H. R. 3576

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to establish spending limits and deficit control.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2011

Mr. CAMPBELL (for himself, Mr. RYAN of Wisconsin, Mr. HENSARLING, Mr. GUINTA, Mr. ROKITA, Mr. CHAFFETZ, and Mr. STUTZMAN) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on 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.

A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to establish spending limits and deficit control.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Spending Control Act of 2011”.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—SPENDING LIMITS AND DEFICIT CONTROL
Sec. 101. Direct spending limits.
Sec. 102. Total spending limits.
Sec. 103. Deficit limits.
Sec. 104. Repeal of statutory PAYGO.
Sec. 105. Reports and orders.
Sec. 106. Exempt programs and activities; special sequestration rules.
Sec. 107. Adjustments for changes in direct spending.

TITLE II—BUDGETING FOR EMERGENCIES AND WAR

Sec. 201. Allocations for the global war on terrorism.
Sec. 202. Emergency and global war on terrorism (GWOT) adjustment procedures.
Sec. 203. Elimination of emergency adjustments.
Sec. 204. Conforming amendment to the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE III—ENFORCING CUT-AS-YOU-GO

Sec. 301. Enforcing Cut-As-You-Go.

TITLE IV—SUPERMAJORITY POINTS OF ORDER

Sec. 401. Supermajority points of order.

TITLE I—SPENDING LIMITS AND DEFICIT CONTROL

SEC. 101. DIRECT SPENDING LIMITS.

(a) CONTROL OF DIRECT SPENDING.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"SEC. 252. DIRECT SPENDING LIMITS.

"(a) DIRECT SPENDING LIMITS.—The total level of direct spending for each fiscal year set forth below is as follows:

"(1) For fiscal year 2013—

"(A) for Medicare, $515,001,000,000 in budget authority and the outlays flowing therefrom;
“(B) for Medicaid and other health-related spending, $293,611,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $474,527,000,000 in budget authority and the outlays flowing therefrom.

“(2) For fiscal year 2014—

“(A) for Medicare, $545,303,000,000 in budget authority and the outlays flowing therefrom;

“(B) for Medicaid and other health-related spending, $287,942,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $431,870,000,000 in budget authority and the outlays flowing therefrom.

“(3) For fiscal year 2015—

“(A) for Medicare, $568,450,000,000 in budget authority and the outlays flowing therefrom;

“(B) for Medicaid and other health-related spending, $276,890,000,000 in budget authority and the outlays flowing therefrom; and
“(C) for all other direct spending, $401,509,000,000 in budget authority and the outlays flowing therefrom.

“(4) For fiscal year 2016—

“(A) for Medicare, $614,243,000,000 in budget authority and the outlays flowing therefrom;

“(B) for Medicaid and other health-related spending, $270,287,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $422,579,000,000 in budget authority and the outlays flowing therefrom.

“(5) For fiscal year 2017—

“(A) for Medicare, $633,169,000,000 in budget authority and the outlays flowing therefrom;

“(B) for Medicaid and other health-related spending, $288,914,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $414,028,000,000 in budget authority and the outlays flowing therefrom.

“(6) For fiscal year 2018—
“(A) for Medicare, $652,180,000,000 in budget authority and the outlays flowing therefrom;

“(B) for Medicaid and other health-related spending, $297,823,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $412,225,000,000 in budget authority and the outlays flowing therefrom.

“(7) For fiscal year 2019—

“(A) for Medicare, $706,477,000,000 in budget authority and the outlays flowing therefrom;

“(B) for Medicaid and other health-related spending, $318,508,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $423,383,000,000 in budget authority and the outlays flowing therefrom.

“(8) For fiscal year 2020—

“(A) for Medicare, $753,235,000,000 in budget authority and the outlays flowing therefrom;
“(B) for Medicaid and other health-related spending, $341,284,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $432,352,000,000 in budget authority and the outlays flowing therefrom.

