sec-  
 18 tion:

#### 19 “§ 1311. Automatic continuing resolution

20 “(a) If any appropriation bill, as defined in sub-  
 21 section (b) of this section, has not become law before the  
 22 beginning of a fiscal period, then the automatic continuing  
 23 resolution provided for in this section shall immediately  
 24 take effect. The automatic continuing resolution shall re-  
 25 main in effect for the entirety of the fiscal period, unless

1 amended in whole or in part by two-thirds vote of both  
2 Houses of Congress, as provided in section 302 of the  
3 Budget Process Reform Act. If the automatic continuing  
4 resolution shall take effect, then there is hereby appro-  
5 priated, out of any moneys in the Treasury not otherwise  
6 appropriated, and out of applicable corporate or other rev-  
7 enues, receipts, and funds, an amount equal to the budget  
8 authority for each program, project, or activity regularly  
9 provided for under that appropriation bill in the most re-  
10 cent fiscal period. In no case shall the total dollar amount  
11 of appropriations for any program, project or activity pur-  
12 suant to an automatic continuing resolution exceed the  
13 fixed-dollar appropriation for such program, project, or ac-  
14 tivity in the most recent appropriation Act, determined on  
15 a fiscal-period basis. In no case shall the total dollar  
16 amount of appropriations pursuant to an automatic con-  
17 tinuing resolution for any program, project, or activity in  
18 a major functional category, when added to all other  
19 spending appropriated by law for that major functional  
20 category, exceed the ceiling in a binding budget law in ef-  
21 fect for the fiscal period.

22       “(b) ‘Appropriation bill’, for purposes of subsection  
23 (a) of this section, means any of the 13 appropriations  
24 bills that together comprise the regular appropriations  
25 process, as revised to include any programs funded pursu-

1 ant to ‘blank check’ spending authority, as that term is  
2 defined in section 3(16) (2 U.S.C. 622), prior to the enact-  
3 ment of the Budget Process Reform Act of 1996.”.

4 **SEC. 402. CONTINGENCY REGULATIONS.**

5 Chapter 13 of title 31, United States Code (as  
6 amended by section 401), is amended by inserting after  
7 section 1311 the following new section:

8 **“§ 1312. Contingency regulations for automatic con-**  
9 **tinuing resolution**

10 “(a) Notwithstanding any other provision of law and  
11 except as provided by subsection (b), the head of each Ex-  
12 ecutive agency shall provide for or approve the adjust-  
13 ments of any agency expenditures, including eligibility re-  
14 quirements, or the scope, duration, level, and availability  
15 of payments, salaries and benefits, grants, loans, benefits,  
16 services, or reimbursements, or both, such that aggregate  
17 outlays for a fiscal period do not exceed the appropriation  
18 provided pursuant to section 1311 (providing for an auto-  
19 matic continuing resolution) for such fiscal period. Not-  
20 withstanding any other provision of law, the obligation of  
21 the United States to make payments (including loans and  
22 grants) to any person or government shall be subject to  
23 the authority granted under this section.

24 “(b) Exclusively for purposes of the implementation  
25 of an automatic continuing resolution pursuant to section

1 1311, in the case of social safety net programs, each State  
2 shall have the option of receiving an aggregate amount  
3 for the fiscal period for such programs equal to the  
4 amount allocated for the benefit of persons in that State  
5 in the preceding fiscal period for such programs. In the  
6 event a State elects this option, it may, in its discretion,  
7 allocate such aggregate amount among any or all of the  
8 social safety net programs in the way that it determines  
9 will best meet the needs of recipients in that State (in  
10 which case such State may exercise the discretion over the  
11 administration of such programs set forth in subsection  
12 (a) of this section). Alternatively, each State shall have  
13 the option of receiving for the fiscal period the amounts  
14 it received for each social safety net program in the pre-  
15 ceding fiscal period.

16 “(c) As used in this section—

17 “(1) the term ‘Executive agency’ has the mean-  
18 ing given such term in section 105 of title 5, United  
19 States Code; and

20 “(2) the term ‘social safety net programs’  
21 means the following programs: family support pay-  
22 ments, adoption assistance, child support enforce-  
23 ment, food stamps, foster care, Medicaid, child nu-  
24 trition programs, social services block grant, and  
25 supplemental security income (SSI).”.

