H. R. 3844

To provide for greater transparency and honesty in the Federal budget process.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2012

Mrs. ROBY (for herself, Mr. HUIZENGA of Michigan, Mr. SOUTHERLAND, Mr. KINZINGER of Illinois, Mrs. ADAMS, Mr. HUELSKAMP, Mr. DUNCAN of South Carolina, Mr. WEST, Mr. GIBBS, Mrs. ELLMERS, Mr. CRAVAACK, Mr. JOHNSON of Ohio, Mr. GRIFFIN of Arkansas, Mr. REED, Mr. FITZPATRICK, Ms. HAYWORTH, Mr. GARDNER, Mr. BERG, Mr. BROOKS, Mr. DUFFY, Mr. CANSECO, Mrs. BLACK, Mr. ROSS of Florida, Mr. DOLD, Mr. AUSTIN SCOTT of Georgia, Mr. FLORES, Mr. HULTGREN, Mr. CRAWFORD, and Mr. BACHUS) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules and Oversight and Government Reform, 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 provide for greater transparency and honesty in the Federal budget process.

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 AND TABLE OF CONTENTS.

4  (a) Short Title.—This Act may be cited as the
5  “Honest Budget Act of 2012”.
(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. No budget—no appropriations.
Sec. 3. No phony emergency designations.
Sec. 4. Strengthen the Federal Credit Reform Act of 1990.
Sec. 5. No changes in mandatory programs in appropriation bills.
Sec. 6. Don’t count rescissions that don’t save money.
Sec. 7. Prohibition on step increases for Federal employee compensation.
Sec. 8. Point of order against advance appropriations.
Sec. 9. Prohibit timing shifts.
Sec. 10. Budget scoring rule relating to transfers from the general fund of the Treasury to the Highway Trust Fund that increase public indebtedness.

SEC. 2. NO BUDGET—NO APPROPRIATIONS.

Section 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 note) is amended—

(1) in subsection (c)(1), by inserting after “Sections” the following: “303(c),”; and

(2) in subsection (d)(2), by inserting after “sections” the following: “303(e),”.

SEC. 3. NO PHONY EMERGENCY DESIGNATIONS.

(a) EMERGENCY REQUIREMENT IN A BILL, JOINT RESOLUTION, OR CONFERENCE REPORT.—

(1) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, or conference report that—

(A) designates as an emergency requirement, pursuant to section 403 of S. Con. Res. 13 (110th Congress, the FY 2010 Budget Resolution), clause 10(c) of rule XXI of the Rules
of the House of Representatives, section 4(g) of
the Statutory Pay-As-You-Go Act of 2010, or
section 251(b)(2)(A)(i) of the Balanced Budget
and Emergency Deficit Control Act of 1985 any
provision that creates discretionary or direct
spending or decreases revenues; or

(B) designates as being for disaster relief
pursuant to section 251(b)(2)(D) of the Bal-
anced Budget and Emergency Deficit Control

(2) WAIVER.—An affirmative vote of three-
fifths of the Members, duly chosen and sworn, shall
be required to sustain an appeal of the ruling of the
Chair on a point of order against such a measure
raised under this subsection.

(3) EXCEPTION.—For purposes of this sub-
section, a conference report may include an emer-
gency designation only if it was also adopted in the
House of Representatives or Senate version of the
measure subject to the conference report.

(b) EMERGENCY REQUIREMENT IN AN AMEND-
MENT.—

(1) IN GENERAL.—It shall not be in order in
the House of Representatives or the Senate to con-
consider any bill, joint resolution, or conference report that—

(A) designates as an emergency requirement, pursuant to section 403 of S. Con. Res. 13 (110th Congress, the FY 2010 Budget Resolution), clause 10(c) of rule XXI of the Rules of the House of Representatives, section 4(g) of the Statutory Pay-As-You-Go Act of 2010, or section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 any provision that creates discretionary or direct spending or decreases revenues; or

(B) designates as being for disaster relief pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) WAIVER AND APPEAL.—A point of order against an amendment under this subsection may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. In the Senate, an affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order against such an amendment raised under this subsection.
(c) Rules or Orders in the House of Representatives.—In the House of Representatives, it shall not be in order to consider a rule or order that waives the application of subsection (a) or (b). As disposition of a point of order under this subsection, the Chair shall put the question of consideration with respect to the rule or order. The question of consideration shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent, but shall otherwise be decided without intervening motion except one that the House adjourn.

