To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to provide for long-term budgeting, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

December 7, 2011

Mr. Mulvaney (for himself, Mr. Ryan of Wisconsin, Mr. Hensarling, Mr. Rokita, Mr. Stutzman, Mr. Chaffetz, and Mr. Lankford) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules, Agriculture, Ways and Means, Energy and Commerce, and Education and the Workforce, 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 provide for long-term budgeting, and for other purposes.

1 Be it enacted by the Senate and House of Representatives 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 “Balancing Our Obligations for the Long-Term Act of 2011”.

(b) Table of Contents.—
Sec. 1. Short title; table of contents.
Sec. 2. Long-term direct spending limits.
Sec. 3. Total spending limits.
Sec. 4. Reports and orders.
Sec. 5. Exempt programs and activities; special sequestration rules.
Sec. 6. Long-term baseline projections.
Sec. 7. Five-year fiscal sustainability review.
Sec. 8. Concurrent resolutions on the budget to include long-term budgeting.
Sec. 9. Long-term reconciliation.
Sec. 10. Long-term spending increase point of order.
Sec. 11. CBO and OMB projections.
Sec. 12. Long-term analysis by Congressional Budget Office of legislation.
Sec. 13. Long-term budgeting reflected in President’s budget submissions.
Sec. 14. GAO and OMB statements of the Federal Government’s financial condition.
Sec. 15. Medicare trigger.

1 **SEC. 2. LONG-TERM DIRECT SPENDING LIMITS.**

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

5 “**SEC. 252. DIRECT SPENDING LIMITS.**

6 “(a) **DIRECT SPENDING LIMITS.—**The total level of
7 direct spending as a percentage of current gross domestic
8 product of the United States for each fiscal year set forth
9 below is as follows:

10 “(1) For fiscal year 2030—
11 “(A) for Medicare, 4.3 percent;
12 “(B) for Medicaid and other health-related
13 spending, 1.5 percent; and
14 “(C) for all other direct spending, 1.0 percent.
15 “(2) For fiscal year 2040—
16 “(A) for Medicare, 5.0 percent;
17 “(B) for Medicaid and other health-related
18 spending, 1.3 percent; and
“(C) for all other direct spending, 1.2 percent.

“(3) For fiscal year 2050—

“(A) for Medicare, 4.8 percent;

“(B) for Medicaid and other health-related spending, 1.0 percent; and

“(C) for all other direct spending, 0.8 percent.

“(b) SEQUESTRATION.—(1) Within 15 calendar days after Congress adjourns to end a session and on the same day as a sequestration under section 252A, but after any sequestration required by that section, there shall be a sequestration to eliminate any direct spending in excess of the direct spending limits set forth in subsection (a) 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) 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 direct spending 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. 3. 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 section 252, but after any spending reduction required by that section, 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 (c) 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 (c) for the budget year.

“(b) TOTAL SPENDING LIMITS.—

“(1) fiscal year 2030: 20 percent;
“(2) fiscal year 2040: 20 percent; and
“(3) fiscal year 2050: 20 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 2) 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 and budget authority and outlays
flowing therefrom.’’.

(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. 4. REPORTS AND ORDERS.

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

(1) in subsection (e), 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 direct spending in
accounts for Medicare, for Medicaid and other
health-related spending, and for all other direct
spending, as applicable.

“(C) For a budget year, the current pro-
jected gross domestic product of the United
States for that year.”;

(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 years 2030, 2040, and 2050 estimates for each of the following:

“(A) The amount of any excess total spending.

“(B) 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 current 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 achieve the required reduction in spending to comply with the applicable deficit limit set forth in section 253(c).”;

(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.”;
(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 comparable reports.”; and

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

SEC. 5. 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 following shall be exempt from reduction under any order issued under this part:

“(1) Payments for net interest.

“(2) Benefits payable under the old-age, survivors, 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 con-
sumer price index for that year shall be subject to a spend-
ing reduction of more than four percent of its budgetary
resources.

“(2) No direct spending program that OMB esti-
mates 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 se-
questration 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 per-
centage 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-

“(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-

ishing 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-
lineated in the most recently submitted President’s budget).

“(3) Administrative regulations or similar actions 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, program, 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 sequestered, 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 reduc-
tion under subparagraph (A) shall be reduced in accor-
cdance 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 pay-
ments under contracts applicable to the commodity
be uniformly applied to all contracts for the next
succeeding crop of the commodity, under the author-
ity provided in paragraph (3).