“(9) For fiscal year 2021—

“(A) for Medicare, $803,952,000,000 in budget authority and the outlays flowing therefrom;

“(B) for Medicaid and other health-related spending, $348,739,000,000 in budget authority and the outlays flowing therefrom; and

“(C) for all other direct spending, $440,804,000,000 in budget authority and the outlays flowing therefrom.

“(b) SEQUESTRATION.—(1) Within 15 calendar days after Congress adjourns to end a session and on the same day as a sequestration under sections 251, 251A, 253, but after any sequestration required by section 251 and 251A and before sections 252A and 253, there shall be a sequestration to eliminate any direct spending in excess of the direct spending limits set forth in subsection (a), as applicable, for the budget year.
“(2) The amount required to be sequestered in a fiscal year under paragraph (1)—

“(A) for Medicare spending shall be obtained from non-exempt direct spending accounts for Medicare;

“(B) for Medicaid and other health-related spending shall be obtained from non-exempt direct spending accounts for Medicaid and other health-related spending; and

“(C) for all other direct spending shall be obtained from non-exempt direct spending accounts.

“(3) Each account referred to in subparagraph (A), (B), or (C) of paragraph (2) shall be reduced by the uniform percentage necessary to reduce any excess direct spending in accounts in that subparagraph to the applicable level set forth in subsection (a), as applicable, for the budget year.

“(c) SCOREKEEPING GUIDELINES.—OMB and CBO, after consultation with each other and the Committees on the Budget of the House of Representatives and the Senate, shall—

“(1) determine common scorekeeping guidelines; and

“(2) in conformance with such guidelines, prepare estimates under this section”.
(b) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraphs:

“(22) The term ‘Medicare’ means programs within budget function 570.

“(23) The term ‘Medicaid and other health-related spending’ means programs within budget function 550.

“(24) The term ‘other direct spending’ means programs other than those within budget functions 550 and 570, excluding Social Security and net interest.”.

(c) CONFORMING AMENDMENT.—The item relating to section 252 in the table of contents set forth in 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“Sec. 252. Direct spending limits.”.

SEC. 102. TOTAL SPENDING LIMITS.

(a) TOTAL SPENDING LIMITS.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 252 the following new section:

“SEC. 252A. TOTAL SPENDING LIMITS.

“(a) SEQUESTRATION.—(1) Within 15 calendar days after Congress adjourns to end a session and on the same day as a spending reduction ordered under sections 251,
251A, 252, and 253, but after any spending reduction required by sections 251, 251A, and 252, and before section 253, there shall be a sequestration of all non-exempt direct spending accounts and discretionary accounts to eliminate any total spending in excess of the total spending limits set forth in subsection (b) for the budget year.

“(2) Each account referred to in paragraph (1) shall be reduced by the uniform percentage necessary to reduce total spending to the applicable level set forth in subsection (b) for the budget year.

“(b) Total Spending Limits.—

“(1) fiscal year 2013: 21.7 percent;
“(2) fiscal year 2014: 20.8 percent;
“(3) fiscal year 2015: 20.2 percent;
“(4) fiscal year 2016: 20.1 percent;
“(5) fiscal year 2017: 19.9 percent;
“(6) fiscal year 2018: 19.7 percent;
“(7) fiscal year 2019: 19.9 percent;
“(8) fiscal year 2020: 19.9 percent; and
“(9) fiscal year 2021: 19.9 percent;

of the current projected gross domestic product of the United States for the budget year.”.

(b) Definitions.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as
amended by section 101) is further amended by adding
at the end the following new paragraph:

“(25) The term ‘total spending’ means all out-
lays of the Government, including those from off-
budget entities.”.

(c) CONFORMING AMENDMENT.—The table of con-
tents set forth in 250(a) of the Balanced Budget and
Emergency Deficit Control Act of 1985 is amended by in-
serting after the item relating to section 252 the following
new item:

“Sec. 252A. Total spending limits.”.

SEC. 103. DEFICIT LIMITS.

(a) DEFICIT LIMITS.—Section 253 of the Balanced
Budget and Emergency Deficit Control Act of 1985 is
amended to read as follows:

“SEC. 253. DEFICIT LIMITS.