(d) Changes to the Statutory Pay-As-You-Go Act of 2010.—Section 4(g) of the Statutory Pay-As-You-Go Act of 2010 is amended by striking paragraph (3) and inserting the following:

“(3) Designation in the House of Representatives or the Senate.—A provision or provisions designated as an emergency requirement pursuant to this section are subject to section 3 of the Honest Budget Act of 2012.”.


Title V of the Congressional Budget Act of 1990 is amended to read as follows:
“TITLE V—CREDIT REFORM

“SEC. 500. SHORT TITLE.

“This title may be cited as the ‘Federal Credit Reform Act of 1990’.

“SEC. 501. PURPOSES.

“The purposes of this title are to—

“(1) measure more accurately the costs of Federal credit programs and financial investments by accounting for them on a fair value basis;

“(2) place the cost of credit programs and financial investments on a budgetary basis equivalent to other Federal spending;

“(3) encourage the delivery of benefits in the form most appropriate to the needs of beneficiaries; and

“(4) improve the allocation of resources among Federal programs.

“SEC. 502. DEFINITIONS.

“For purposes of this title:

“(1) The term ‘direct loan’ means a disbursement of funds by the Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by another lender and financing arrange-
ments that defer payment for more than 90 days, including the sale of a Government asset on credit terms. The term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation.

“(2) The term ‘direct loan obligation’ means a binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

“(3) The term ‘loan guarantee’ means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

“(4) The term ‘loan guarantee commitment’ means a binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

“(5)(A) The term ‘financial investment’ means an investment by the Government in any securities (debt or equity), stocks, bonds, or futures, options,
swaps, or other derivatives, issued by a non-Federal entity, including State, local tribal, and foreign governments, and private organizations, regardless of whether the issuances are federally guaranteed, or issued by a Federal entity if the issuance consists of marketable securities.

“(B) The term includes Government investments in money market and mutual funds, even if the money market or mutual fund’s assets consist entirely of Federal securities.

“(6) The term ‘financial investment commitment’ means a binding agreement by a Federal agency to acquire a financial investment when specified conditions are fulfilled by other party to the investment agreement.

“(7)(A) The term ‘cost’ means the sum of the Treasury discounting component and the risk component of a direct loan, loan guarantee, or financial investment or a modification thereof.

“(B) The Treasury discounting component shall be the estimated long-term cost to the Government of a direct loan, loan guarantee, or financial investment or modification thereof, calculated on a net present value basis, excluding administrative costs.
and any incidental effects on governmental receipts or outlays.

“(C) The risk component shall be an amount equal to the difference between—

“(i) the estimated long-term cost to the Government of a direct loan, loan guarantee, or financial investment or modification thereof, estimated on a fair value basis, applying the guidelines set forth by the Financial Accounting Standards Board in Financial Accounting Standards #157, or a successor thereto, excluding administrative costs and any incidental effects on governmental receipts or outlays; and

“(ii) the Treasury discounting component of such direct loan, loan guarantee, or financial investment or modification thereof.

“(D) The Treasury discounting component of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following estimated cash flows:

“(i) Loan disbursements.

“(ii) Repayments of principal.

“(iii) Essential preservation expenses, payments of interest and other payments by or to the Government over the life of the loan after
adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries, including the effects of changes in loan terms resulting from the exercise by the borrower of an option included in the loan contract.

“(E) The Treasury discounting component of a loan guarantee shall be the net present value, at the time when the direct loan is disbursed, of the following estimated cash flows:

“(i) Payments by the Government to cover defaults and delinquencies, interests subsidies, essential preservation expenses, or other payments.