“(3) Delayed Reduction in Outlays Per-
missible.—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 ac-
count involved to occur in the fiscal year following
the fiscal year to which the order applies.

“(4) Uniform Percentage Rate of Reduc-
tion and Other Limitations.—All reductions de-
scribed in paragraph (2) which are required to be
made in connection with an order issued under sec-
tion 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 au-
thority to cover the Corporation’s net realized
losses.”.

SEC. 6. LONG-TERM BASELINE PROJECTIONS.

Section 257(a) of the Balanced Budget and Emer-
gency Deficit Control Act of 1985 is amended—

(1) by inserting “(1) BASELINE FOR THE
BUDGET YEAR.—” before “For any budget year”
and by moving the text 2 ems to the right; and

(2) by inserting after paragraph (1) the fol-
lowing new paragraph:

“(2) LONG-TERM ESTIMATES.—For the three
ten fiscal-year periods beginning after the last such
outyear based on enacted law, the baseline refers to
an estimate of current year levels of budget author-
ity, outlays, or receipts for—

“(A) discretionary spending;
“(B) Medicare;
“(C) Medicaid and other health-related spend-
ing;
“(D) other direct spending;
“(E) social security;
“(F) other categories, as appropriate; and
“(G) net interest,
as a percentage of the current gross domestic product of the United States.”.

SEC. 7. FIVE-YEAR FISCAL SUSTAINABILITY REVIEW.

(a) Five-Year Fiscal Sustainability Review.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

“FIVE-YEAR FISCAL SUSTAINABILITY REVIEW

Sec. 316. (a) Congressional Spending Review Report.—Beginning for fiscal year 2018 and every fifth year thereafter, not later than 45 calendar days after the date of the transmittal of the report referred to in subsection 308(e), the Committees on the Budget of the House of Representatives and the Senate shall issue, and have printed in the Congressional Record, an assessment of such report.

“(b) Committee Recommendations.—Not later than 30 calendar days after the date of the report of the review referred to in subsection (c), the committees of the House of Representatives and the Senate shall submit to the Committees on the Budget of the House of Representatives and Senate, as applicable, recommendations, if any, such committees deem appropriate in response to the Spending Review Report issued pursuant to subsection (c).

“(c) Expedited Consideration of Spending Review Legislation.—
“(1) Consideration in the House of Repre-
resentatives.—

“(A) Introduction of spending re-
view legislation.—(i) If the report referred
to in section 308(e) indicates that the OASDI
Trust Funds are not solvent, or that Medicare,
Medicaid and other health-related spending, or
other direct spending programs are not sustain-
able, or total spending exceeds the limits set
forth in section 252 or 252A of the Balanced
Budget and Emergency Deficit Control Act of
1985 for any year within the period referred to
in such report, then not later than 30 calendar
days after the transmittal of the report referred
to in subsection (a), if any, the majority leader
and minority leader of the House of Represent-
atives shall each introduce legislation to make
such programs sustainable or solvent, as appli-
cable.

“(ii) If spending review legislation is not
introduced pursuant to this subparagraph—

“(I) by the majority leader, the chair-
man of the Committee on the Budget shall
introduce spending review legislation; or
“(II) by the minority leader, the ranking member of the Committee on the Budget shall introduce spending review legislation, not later than 45 calendar days after the transmittal of the report referred to in subsection (a) sufficient to achieve the same spending levels.

“(iii) Spending review legislation shall be referred to the Committee on the Budget of the House of Representatives.

“(iv) Spending review legislation introduced pursuant to this section shall cause total spending to be reduced by an amount equal or greater than the amount of the breach of the limits set forth in section 252 or 252A of the Balanced Budget and Emergency Deficit Control Act of 1985, and may cause the OASDI Trust Funds to achieve solvency, and may cause Medicare, Medicaid and other health-related spending, and other direct spending programs to achieve sustainability.

“(B) REFERRAL AND REPORTING.—The Committee on the Budget of the House of Representatives shall report spending review legislation to the House of Representatives not later
than the seventh legislative day after the date
of introduction of the legislation referred to in
subparagraph (A). If such committee fails to re-
port the spending review legislation within that
period or the House of Representatives has
adopted a concurrent resolution providing for
adjournment sine die at the end of a Congress,
such committee shall be automatically dis-
charged from further consideration of the
spending review legislation and it shall be
placed on the appropriate calendar.