“(a) DEFICIT PROJECTIONS.—

“(1) DEFICIT AMOUNTS.—For the current fis-
cal year and each subsequent ten fiscal years:

“(A) OMB shall prepare a report com-
paring projected total deficits and the deficit
limits in subsection (c), and include such report
in the budget as submitted by the President an-
nually under section 1105(a) of title 31, United
States Code.
“(B) CBO shall prepare a report comparing projected total deficit amounts and the deficit limits in subsection (c) and include such report in the CBO annual baseline and reestimate of the President’s budget.

“(2) INCLUSION IN SPENDING REDUCTION ORDERS.—Reports prepared pursuant to subsection (a) shall be included in the spending reduction report set forth in subsection (b).

“(b) SEQUESTRATION.—(1) Within 15 calendar days after Congress adjourns to end a session and on the same day as a spending reduction ordered under sections 251, 251A, 252, and 252A, but after any spending reduction required by section 251, 251A, 252, or 252A, there shall be a sequestration to eliminate any excess deficit.

“(2) The amount required to be sequestered in a fiscal year under paragraph (1) shall be obtained from non-exempt direct spending and discretionary spending accounts. Each account shall be reduced by the uniform percentage necessary to achieve the required reduction in the deficit so as not to exceed the deficit limit for that fiscal year.

“(c) DEFICIT LIMITS.—In this section, the term ‘deficit limit’ means an amount that equals with respect to—

“(1) fiscal year 2013: 4.3 percent;
“(2) fiscal year 2014: 2.8 percent;
“(3) fiscal year 2015: 2.4 percent;
“(4) fiscal year 2016: 2.5 percent;
“(5) fiscal year 2017: 2.0 percent;
“(6) fiscal year 2018: 1.8 percent;
“(7) fiscal year 2019: 1.9 percent;
“(8) fiscal year 2020: 1.8 percent; and
“(9) fiscal year 2021: 1.6 percent;

of the current projected gross domestic product of the United States for the budget year.”.

(b) CONFORMING AMENDMENT.—The item relating to section 253 in the table of contents set forth in section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“Sec. 253. Deficit limits.”.

SEC. 104. REPEAL OF STATUTORY PAYGO.

The Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 931 note) is repealed.

SEC. 105. REPORTS AND ORDERS.

Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (c), by repealing paragraph (1) and inserting the following new paragraph:

“(1) REPORTING REQUIREMENT.—On the dates specified in subsection (a), OMB and CBO shall issue a preview report regarding discretionary, di-
rect, total, and deficit sequestration based on laws
enacted through those dates.”;

(2) in subsection (c), by repealing paragraph
(3) and inserting the following new paragraph:

“(3) DIRECT SPENDING SEQUESTRATION RE-
PORTS.—The preview report shall set forth for the
budget year estimates for each of the following:

“(A) The amount of any excess direct
spending for Medicare, for Medicaid and other
health-related spending, and for all other direct
spending.

“(B) The sequestration percentage or per-
centages necessary to reduce any direct spend-
ing in accounts for Medicare, for Medicaid and
other health-related spending, and for all other
direct spending, as applicable.”;

(3) in subsection (c), by repealing paragraph
(4), by redesignating paragraph (5) as paragraph
(6), and by inserting the following new paragraphs:

“(4) TOTAL SPENDING SEQUESTRATION RE-
PORTS.—The preview report shall set forth for the
budget year estimates for each of the following:

“(A) The amount of the current projected
gross domestic product of the United States.

“(B) Estimated total spending.
“(C) The amount by which the total spending exceeds the total spending limit.

“(D) The sequestration percentage necessary to eliminate any excess total spending.

“(5) DEFICIT SEQUESTRATION REPORTS.—The preview report shall set forth for the budget year estimates for each of the following:

“(A) The amount of the projected gross domestic product of the United States.

“(B) The estimated deficit.

“(C) The amount by which the estimated deficit exceeds the deficit limit.