“(ii) Payments to the Government including origination and other fees, penalties, and recoveries, including the effects of changes in loan terms resulting from the exercise by the guaranteed lender of an option included in the loan guarantee contract, or by the borrower of an option included in the guaranteed loan contract.

“(F) The Treasury discounting component of a financial investment shall be the net present value, at the time the financial investment is executed, of the following estimated cash flows:
“(i) Payments by the Government including essential preservation expenses.

“(ii) Payments to the Government including any dividends, periodic payments, fees, penalties, or recoveries;

Including the effects of changes in investment terms resulting from the exercise by the non-Federal entity of an option included in the investment contract.

“(G) The cost of a modification is the sum of—

“(i) the difference between the current estimate of the Treasury discounting component of the remaining cash flows under the terms of a direct loan, loan guarantee, or financial investment contract, and the current estimate of the Treasury discounting component of the remaining cash flows under the terms of the contract, as modified; and

“(ii) the difference between the current estimate of the risk component of the remaining cash flows under the terms of a direct loan, loan guarantee, or financial investment contract, and the current estimate of the risk component of the remaining cash flows under the terms of the contract as modified.
“(H) In estimating Treasury discounting components, the discount rate shall be the average interest rate on marketable Treasury securities of similar duration to the cash flows of the direct loan or loan guarantee for which the estimate is being made.

“(I) When funds are obligated for a direct loan or loan guarantee, the estimated cost shall be based on the current assumptions, adjusted to incorporate the terms of the loan contract, for the fiscal year in which the funds are obligated.

“(8) The term ‘program account’ means the budget account into which an appropriation to cover the cost of a direct loan, loan guarantee, or financial investment program is made and from which such cost is disbursed to the financing account.

“(9) The term ‘financing account’ means the nonbudget account or accounts associated with each program account which holds balances, receives the cost payment from the program account, and also includes all other cash flows to and from the Government resulting from direct loan obligations or loan guarantee commitments made on or after October 1, 1991, or financial investment commitments made on or after October 1, 2014.
“(10) The term ‘liquidating account’ means the budget account that includes all cash flows to and from the Government resulting from direct loan obligations or loan guarantee commitments made prior to October 1, 1991. These accounts shall be shown in the budget on a cash basis.

“(11) The term ‘modification’ means any Government action that alters the estimated cost of an outstanding direct loan (or direct loan obligation), an outstanding loan guarantee (or loan guarantee commitment), or outstanding financial investment (or financial investment commitment) from the current estimate of cash flows. This includes the sale of loan assets, with or without recourse, and the purchase of guaranteed loans (or direct loan obligations), loan guarantees (or loan guarantee commitments), financial investments (or financial investment commitments) such as a change in collection procedures.

“(12) The term ‘current’ has the same meaning as in section 250(c)(9) of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(13) The term ‘Director’ means the Director of the Office of Management and Budget.
“(14) The term ‘administrative costs’ means costs related to program management activities, but does not include essential preservation expenses.

“(15) The term ‘essential preservation expenses’ means servicing and other costs that are essential to preserve the value of loan assets or collateral.

“SEC. 503. OMB AND CBO ANALYSIS, COORDINATION, AND REVIEW.

“(a) IN GENERAL.—For the executive branch, the Director shall be responsible for coordinating the estimates required by this title. The Director shall consult with the agencies that administer direct loan or loan guarantee, or financial investment programs.

“(b) DELEGATION.—The Director may delegate to agencies authority to make estimates of costs. The delegation of authority shall be based upon written guidelines, regulations, or criteria consistent with the definitions in this title.

“(c) COORDINATION WITH THE CONGRESSIONAL BUDGET OFFICE.—In developing estimation guidelines, regulations, or criteria to be used by Federal agencies, the Director shall consult with the Director of the Congressional Budget Office.
“(d) Improving Cost Estimates.—The Director and the Director of the Congressional Budget Office shall coordinate the development of more accurate data on historical performance and prospective risk of direct loan, loan guarantee, and financial investment programs. They shall annually review the performance of outstanding direct loans, loan guarantees, and financial investment to improve estimates of costs. The Office of Management and Budget and the Congressional Budget Office shall have access to all agency data that may facilitate the development and improvement of estimates of costs.

