

107TH CONGRESS  
1ST SESSION

# H. R. 2

To establish a procedure to safeguard the combined surpluses of the Social Security and Medicare hospital insurance trust funds.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2001

Mr. HERGER (for himself, Mr. SESSIONS, Mr. SCHROCK, Mr. TOOMEY, Mr. ROYCE, Mr. FOLEY, Mr. GRAVES, Mr. BROWN of South Carolina, Mr. OTTER, Ms. HART, Mr. AKIN, Mr. CRENSHAW, Mr. REHBERG, Mr. TIBERI, Mr. SIMMONS, Mr. CULBERSON, Mr. CANTOR, Mr. JOHNSON of Illinois, Mr. PLATTS, Ms. CAPITO, Mr. FLETCHER, Mrs. JOHNSON of Connecticut, Mr. SHAW, Mr. DREIER, Mr. GOSS, Mr. HASTINGS of Washington, Mr. COLLINS, Ms. PRYCE of Ohio, Mr. KIRK, Mrs. MYRICK, Mr. LINDER, and Mr. PUTNAM) introduced the following bill; which was referred to the Committee on Rules, and in addition to the Committee on the Budget, 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 establish a procedure to safeguard the combined surpluses of the Social Security and Medicare hospital insurance trust funds.

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.**

4 This Act may be cited as the “Social Security and  
5 Medicare Lock-Box Act of 2001”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) the Balanced Budget Act of 1997 and  
4 strong economic growth have ended decades of def-  
5 icit spending;

6 (2) the Government is able to meet its current  
7 obligations without using the social security and  
8 medicare surpluses;

9 (3) fiscal pressures will mount as an aging pop-  
10 ulation increases the Government's obligations to  
11 provide retirement income and health services;

12 (4) social security and medicare hospital insur-  
13 ance surpluses should be used to reduce the debt  
14 held by the public until legislation is enacted that re-  
15 forms social security and medicare;

16 (5) preserving the social security and medicare  
17 hospital insurance surpluses would restore con-  
18 fidence in the long-term financial integrity of social  
19 security and medicare; and

20 (6) strengthening the Government's fiscal posi-  
21 tion through debt reduction would increase national  
22 savings, promote economic growth, and reduce its in-  
23 terest payments.

24 (b) PURPOSE.—It is the purpose of this Act to—

25 (1) prevent the surpluses of the social security  
26 and medicare hospital insurance trust funds from

1 being used for any purpose other than providing re-  
 2 tirement and health security; and

3 (2) use such surpluses to pay down the national  
 4 debt until such time as medicare and social security  
 5 reform legislation is enacted.

6 **SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE**  
 7 **SURPLUSES.**

8 (a) PROTECTION OF SOCIAL SECURITY AND MEDI-  
 9 CARE SURPLUSES.—Title III of the Congressional Budget  
 10 Act of 1974 is amended by adding at the end the following  
 11 new section:

12 “LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL  
 13 INSURANCE SURPLUSES

14 “SEC. 316. (a) LOCK-BOX FOR SOCIAL SECURITY  
 15 AND HOSPITAL INSURANCE SURPLUSES.—

16 “(1) CONCURRENT RESOLUTIONS ON THE  
 17 BUDGET.—

18 “(A) IN GENERAL.—It shall not be in  
 19 order in the House of Representatives or the  
 20 Senate to consider any concurrent resolution on  
 21 the budget, or an amendment thereto or con-  
 22 ference report thereon, that would set forth a  
 23 surplus for any fiscal year that is less than the  
 24 surplus of the Federal Hospital Insurance  
 25 Trust Fund for that fiscal year.

1           “(B) EXCEPTION.—(i) Subparagraph (A)  
2 shall not apply to the extent that a violation of  
3 such subsection would result from an assump-  
4 tion in the resolution, amendment, or con-  
5 ference report, as applicable, of an increase in  
6 outlays or a decrease in revenue relative to the  
7 baseline underlying that resolution for social se-  
8 curity reform legislation or medicare reform leg-  
9 islation for any such fiscal year.

10           “(ii) If a concurrent resolution on the  
11 budget, or an amendment thereto or conference  
12 report thereon, would be in violation of sub-  
13 paragraph (A) because of an assumption of an  
14 increase in outlays or a decrease in revenue rel-  
15 ative to the baseline underlying that resolution  
16 for social security reform legislation or medi-  
17 care reform legislation for any such fiscal year,  
18 then that resolution shall include a statement  
19 identifying any such increase in outlays or de-  
20 crease in revenue.

21           “(2) SPENDING AND TAX LEGISLATION.—

22           “(A) IN GENERAL.—It shall not be in  
23 order in the House of Representatives or the  
24 Senate to consider any bill, joint resolution,  
25 amendment, motion, or conference report if—

1 “(i) the enactment of that bill or reso-  
2 lution, as reported;

3 “(ii) the adoption and enactment of  
4 that amendment; or

5 “(iii) the enactment of that bill or res-  
6 olution in the form recommended in that  
7 conference report,

8 would cause the surplus for any fiscal year cov-  
9 ered by the most recently agreed to concurrent  
10 resolution on the budget to be less than the sur-  
11 plus of the Federal Hospital Insurance Trust  
12 Fund for that fiscal year.

13 “(B) EXCEPTION.—Subparagraph (A)  
14 shall not apply to social security reform legisla-  
15 tion or medicare reform legislation.”.

