S. 439

To provide for comprehensive budget reform in order to increase transparency and reduce the deficit.

IN THE SENATE OF THE UNITED STATES

MARCH 2, 2011

Mr. THUNE (for himself, Mr. CRAPO, Mr. INHOFE, Mr. KIRK, Mr. CHAMBLISS, Mr. JOHANNS, and Mr. PORTMAN) introduced the following bill; which was read twice and referred to the Committee on the Budget

A BILL

To provide for comprehensive budget reform in order to increase transparency and reduce the deficit.

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Deficit Reduction and Budget Reform Act of 2011”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—JOINT BUDGET RESOLUTION

Sec. 101. Purposes.
Sec. 102. Timetable.
Sec. 103. Joint resolution on the budget.
Sec. 104. Budget required before spending bills may be considered.
Sec. 105. Amendments to joint resolutions on the budget.
Sec. 106. Continuing appropriations.

TITLE II—BIENNIAL BUDGET

Sec. 201. Effective date.
Sec. 202. Revision of timetable.
Sec. 203. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
Sec. 204. Amendments to Rules of the House of Representatives.
Sec. 205. Two-year appropriations; title and style of appropriation Acts.
Sec. 206. Multiyear authorizations.
Sec. 207. Government strategic and performance plans on a biennial basis.
Sec. 208. Biennial appropriation bills.
Sec. 209. Assistance by Federal agencies to standing committees of the Senate and the House of Representatives.

TITLE III—DISCRETIONARY SPENDING LIMITS

Subtitle A—Spending Limits

Sec. 301. Discretionary spending limits.

Subtitle B—Reports and Orders

Sec. 311. Reports and orders.
Sec. 312. Spending limits enforcement.
Sec. 313. Spending reduction order.

TITLE IV—LEGISLATIVE LINE-ITEM VETO

Sec. 401. Short title.
Sec. 402. Legislative line-item veto.
Sec. 403. Technical and conforming amendments.
Sec. 404. Rescission measures considered.

TITLE V—BIENNIAL BUDGET DEFICIT REDUCTION

Sec. 501. Joint Committee on Deficit Reduction.
Sec. 503. Debt buyback fund.

TITLE VI—PAYGO HONESTY WITH RESPECT TO TRUST FUNDS AND EMERGENCY DESIGNATIONS

Sec. 601. PAYGO and trust funds.
Sec. 602. Emergency designations.

TITLE VII—CREDIT REFORM

Sec. 701. Credit Reform Act treatment of the purchase of private stock, equity, or capital.

TITLE VIII—RESPONSIBLE HEALTH CARE BUDGETING LIMITS

Subtitle A—Cost Containment of the CLASS Program
Sec. 801. CLASS funding warning.
Sec. 802. Presidential submission of legislation.
Sec. 803. Procedures in the House of Representatives.
Sec. 804. Procedures in the Senate.

Subtitle B—Modification of Medicare Cost Containment Trigger

Sec. 811. Modification of Medicare cost containment trigger.

TITLE I—JOINT BUDGET RESOLUTION

SEC. 101. PURPOSES.

Paragraphs (1) and (2) of section 2 of the Congressional Budget and Impoundment Control Act of 1974 are amended to read as follows:

“(1) to assure effective control over the budgetary process; and

“(2) to facilitate the determination each year of the appropriate level of Federal revenues and expenditures by the Congress and the President;”.

SEC. 102. TIMETABLE.

Section 300 of the Congressional Budget Act of 1974 is amended to read as follows:

“TIMETABLE

“Sec. 300. The timetable with respect to the Congressional budget process for any fiscal year is as follows:

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SEC. 103. JOINT RESOLUTION ON THE BUDGET.

(a) CONTENT OF JOINT RESOLUTIONS ON THE BUDGET.—Section 301(a)(4) of the Congressional Budget Act of 1974 is amended to read as follows:

“(4) subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, Medicare, Medicaid, other direct spending (excluding interest), and interest; and for emergencies (for the reserve fund in section 317(b) and for military operations in section 317(c));”.

(b) ADDITIONAL MATTERS IN JOINT RESOLUTION.—Section 301(b) of the Congressional Budget Act of 1974 is amended as follows:

(1) Strike paragraphs (1), and (6) through (9).

(2) Redesignate paragraphs (2), (3), (4), and (5) accordingly.

(3) Amend paragraph (3), as redesignated, to read as follows:
“(3) set forth such other matters, and require such other procedures, relating to the budget as may be appropriate to carry out the purposes of the Act, but shall not include a suspension or alteration of the application of the motion to strike a provision as set forth in section 310(d)(2) or (h)(2)(F).”.

(c) REQUIRED CONTENTS OF REPORT.—Section 301(e)(2) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A), (B), (C), (D), (E), and (F) as subparagraphs (B), (C), (E), (F), (H), and (I), respectively.

(2) Before subparagraph (B) (as redesignated), insert the following new subparagraph:

“(A) new budget authority and outlays for each major functional category, based on allocations of the total levels set forth pursuant to subsection (a)(1);”.

(3) In subparagraph (C) (as redesignated), strike “mandatory” and insert “direct spending”.

(4) After subparagraph (C) (as redesignated), insert the following new subparagraph:

“(D) a measure, as a percentage of gross domestic product, of total outlays, total Federal revenues, the surplus or deficit, and new out-
lays for nondefense discretionary spending, defense spending, Medicare, Medicaid and other direct spending as set forth in such resolution;”.

(5) After subparagraph (F) (as redesignated), insert the following new subparagraph:

“(G) if the joint resolution on the budget includes any allocation to a committee other than the Committee on Appropriations of levels in excess of current law levels, a justification for not subjecting any program, project, or activity (for which the allocation is made) to annual discretionary appropriations;”.

(d) ADDITIONAL CONTENTS OF REPORT.—Section 301(e)(3) of the Congressional Budget Act of 1974 is amended as follows:

(1) Redesignate subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively, strike subparagraphs (C) and (D), and redesignate subparagraph (E) as subparagraph (D) and strike the period and insert “; and”.

(2) Before subparagraph (B), insert the following new subparagraph:

“(A) new budget authority and outlays for each major functional category, based on allocat-
tions of the total levels set forth pursuant to
subsection (a)(1);”.

(3) At the end, add the following new subpara-
graph:

“(E) set forth, if required by subsection
(f), the calendar year in which, in the opinion
of the Congress, the goals for reducing unem-
ployment set forth in section 4(b) of the Em-
ployment Act of 1946 should be achieved.”.

(e) BUDGET PRESENTATION.—After section
301(e)(3) add the following new paragraph:

“(4) BUDGET FORMAT.—In addition to the con-
tents that may be included in the report pursuant to
paragraph (3), a presentation of the functional cat-
egories may also be included as follows:

“(A) PRINCIPAL FEDERAL OBLIGATIONS.—
Activities intrinsic to the Federal Government
(including both discretionary and mandatory
spending) as follows:

“(i) National defense;

“(ii) International affairs;

“(iii) Veterans benefits and services;

and

“(iv) Administration of justice.
“(B) Federally supported domestic priorities.—The total domestic discretionary spending levels as follows:

“(i) Total domestic discretionary spending.