“(e) Historical Credit Programs Costs.—The Director shall review, to the extent possible, historical data and develop the best possible estimates of adjustments that would convert aggregate historical budget data to credit reform accounting.

“SEC. 504. BUDGETARY TREATMENT.

“(a) President’s Budget.—Beginning with fiscal year 1992, the President’s budget shall reflect the Treasury discounting component of direct loan and loan guarantee programs. Beginning with fiscal year 2015, the President’s budget shall reflect the costs of direct loan, loan guarantee, and financial investment programs. The budget shall also include the planned level of new direct loan obligations, loan guarantee commitments, or financial
investment commitments associated with each appropria-
tions request.

“(b) APPROPRIATIONS REQUIRED.—Notwithstanding
any other provision of law, new direct loan obligations may
be incurred and new loan guarantee commitments may be
made of fiscal year 1992 and thereafter and new financial
investment commitments may be made for fiscal year
2015 and thereafter only to the extent that—

“(1) new budget authority to cover their costs
is provided in advance in an appropriations Act;

“(2) a limitation on the use of funds otherwise
available for the cost of a direct loan, loan guar-
antee, or financial investment program has been pro-
vided in advance in an appropriations Act; or

“(3) authority is otherwise provided in appro-
priation Acts.

“(c) EXEMPTION FOR MANDATORY PROGRAMS.—
Subsections (b) and (e) shall not apply to a direct loan
or loan guarantee program that—

“(1) constitutes an entitlement (such as the
guaranteed student loan program or the veteran’s
home loan guaranty program); or

“(2) all existing credit programs of the Com-
modity Credit Corporation on the date of enactment
of this title.
“(d) Budget Accounting.—

“(1) The authority to incur new direct loan obligations, make new loan guarantee commitments, make new financial investment commitments, or modify outstanding direct loans (or direct loan obligations), loan guarantees (or loan guarantee commitments), financial investments (or financial investment commitments) shall constitute new budget authority in an amount equal to the cost of the direct loan or loan guarantee in the fiscal year in which definite authority becomes available or indefinite authority is used. Such budget authority shall constitute an obligation of the program account to pay to the financing account.

“(2) The outlays resulting from new budget authority for the cost of direct loans, loan guarantees, or financial investment described in paragraph (1) shall be paid from the program account into the financing account and recorded in the fiscal year in which the direct loan, the guaranteed loan, or financial investment is disbursed or its costs altered.

“(3) All collections and payments of the financing accounts shall be a means of financing.

“(e) Modifications.—An outstanding direct loan (or direct loan obligation), loan guarantee (or loan guar-
antee commitment), or financial investment (or financial
investment commitment) shall not be modified in a man-
ner that increases its costs unless budget authority for the
additional cost has been provided in advance in an appro-
priations Act.

“(f) RE-ESTIMATES.—When the estimated cost for a
group of direct loans, loan guarantees, or financial invest-
ments for a given program made in a single fiscal year
is re-estimated in a subsequent year, the difference be-
tween the re-estimated cost and the previous cost estimate
shall be displayed as a distinct and separately identified
subaccount in the program account as a change in pro-
gram costs and a change in net interest. There is hereby
provided permanent indefinite authority for these re-esti-
mates.

“(g) ADMINISTRATIVE EXPENSES.—All funding for
an agency’s administrative costs associated with a direct
loan, loan guarantee, or financial investment program
shall be displayed as distinct and separately identified sub-
accounts within the same budget account as the program’s
cost.

“SEC. 505. AUTHORIZATIONS.

“(a) AUTHORIZATION OF APPROPRIATIONS FOR
Costs.—There are authorized to be appropriated to each
Federal agency authorized to make direct loan obligations,
loan guarantee commitments, or financial investment commitments such sums as may be necessary to pay the cost associated with such direct loan obligations, loan guarantee commitments, or financial investment commitments.