“(D) The sequestration percentage necessary to eliminate any excess deficit spending.”;

(4) in subsection (f)(3), by amending the side heading and the first sentence to read as follows: “DIRECT, TOTAL, AND DEFICIT SEQUESTRATION REPORTS.—The final report shall contain all the information required in the direct, total, and deficit sequestration preview reports. The final report shall also include any net increase or decrease in the current year resulting from all OMB estimates for the current year of direct spending that were not re-
flected in the final OMB sequestration report for the
current year.”;

(5) in subsection (f), by amending paragraph
(4) to read as follows:

“(4) EXPLANATION OF DIFFERENCES.—The
OMB report shall explain any material differences
between OMB and CBO estimates in any com-
parable reports.”; and

(6) in subsection (g), by striking “(f)(4)” and
inserting “(f)(5)”.

SEC. 106. EXEMPT PROGRAMS AND ACTIVITIES; SPECIAL
SEQUESTRATION RULES.

Sections 255 and 256 of the Balanced Budget and
Emergency Deficit Control Act of 1985 are amended to
read as follows:

“SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.

“(a) EXEMPT PROGRAMS AND ACTIVITIES.—The fol-
lowing shall be exempt from reduction under any order
issued under this part:

“(1) Payments for net interest.

“(2) Benefits payable under the old-age, sur-
vivors, and disability insurance program established
under title II of the Social Security Act.
“(3) Compensation, pensions, and benefits provided to veterans defined as direct spending payable by the Department of Veterans Affairs.

“(4) Obligated balances of budget authority carried over from prior fiscal years.

“(5) Any obligations of the Federal Government required to be paid under the United States Constitution or legally contractual obligations.

“(6) Claims, Judgments, and Relief Acts (20–1895–0–1–808).

“(7) Intragovernmental transfers.

“(b) Optional Exemption of Military Personnel.—

“(1) In general.—The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

“(2) Limitation.—The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(a) for the budget year.
"SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES."

“(a) LIMITATIONS.—(1) No direct spending program that OMB estimates for the budget year is growing at a rate that exceeds the estimated rate of growth of the consumer price index for that year shall be subject to a spending reduction of more than four percent of its budgetary resources.

“(2) No direct spending program that OMB estimates for the budget year is growing at a rate that is equal to or less than the consumer price index for that year shall be subject to a spending reduction.

“(b) STUDENT LOANS.—For all student loans under part B or D of title IV of the Higher Education Act of 1965 made during the period when a sequestration order under section 254 is in effect as required by section 252, 252A, or 253, origination fees under sections 438(c)(2) and (6) and 455(c) and loan processing and issuance fees under section 428(f)(1)(A)(ii) of that Act shall each be increased by the uniform percentage specified in that sequestration order, and, for student loans originated during the period of the sequestration accruing during the period of the sequestration shall be reduced by the uniform percentage specified in that sequestration order.

“(c) SPECIAL RULES FOR MEDICARE PROGRAM.—

“(1) CALCULATION OF REDUCTION IN PAYMENT AMOUNTS.—To achieve the total percentage reduc-
tion in those programs required by section 252, 252A, or 253, subject to paragraph (2), and not-withstanding section 710 of the Social Security Act, OMB shall determine, and the applicable Presidential order under section 254 shall implement, the percentage reduction that shall apply, with respect to the health insurance programs under title XVIII of the Social Security Act—

"(A) in the case of parts A and B of such title, to individual payments for services furnished during the one-year period beginning on the first day of the first month beginning after the date the order is issued (or, if later, the date specified in paragraph (4)); and

"(B) in the case of parts C and D, to monthly payments under contracts under such parts for the same one-year period;

such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that period.

"(2) Uniform reduction rate; maximum permissible reduction.—Reductions in payments for programs and activities under such title XVIII pursuant to a sequestration order under section 254
shall be at a uniform rate across all such programs and activities subject to such order.

“(3) TIMING OF APPLICATION OF REDUCTIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), if a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished during the effective period of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual’s discharge from the inpatient facility.