“(ii) Optional inclusion of additional specific recommended levels.

“(C) Major domestic entitlements.—Major domestic direct spending programs as follows:

“(i) Medicare.

“(ii) Medicaid.

“(iii) Other direct spending.

“(iv) Optional inclusion of additional specific recommended levels.

“(D) General government and financial management.—Funding for financing government operations as follows:

“(i) General government.

“(ii) Net interest.

“(iii) Allowances.

“(iv) Offsetting receipts.”.

(f) President’s budget submission to Congress.—(1) The first two sentences of section 1105(a) of title 31, United States Code, are amended to read as
follows: “On or after the first Monday in January but not later than the first Monday in February of each year the President shall submit a budget of the United States Government for the following fiscal year which shall set forth the following levels:

“(A) Totals of new budget authority and outlays.

“(B) Total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees.

“(C) The surplus or deficit in the budget.

“(D) Subtotals of new budget authority and outlays for nondefense discretionary spending, defense discretionary spending, direct spending (excluding interest), and interest, and for emergencies (for the reserve fund in section 317(b) and for military operations in section 317(e)).

“(E) The public debt.

Each budget submission shall include a budget message and summary and supporting information and, as a separately delineated statement, the levels requires in the preceding sentence for at least each of the 4 ensuing fiscal years.”.
(2) The third sentence of section 1105(a) of title 31, United States Code, is amended by inserting “submission” after “budget”.

(g) LIMITATION ON THE CONTENT OF BUDGET RESOLUTIONS.—Section 305 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(e) LIMITATION ON CONTENTS.—(1) It shall not be in order in the House of Representatives or in the Senate to consider any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter referred to in paragraph (2).

“(2) Any joint resolution on the budget or any amendment thereto or conference report thereon that contains any matter not permitted in section 301 (a) or (b) shall not be treated in the House of Representatives or the Senate as a budget resolution under subsection (a) or (b) or as a conference report on a budget resolution under subsection (c) of this section.”.

SEC. 104. BUDGET REQUIRED BEFORE SPENDING BILLS MAY BE CONSIDERED.

(a) AMENDMENTS TO SECTION 302.—Section 302 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (a), by striking paragraph (5); and
(2) in subsection (f)(1)(A), by striking “as reported”.

(b) Amendments to Section 303 and Conforming Amendments.—(1) Section 303 of the Congressional Budget Act of 1974 is amended by striking “(a) IN GENERAL.—”, by striking “has been agreed to” and inserting “takes effect in subsection (a)”, and by striking subsections (b) and (c); and

(2) by striking its section heading and inserting the following new section heading: “CONSIDERATION OF BUDGET-RELATED LEGISLATION BEFORE BUDGET BECOMES LAW”.

(e) Expedited Procedures Upon Veto of Joint Resolution on the Budget.—(1) Title III of the Congressional Budget Act of 1974 is amended by adding after section 315 the following new section:

“EXPEDITED PROCEDURES UPON VETO OF JOINT RESOLUTION ON THE BUDGET

“SEC. 316. (a) SPECIAL RULE.—If the President vetoes a joint resolution on the budget for a fiscal year, the majority leader of the House of Representatives or Senate (or his designee) shall introduce a concurrent resolution on the budget or joint resolution on the budget for such fiscal year. If the Committee on the Budget of either House fails to report such concurrent or joint resolution referred to it within five calendar days (excluding Satur-
days, Sundays, or legal holidays except when that House of Congress is in session) after the date of such referral, the committee shall be automatically discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar.

“(b) Procedure in the House of Representatives and the Senate.—

“(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the House of Representatives and in the Senate of joint resolutions on the budget and conference reports thereon shall also apply to the consideration of concurrent resolutions on the budget introduced under subsection (a) and conference reports thereon.

“(2) Debate in the Senate on any concurrent resolution on the budget or joint resolution on the budget introduced under subsection (a), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours and in the House of Representatives such debate shall be limited to not more than 3 hours.

“(c) Contents of Concurrent Resolutions.—

Any concurrent resolution on the budget introduced under subsection (a) shall be in compliance with section 301.
“(d) Effect of Concurrent Resolution on the Budget.—Notwithstanding any other provision of this title, whenever a concurrent resolution on the budget described in subsection (a) is agreed to, then the aggregates, allocations, and reconciliation directives (if any) contained in the report accompanying such concurrent resolution or in such concurrent resolution shall be considered to be the aggregates, allocations, and reconciliation directives for all purposes of sections 302, 303, and 311 for the applicable fiscal years and such concurrent resolution shall be deemed to be a joint resolution for all purposes of this title and the Rules of the House of Representatives and any reference to the date of enactment of a joint resolution on the budget shall be deemed to be a reference to the date agreed to when applied to such concurrent resolution.”.

(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 315 the following new item:

“Sec. 316. Expedited procedures upon veto of joint resolution on the budget.”.

SEC. 105. AMENDMENTS TO JOINT RESOLUTIONS ON THE BUDGET.

(a) Definition.—Paragraph (4) of section 3 of the Congressional Budget Act of 1974 is amended to read as follows:

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“(4) the term ‘joint resolution on the budget’ means—

“(A) a joint resolution setting forth the budget for the United States Government for a fiscal year as provided in section 301; and

“(B) any other joint resolution revising the budget for the United States Government for a fiscal year as described in section 304.”.

(b) ADDITIONAL AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.—(1)(A) Sections 301, 302, 303, 305, 308, 310, 311, 312, 314, 405, and 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 et seq.) are amended by striking “concurrent” each place it appears and inserting “joint”.

(B) Section 301 of the Congressional Budget Act of 1974 is further amended by striking the last sentence.

(C)(i) Sections 302(d), 302(g), 308(a)(1)(A), and 310(d)(1) of the Congressional Budget Act of 1974 are amended by striking “most recently agreed to concurrent resolution on the budget” each place it occurs and inserting “most recently enacted joint resolution on the budget or agreed to concurrent resolution on the budget (as applicable)”.
(ii) The section heading of section 301 is amended by striking “ANNUAL ADOPTION OF CONCURRENT RESOLUTION” and inserting “JOINT RESOLUTIONS”; and

(iii) Section 304 of such Act is amended to read as follows:

“PERMISSIBLE REVISIONS OF BUDGET RESOLUTIONS

“Sec. 304. At any time after the joint resolution on the budget for a fiscal year has been enacted pursuant to section 301, and before the end of such fiscal year, the two Houses and the President may enact a joint resolution on the budget which revises or reaffirms the joint resolution on the budget for such fiscal year most recently enacted, and for purposes of the enforcement of the Congressional Budget Act of 1974, the chairman of the Budget Committee of the House of Representatives or the Senate, as applicable, may adjust levels as needed for the enforcement off of the budget resolution.”.

(D) Sections 302, 303, 310, and 311, of such Act are amended by striking “agreed to” each place it appears and by inserting “enacted”.

(2)(A) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking “concurrent” each place it appears and by inserting “joint”.