“(b) AUTHORIZATION FOR FINANCING ACCOUNTS.—
In order to implement the accounting required by this title, the President is authorized to establish such non-budgetary accounts as may be appropriate.

“(c) TREASURY TRANSACTIONS WITH THE FINANCING ACCOUNTS.—

“(1) IN GENERAL.—The Secretary of the Treasury shall borrow from, receive from, lend to, or pay to the financing accounts such amounts as may be appropriate. The Secretary of the Treasury may prescribe forms and denominations, maturities, and terms and conditions for the transactions described in the preceding sentence, except that the rate of interest charged by the Secretary on lending to financing accounts (including amounts treated as lending to financing accounts by the Federal Financing Bank (hereinafter in this subsection referred to as the ‘Bank’) pursuant to section 405(b)) and the rate of interest paid to financing accounts on uninvested balances in financing accounts shall be the same as the rate determined pursuant to section 502(7)(H).
“(2) LOANS.—For guaranteed loans financed by the Bank and treated as direct loans by a Federal agency pursuant to section 406(b)(1), any fee or interest surcharge (the amount by which the interest rate charged exceeds the rate determined pursuant to section 502(7)(H) that the Bank charges to a private borrower pursuant to section 6(c) of the Federal Financing Bank Act of 1973 shall be considered a cash flow to the Government for the purposes of determining the cost of the direct loan pursuant to section 502(7). All such amounts shall be credited to the appropriate financing account.

“(3) REIMBURSEMENT.—The Bank is authorized to require reimbursement from a Federal agency to cover the administrative expenses of the Bank that are attributable to the direct loans financed for that agency. All such payments by an agency shall be considered administrative expenses subject to section 504(g). This subsection shall apply to transactions related to direct loan obligations or loan guarantee commitments made on or after October 1, 1991.

“(4) AUTHORITY.—The authorities provided in this subsection shall not be construed to supersede or override the authority of the head of a Federal
agency to administer and operate a direct loan or
loan guarantee program.

“(5) Title 31.—All of the transactions pro-
vided in the subsection shall be subject to the provi-
sions of subchapter II of chapter 15 of title 31,
United States Code.

“(6) Treatment of Cash Balances.—Cash
balances of the financing accounts in excess of cur-
rent requirements shall be maintained in a form of
uninvested funds and the Secretary of the Treasury
shall pay interest on these funds. The Secretary of
the Treasury shall charge (or pay if the amount is
negative) financing accounts an amount equal to the
risk component for a direct loan, loan guarantee, or
financial investment or modification thereof. Such
amount received by the Secretary of the Treasury
shall be a means of financing and shall not be con-
sidered a cash flow of the Government for the pur-
poses of section 502(7).

“(d) Authorization for Liquidating Ac-
counts.—(1) Amounts in liquidating accounts shall be
available only for payments resulting from direct loan obli-
gations or loan guarantee commitments made prior to Oc-
tober 1, 1991, for—
“(A) interest payments and principal repayments to the Treasury or the Federal Financing Bank for amounts borrowed;

“(B) disbursements of loans;

“(C) default and other guarantee claim payments;

“(D) interest supplement payments;

“(E) payments for the costs of foreclosing, managing, and selling collateral that are capitalized or routinely deducted from the proceeds of sales;

“(F) payments to financing accounts when required for modifications;

“(G) administrative costs and essential preservation expenses, if—

“(i) amounts credited to the liquidating account would have been available for administrative costs and essential preservation expenses under a provision of law in effect prior to October 1, 1991; and

“(ii) no direct loan obligation or loan guarantee commitment has been made, or any modification of a direct loan or loan guarantee has been made, since September 30, 1991; or
“(H) such other payments as are necessary for the liquidation of such direct loan obligations and loan guarantee commitments.