“(B) PAYMENT ON THE BASIS OF COST REPORTING PERIODS.—In the case in which payment for services of a provider of services is made under title XVIII of the Social Security Act on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such
services incurred at any time during each cost
reporting period of the provider any part of
which occurs during the effective period of the
order, but only (for each such cost reporting pe-
period) in the same proportion as the fraction of
the cost reporting period that occurs during the
effective period of the order.

“(4) TIMING OF SUBSEQUENT SEQUESTRATION
ORDER.—A sequestration order required by section
252, 252A, or 253 with respect to programs under
such title XVIII shall not take effect until the first
month beginning after the end of the effective period
of any prior sequestration order with respect to such
programs, as determined in accordance with para-
graph (1).

“(5) NO INCREASE IN BENEFICIARY CHARGES
IN ASSIGNMENT-RELATED CASES.—If a reduction in
payment amounts is made under paragraph (1) for
services for which payment under part B of title
XVIII of the Social Security Act is made on the
basis of an assignment described in section
1842(b)(3)(B)(ii), in accordance with section
1842(b)(6)(B), or under the procedure described in
section 1870(f)(1), of such Act, the person fur-
nishing the services shall be considered to have ac-
cepted payment of the reasonable charge for the
services, less any reduction in payment amount
made pursuant to a sequestration order, as payment
in full.

“(6) **Sequestration disregarded in computing payment amounts.**—The Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this part, for purposes of computing any adjustments to payment rates under such title XVIII, specifically including—

“(A) the part C growth percentage under section 1853(c)(6);

“(B) the part D annual growth rate under section 1860D–2(b)(6); and

“(C) application of risk corridors to part D payment rates under section 1860D–15(e).

“(d) **Effects of Sequestration.**—The effects of sequestration shall be as follows:

“(1) Budgetary resources sequestered from any account shall be permanently cancelled, except as provided in paragraph (6).

“(2) Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects, and activities within a budget account (with
programs, projects, and activities as delineated in
the appropriation Act or accompanying report for
the relevant fiscal year covering that account, or for
accounts not included in appropriation Acts, as de-
delineated in the most recently submitted President’s
budget).

“(3) Administrative regulations or similar ac-
tions implementing a sequestration shall be made
within 120 days of the sequestration order. To the
extent that formula allocations differ at different
levels of budgetary resources within an account, pro-
gram, project, or activity, the sequestration shall be
interpreted as producing a lower total appropriation,
with the remaining amount of the appropriation
being obligated in a manner consistent with program
allocation formulas in substantive law.

“(4) Except as otherwise provided, obligations
in sequestered accounts shall be reduced only in the
fiscal year in which a sequester occurs.

“(5) If an automatic spending increase is se-
questered, the increase (in the applicable index) that
was disregarded as a result of that sequestration
shall not be taken into account in any subsequent
fiscal year.
“(6) Budgetary resources sequestered in revolving, trust, and special fund accounts and offsetting collections sequestered in appropriation accounts shall not be available for obligation during the fiscal year in which the sequestration occurs, but shall be available in subsequent years to the extent otherwise provided in law.

“(e) Commodity Credit Corporation.—

“(1) Powers and authorities of the Commodity Credit Corporation.—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created.

“(2) Reduction in payments made under contracts.—(A) Loan eligibility under any contract entered into with a person by the Commodity Credit Corporation prior to the time an order has been issued under section 254 shall not be reduced by an order subsequently issued. Subject to subparagraph (B), after an order is issued under such section for a fiscal year, any cash payments for loans or loan deficiencies made by the Commodity Credit
Corporation shall be subject to reduction under the order.

“(B) Each loan contract entered into with producers or producer cooperatives with respect to a particular crop of a commodity and subject to reduction under subparagraph (A) shall be reduced in accordance with the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of an order under section 254, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for the next succeeding crop of the commodity, under the authority provided in paragraph (3).

“(3) Delayed reduction in outlays permissible.—Notwithstanding any other provision of this title, if an order under section 254 is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (1) may provide for reductions in outlays for the account involved to occur in the fiscal year following the fiscal year to which the order applies.