(B) The table of contents set forth in section 1(b) of such Act is amended—
(i) in the item relating to section 301, by striking “Annual adoption of concurrent resolution” and inserting “Joint resolutions”;

(ii) by striking the item relating to section 303 and inserting the following:

“Sec. 303. Consideration of budget-related legislation before budget becomes law.”;

and

(iii) by striking “concurrent” and inserting “joint” in the item relating to section 305.

(c) Conforming Amendments to the Rules of the House of Representatives.—Clauses 1(d)(1), 4(a)(4), 4(b)(2), 4(f)(1)(A), and 4(f)(2) of rule X, clause 10 of rule XVIII, clause 10 of rule XX, and clauses 7 and 10 of rule XXI of the Rules of the House of Representatives are amended by striking “concurrent” each place it appears and inserting “joint”.

(d) Conforming Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985.—Section 258C(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 907d(b)(1)) is amended by striking “concurrent” and inserting “joint”.

(e) Conforming Amendments to Section 310 Regarding Reconciliation Directives.—(1) The side heading of section 310(a) of the Congressional Budget Act
of 1974 (as amended by section 105(b)) is further amended by inserting “JOINT EXPLANATORY STATEMENT ACCOMPANYING CONFERENCE REPORT ON” before “JOINT”.

(2) Section 310(a) of such Act is amended by striking “A” and inserting “The joint explanatory statement accompanying the conference report on a”.

(3) The first sentence of section 310(b) of such Act is amended by striking “If” and inserting “If the joint explanatory statement accompanying the conference report on”.

(4) Section 310(c)(1) of such Act is amended by inserting “the joint explanatory statement accompanying the conference report on” after “pursuant to”.

(f) CONFORMING AMENDMENTS TO SECTION 3 REGARDING DIRECT SPENDING.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

“(11) The term ‘direct spending’ has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.”.
SEC. 106. CONTINUING APPROPRIATIONS.

(a) IN GENERAL.—Chapter 13 of title 31, United States Code, is amended by inserting after section 1310 the following new section:

“§ 1311. Continuing appropriations

“(a)(1) If any regular appropriation bill for each fiscal year in a biennium does not become law before the beginning of such biennium or a joint resolution making continuing appropriations is not in effect, there are appropriated for the 2 years of the biennium, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, excluding any budget authority designated as an emergency or temporary funding for projects or activities that are not part of ongoing operations, such sums as may be necessary to continue any project or activity for which funds were provided in the preceding fiscal year—

“(A) for defense, veterans, and homeland security spending—

“(ii) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year; and
“(B) for spending not described in subparagraph (A), total level allowable for the appropriate accounts under section 251 of the Balanced Budget and Emergency Deficit Control of Act of 1985 in the same proportion of funding that such accounts received the preceding fiscal year.

“(2) Appropriations and funds made available, and authority granted, for a project or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the lower of—

“(A) the rate of operations provided for in the regular appropriation Act providing for such project or activity for the preceding fiscal year;

“(B) in the absence of such an Act, the rate of operations provided for such project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year;

“(C) the rate of operations provided for in the regular appropriation bill as passed by the House of Representatives or the Senate for the fiscal year in question, except that the lower of these two versions shall be ignored for any project or activity for which there is a budget request if no funding is provided for that project or activity in either version; or
“(D) the annualized rate of operations provided for in the most recently enacted joint resolution making continuing appropriations for part of that fiscal year or any funding levels established under the provisions of this Act.

“(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

“(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be; or

“(B) the last day of such fiscal year.

“(b) An appropriation or funds made available, or authority granted, for a project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such project or activity under current law.

“(c) Appropriations and funds made available, and authority granted, for any project or activity for any fiscal
year pursuant to this section shall cover all obligations or
expenditures incurred for such project or activity during
the portion of such fiscal year for which this section ap-
plies to such project or activity.

“(d) Expenditures made for a project or activity for
any fiscal year pursuant to this section shall be charged
to the applicable appropriation, fund, or authorization
whenever a regular appropriation bill or a joint resolution
making continuing appropriations until the end of a fiscal
year providing for such project or activity for such period
becomes law.

“(e) This section shall not apply to a project or activ-
ity during a fiscal year if any other provision of law (other
than an authorization of appropriations)—

“(1) makes an appropriation, makes funds
available, or grants authority for such project or ac-
tivity to continue for such period; or

“(2) specifically provides that no appropriation
shall be made, no funds shall be made available, or
no authority shall be granted for such project or ac-
tivity to continue for such period.

“(f) For purposes of this section, the term ‘regular
appropriation bill’ means any annual appropriation bill
making appropriations, otherwise making funds available,
or granting authority, for any of the following categories of projects and activities:

“(1) Agriculture, rural development, Food and Drug Administration, and related agencies programs.

“(2) The Department of Defense.

“(3) Energy and water development, and related agencies.

“(4) State, foreign operations, and related programs.


“(6) The Department of the Interior, Environmental Protection Agency, and related agencies.

“(7) The Departments of Labor, Health and Human Services, and Education, and related agencies.

“(8) Military construction, veterans affairs, and related agencies.

“(9) Science, the Departments of State, Justice, and Commerce, and related agencies.

“(10) The Departments of Transportation, Housing and Urban Development, and related agencies.

“(11) The Legislative Branch.
“(12) Financial services and general government.”.

(b) Clerical Amendment.—The analysis of chapter 13 of title 31, United States Code, is amended by inserting after the item relating to section 1310 the following new item:

“1311. Continuing appropriations.”.

TITLE II—BIENNIAL BUDGET

SEC. 201. EFFECTIVE DATE.

The provisions of this subtitle shall take effect on January 1 of the calendar year after the year of the enactment of this Act.

SEC. 202. REVISION OF TIMETABLE.

Section 300 of the Congressional Budget Act of 1974 (2 U.S.C. 631) is amended to read as follows:

“TIMETABLE

“Sec. 300. (a) In General.—Except as provided by subsection (b), the timetable with respect to the congressional budget process for any Congress (beginning with the One Hundred Twelfth Congress or a subsequent Congress, as applicable) is as follows:

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"First Session"
“First Session—Continued

May 15 ....................................... Congress completes action on joint resolution on the biennial budget.

May 15 ....................................... Biennial appropriation bills may be considered in the House of Representatives.

June 10 ................................. House Appropriations Committee reports last biennial appropriation bill.

June 30 ................................. House completes action on biennial appropriation bills.

October 1 ............................... Biennium begins.

“Second Session

On or before: Action to be completed:
February 15 ....................... President submits budget review.
Not later than 6 weeks after President submits budget review.
The last day of the session ....... Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium.