1 **SEC. 403. INDEFINITE APPROPRIATIONS PROHIBITED.**

2 Section 401(b) of the Congressional Budget Act of  
3 1974 is amended to read as follows:

4 “(b) CONTROLS ON LEGISLATION PROVIDING FUND-  
5 ING.—(1) It shall not be in order in either the House of  
6 Representatives or the Senate to consider any bill, resolu-  
7 tion, amendment, motion, or conference report that pro-  
8 vides budget authority or spending authority described in  
9 subsection (c)(2)(C) except a bill or resolution reported  
10 by the Committee on Appropriations of that House or a  
11 conference report made by a committee of conference all  
12 of whose conferees are members of the Committee on Ap-  
13 propriations.

14 “(2) Paragraph (1) shall not apply to Social Security  
15 benefits, as defined in section 3(2)(B)(16) of this Act.”.

16 **TITLE V—PROTECTION OF**  
17 **SOCIAL SECURITY**

18 **SEC. 501. BENEFITS PROTECTED AGAINST DEFICIT REDUC-**  
19 **TION.**

20 Nothing in this Act shall be construed to require or  
21 permit reductions in Social Security benefits otherwise  
22 payable pursuant to applicable law or regulations.

23 **SEC. 502. CONFORMING AMENDMENT.**

24 Chapter 13 of title 31, United States Code (as  
25 amended by section 310), is amended by inserting after  
26 section 1313 the following new section:

1 **“§ 1314. Protection of social security from budget def-**  
2 **icit reduction measures**

3 “No reductions in benefits payable under the old-age,  
4 survivors, and disability insurance program established  
5 under title II of the Social Security Act shall be made as  
6 a consequence of the Budget Process Reform Act.”.

7 **TITLE VI—TECHNICAL AMEND-**  
8 **MENTS TO FEDERAL LAW TO**  
9 **CARRY OUT THIS ACT**

10 **SEC. 601. AMENDMENTS CHANGING CONCURRENT TO**  
11 **JOINT RESOLUTIONS.**

12 (a) Sections 300, 301, 302, 303, 304, 305, 308, 310,  
13 311, 401, 406, 602 (except subsection (d)), 603, 604, 605,  
14 and 606(b) of the Congressional Budget Act of 1974 (2  
15 U.S.C. 631 et seq.) are amended by striking “concurrent”  
16 each place it appears and by inserting “joint”.

17 (b) The table of contents set forth in section 1(b) of  
18 the Congressional Budget and Impoundment Control Act  
19 of 1974 is amended by striking “Concurrent” in the item  
20 relating to section 303 and inserting “Joint” and by strik-  
21 ing “concurrent” in the items relating to sections 301 and  
22 304 and inserting “joint”.

23 (c) Clauses 1(d)(2), 4(a)(2), 4(b)(2), 4(g), 4(h), and  
24 4(i) of rule X, clause 2(l)(6) of rule XI, clause 7 of rule  
25 XV, clause 8 of rule XXIII, and rule XLIX of the Rules

1 of the House of Representatives are amended by striking  
2 “concurrent” and by inserting “joint”.

3 (d) Section 258C(b)(1) of the Balanced Budget and  
4 Emergency Deficit Control Act of 1985 is amended by  
5 striking “concurrent” and by inserting “joint”.

6 **SEC. 602. FURTHER AMENDMENTS TO THE CONGRES-**  
7 **SIONAL BUDGET ACT OF 1974.**

8 (a) The table of contents set forth in section 1(b) of  
9 the Congressional Budget and Impoundment Control Act  
10 of 1974—

11 (1) relating to section 302 is amended to read  
12 as follows:

“Sec. 302. Two-thirds requirement for over-budget spending bills.”;

13 (2) is amended by striking “new budget author-  
14 ity, new spending authority,” and the comma before  
15 “or changes” in the item relating to section 303;  
16 and

17 (3) is amended by inserting after the item relat-  
18 ing to section 313 the following new items:

“Sec. 314. Spending offsets required.

“Sec. 315. Lock-box for savings from spending reductions.

“Sec. 316. Rainy day fund for natural disasters.”.

19 (b) Section 302(f) of the Congressional Budget Act  
20 of 1974 (2 U.S.C. 633(f)) is amended—

21 (1) in paragraph (1) by striking “(1) IN THE  
22 HOUSE OF REPRESENTATIVES.—”, by striking “new  
23 budget authority for such fiscal year, new entitle-

1       ment authority effective during such fiscal year, or”  
2       and by striking “new discretionary budget authority,  
3       new entitlement authority, or”; and

4               (2) by striking paragraph (2).

5       (c) Section 303 of the Congressional Budget Act of  
6 1974 is amended—

7               (1) in its heading by striking “NEW BUDGET  
8       AUTHORITY, NEW SPENDING AUTHORITY,” and the  
9       comma before “OR CHANGES”; and

10              (2) in subsection (a) by striking paragraphs  
11       (1), (4) and (5) and by redesignating paragraphs  
12       (2), (3), and (6) as paragraphs (1), (2), and (3), re-  
13       spectively.