“(C) PROCEEDING TO CONSIDERATION.—
After spending review legislation is reported by
or discharged from the Committee on the Budg-
et or the House of Representatives has adopted
a concurrent resolution providing for adjourn-
ment sine die at the end of a Congress, it shall
be in order to move to proceed to consider the
spending review legislation in the House of
Representatives. Such a motion shall be in
order in the legislative schedule within two leg-
islative days after the day on which the pro-
ponent announces his intention to offer the mo-
tion. Such a motion shall not be in order after
the House of Representatives has disposed of a
motion to proceed with respect to that special message. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

“(D) CONSIDERATION.—The spending review legislation shall be considered as read. All points of order against spending review legislation and against its consideration are waived. The previous question shall be considered as ordered on a spending review legislation to its passage without intervening motion except five hours of debate equally divided and controlled by the proponent and an opponent and one motion to limit debate on the spending review legislation. A motion to reconsider the vote on passage of the spending review legislation shall not be in order.

“(E) SENATE SPENDING REVIEW LEGISLATION.—Spending review legislation received from the Senate shall not be referred to any committee.

“(2) CONSIDERATION IN THE SENATE.—
“(A) Motion to Proceed to Consideration.—A motion to proceed to the consideration of spending review legislation under this subsection in the Senate shall not be debatable. It shall not be in order to move to reconsider the vote by which the motion to proceed is agreed to or disagreed to.

“(B) Limits on Debate.—Debate in the Senate on spending review legislation under this subsection, and all debatable motions and appeals in connection therewith (including debate pursuant to subparagraph (D)), shall not exceed 10 hours, equally divided and controlled in the usual form.

“(C) Appeals.—Debate in the Senate on any debatable motion or appeal in connection with spending review legislation under this subsection shall be limited to not more than 1 hour, to be equally divided and controlled in the usual form.

“(D) Motion to Limit Debate.—A motion in the Senate to further limit debate on spending review legislation under this subsection is not debatable.
“(E) Motion to Recommit.—A motion to recommit spending review legislation under this subsection is not in order.

“(F) Consideration of the House of Representatives Spending Review Legislation.—(i) If the Senate has received the House of Representatives companion resolution to the spending review legislation introduced in the Senate prior to the vote required under paragraph (1)(C), then the Senate may consider, and the vote under paragraph (1)(C) may occur on, the House of Representatives companion resolution.

“(ii) If the Senate votes, pursuant to paragraph (1)(C), on the spending review legislation introduced in the Senate, then immediately following that vote, or upon receipt of the House of Representatives companion resolution, the House of Representatives spending review legislation shall be deemed to be considered, read the third time, and the vote on passage of the Senate resolution shall be considered to be the vote on the spending review legislation received from the House of Representatives.
“(3) JURISDICTION.—During consideration of
spending review legislation under this section, the
Committees on the Budget of the House of Rep-
resentatives and Senate shall have jurisdiction over
such legislation for all purposes of the rules of either
House.”.

(b) CONFORMING AMENDMENT.—The table of con-
tents set forth in section 1(b) of the Congressional Budget
and Impoundment Control Act of 1974 is amended by
adding after the item relating to section 318 the following
new item:

“Sec. 316. Five-year fiscal sustainability review.”.

SEC. 8. CONCURRENT RESOLUTIONS ON THE BUDGET TO
INCLUDE LONG-TERM BUDGETING.

(a) REQUIRED CONTENTS OF CONCURRENT RESOLU-
TION.—Section 301(a) of the Congressional Budget Act
of 1974 (2 U.S.C. 632(a)) is amended by striking para-
graph (4) and inserting the following:

“(4) subtotals of new budget authority and out-
lays for nondefense discretionary spending, defense
discretionary spending, Medicare, Medicaid and
other health-related spending, other direct spending
(excluding interest), contingencies, and net inter-
est;”.
(b) LONG-TERM BUDGETING.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(k) LONG-TERM BUDGETING.—In addition to the levels required to be included in a concurrent resolution on the budget under subsection (a), such concurrent resolution shall set forth appropriate levels, as a percent of the current gross domestic product of the United States, for total Federal revenues, total outlays, debt held by the public, and the surplus or deficit in the budget for the fiscal year 10 years, 20 years, and 30 years after the last fiscal year of the concurrent resolution on the budget.”.

SEC. 9. LONG-TERM RECONCILIATION.