16 “(b) ENFORCEMENT.—

17 “(1) BUDGETARY LEVELS WITH RESPECT TO  
18 CONCURRENT RESOLUTIONS ON THE BUDGET.—For  
19 purposes of enforcing any point of order under sub-  
20 section (a)(1), the surplus for any fiscal year shall  
21 be—

22 “(A) the levels set forth in the later of the  
23 concurrent resolution on the budget, as re-  
24 ported, or in the conference report on the con-  
25 current resolution on the budget; and

1           “(B) adjusted to the maximum extent al-  
2           lowable under all procedures that allow budg-  
3           etary aggregates to be adjusted for legislation  
4           that would cause a decrease in the surplus for  
5           any fiscal year covered by the concurrent reso-  
6           lution on the budget (other than procedures de-  
7           scribed in paragraph (2)(A)(ii)).

8           “(2) CURRENT LEVELS WITH RESPECT TO  
9           SPENDING AND TAX LEGISLATION.—

10           “(A) IN GENERAL.—For purposes of en-  
11           forcing subsection (a)(2), the current levels of  
12           the surplus for any fiscal year shall be—

13           “(i) calculated using the following  
14           assumptions—

15           “(I) direct spending and revenue  
16           levels at the baseline levels underlying  
17           the most recently agreed to concur-  
18           rent resolution on the budget; and

19           “(II) for the budget year, discre-  
20           tionary spending levels at current law  
21           levels and, for outyears, discretionary  
22           spending levels at the baseline levels  
23           underlying the most recently agreed to  
24           concurrent resolution on the budget;  
25           and

1           “(ii) adjusted for changes in the sur-  
2           plus levels set forth in the most recently  
3           agreed to concurrent resolution on the  
4           budget pursuant to procedures in such res-  
5           olution that authorize adjustments in  
6           budgetary aggregates for updated economic  
7           and technical assumptions in the mid-ses-  
8           sion report of the Director of the Congres-  
9           sional Budget Office.

10          Such revisions shall be included in the first cur-  
11          rent level report on the congressional budget  
12          submitted for publication in the Congressional  
13          Record after the release of such mid-session re-  
14          port.

15          “(B) BUDGETARY TREATMENT.—Outlays  
16          (or receipts) for any fiscal year resulting from  
17          social security or medicare reform legislation in  
18          excess of the amount of outlays (or less than  
19          the amount of receipts) for that fiscal year set  
20          forth in the most recently agreed to concurrent  
21          resolution on the budget or the section 302(a)  
22          allocation for such legislation, as applicable,  
23          shall not be taken into account for purposes of  
24          enforcing any point of order under subsection  
25          (a)(2).

1           “(3) DISCLOSURE OF HI SURPLUS.—For pur-  
2           poses of enforcing any point of order under sub-  
3           section (a), the surplus of the Federal Hospital In-  
4           surance Trust Fund for a fiscal year shall be the  
5           levels set forth in the later of the report accom-  
6           panying the concurrent resolution on the budget (or,  
7           in the absence of such a report, placed in the Con-  
8           gressional Record prior to the consideration of such  
9           resolution) or in the joint explanatory statement of  
10          managers accompanying such resolution.

11          “(c) ADDITIONAL CONTENT OF REPORTS ACCOM-  
12          PANYING BUDGET RESOLUTIONS AND OF JOINT EXPLAN-  
13          ATORY STATEMENTS.—The report accompanying any con-  
14          current resolution on the budget and the joint explanatory  
15          statement accompanying the conference report on each  
16          such resolution shall include the levels of the surplus in  
17          the budget for each fiscal year set forth in such resolution  
18          and of the surplus or deficit in the Federal Hospital Insur-  
19          ance Trust Fund, calculated using the assumptions set  
20          forth in subsection (b)(2)(A).

21          “(d) DEFINITIONS.—As used in this section:

22                 “(1) The term ‘medicare reform legislation’  
23                 means a bill or a joint resolution to save Medicare  
24                 that includes a provision stating the following: ‘For  
25                 purposes of section 316(a) of the Congressional

1 Budget Act of 1974, this Act constitutes medicare  
2 reform legislation.’

3 “(2) The term ‘social security reform legisla-  
4 tion’ means a bill or a joint resolution to save social  
5 security that includes a provision stating the fol-  
6 lowing: ‘For purposes of section 316(a) of the Con-  
7 gressional Budget Act of 1974, this Act constitutes  
8 social security reform legislation.’

9 “(e) WAIVER AND APPEAL.—Subsection (a) may be  
10 waived or suspended in the Senate only by an affirmative  
11 vote of three-fifths of the Members, duly chosen and  
12 sworn. An affirmative vote of three-fifths of the Members  
13 of the Senate, duly chosen and sworn, shall be required  
14 in the Senate to sustain an appeal of the ruling of the  
15 Chair on a point of order raised under this section.

16 “(f) EFFECTIVE DATE.—This section shall cease to  
17 have any force or effect upon the enactment of social secu-  
18 rity reform legislation and medicare reform legislation.”.

19 (b) CONFORMING AMENDMENT.—The item relating  
20 to section 316 in the table of contents set forth in section  
21 1(b) of the Congressional Budget and Impoundment Con-  
22 trol Act of 1974 is amended to read as follows:

“Sec. 316. Protection of social security and medicare surpluses.”.

23 **SEC. 4. PRESIDENTS’ BUDGET.**

24 (a) PROTECTION OF SOCIAL SECURITY AND MEDI-  
25 CARE SURPLUSES.—If the budget of the United States

1 Government submitted by the President under section  
2 1105(a) of title 31, United States Code, recommends an  
3 on-budget surplus for any fiscal year that is less than the  
4 surplus of the Federal Hospital Insurance Trust Fund for  
5 that fiscal year, then it shall include a detailed proposal  
6 for social security reform legislation or medicare reform  
7 legislation.

8 (b) EFFECTIVE DATE.—Subsection (a) shall cease to  
9 have any force or effect upon the enactment of social secu-  
10 rity reform legislation and medicare reform legislation as  
11 defined by section 316(d) of the Congressional Budget Act  
12 of 1974.

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