14       (d) Section 304 of the Congressional Budget Act of  
15 1974 is amended by adding at the end the following new  
16 subsection:

17       “(c) In the House of Representatives and in the Sen-  
18       ate, the vote on final passage upon the adoption of any  
19       joint resolution on the budget which revises any joint reso-  
20       lution pursuant to this section shall require the approval  
21       of two-thirds of those voting, a quorum being present.”.

22       (e) The last sentence of clause 4(b) of rule XI of the  
23       Rules of the House of Representatives is amended by in-  
24       serting before the period at the end the following: “; nor  
25       shall it report any rule or order which would waive any

1 point of order set forth in the Budget Process Reform Act  
2 or any amendment made by it”.

3 (f) The first sentence of section 202(f)(1) of the Con-  
4 gressional Budget Act of 1974 is amended to read as fol-  
5 lows: “On or before February 15 of each year, the Direc-  
6 tor shall submit to the Committees on the Budget of the  
7 House of Representatives and the Senate a report, for the  
8 fiscal period commencing on October 1 of that year, with  
9 respect to fiscal policy, including (A) estimated budget  
10 outlays in all functions and subfunctions for appropriated  
11 accounts for the current fiscal period and estimated budg-  
12 et outlays under current law for all entitlement programs  
13 for the next fiscal period, and (B) alternative levels of total  
14 revenues, total new budget authority, and total outlays  
15 (including related surpluses and deficits) compared to  
16 comparable levels for the current fiscal period.”.

17 (g) Section 202(f)(3) of the Congressional Budget  
18 Act of 1974 is amended by striking “and” before “(B)”  
19 and inserting a comma, and by inserting before the period  
20 at the end the following: “, and (C) all programs and ac-  
21 tivities that fall within section 401(e)(2)(C)”.

22 (h) Section 308(a)(1) of the Congressional Budget  
23 Act of 1974 is amended—

24 (1) in subparagraph (C), by inserting “, and  
25 shall include a comparison of those levels to com-

1       parable levels for the current fiscal period” before  
2       “if timely submitted”; and

3               (2) by striking “and” at the end of subpara-  
4       graph (C), by striking the period and inserting “;  
5       and” at the end of subparagraph (D), and by adding  
6       at the end the following new subparagraph:

7                       “(E) comparing the levels in existing pro-  
8                       grams in such measure to the levels for the cur-  
9                       rent fiscal period.”.

10       (i) Except for purposes of adjusting the discretionary  
11       spending limits set forth in section 601(a)(2) of the Con-  
12       gressional Budget Act of 1974, section 257(c) of the Bal-  
13       anced Budget and Emergency Deficit Control Act of 1985  
14       is amended—

15               (1) in the second sentence of paragraph (1), by  
16       striking “sequentially and cumulatively” and by  
17       striking “for inflation as specified in paragraph  
18       (5),”; and

19               (2) by striking paragraph (5) and redesignating  
20       paragraph (6) as paragraph (5).

21       (j) Section 301(e) of the Congressional Budget Act  
22       of 1974 is amended—

23               (1) by inserting after the second sentence the  
24       following: “The starting point for the President and  
25       the Congressional Budget Office and for any delib-

1 erations in the Committee on the Budget of each  
2 House on the joint resolution on the budget for the  
3 next fiscal period shall be the level of outlays for the  
4 current fiscal period in each function and subfunc-  
5 tion. Any increases or decreases in the Congressional  
6 budget for the next and subsequent fiscal periods  
7 shall be from such levels.”;

8 (2) by amending paragraph (3) to read as fol-  
9 lows:

10 “(3) a comparison of spending levels for the  
11 current fiscal period with proposed spending levels  
12 for the subsequent fiscal periods along with the pro-  
13 posed increase or decrease of spending in percentage  
14 terms for each function and subfunction;” and

15 (3) by amending paragraph (8) to read as fol-  
16 lows:

17 “(8) information, data, and comparisons indi-  
18 cating the manner in which and the basis on which  
19 the committee determined each of the matters set  
20 forth in the joint resolution on the budget, including  
21 information on outlays for the current fiscal period  
22 and the decisions reached to set funding for the sub-  
23 sequent fiscal periods;”.