“(4) Uniform percentage rate of reduction and other limitations.—All reductions de-
scribed in paragraph (2) required to be made in connection with an order issued under section 254 with respect to a fiscal year shall be made so as to ensure that outlays for each program, project, activity, or account involved are reduced by a percentage rate that is uniform for all such programs, projects, activities, and accounts, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order.

“(5) DAIRY PROGRAM.—Notwithstanding any other provision of this subsection, as the sole means of achieving any reduction in outlays under the milk price support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use. That price reduction (measured in cents per hundred weight of milk marketed) shall occur under section 201(d)(2)(A) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued under section 254, and shall not exceed the aggregate amount of the reduction in outlays under the milk price support program that otherwise would have been achieved by reducing payments for the purchase of
milk or the products of milk under this subsection during the applicable fiscal year.

“(6) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this joint resolution shall limit or reduce, in any way, any appropriation that provides the Commodity Credit Corporation with budget authority to cover the Corporation’s net realized losses.”.

SEC. 107. ADJUSTMENTS FOR CHANGES IN DIRECT SPENDING.

Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

“(E) CHANGES IN DIRECT SPENDING PROGRAMS.—If an appropriation for the budget year causes a change in direct spending in any outyear, then there shall be an appropriate adjustment for that outyear for the discretionary spending limit under this section and the direct spending limit under section 252.”.
TITLE II—BUDGETING FOR EMERGENCIES AND WAR

SEC. 201. ALLOCATIONS FOR THE GLOBAL WAR ON TERRORISM.

Section 302(a)(5) of the Congressional Budget Act of 1974 (2 U.S.C. 633) is amended to read as follows:

“(5) GLOBAL WAR ON TERRORISM (GWOT).—

The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget for a fiscal year may include an allocation, consistent with the resolution recommended in the conference report, of the level for the global war on terrorism (GWOT) for that fiscal year.”.

SEC. 202. EMERGENCY AND GLOBAL WAR ON TERRORISM (GWOT) ADJUSTMENT PROCEDURES.

(a) In General.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

“EMERGENCIES; GLOBAL WAR ON TERRORISM (GWOT)

“Sec. 318. (a) Adjustment Procedures.—Before any adjustment is made pursuant to this section for any bill or joint resolution, or conference report thereon, that designates a provision an emergency or for the global war on terrorism (GWOT), the enactment of which would
cause an increase in budget authority or decrease in revenue:

“(1) The chairman of the Committee on the Budget of the House of Representatives or the Senate shall convene a meeting of that committee, where it shall be in order, subject to the terms set forth in this section, for one motion described in paragraph (2) to be made to authorize the chairman to make adjustments above the applicable allocation set forth in the most recently enacted concurrent resolution on the budget pursuant to the requirement of section 302(a)(5) or (6).

“(2) The motion referred to in paragraph (1) shall be in the following form: ‘I move that the chairman of the Committee on the Budget be authorized to adjust the allocations and aggregates set forth in the concurrent resolution on the budget by the following amount: $_____ for fiscal year _____’, with the blanks being filled in with an amount and fiscal year determined by the chairman of the Committee on the Budget of the House of Representatives or the Senate.

“(3) The motion set forth in paragraph (2) shall be open for debate and amendment, but any
amendment offered thereto is only in order if limited
to changing an amount in the motion.

“(b) ALTERNATE ADJUSTMENT PROCEDURES FOR
EMERGENCIES AND THE GLOBAL WAR ON TERRORISM.—
The chairman of the Committee on the Budget of the
House of Representatives or the Senate shall make any
adjustments he deems necessary under this section if he
determines such adjustments are essential to respond to
an urgent and imminent need.