“(2) Amounts credited to liquidating accounts in any year shall be available only for payments required in that year. Any unobligated balances in liquidating accounts at the end of a fiscal year shall be transferred to miscellaneous receipts as soon as practicable after the end of the fiscal year.

“(3) If funds in liquidating accounts are insufficient to satisfy obligations and commitments of such accounts, there is hereby provided permanent, indefinite authority to make any payments required to be made on such obligations and commitments.

“(e) Authorization of Appropriations for Implementation Expenses.—There are authorized to be appropriated to existing accounts such sums as may be necessary for salaries and expenses to carry out the responsibilities under this title.

“(f) Reinsurance.—Nothing in this title shall be construed as authorizing or requiring the purchase of insurance or reinsurance on a direct loan or loan guarantee from private insurers. If any such reinsurance for a direct loan or loan guarantee is authorized, the cost of such in-
insurance and any recoveries to the Government shall be included in the calculation of the cost.

“(g) Eligibility and Assistance.—Nothing in this title shall be construed to change the authority or the responsibility of a Federal agency to determine the terms and conditions of eligibility for, or the amount of assistance provided by a direct loan or a loan guarantee.

“SEC. 506. Treatment of Deposit Insurance and Agencies and Other Insurance Programs.

“This title shall not apply to the credit or insurance activities of the Federal Deposit Insurance Corporation, National Credit Union Administration, Resolution Trust Corporation, Pension Benefit Guaranty Corporation, National Flood Insurance, National Insurance Development Fund, Crop Insurance, or Tennessee Valley Authority.

“SEC. 507. Effect on Other Laws.

“(a) Effect on Other Laws.—This title shall supersede, modify, or repeal any provision of law enacted prior to the date of enactment of this title to the extent such provision is inconsistent with this title. Nothing in this title shall be construed to establish a credit limitation on any Federal loan or loan guarantee program.

“(b) Crediting of Collections.—Collections resulting from direct loans obligated or loan guarantees committed prior to October 1, 1991, shall be credited to
the liquidating accounts of Federal agencies. Amounts so credited shall be available, to the same extent that they were available prior to the date of enactment of this title, to liquidate obligations arising from such direct loans obligated or loan guarantees committed prior to October 1, 1991, including repayment of any obligations held by the Secretary of the Treasury or the Federal Financing Bank. The unobligated balances of such accounts that are in excess of current needs shall be transferred to the general fund of the Treasury. Such transfers shall be made from time to time but, at least once each year.”.

**SEC. 5. NO CHANGES IN MANDATORY PROGRAMS IN APPROPRIATION BILLS.**

Section 302(f) of the Congressional Budget Act of 1974 is amended to read as follows:

“(f) **Legislation Subject to Point of Order.**—

“(1) **In the house of representatives.**—

(A) After the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in the House of Representatives to consider any bill, joint resolution, or amendment providing new budget authority or outlays for any fiscal year, or any conference report on any such bill or joint resolution, if the enactment of such bill or resolution as reported, the adoption and enact-
ment of such amendment, or the enactment of such
bill or resolution in the form recommended in such
conference report, would cause—

“(i) the applicable allocation of new budget
authority or outlays made under subsection (a)
or (b) for the first fiscal year or the total of fis-
cal years to be exceeded, or

“(ii) appropriations legislation to contain a
provision that would have been estimated as af-
fecting direct spending or receipts under section
252 of the Balanced Budget and Emergency
Deficit Control Act of 1985 were it included in
legislation other than appropriations legislation,
if such provision does not result in net outlay
savings over the total of the period of the cur-
rent year, the budget year, and all fiscal years
covered under the most recently adopted con-
current resolution on the budget.

“(B) In the House of Representatives, it shall
not be in order to consider a rule or order that
waives the application of subparagraph (A). As dis-
position of a point of order under this subparagraph,
the Chair shall put the question of consideration
with respect to the rule or order. The question of
consideration shall be debatable for 10 minutes by
the Member initiating the point of order and for 10
minutes by an opponent, but shall otherwise be de-
cided without intervening motion except one that the
House adjourn.