1 **SEC. 603. TECHNICAL AMENDMENTS TO THE IMPOUND-**  
2 **MENT CONTROL ACT OF 1974.**

3 (a) Section 1014 of the Impoundment Control Act  
4 of 1974 is amended—

5 (1) by striking “1012 or 1013” each place it  
6 appears and inserting “1012, 1013, or 1013A”;

7 (2) in subsection (b)(1) by striking “1012” and  
8 inserting “1012 or 1013A”; and

9 (3) in subsection (e)(1) by striking “and” at  
10 the end of subparagraph (A), by redesignating sub-  
11 paragraph (B) as subparagraph (C), by striking  
12 “1013” in subparagraph (C) (as redesignated), and  
13 by inserting after subparagraph (A) the following  
14 new subparagraph:

15 “(B) he has transmitted a special message  
16 under section 1013A with respect to a proposed  
17 rescission; and”.

18 (b) Section 1015 is amended by striking “1012 or  
19 1013” each place it appears and inserting “1012, 1013,  
20 or 1013A”.

21 (c) Section 1012(b) is amended by inserting before  
22 the last sentence the following new sentence: “The preced-  
23 ing sentence shall not apply to any item or portion of any  
24 item of budget authority proposed by the President to be  
25 rescinded under this section that the President has also  
26 proposed to rescind under section 1013A and with respect

1 to which the 45-day period referred to in subsection (e)  
2 of such section has not expired.”.

3 (d) The table of sections set forth in section 1(b) is  
4 amended by inserting after the item relating to section  
5 1013 the following new item:

“Sec. 1013A. Rescission of spending outside of congressional budget.”.

6 **SEC. 604. TECHNICAL AMENDMENTS TO TITLE 31, UNITED**  
7 **STATES CODE.**

8 (a)(1) Paragraph (5) of section 1105(a) of title 31,  
9 United States Code, is amended to read as follows:

10 “(5) except as provided in subsection (b) of this  
11 section, estimated expenditures and appropriations  
12 for the current fiscal period and estimated expendi-  
13 tures and proposed appropriations the President de-  
14 cides are necessary to support the Government in  
15 the fiscal period for which the budget is submitted  
16 and the 4 years following that period;”.

17 (2) Section 1105(a)(6) of title 31, United States  
18 Code, is amended by inserting “current fiscal period and  
19 the” before “fiscal year”.

20 (3) Section 1105(a)(12) of title 31, United States  
21 Code, is amended by striking “and” at the end of subpara-  
22 graph (A), by striking the period and inserting “; and”  
23 at the end of subparagraph (B), and by adding at the end  
24 the following new subparagraph:

1           “(C) the estimated amount for the same activ-  
2           ity (if any) in the current fiscal period.”.

3           (4) Section 1105(a)(18) of title 31, United States  
4 Code, is amended by inserting “new budget authority  
5 and” before “budget outlays”.

6           (5) Section 1105(a) of title 31, United States Code,  
7 is amended by adding at the end the following new para-  
8 graph:

9           “(32) a comparison of levels of estimated ex-  
10           penditures and proposed appropriations for each  
11           function and subfunction in the current fiscal period  
12           and the fiscal period for which the budget is submit-  
13           ted, along with the proposed increase or decrease of  
14           spending in percentage terms for each function and  
15           subfunction.”.

16           (b) Section 1109(a) of title 31, United States Code,  
17 is amended by adding after the first sentence the following  
18 new sentence: “These estimates shall not include any ad-  
19 justment for inflation.”.

20           (c) Section 1104(c) of title 31, United States Code,  
21 is amended by striking the second and third sentences and  
22 inserting the following new sentence: “However, a func-  
23 tional category in the budget may be changed only by law  
24 and the subfunctions comprising any such category may  
25 also only be changed by law except to the extent necessary

1 to initially establish appropriate subfunctions within func-  
2 tional category 950 (natural disasters).”.

3 (d) Section 1312(b) of title 31, United States Code,  
4 as added by section 402 of this Act, is amended by adding  
5 at the end thereof the following new sentence: “The deci-  
6 sion of a State to receive either an aggregate amount for  
7 such programs (and its allocation of benefits among such  
8 programs) or the amounts it received for, each such pro-  
9 gram shall not be reviewable in any Federal court.”.

10 (e) The analysis of chapter 13 of title 31, United  
11 States Code, is amended by inserting after the item relat-  
12 ing to section 1310 the following new items:

“Sec. 1311. Automatic continuing resolution.

“Sec. 1312. Contingency regulations for automatic continuing resolution.

“Sec. 1313. Budget authority and entitlement authority must cover single fiscal  
period.

“Sec. 1314. Protection of Social Security from budget deficit reduction meas-  
ures.

“Sec. 1315. Contingency regulations for former ‘blank-check’ spending pro-  
grams.”.