“(b) SPECIAL RULE.—In the case of any first session of Congress that begins in any year during which the term of a President (except a President who succeeds himself) begins, the following dates shall supersede those set forth in subsection (a):

“First Session

On or before: Action to be completed:
First Monday in April ............... President submits budget recommendations.
April 20 ................................. Committees submit views and estimates to Budget Committees.
May 15 ................................. Budget Committees report joint resolution on the biennial budget.
June 1 ................................. Congress completes action on joint resolution on the biennial budget.
June 1 ................................. Biennial appropriation bills may be considered in the House of Representatives.
July 1 ................................. House Appropriations Committee reports last biennial appropriation bill.
July 20 ................................. House completes action on biennial appropriation bills.
October 1 ............................... Biennium begins.”
SEC. 203. AMENDMENTS TO THE CONGRESSIONAL BUDGET
AND IMPOUNDMENT CONTROL ACT OF 1974.

(a) DECLARATION OF PURPOSE.—Section 2(2) of the
Congressional Budget and Impoundment Control Act of
1974 (2 U.S.C. 621(2)) is amended by striking “each
year” and inserting “biennially”.

(b) DEFINITIONS.—

(1) BUDGET RESOLUTION.—Section 3(4) of
such Act (2 U.S.C. 622(4)) is amended by striking
“fiscal year” each place it appears and inserting “bi-
ennium”.

(2) BIENNIAL.—Section 3 of such Act (2
U.S.C. 622) (as amended by section 113(a)) is fur-
ther amended by adding at the end the following
new paragraph:

“(13) The term ‘biennium’ means the period of
2 consecutive fiscal years beginning on October 1 of
any odd-numbered year.”.

(c) BIENNIAL JOINT RESOLUTION ON THE BUDG-
et.—

(1) CONTENTS OF RESOLUTION.—Section
301(a) of such Act (2 U.S.C. 632(a)) is amended—

(A) in the matter preceding paragraph (1)
by—
(i) striking “April 15 of each year” and inserting “May 15 of each odd-numbered year”;

(ii) striking “the fiscal year beginning on October 1 of such year” the first place it appears and inserting “the biennium beginning on October 1 of such year”;

(iii) striking “the fiscal year beginning on October 1 of such year” the second place it appears and inserting “each fiscal year in such period”; and

(iv) striking “each of the four ensuing fiscal years” and inserting “each fiscal year in the next 2 bienniums”;

(B) in paragraph (6), by striking “for the fiscal year” and inserting “for each fiscal year in the biennium”; and

(C) in paragraph (7), by striking “for the fiscal year” and inserting “for each fiscal year in the biennium”.

(2) ADDITIONAL MATTERS.—Section 301(b) of such Act (2 U.S.C. 632(b)) is amended—

(A) in paragraph (3), by striking “for such fiscal year” and inserting “for either fiscal year in such biennium”; and
(B) in paragraph (7), by striking “for the first fiscal year” and inserting “for each fiscal year in the biennium”.

(3) Views of other committees.—Section 301(d) of such Act (2 U.S.C. 632(d)) is amended by inserting “(or, if applicable, as provided by section 300(b))” after “United States Code”.

(4) Hearings.—Section 301(e)(1) of such Act (2 U.S.C. 632(e)) is amended by—

(A) striking “fiscal year” and inserting “biennium”; and

(B) inserting after the second sentence the following: “On or before April 1 of each odd-numbered year (or, if applicable, as provided by section 300(b)), the Committee on the Budget of each House shall report to its House the joint resolution on the budget referred to in subsection (a) for the biennium beginning on October 1 of that year.”.

(5) Goals for reducing unemployment.—Section 301(f) of such Act (2 U.S.C. 632(f)) is amended by striking “fiscal year” each place it appears and inserting “biennium”.

(6) Economic assumptions.—Section 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is
amended by striking “for a fiscal year” and inserting “for a biennium”.

(7) SECTION HEADING.—The section heading of section 301 of such Act is amended by striking “ANNUAL” and inserting “BIENNIAL”.

(8) TABLE OF CONTENTS.—The item relating to section 301 in the table of contents set forth in section 1(b) of such Act is amended by striking “Annual” and inserting “Biennial”.

(d) COMMITTEE ALLOCATIONS.—Section 302 of such Act (2 U.S.C. 633) is amended—

(1) in subsection (a)(1) by—

(A) striking “for the first fiscal year of the resolution,” and inserting “for each fiscal year in the biennium,”;

(B) striking “for that period of fiscal years” and inserting “for all fiscal years covered by the resolution”; and

(C) striking “for the fiscal year of that resolution” and inserting “for each fiscal year in the biennium”;

(2) in subsection (f)(1), by striking “for a fiscal year” and inserting “for a biennium”;
(3) in subsection (f)(1), by striking “first fiscal year” and inserting “either fiscal year of the biennium”; 

(4) in subsection (f)(2)(A), by—

(A) striking “first fiscal year” and inserting “each fiscal year of the biennium”; and 

(B) striking “the total of fiscal years” and inserting “the total of all fiscal years covered by the resolution”; and

(5) in subsection (g)(1)(A), by striking “April” and inserting “May”.

(e) SECTION 303 POINT OF ORDER.—Section 303 of such Act (2 U.S.C. 634(a)) is amended by striking “for a fiscal year” and inserting “for a biennium” and by striking “the first fiscal year” and inserting “each fiscal year of the biennium”.

(f) PERMISSIBLE REVISIONS OF JOINT RESOLUTIONS ON THE BUDGET.—Section 304 of such Act (2 U.S.C. 635) is amended—

(1) by striking “fiscal year” the first two places it appears and inserting “biennium”; 

(2) by striking “for such fiscal year”; and

(3) by inserting before the period “for such biennium”.

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(g) Procedures for Consideration of Budget Resolutions.—Section 305(a)(3) of such Act (2 U.S.C. 636(b)(3)) is amended by striking “fiscal year” and inserting “biennium”.

(h) Completion of House Committee Action on Appropriation Bills.—Section 307 of such Act (2 U.S.C. 638) is amended—

(1) by striking “each year” and inserting “each odd-numbered year (or, if applicable, as provided by section 300(b), July 1)”;

(2) by striking “annual” and inserting “biennial”;

(3) by striking “fiscal year” and inserting “biennium”; and

(4) by striking “that year” and inserting “each odd-numbered year”.

(i) Completion of House Action on Regular Appropriation Bills.—Section 309 of such Act (2 U.S.C. 640) is amended—

(1) by striking “It” and inserting “Except whenever section 300(b) is applicable, it”;

(2) by inserting “of any odd-numbered calendar year” after “July”;

(3) by striking “annual” and inserting “biennial”; and
(4) by striking “fiscal year” and inserting “biennium”.

(j) RECONCILIATION PROCESS.—Section 310 of such Act (2 U.S.C. 641) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking “any fiscal year” and inserting “any biennium”;

(2) in subsection (a)(1), by striking “such fiscal year” each place it appears and inserting “any fiscal year covered by such resolution”; and

(3) by striking subsection (f) and redesignating subsection (g) as subsection (f).

(k) SECTION 311 POINT OF ORDER.—

(1) IN THE HOUSE OF REPRESENTATIVES.—

Section 311(a)(1) of such Act (2 U.S.C. 642(a)) is amended—

(A) by striking “for a fiscal year” and inserting “for a biennium”;

(B) by striking “the first fiscal year” each place it appears and inserting “either fiscal year of the biennium”; and

(C) by striking “that first fiscal year” and inserting “each fiscal year in the biennium”.

