A BILL

To specify the priority of the obligations of the United States Government if the debt ceiling is reached, to provide for an emergency appropriation of funds to pay for certain defense and national security obligations during a gap in funding, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) clear funding priorities should be laid out in case the United States Government reaches the stat-
utory debt limit or experiences a funding gap, and that the top priorities should be—

(A) paying principal and interest on the public debt;

(B) paying the salaries of members of our Armed Forces and paying for vital national security priorities as determined by the President; and

(C) paying Social Security benefits; and

(2) funding for components of the Federal Government that are not essential should be significantly limited if the government reaches the statutory debt limit.

SEC. 2. PRIORITY OF PAYMENTS IF THE DEBT CEILING IS REACHED.

(a) IN GENERAL.—In the event that the debt of the United States Government, as defined in section 3101 of title 31, United States Code, reaches the statutory limit, amounts necessary for obligations incurred by the Government of the United States shall be made available as prioritized in the following order (with items listed in descending order of prioritization):

(1) amounts necessary to carry out the authority of the Department of the Treasury provided in section 3123 of title 31, United States Code, to pay
with legal tender the principal and interest on debt held by the public;

(2) such amounts as the Secretary of Defense (and the Secretary of Homeland Security in the case of the Coast Guard) determines to be necessary to continue to provide pay and allowances (without interruption) to members of the Army, Navy, Air Force, Marine Corps, and Coast Guard, including reserve components thereof, who perform active service;

(3) such amounts as the President certifies to the Congress are necessary to carry out vital national security priorities;

(4) amounts necessary to carry out the authority of the Commissioner of Social Security to pay monthly old-age, survivors’, and disability insurance benefits under title II of the Social Security Act; and

(5) subject to subsection (b), amounts necessary to satisfy all other obligations, in an order of priority determined by the President under section 4(2).

(b) LIMITATION ON CERTAIN OBLIGATIONS.—With respect to a department or agency described under subsection (c) or an international organization or fund (as defined by the President), amounts made available pursu-
ant to subsection (a)(5) to satisfy obligations for such de-
partment, agency, organization, or fund may not exceed
an amount that is equal to 20 percent of the amount that
would have been made available to satisfy such obligations
if the statutory limit described under subsection (a) had
not been reached.

(e) Certain Departments and Agencies.—A de-
partment or agency is described under this subsection if
it is one of the following:

(1) The Department of Education.

(2) The Department of Energy.

(3) The Department of Health & Human Serv-
ices.

(4) The Department of Housing and Urban De-
velopment.

(5) The Department of the Interior.

(6) The Department of Labor.

(7) The Department of Transportation.

(8) The Environmental Protection Agency.

(9) The National Science Foundation.

(10) The Office of Personnel Management.

(11) The United States Agency for Inter-
national Development.

(12) An independent establishment, as defined
under section 104 of title 5, United States Code.
SEC. 3. EMERGENCY APPROPRIATION OF FUNDS FOR DEFENSE AND NATIONAL SECURITY DURING A FUNDING GAP.

(a) IN GENERAL.—During any funding gap, the Secretary of the Treasury shall make available, out of any amounts in the general fund of the Treasury not otherwise appropriated—

(1) such amounts as the Secretary of Defense (and the Secretary of Homeland Security in the case of the Coast Guard) determines to be necessary to continue to provide pay and allowances (without interruption) to members of the Army, Navy, Air Force, Marine Corps, and Coast Guard, including reserve components thereof, who perform active service during the funding gap; and

(2) such amounts as the President certifies to the Congress are necessary to carry out vital national security priorities.

(b) FUNDING GAP DEFINED.—For purposes of this section and with respect to an obligation incurred by the Government of the United States, the term “funding gap” means any period of time after the beginning of a fiscal year for which interim or full-year appropriations for such obligation have not been enacted.
SEC. 4. REPORT ON PRIORITIZATION.

Not later than the end of the 30-day period beginning on the date of the enactment of this Act, the President shall submit to the Congress—

(1) a plan explaining the continuation of Government operations in the event that the debt of the United States Government, as defined in section 3101 of title 31, United States Code, reaches the statutory limit;

(2) the prioritization of the obligations of the United States Government, other than those listed under paragraphs (1), (2), (3), and (4) of section 2, that the President determines appropriate in the event that the debt of the United States Government, as defined in section 3101 of title 31, United States Code, reaches the statutory limit; and

(3) a plan explaining the continuation of Government operations in the event of a funding gap, as defined under section 3(b), including the system of determining which Federal employees are essential during such funding gap.