(a) LONG-TERM RECONCILIATION.—Section 310 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(h) LONG-TERM RECONCILIATION DIRECTIVES IN A CONCURRENT RESOLUTION ON THE BUDGET.—

“(1) LONG-TERM RECONCILIATION DIRECTIVES.—In addition to a reconciliation measure as set forth in subsection (a), a concurrent resolution on the budget for any fiscal year, to the extent necessary to effectuate the spending levels as set forth for such categories in section 301(a) (providing for
long-term spending levels as a percentage of gross domestic product) of such resolution, may—

“(A) specify the total amount by which Medicare, Medicaid, the OASDI Trust Funds, and other direct spending outlays are to be reduced within the jurisdiction of a committee as a percentage of gross domestic product of such fiscal year; and

“(B) direct that committee to determine and recommend changes to accomplish a reduction of such total amount for such categories as a percentage of gross domestic product.

“(2) Limitation on Amendments to Long-Term Reconciliation Legislation.—(A) It shall not be in order in the House of Representatives to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment decreases outlay reductions below the level of such outlay reductions provided (for the fiscal years covered) in the reconciliation instructions which relate to such long-term reconciliation bill.

“(B) It shall not be in order in the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment decreases outlay reductions below the level of such out-
lay reductions provided (for the fiscal years covered) in the reconciliation instructions which relate to such long-term reconciliation bill.

“(C) Subparagraphs (A) and (B) shall not apply if a declaration of war by the Congress is in effect.

“(D) For purposes of this section, the levels of outlays as a percentage of a gross domestic product for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate.

“(E) In the Senate, a motion to strike a provision shall always be in order.

“(3) SUBJECT MATTER.—Subject matter included in a long-term reconciliation bill may be any of the following:

“(A) Any part of the Medicare Program.

“(B) Medicaid and other health-related spending.

“(C) The Old-Age, Survivors, and Disability Insurance Trust Fund to make the program solvent.

“(D) Other direct spending.

“(4) APPLICATION.—Subsections (b)(1)(E) and (F) of section 313 and subsections (c), (d), and (g)
of this section shall not apply to long-term reconcili-
ation measures reported under this subsection. Re-
forms that are necessary for the fundamental re-
structuring of any program included in any such
measure shall not be deemed to be extraneous for
purposes of such section 313.”.

(b) CONFORMING AMENDMENT.—Section 310(b) of
the Congressional Budget Act of 1974 is amended by
striking “subsection (a)” and inserting “subsections (a)
and (h)”.

SEC. 10. LONG-TERM SPENDING INCREASE POINT OF
ORDER.

(a) IN GENERAL.—Title III of the Congressional
Budget Act of 1974 (as amended by section 6) is further
amended by adding at the end the following new section:
“LONG-TERM SPENDING INCREASE POINT OF ORDER

“Sec. 317. (a) CONGRESSIONAL BUDGET OFFICE
ANALYSIS OF PROPOSALS.—The Director of the Congres-
sional Budget Office shall, to the extent practicable, pre-
pare for each bill and joint resolution reported from com-
mittee, and amendments thereto and conference reports
thereon, an estimate of whether the measure causes, rel-
ative to current law, a net increase in direct spending in
excess of $5,000,000,000 in any of the four ten fiscal-year
periods beginning in the first fiscal year after the last fis-
(b) In the Senate.—It shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that causes a net increase in deficits in excess of $5,000,000,000 in any of the four ten fiscal-year periods beginning in the first fiscal year after the last fiscal year covered in the most recently enacted concurrent resolution on the budget.

(c) In the House of Representatives.—It shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment, motion, or conference report that causes a net increase in deficits in excess of $5,000,000,000 in any of the four ten fiscal-year periods beginning in the first fiscal year after the last fiscal year covered in the most recently enacted concurrent resolution on the budget.

(d) Determinations of Budget Levels.—For purposes of this section, the levels of net deficit increases shall be determined on the basis of estimates provided by the chairmen of the Senate and House Committees on the Budget, as applicable.”.

(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 in-
serting after the item relating to section 319 the following new item:

"Sec. 317. Long-term spending increase point of order."

SEC. 11. CBO AND OMB PROJECTIONS.

(a) Congressional Budget Office.—Section 308 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsections:

"(e) Long-Term Projections.—Each year, the Director of the Congressional Budget Office shall issue a report projecting total spending, revenue, deficits, and debt for at least 40 years beginning with the first fiscal year after the last fiscal year covered in the most recently enacted concurrent resolution on the budget as a percentage of current projected gross domestic product annually based on current law and current law levels as modified to maintain current policy.

"(f) CBO Spending Review Report Issuance.—As a component of the report required by subsection (e), the Director of the Congressional Budget Office shall issue a Spending Review Report and transmit such report to the Committees on the Budget of the House of Representatives and the Senate.