(2) IN THE SENATE.—Section 311(a)(2) of such Act is amended—
(A) in subparagraph (A), by striking “for the first fiscal year” and inserting “for either fiscal year of the biennium”; and

(B) in subparagraph (B)—

(i) by striking “that first fiscal year” the first place it appears and inserting “each fiscal year in the biennium”; and

(ii) by striking “that first fiscal year and the ensuing fiscal years” and inserting “all fiscal years”.

(3) Social Security Levels.—Section 311(a)(3) of such Act is amended by—

(A) striking “for the first fiscal year” and inserting “each fiscal year in the biennium”; and

(B) striking “that fiscal year and the ensuing fiscal years” and inserting “all fiscal years”.

(l) Maximum Deficit Amount Point of Order.—

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

(1) by striking “for a fiscal year” and inserting “for a biennium”;
(2) in paragraph (1), by striking “first fiscal year” and inserting “either fiscal year in the biennium”; 

(3) in paragraph (2), by striking “that fiscal year” and inserting “either fiscal year in the biennium”; and

(4) in the matter following paragraph (2), by striking “that fiscal year” and inserting “the applicable fiscal year”.

SEC. 204. AMENDMENTS TO RULES OF THE HOUSE OF REPRESENTATIVES.

(a) Clause 4(a)(1)(A) of rule X of the Rules of the House of Representatives is amended by inserting “odd-numbered” after “each”.

(b) Clause 4(a)(4) of rule X of the Rules of the House of Representatives is amended by striking “fiscal year” and inserting “biennium”.

(c) Clause 4(b)(2) of rule X of the Rules of the House of Representatives is amended by striking “each fiscal year” and inserting “the biennium”.

(d) Clause 4(b) of rule X of the Rules of the House of Representatives is amended by striking “and” at the end of subparagraph (5), by striking the period and inserting “; and” at the end of subparagraph (6), and by adding at the end the following new subparagraph:
“(7) use the second session of each Congress to
study issues with long-term budgetary and economic
implications, including holding hearings to receive
testimony from committees of jurisdiction to identify
problem areas and to report on the results of over-
sight; and by January 1 of each odd-number year,
issuing a report to the Speaker which identifies the
key issues facing the Congress in the next bien-
nium.”.

(e) Clause 4(e) of rule X of the Rules of the House
of Representatives is amended by striking “annually” each
place it appears and inserting “biennially” and by striking
“annual” and inserting “biennial”.

(f) Clause 4(f) of rule X of the Rules of the House
of Representatives is amended—

(1) by inserting “during each odd-numbered
year” after “submits his budget”;

(2) by striking “fiscal year” the first place it
appears and inserting “biennium”; and

(3) by striking “that fiscal year” and inserting
“each fiscal year in such ensuing biennium”.

(g) Clause 11(i) of rule X of the Rules of the House
of Representatives is amended by striking “during the
same or preceding fiscal year”.

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(h) Clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives is amended by striking “five” both places it appears and inserting “six”.

(i) Clause 5(a)(1) of rule XIII of the Rules of the House of Representatives is amended by striking “fiscal year after September 15 in the preceding fiscal year” and inserting “biennium after September 15 of the calendar year in which such biennium begins”.

SEC. 205. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE OF APPROPRIATION ACTS.

Section 105 of title 1, United States Code, is amended to read as follows:

“§ 105. Title and style of appropriations Acts

“(a) The style and title of all Acts making appropriations for the support of the Government shall be as follows: ‘An Act making appropriations (here insert the object) for each fiscal year in the biennium of fiscal years (here insert the fiscal years of the biennium).’.

“(b) All Acts making regular appropriations for the support of the Government shall be enacted for a biennium and shall specify the amount of appropriations provided for each fiscal year in such period.

“(c) For purposes of this section, the term ‘biennium’ has the same meaning as in section 3(13) of the Congres-
SEC. 206. MULTIYEAR AUTHORIZATIONS.

(a) In general.—Title III of the Congressional Budget Act of 1974 (as amended by section 115(a)) is further amended by adding at the end the following new section:

“MULTIYEAR AUTHORIZATIONS OF APPROPRIATIONS

“Sec. 318. (a) It shall not be in order in the House of Representatives or the Senate to consider any measure that contains a specific authorization of appropriations for any purpose unless the measure includes such a specific authorization of appropriations for that purpose for not less than each fiscal year in one or more bienniums.

“(b)(1) For purposes of this section, a specific authorization of appropriations is an authorization for the enactment of an amount of appropriations or amounts not to exceed an amount of appropriations (whether stated as a sum certain, as a limit, or as such sums as may be necessary) for any purpose for a fiscal year.

“(2) Subsection (a) does not apply with respect to an authorization of appropriations for a single fiscal year for any program, project, or activity if the measure containing that authorization includes a provision expressly stating the following: ‘Congress finds that no authorization of appropriation will be required for [Insert name of
applicable program, project, or activity] for any subsequent fiscal year.’.

“(c) For purposes of this section, the term ‘measure’ means a bill, joint resolution, amendment, motion, or conference report.”.

(b) Amendment to Table of Contents.—The table of contents 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 317 the following new item:

“Sec. 318. Multiyear authorizations of appropriations.”.

SEC. 207. GOVERNMENT STRATEGIC AND PERFORMANCE PLANS ON A BIENNIAL BASIS.

(a) Strategic Plans.—Section 306 of title 5, United States Code, is amended—

(1) in subsection (a), by striking “September 30, 1997” and inserting “September 30, 2010”;

(2) in subsection (b)—

(A) by striking “at least every three years” and all that follows thereafter and inserting “at least every 4 years, except that strategic plans submitted by September 30, 2010, shall be updated and revised by September 30, 2012”; and

(B) by striking “five years forward” and inserting “six years forward”; and
(3) in subsection (c), by inserting a comma after “section” the second place it appears and adding “including a strategic plan submitted by September 30, 2010, meeting the requirements of subsection (a)”.

(b) Budget Contents and Submission to Congress.—Paragraph (28) of section 1105(a) of title 31, United States Code, is amended by striking “beginning with fiscal year 1999, a” and inserting “beginning with fiscal year 2012, a biennial”.

(c) Performance Plans.—Section 1115 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in the matter before paragraph (1) by striking “an annual” and inserting “a biennial”;

(B) in paragraph (1) by inserting after “program activity” the following: “for both years 1 and 2 of the biennial plan”;  

(C) in paragraph (5) by striking “and” after the semicolon;

(D) in paragraph (6) by striking the period and inserting a semicolon; and inserting “and” after the inserted semicolon; and
(E) by adding after paragraph (6) the following:

“(7) cover each fiscal year of the biennium beginning with the first fiscal year of the next biennial budget cycle.”;

(2) in subsection (d) by striking “annual” and inserting “biennial”; and

(3) in paragraph (6) of subsection (g) by striking “annual” and inserting “biennial”.