“(2) IN THE SENATE.—After a concurrent reso-
lution on the budget is agreed to, it shall not be in
order in the Senate to consider any bill or joint reso-
lution, amendment, motion, or conference report
that—

“(A) in the case of any committee except
the Committee on Appropriations, would cause
the applicable allocation of new budget author-
ity or outlays under subsection (a) for the first
fiscal year or the total of fiscal years to be ex-
ceeded; or

“(B) in the case of the Committee on Ap-
propriations would—

“(i) cause the applicable suballocation
of new budget authority or outlays under
subsection (b) to be exceeded; or

“(ii) includes one or more provisions
that would have been estimated as affect-
ing direct spending or receipts under sec-
tion 252 of the Balanced Budget and
Emergency Deficit Control Act of 1985
were they included in legislation other than appropriations legislation, if such provision does not result in net outlay savings over the total of the period of the current year, the budget year, and all fiscal years covered under the most recently adopted concurrent resolution on the budget.”.

SEC. 6. DON'T COUNT RESCISSIONS THAT DON'T SAVE MONEY.

Section 312(a) of the Congressional Budget Act of 1974 (2 U.S.C. 643(a)) is amended—

(1) by striking “For purposes” and inserting the following:

“(1) IN GENERAL.—For purposes;”; and

(2) by adding at the end the following:

“(2) EXCLUSION.—In making determinations under paragraph (1), the committee shall not count rescissions of budget authority that do not result in outlay savings over the period of fiscal years covered by the concurrent resolution on the budget.”.

SEC. 7. PROHIBITION ON STEP INCREASES FOR FEDERAL EMPLOYEE COMPENSATION.

(a) PERIODIC STEP INCREASES.—Notwithstanding any other provision of law, no periodic step increase under section 5335 of title 5, United States Code, which (but
for this subsection) would otherwise take effect during the
period beginning on the date of enactment of this Act and
ending on December 31, 2012, shall be made.

(b) Additional Step Increases.—The head of an
agency may not grant additional step increases under sec-
tion 5336 of title 5, United States Code, during the period
beginning on the date of enactment of this Act and ending
on December 31, 2012.

SEC. 8. POINT OF ORDER AGAINST ADVANCE APPROPRIA-
tions.

(a) In General.—

(1) Point of Order.—Except as provided in
subsection (b), it shall not be in order in the House
of Representatives or the Senate to consider any bill,
joint resolution, motion, amendment, or conference
report that would provide an advance appropriation.

(2) Definition.—In this section, the term
“advance appropriation” means any new budget au-
thority provided in a bill or joint resolution making
appropriations for fiscal year 2012 that first be-
comes available for any fiscal year after 2012, or
any new budget authority provided in a bill or joint
resolution making general appropriations or con-
tinuing appropriations for each of the budget years
2012 through 2022, that first becomes available for any fiscal year after the budget year.

(b) EXCEPTIONS.—Advance appropriations may be provided as follows:

(1) For fiscal years 2013 through 2022 in an aggregate amount not to exceed $28,852,000,000 in new budget authority in each year for the following programs, projects, activities, or accounts:

(A) Employment and Training Administration.

(B) Job Corps.

(C) Education for the Disadvantaged.

(D) School Improvement.

(E) Children and Family Services (Head Start).

(F) Special Education.

(G) Career, Technical, and Adult Education.

(H) Financial Services and General Government: Payment to Postal Service.

(I) Transportation, Housing and Urban Development: Tenant-based Rental Assistance Project-based Rental Assistance.

(2) For the Corporation for Public Broadcasting.
(3) For the Department of Veterans Affairs for the Medical Services, Medical Support and Compliance, and Medical Facilities accounts of the Veterans Health Administration.

(e) SUPERMAJORITY WAIVER AND APPEAL.—

(1) WAIVER.—In the House of Representatives or the Senate, subsection (a)(1) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—In the Senate, an affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

(d) FORM OF POINT OF ORDER.—A point of order under subsection (a) may be raised by any Member as provided in section 313(e) of the Congressional Budget Act of 1974.