"(g) Content of Spending Review Report.—The content of the Spending Review Report referred to in subsection (f) shall include analyses of the following:
“(1) OASDI.—The solvency of the Old-Age, Survivors, and Disability Insurance Trust Fund.

“(2) Medicare.—The long-range sustainability of the spending levels of Medicare.

“(3) Medicaid and Other Health-Related Spending.—The long-range sustainability of the spending levels of Medicaid and other health-related spending.

“(4) Other Direct Spending.—The long-range sustainability of spending levels of other direct spending.

“(5) Long-Term Sustainability.—The long-term sustainability of total Government outlays, deficit, and debt.

“(6) Net Interest.—Projections of net interest.

“(h) Definitions.—For purposes of the development of the Spending Review Report referred to in subsection (f):

“(1) Solvency of the OASDI.—The term ‘solvency’ as used in this section means the solvency of the Old-Age Security and Disability Insurance Trust Funds over a 75-year period beginning in the year the Spending Review Report is reported and in the last year of that period.
“(2) SUSTAINABILITY.—The term ‘sustainability’ means that the projected growth in the Medicare program, the Medicaid program or other health-related spending, or any other direct spending program (other than the Old-Age Security and Disability Insurance Trust Funds or the Medicare or Medicaid program), beginning with the first fiscal year after the last fiscal year covered in the most recently enacted concurrent resolution on the budget, does not exceed the annual rate of growth of the gross domestic product of the United States.”.

(b) OFFICE OF MANAGEMENT AND BUDGET.—Section 1105(a) of title 31, United States Code, is amended by redesignating the second paragraph (37) as paragraph (39) and by adding at the end the following new paragraph:

“(40) long-term projections of total spending over 30 years (or 75 years in the case of Social Security) as a percentage of gross domestic product annually and the impact of proposed policies over that period.”.

SEC. 12. LONG-TERM ANALYSIS BY CONGRESSIONAL BUDGET OFFICE OF LEGISLATION.

(a) LONG-TERM ANALYSIS BY CONGRESSIONAL BUDGET OFFICE.—(1) Part A of title IV of the Congres-
sional Budget Act of 1974 is amended by adding at the end the following new section:

“LONG-TERM ANALYSIS BY CONGRESSIONAL BUDGET OFFICE OF LEGISLATION

“SEC. 407. (a) ANALYSIS.—The Director of the Congressional Budget Office shall, to the extent practicable, prepare—

“(1) for major legislation reported by any committee of the House of Representatives or the Senate; and

“(2) for any bill or resolution so requested by the chairman or ranking member of the Committee on the Budget or the chairman or ranking member of the committee of jurisdiction,

and submit to such committee or to the chairman of the Committee on the Budget making such request an estimate of the costs which would be incurred in carrying out such bill or resolution for the ten fiscal-year period beginning with the first fiscal year after the last fiscal year covered by the most recently enacted concurrent resolution on the budget subject to the analysis of such bill or resolution by the Director under section 402, together with the basis for each such estimate. The estimates, comparison, and description so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.
“(b) DEFINITION.—As used in this section, the term ‘major legislation’ means any bill or joint resolution if the gross spending or revenue effect of such bill or resolution for any fiscal year for which an estimate was made under section 402 is greater than .25 percent of the estimated gross domestic product (GDP) of the United States for the fiscal year.”.

(2) The table of contents set forth in section 1(b) of the Congressional Budget Act of 1974 is amended by inserting after the item relating to section 406 the following new item:

“Sec. 407. Long-term analysis by Congressional Budget Office of legislation.”.

(b) ANALYSIS BY CONGRESSIONAL BUDGET OFFICE.—Paragraph (1) of section 402 of the Congressional Budget Act of 1974 is amended by striking “in each of the 4 fiscal years following such fiscal year” and inserting “in at least each of the 9 fiscal years following such fiscal year”.

SEC. 13. LONG-TERM BUDGETING REFLECTED IN PRESIDENT’S BUDGET SUBMISSIONS.

Paragraphs (5), (6), and (12)(B) of section 1105(a) of title 31, United States Code, are amended by striking “4 fiscal years after that year” and inserting “9 fiscal years after that year and the ten fiscal-year period beginning thereafter”.
SEC. 14. GAO AND OMB STATEMENTS OF THE FEDERAL GOVERNMENT’S FINANCIAL CONDITION.