(d) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Section 9703 of title 31, United States Code, relating to managerial accountability, is amended—

(1) in subsection (a)—

(A) in the first sentence by striking “annual”; and

(B) by striking “section 1105(a)(29)” and inserting “section 1105(a)(28)”;

(2) in subsection (e)—

(A) in the first sentence by striking “one or” before “two years”;

(B) in the second sentence by striking “a subsequent year” and inserting “for a subsequent 2-year period”; and

(C) in the third sentence by striking “three” and inserting “four”.

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(c) STRATEGIC PLANS.—Section 2802 of title 39, United States Code, is amended—

(1) in subsection (a), by striking “September 30, 1997” and inserting “September 30, 2010”; 

(2) in subsection (b), by striking “at least every three years” and inserting “at least every 4 years except that strategic plans submitted by September 30, 2010, shall be updated and revised by September 30, 2013”; 

(3) in subsection (b), by striking “five years forward” and inserting “six years forward”; and 

(4) in subsection (c), by inserting a comma after “section” the second place it appears and inserting “including a strategic plan submitted by September 30, 2010, meeting the requirements of subsection (a)”.

(f) PERFORMANCE PLANS.—Section 2803(a) of title 39, United States Code, is amended—

(1) in the matter before paragraph (1), by striking “an annual” and inserting “a biennial”; 

(2) in paragraph (1), by inserting after “program activity” the following: “for both years 1 and 2 of the biennial plan”; 

(3) in paragraph (5), by striking “and” after the semicolon;
(4) in paragraph (6), by striking the period and inserting “; and”; and

(5) by adding after paragraph (6) the following:

“(7) cover each fiscal year of the biennium begin-
ning with the first fiscal year of the next biennial
budget cycle.”.

(g) COMMITTEE VIEWS OF PLANS AND REPORTS.—

Section 301(d) of the Congressional Budget Act (2 U.S.C.
632(d)) is amended by adding at the end “Each committee
of the Senate or the House of Representatives shall review
the strategic plans, performance plans, and performance
reports, required under section 306 of title 5, United
States Code, and sections 1115 and 1116 of title 31,
United States Code, of all agencies under the jurisdiction
of the committee. Each committee may provide its views
on such plans or reports to the Committee on the Budget
of the applicable House.”.

(h) PROGRAM FORMULAS IN PERFORMANCE
PLANS.—Section 1115(b) of title 31, United States Code,
is amended—

(1) in paragraph (9), by striking “and” after
the semicolon;

(2) in paragraph (10), by striking the period
and inserting “; and”; and

(3) by inserting at the end the following:
“(11) a description of the formulas used for the program and program funding decisions including the criteria and factors used and the weight given to each of these factors.’’.

SEC. 208. BIENNIAL APPROPRIATION BILLS.

(a) In the House of Representatives.—Clause 2(a) of rule XXI of the Rules of the House of Representatives is amended by adding at the end the following new subparagraph:

“(3)(A) Except as provided by subdivision (B), an appropriation may not be reported in a general appropriation bill (other than a supplemental appropriation bill), and may not be in order as an amendment thereto, unless it provides new budget authority or establishes a level of obligations under contract authority for each fiscal year of a biennium.

“(B) Subdivision (A) does not apply with respect to an appropriation for a single fiscal year for any program, project, or activity if the bill or amendment thereto containing that appropriation includes a provision expressly stating the following: ‘Congress finds that no additional funding beyond one fiscal year will be required and the [Insert name of applicable program, project, or activity] will be completed or terminated after the amount provided has been expended.’.
“(C) For purposes of paragraph (b), the statement set forth in subdivision (B) with respect to an appropriation for a single fiscal year for any program, project, or activity may be included in a general appropriation bill or amendment thereto.”.

(b) Conforming Amendment.—Clause 5(b)(1) of rule XXII of the House of Representatives is amended by striking “or (C)” and inserting “or (3) or 2(C)”.

SEC. 209. ASSISTANCE BY FEDERAL AGENCIES TO STANDING COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.

(a) Information Regarding Agency Appropriations Requests.—To assist each standing committee of the House of Representatives and the Senate in carrying out its responsibilities, the head of each Federal agency which administers the laws or parts of laws under the jurisdiction of such committee shall provide to such committee such studies, information, analyses, reports, and assistance as may be requested by the chairman and ranking minority member of the committee.

(b) Information Regarding Agency Program Administration.—To assist each standing committee of the House of Representatives and the Senate in carrying out its responsibilities, the head of any agency shall furnish to such committee documentation, containing infor-
mation received, compiled, or maintained by the agency as part of the operation or administration of a program, or specifically compiled pursuant to a request in support of a review of a program, as may be requested by the chairman and ranking minority member of such committee.

(c) SUMMARIES BY COMPTROLLER GENERAL.—Within 30 days after the receipt of a request from a chairman and ranking minority member of a standing committee having jurisdiction over a program being reviewed and studied by such committee under this section, the Comptroller General of the United States shall furnish to such committee summaries of any audits or reviews of such program which the Comptroller General has completed during the preceding 6 years.

(d) CONGRESSIONAL ASSISTANCE.—Consistent with their duties and functions under law, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Director of the Congressional Research Service shall continue to furnish (consistent with established protocols) to each standing committee of the House of Representatives or the Senate such information, studies, analyses, and reports as the chairman and ranking minority member may request to assist...
the committee in conducting reviews and studies of pro-
grams under this section.

TITLE III—DISCRETIONARY SPENDING LIMITS
Subtitle A—Spending Limits

SEC. 301. DISCRETIONARY SPENDING LIMITS.

(a) Discretionary Spending Limits.—Section
251 of the Balanced Budget and Emergency Deficit Con-
trol of Act of 1985 is amended to read as follows:

“(a) Discretionary Spending Limits.—The total
level of discretionary spending for all non-security discre-
tionary spending programs, projects, and activities means,
in any fiscal year in which there is a deficit through fiscal
year 2021, an amount of non-security discretionary spend-
ing outlays not exceeding the levels for fiscal year 2008
as adjusted for inflation.

“(b) Non-Security Spending.—In this section, the
term non-security discretionary spending means discre-
tionary spending other than spending for the Department
of Defense, the Department of Veterans Affairs, homeland
security activities, and intelligence related activities within
the Department of State.

“(c) Timing of Sequestration Report.—Within
15 calendar days after Congress adjourns to end a session
OMB shall issue a final spending reduction report to reduce an excess spending amount.

“(d) Spending Reduction Order.—A spending reduction ordered pursuant to subsection (b) shall be implemented using the procedures set forth in section 256.”.

(b) Conforming Amendment.—The item relating to section 251 in the table of contents set forth in 250(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“Sec. 251. Discretionary spending limits.”.

Subtitle B—Reports and Orders

SEC. 311. REPORTS AND ORDERS.

Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“SEC. 254. REPORTS AND ORDERS.