“(c) LEGISLATION PROVIDING FOR AN ADJUSTMENT
OF DISCRETIONARY CAPS.—(1) If any committee of the
House of Representatives or the Senate reports any bill
or resolution which provides funding designated for emer-
gencies or for the global war on terrorism, such bill or
resolution shall then be referred to the Committee on the
Budget of the House of Representatives or the Senate, as
the case may be, with instructions to report it, with an
amendment to section 251(c) of the Balanced Budget and
Emergency Deficit Control Act of 1985 for an appropriate
adjustment for the applicable fiscal year, within 15 cal-
endar days (not counting any day on which that House
is not in session) beginning with the day following the day
on which it is referred. If the Committee on the Budget
of either House fails to report a bill or resolution referred
to it under this paragraph within such 15-day period, the
committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

“(2) The Committee on the Budget of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (1) with an amendment which changes the discretionary spending limit for the applicable fiscal year.”.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 317 the following new item:

“Sec. 318. Emergencies; global war on terrorism (GWOT).”.

SEC. 203. ELIMINATION OF EMERGENCY ADJUSTMENTS.

Section 314 of the Congressional Budget Act of 1974 is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

SEC. 204. CONFORMING AMENDMENT TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

Sections 251(b)(2)(A), 251(b)(2)(D), and 252(d)(4)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 are repealed and section 251(b)(2) is amended by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.
TITLE III—ENFORCING CUT-AS-YOU-GO

SEC. 301. ENFORCING CUT-AS-YOU-GO.

(a) Cut-As-You-Go Point of Order.—(1) Title III of the Congressional Budget Act of 1974 (as amended by section 201) is further amended by adding at the end the following new section:

"ENFORCING CUT-AS-YOU-GO

"SEC. 317. (a) Point of Order.—(1) Except as provided in subsections (b) and (c), it shall not be in order in the House of Representatives or the Senate to consider a bill or joint resolution, or an amendment thereto or a conference report thereon, if the provisions of such measure have the net effect of increasing direct spending for the period of either—

"(A) the current year, the budget year, and the four fiscal years following that budget year; or

"(B) the current year, the budget year, and the nine fiscal years following that budget year.

"(2) For the purpose of this section, the terms ‘budget year’ and ‘current year’ have the meanings specified in section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985, and the term ‘direct spending’ includes provisions in appropriation Acts that make
outyear changes to or restrictions on entitlement law or
other direct spending contained in an appropriation Act.

“(b) Special Rule in the House.—If a bill or
joint resolution, or an amendment thereto, is considered
pursuant to a special order of the House of Representa-
tives directing the Clerk to add as new matter at the end
of such bill or joint resolution the entire text of a separate
measure or measures as passed by the House of Rep-
resentatives, the new matter proposed to be added shall
be included in the evaluation under subsection (a) of the
bill, joint resolution, or amendment.”.

(2) The table of contents set forth in section 1(b) of
the Congressional Budget and Impoundment Control Act
of 1974 is amended by inserting after the item relating
to section 318 the following new item:

“Sec. 317. Enforcing Cut-As-You-Go.”.

(b) Repealer.—Clause 10 of rule XXI of the Rules
of the House of Representatives is repealed.

TITLE IV—SUPERMAJORITY
POINTS OF ORDER

SEC. 401. SUPERMAJORITY POINTS OF ORDER.

(a) Waivers.—Section 904(c) of the Congressional
Budget Act of 1974 is amended to read as follows:

“(c) Waivers.—Sections 301(i), 302(e), 302(f),
305(b)(2), 305(c)(4), 306, 310(d)(2), 310(g), 311(a),
312(b), 312(c), 313, 314(e), 317(a), 904(c), and 904(d)
of this Act and section 258C(a)(5) of the Balanced Budget
and Emergency Deficit Control Act of 1985 may be
waived or suspended in the Senate only by the affirmative
vote of three-fifths of the Members, duly chosen and
sworn.”.

(b) APPEALS.—Section 904(d) of the Congressional
Budget Act of 1974 is amended by repealing paragraphs
(2) and (3) and by inserting after paragraph (1) the fol-
lowing new paragraph:

“(2) APPEALS.—An affirmative vote of two-
thirds of the Members, duly chosen and sworn, shall
be required in the Senate to sustain an appeal of the
ruling of the Chair on a point of order raised under
any section referred to in subsection (e).”.

(c) EXPIRATION.—Subsection (e) of section 904 of
the Congressional Budget Act of 1974 is repealed.