(a) Government Accountability Office.—Not later than 6 weeks after the President’s budget submission under section 1105(a) of title 31, United States Code, or 6 weeks after the President submits his budget review, the Government Accountability Office shall submit a report on the financial condition of the Government, including the long-term unfunded obligations.

(b) Definition of Long-Term Unfunded Obligations.—Section 3 of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

“(12) The term ‘unfunded obligations’ means the dollar sum of the Total Net Position as displayed in the United States Government Balance Sheets contained within the most recently published Financial Report of the United States Government; plus the 75-year actuarial balances, using the intermediate open-group assumption, of Medicare’s Hospital Insurance, Supplementary Medical Insurance, and Prescription Drug programs contained within the most recently published Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds; plus the 75-year actuarial balance,
using the intermediate open group assumption, of
the Old-Age Survivors and Disability Insurance pro-
gram contained within the most recently published
Annual Report of the Board of Trustees of the Fed-
eral Old-Age and Survivors Insurance and Federal
Disability Insurance Trust Funds; plus the 75-year
actuarial balance of the Black Lung Disability Trust
Fund (20–8144–0–7–601); plus the 75-year actu-
arial balance of the Rail Industry Pension Fund
(60–8011–0–7–601) under section 255(g)(1)(B) of
the Balanced Budget and Emergency Deficit Control
Act of 1985.”

(c) President’s Budget Submission.—Section
1105(a) of title 31, United States Code, (as amended by
section 8(b)) is further amended by adding at the end the
following:

“(41) a report on the financial condition of the
Government, including the long-term unfunded obli-
gations.”.

SEC. 15. MEDICARE TRIGGER.

(a) Section 803.—Section 803 of the Medicare Pre-
scription Drug, Improvement, and Modernization Act of
2003 (Public Law 108–173) is amended—

(1) in subsection (b)—
(A) in paragraph (3)(A), by striking ‘‘; and’’ and inserting a semicolon;

(B) in paragraph (3)(B), by striking the period at the end and inserting a semicolon;

(C) in paragraph (3), by adding at the end the following new subparagraphs:

‘‘(C) the most recent report of the Medicare Trustees (including any illustrative scenario prepared by the Office of the Actuary);

‘‘(D) an analysis by the Chief Actuary of Medicare on the proposed legislation; and

‘‘(E) the assessment of the Committee on the Budget of the report of the Trustees and the analysis by the Chief Actuary of Medicare on the proposed legislation.’’; and

(D) by adding at the end the following new paragraph:

‘‘(4) EFFECTIVE CERTIFICATION.—The certification referred to in paragraph (3) shall have no force or effect unless and until all of the criteria set forth therein are inserted in the Congressional Record.’’;

(2) by amending subsection (c) to read as follows:
“(c) Fallback Procedure for Floor Consideration if the House Fails to Vote on Final Passage by July 30.—After July 30 of any year during which the President is required to submit proposed legislation to Congress under section 1105(h) of title 31, United States Code, unless the House of Representatives has voted on final passage of any medicare funding legislation for which there is an affirmative certification under subsection (b)(3)(A), then, after the expiration of 30 calendar days (and concurrently 5 legislative days), the medicare funding legislation shall be discharged from any committee to which it has been referred.”; and

(3) by adding at the end the following new subsection:

“(h) Inapplicability of Procedures to Certain Legislation.—Procedures set forth in this section shall not apply to any legislation including—

“(1) changes in budget authority and outlays not within function 570 (spending outside the medicare program); or

“(2) revenue increases other than those receipts from a dedicated medicare financing source.”.

(b) Section 804.—Section 804 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173) is amended—
(1) in subsection (d)(1), by striking “, then any Senator” and all that follows and inserting “, then the medicare funding legislation measure shall be discharged from the committee.”; and

(2) in subsection (e), by adding at the end the following new sentence: “The motion to proceed shall be nondebatable.”.

(c) SECTION 805.—(1) Subtitle A of title VIII of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173) is amended by adding at the end the following new section:

“SEC. 805. DEDICATION OF SAVINGS.

“The chairman of the Committee on the Budget of the House of Representatives or the Senate, as appropriate, shall adjust the appropriate allocations, aggregates, and other levels to reflect the budget impact achieved by legislation introduced pursuant to section 803(a) for purposes of the Congressional Budget Act of 1974, the Balanced Budget Emergency and Deficit Control Act of 1985, the Rules of the House of Representatives, or the Standing Rules of the Senate.”.

(2) The table of contents set forth in section 1(d) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173) is
amended by inserting after the item relating to section 804 the following new item:

“Sec. 805. Dedication of savings.”.