“(a) Timetable.—

<table>
<thead>
<tr>
<th>Date:</th>
<th>Action to be completed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 days before the President’s budget submission.</td>
<td>CBO sequestration preview report.</td>
</tr>
<tr>
<td>President’s budget submission ..</td>
<td>OMB sequestration preview report.</td>
</tr>
<tr>
<td>August 10 ..............................</td>
<td>CBO sequestration update report.</td>
</tr>
<tr>
<td>August 20 ..............................</td>
<td>OMB sequestration update report.</td>
</tr>
<tr>
<td>10 days after end of session .....</td>
<td>CBO sequestration final report.</td>
</tr>
<tr>
<td>15 days after end of session .....</td>
<td>OMB sequestration final report; Presidential order.</td>
</tr>
</tbody>
</table>

“(b) Submission and Availability of Reports.—

Each report required by this section shall be submitted to the Budget Committees of the House of Representatives and the Senate. On the following day a notice of the report shall be printed in the Federal Register.
“(c) Sequestration Preview Reports.—

“(1) Reporting requirement.—On the dates specified in subsection (a), OMB and CBO shall issue a preview report regarding discretionary sequestration based on laws enacted through those dates.

“(2) Discretionary spending limit sequestration report.—The preview reports shall set forth estimates for the current year and each subsequent year through 2021 of the applicable discretionary spending limits and an explanation of any adjustments in such limits under section 251.

“(3) Explanation of differences.—The OMB reports shall explain the differences between OMB and CBO estimates for each item set forth in this subsection.

“(d) Sequestration Update Reports.—On the dates specified in subsection (a), OMB and CBO shall issue a sequestration update report, reflecting laws enacted through those dates, containing all of the information required in the sequestration preview reports.

“(e) Final Sequestration Reports.—

“(1) Reporting requirement.—On the dates specified in subsection (a), OMB and CBO shall
issue a final sequestration report, updated to reflect
laws enacted through those dates.

“(2) Discretionary spending sequestration reports.—The final reports shall set forth esti-
mates for each of the following:

“(A) For the current year and each subse-
quent year the applicable discretionary spending
limits for each category and an explanation of
any adjustments in such limits under section
251.

“(B) For the current year and the budget
year the estimated new budget authority and
outlays for each category and the breach, if
any, in each category.

“(C) For each category for which a seque-
stration is required, the sequestration percent-
ages necessary to achieve the required reduc-
tion.

“(D) For the budget year, for each ac-
count to be sequestered, estimates of the base-
line level of budgetary resources subject to se-
questration and resulting outlays and the
amount of budgetary resources to be sequest-
ered and resulting outlay reductions.
“(3) Explanation of Differences.—The OMB report shall explain any differences between OMB and CBO estimates of the amount of any required sequestration percentage. The OMB report shall also explain differences in the amount of sequesterable resources for any budget account to be reduced if such difference is greater than $5,000,000.

“(4) Presidential Order.—On the date specified in subsection (a), if in its final sequestration report OMB estimates that any sequestration is required, the President shall issue an order fully implementing without change all sequestrations required by the OMB calculations set forth in that report. This order shall be effective on issuance.

“(f) Within-Session Sequestration Reports.—If an appropriation for a fiscal year in progress is enacted (after Congress adjourns to end the session for that budget year and before July 1 of that fiscal year) that causes a breach, 10 days later CBO shall issue a report containing the information required in subsection (e)(2). Fifteen days after enactment, OMB shall issue a report containing the information required in subsections (e)(2) and (e)(4). On the same day as the OMB report, the President shall issue an order fully implementing without change all
sequestrations required by the OMB calculations set forth in that report. This order shall be effective on issuance.

“(g) GAO COMPLIANCE REPORT.—Upon request of the Committee on the Budget of the House of Representa-
tives or the Senate, the Comptroller General shall submit to the Congress and the President a report on—

“(1) the extent to which each order issued by the President under this section complies with all of the requirements contained in this part, either certi-
fying that the order fully and accurately complies with such requirements or indicating the respects in which it does not; and

“(2) the extent to which each report issued by OMB or CBO under this section complies with all of the requirements contained in this part, either certi-
fying that the report fully and accurately complies with such requirements or indicating the respects in which it does not.

“(h) LOW-GROWTH REPORT.—At any time, CBO shall notify the Congress if—

“(1) during the period consisting of the quarter during which such notification is given, the quarter preceding such notification, and the 4 quarters fol-
lowing such notification, CBO or OMB has deter-
mined that real economic growth is projected or esti-
mated to be less than zero with respect to each of
any 2 consecutive quarters within such period; or

“(2) the most recent of the Department of
Commerce’s advance preliminary or final reports of
actual real economic growth indicate that the rate of
real economic growth for each of the most recently
reported quarter and the immediately preceding
quarter is less than one percent.

“(i) ECONOMIC AND TECHNICAL ASSUMPTIONS.—In
all reports required by this section, OMB shall use the
same economic and technical assumptions as used in the
most recent budget submitted by the President under sec-
tion 1105(a) of title 31, United States Code”.

SEC. 312. SPENDING LIMITS ENFORCEMENT.

(a) CONFORMING AMENDMENTS TO SECTION 312.—
Section 312 of the Congressional Budget Act of 1974 is
amended—

(1) by striking subsection (a) and inserting the
following:

“(a) BUDGET COMMITTEE DETERMINATIONS.—For
purposes of this title, the levels of new budget authority,
outlays, direct spending, deficits, revenues, and debt, or
the increases or decreases of such levels for purpose of
section 303, shall be determined on the basis of estimates
made by the Committee on the Budget of the House of Representatives or the Senate, as applicable.”; and

(2) by striking subsections (b) and (c) and redesignating subsections (d), (e), and (f) as (h), (i), and (j).

(b) Enforcement Amendments to Section 312.—Section 312 of the Congressional Budget Act of 1974 is further amended by adding at the end the following new subsections after subsection (a):

“(b) Discretionary Spending Limit Point of Order.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, concurrent resolution, or conference report that—

“(1) causes the discretionary spending limits for the budget year to be breached;

“(2) increases the discretionary spending limits for the budget year or any ensuing fiscal year; or

“(3) includes any provision that has the effect of modifying the application of section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(c) Sequestration Application.—It shall not be in order in the House of Representatives or the Senate
to consider any bill, joint resolution, amendment, concurrent resolution, or conference report that—

“(1) includes any provision that has the effect of modifying the application of section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 to any program subject to sequestration or exempt from sequestration; and

“(2) includes any provision that has the effect of modifying the application of section 251 to any program subject to sequestration or exempt from sequestration.

“(d) WAIVER OR SUSPENSION.—The provisions of this section may be waived or suspended:

“(1) IN THE SENATE.—In the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

“(2) IN THE HOUSE OF REPRESENTATIVES.—In the House of Representatives:

“(A) Only by a rule or order proposing only to waive such provisions by an affirmative vote of two-thirds of the Members, duly chosen and sworn.

“(B) It shall not be in order to consider a rule or order that waives the application of subparagraph (A).
“(C) It shall not be in order for the Speaker to entertain a motion to suspend the application of this section under clause 1 of rule XV of the Rules of the House of Representatives.”.

SEC. 313. SPENDING REDUCTION ORDER.

(a) In General.—Section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“SEC. 256. SPENDING REDUCTION ORDER.