## 13 **TITLE VII—DEFINITIONS AND** 14 **RULES OF INTERPRETATION**

### 15 **SEC. 701. DEFINITIONS.**

16 (a) **DEFINITION OF BUDGET LAW.**—Section 3(4) of  
17 the Congressional Budget and Impoundment Control Act  
18 of 1974 (2 U.S.C. 622(4)), containing general definitions,  
19 is amended to read as follows:

20 “(4) The term ‘budget law’ or ‘joint resolution  
21 on the budget’ means—

1           “(A) a joint resolution setting forth the  
2           simplified budget for the United States Govern-  
3           ment for a fiscal period as provided in section  
4           301; and

5           “(B) any other joint resolution revising the  
6           budget for the United States Government for a  
7           fiscal period as described in section 304.”.

8           (b) CHANGING DEFINITION OF BUDGET AUTHORITY  
9           TO EXCLUDE OFFSETTING RECEIPTS.—Section 3(2)(A)  
10          of the Congressional Budget and Impoundment Control  
11          Act of 1974 (2 U.S.C. 622(2)(A)) is amended by inserting  
12          “and” at the end of clause (ii), by striking “; and” at  
13          the end of clause (iii), and by striking clause (iv).

14          (c) ADDITIONAL DEFINITIONS.—Section 3 of the  
15          Congressional Budget and Impoundment Control Act of  
16          1974 (2 U.S.C. 622) is amended by adding at the end  
17          the following new paragraphs:

18                 “(11) The term ‘major functional category’ re-  
19                 fers to a grouping of budget authority, budget out-  
20                 lays, and credit authority into any one of the follow-  
21                 ing categories:

22                         “Function 050: National Defense

23                         “Function 150: International Affairs

24                         “Function 250: General Science, Space  
25                         and Technology

- 1                   “Function 270: Energy
- 2                   “Function 300: Natural Resources and
- 3           Environment
- 4                   “Function 350: Agriculture
- 5                   “Function 400: Transportation
- 6                   “Function 450: Community and Regional
- 7           Development
- 8                   “Function 500: Education, Training, Em-
- 9           ployment and Social Services
- 10                  “Function 550: Health
- 11                  “Function 570: Medicare
- 12                  “Function 600: Welfare, Federal Employee
- 13           Benefits, and Social Transfer Payments
- 14                  “Function 650: Social Security
- 15                  “Function 700: Veterans Benefits and
- 16           Services
- 17                  “Function 750: Administration of Justice
- 18                  “Function 800: General Government
- 19                  “Function 900: Net Interest
- 20                  “Function 920: Allowances
- 21                  “Function 950: Natural Disasters.”.

22           For purposes of this definition, the foregoing func-

23           tional classifications shall be deemed to include the

24           subfunctions corresponding thereto as set forth in

25           the Glossary of Terms Used in the Federal Budget

1 Process published by the United States General Ac-  
2 counting Office (Revised January 1993).

3 “(12) The term ‘budget ceiling’ means the dol-  
4 lar amount set forth in a budget law for a major  
5 functional category.

6 “(13) The term ‘spending’ means budget au-  
7 thority, spending authority, credit authority, or out-  
8 lays of the term ‘spending bill’ means any bill or res-  
9 olution, or amendment thereto or conference report  
10 thereon, which provides budget authority, spending  
11 authority, credit authority, or outlays.

12 “(14) The term ‘blank-check’ spending author-  
13 ity means authority (whether temporary or perma-  
14 nent) to make payments (including loans and  
15 grants), the budget authority for which is not pro-  
16 vided for in advance by appropriation Acts, to any  
17 person or government if, under the provisions of the  
18 law containing such authority, the United States is  
19 obligated to make such payments to persons or gov-  
20 ernments who meet the requirements established by  
21 such law: *Provided*, That such term does not include  
22 Social Security or interest on the debt.

23 “(15) The term ‘fiscal period’ means a twelve-  
24 month fiscal year beginning on October 1 of a cal-

1       endar year for the management of the budget of the  
2       United States.

3               “(16) The term ‘Social Security’ means the Old  
4       Age, Survivors, and Disability Program established  
5       under title II of the Social Security Act, as in effect  
6       on the date of enactment of the Budget Process Re-  
7       form Act of 1996.”.

8       **SEC. 702. USE OF TERMS.**

9       Whenever any term is used in this Act which is de-  
10      fined in section 3 of the Congressional Budget and Im-  
11      poundment Control Act of 1974, the term shall have the  
12      meaning given to such term in that Act.

13      **SEC. 703. EFFECTIVE DATE.**

14      This Act and the amendments made by it shall be-  
15      come effective January 1, 1997, and shall apply to the  
16      budget process for fiscal periods beginning after Septem-  
17      ber 30, 1997.

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