(e) RULES OR ORDERS IN THE HOUSE OF REPRESENTATIVES.—In the House of Representatives, it shall not be in order to consider a rule or order that waives the application of subsection (a)(1). As disposition of a point of order under this subsection, the Chair shall put the question of consideration with respect to the rule or order. The question of consideration shall be debatable for
10 minutes by the Member initiating the point of order
and for 10 minutes by an opponent, but shall otherwise
be decided without intervening motion except one that the
House adjourn.

(f) CONFERENCE REPORTS.—When the House of
Representatives or the Senate is considering a conference
report on, or an amendment between the Houses in rela-
tion to, a bill, upon a point of order being made by any
Member pursuant to this section, and such point of order
being sustained, such material contained in such con-
fERENCE REPORT shall be deemed stricken, and the applicable
House shall proceed to consider the question of whether
it shall recede from its amendment and concur with a fur-
ther amendment, or concur in the amendment of the other
House with a further amendment, as the case may be,
which further amendment shall consist of only that portion
of the conference report or amendment, as the case may be, not so stricken. Any such motion in the House of Rep-
resentatives or Senate shall be debatable. In any case in
which such point of order is sustained against a conference
report (or House or Senate amendment, as applicable, de-
duced from such conference report by operation of this sub-
section), no further amendment shall be in order.
SEC. 9. PROHIBIT TIMING SHIFTS.

(a) In General.—In the House of Representatives or the Senate, for purposes of enforcement of points of order established under the Congressional Budget Act of 1974, S. Con. Res. 21 (110th Congress; Fiscal Year 2008 Budget Resolution), S. Con. Res. 70 (110th Congress; Fiscal Year 2009 Budget Resolution), S. Con. Res. 13 (111th Congress; Fiscal Year 2010 Budget Resolution), and subsequent concurrent resolutions on the budget, a provision in any bill, resolution, amendment, motion, amendment between houses, or conference report that shifts outlays or revenues from one year to another by a date change to act as an offset for other provisions that increase the deficit for a time period shall not count.

(b) Rules or Orders in the House of Representatives.—In the House of Representatives, it shall not be in order to consider a rule or order that waives the application of subsection (a). As disposition of a point of order under this subsection, the Chair shall put the question of consideration with respect to the rule or order. The question of consideration shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent, but shall otherwise be decided without intervening motion except one that the House adjourn.

•HR 3844 IH
SEC. 10. BUDGET SCORING RULE RELATING TO TRANSFERS FROM THE GENERAL FUND OF THE TREASURY TO THE HIGHWAY TRUST FUND THAT INCREASE PUBLIC INDEBTEDNESS.

(a) In General.—In the House of Representatives or the Senate, for purposes of enforcement of points of order established under the Congressional Budget Act of 1974, S. Con. Res. 21 (110th Congress; Fiscal Year 2008 Budget Resolution), S. Con. Res. 70 (110th Congress; Fiscal Year 2009 Budget Resolution), S. Con. Res. 13 (111th Congress; Fiscal Year 2010 Budget Resolution), and subsequent concurrent resolutions on the budget, a bill, resolution, amendment, motion, amendment between houses, or conference report that transfers funds from the general fund of the Treasury to the Highway Trust Fund and that increases the level of indebtedness that is subject to the current applicable statutory public debt limit shall be counted by the chairman of the Committee on the Budget of the House of Representatives or the Senate, as applicable, as new budget authority and outlays equal to the amount of the transfer in the fiscal year the transfer occurs.

(b) Rules or Orders in the House of Representatives.—In the House of Representatives, it shall not be in order to consider a rule or order that waives the application of subsection (a). As disposition of a point
of order under this subsection, the Chair shall put the
question of consideration with respect to the rule or order.
The question of consideration shall be debatable for 10
minutes by the Member initiating the point of order and
for 10 minutes by an opponent, but shall otherwise be de-
cided without intervening motion except one that the
House adjourn.