“(a) Application.—A spending reduction order issued pursuant to this part shall apply to eliminate breaches of the limits set forth in sections 251 (discretionary spending limits).

“(b) General Rules.—OMB shall include in its final spending sequestration report a requirement that each nonexempt spending account shall be reduced by an amount of budget authority calculated by multiplying the baseline level of budgetary resources in that account at that time by the uniform percentage necessary to reduce outlays sufficient to eliminate an excess spending amount.

“(c) Discretionary Spending Sequestration.—

“(1) Eliminating a Breach.—Each non-exempt account shall be reduced by an amount of budget authority calculated by multiplying the baseline level of budgetary resources subject to seque-
tration in that account at that time by the uniform percentage necessary to eliminate a breach by—

“(A) first, calculating the uniform percentage necessary to eliminate a breach in new budget authority, if any, and

“(B) second, if any breach in outlays remains, increasing the uniform percentage to a level sufficient to eliminate that breach.

“(2) EMERGENCY SPENDING ABOVE THE RESERVE FUND.—An amount of budget authority and the outlays flowing therefrom designated in statute as an emergency that is above level in the emergency reserve fund as calculated in Section 317(b) of the Congressional Budget Act of 1974 shall count toward the discretionary spending limits.

“(3) PART-YEAR APPROPRIATIONS.—If, on the date specified in paragraph (1), there is in effect an Act making or continuing appropriations for part of a fiscal year for any budget account, then the dollar sequestration calculated for that account under paragraph (2) shall be subtracted from—(A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and (B) when a full-year appropriation for
that account is enacted, from the amount otherwise
provided by the full year appropriation.

“(4) Look-back.—If, after June 30, an appro-
priation for the fiscal year in progress is enacted
that causes a breach for that year, the discretionary
spending limits for the next fiscal year shall be re-
duced by the amount of the breach.

“(5) Within-session Sequestration.—If an
appropriation for a fiscal year in progress is enacted
(after Congress adjourns to end the session for that
budget year and before July 1 of that fiscal year)
that causes a breach for that year (after taking into
account any prior sequestration of amounts), 15
days later there shall be a sequestration to eliminate
that breach following the procedures set forth in
paragraphs (2) through (3).

“(6) Estimates.—

“(A) CBO Estimates.—As soon as prac-
ticable after Congress completes action on any
discretionary appropriation, CBO, after con-
sultation with the Committees on the Budget of
the House of Representatives and the Senate,
shall provide OMB with an estimate of the
amount of discretionary new budget authority
and outlays for the current year (if any) and the budget year provided by that legislation.

“(B) OMB Estimates.—Not later than seven calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing the CBO estimate of that legislation, an OMB estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by that legislation, and an explanation of any difference between the two estimates.

“(C) Explanation of Differences Between OMB and CBO Estimates.—If OMB determines that there is a significant difference between OMB and CBO reports prepared pursuant to subparagraph (A) and (B), OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate regarding that difference and that consultation shall include, to extent practicable, written communication to those committees that affords
such committees the opportunity to comment
before the issuance of the report.

“(D) ASSUMPTIONS AND GUIDELINES.—
OMB estimates under this paragraph shall be
made using current economic and technical as-
sumptions. OMB shall use the OMB estimates
transmitted to the Congress under this para-
graph. OMB and CBO shall prepare estimates
under this paragraph in conformance with
scorekeeping guidelines determined after con-
sultation among the House of Representatives
and Senate Committees on the Budget, CBO,
and OMB.

“(E) ANNUAL APPROPRIATIONS.—For pur-
poses of this paragraph, amounts provided by
annual appropriations shall include any new
budget authority and outlays for the current
year (if any) and the budget year in accounts
for which funding is provided in that legislation
that result from previously enacted legislation.

“(d) DISCRETIONARY SEQUESTRATION LIMITA-
tion.—If appropriations for a fiscal year do not require
a sequester pursuant to the discretionary spending limits
set forth in this Act, discretionary accounts shall not be
subject to sequestration under sections 252A, 252B, or 253.

“(e) EXPEDITED CONSIDERATION OF SPENDING REDUCTION BILL.—

“(1) INTRODUCTION.—

“(A) RECONVENING.—

“(i) IN THE HOUSE OF REPRESENTATIVES.—Upon receipt of a spending reduction bill (referred to in this section as a ‘spending reduction bill’) under section 252A(b), the Speaker, if the House would otherwise be adjourned, shall notify the Members of the House that, pursuant to this subsection, the House shall convene not later than two weeks after the receipt of the spending reduction bill.

“(ii) IN THE SENATE.—

“(I) CONVENING.—Upon receipt of a spending reduction bill, if the Senate has adjourned or recessed for more than 2 days, the majority leader of the Senate, after consultation with the minority leader of the Senate, shall notify the Members of the Senate that, pursuant to this section, the
Senate shall convene not later two weeks after receipt of the spending reduction bill.

“(II) ADJOURNING.—No concurrent resolution adjourning the Senate for more than 3 days shall be in order until the Senate votes on passage of the spending reduction bill.

“(B) INTRODUCTION OF SPENDING REDUCTION BILL.—The spending reduction bill, upon receipt by the Congress, shall be introduced not later two weeks after the receipt of the spending reduction bill, in the Senate and in the House of Representatives by the majority leader of each House of Congress, for himself, the minority leader of each House of Congress, for himself, or any member of the House designated by the majority leader or minority leader. If the spending reduction bill is not introduced in accordance with the preceding sentence in either House of Congress, then any Member of that House may introduce the spending reduction bill on any day thereafter. Upon introduction, the spending reduction bill
shall be referred to the appropriate committees under subparagraph (C).

“(C) Committee Consideration.—A spending reduction bill introduced in either House of Congress shall be jointly referred to the committee or committees of jurisdiction and the Committee on the Budget of that House, which committees shall report the bill without any revision and with a favorable recommendation, an unfavorable recommendation, or without recommendation, not later than 7 calendar days after the date of introduction of the bill in that House, or the first day thereafter on which that House is in session. If any committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

“(2) Expedited Procedures.—

“(A) Fast Track Consideration in House of Representatives.—

“(i) Proceeding to Consideration.—It shall be in order, not later than 2 days of session after the date on which a spending reduction bill is reported or dis-
charged from all committees to which it was referred, for the majority leader of the House of Representatives or the majority leader’s designee, to move to proceed to the consideration of the spending reduction bills. It shall also be in order for any Member of the House of Representatives to move to proceed to the consideration of the spending reduction bills at any time after the conclusion of such 2-day period. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the spending reduction bills. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

“(ii) CONSIDERATION.—A spending reduction bill shall be considered as read. All points of order against a spending reduction bill and against its consideration are waived. The previous question shall be
considered as ordered on a spending reduct-
ion bill to its passage without intervening
motion except 100 hours of debate equally
divided and controlled by the proponent
and an opponent, and any motion to limit
debate. A motion to reconsider the vote on
passage of a spending reduction bill shall
not be in order.

“(iii) APPEALS.—Appeals from deci-
sions of the chair relating to the applica-
tion of the Rules of the House of Rep-
resentatives to the procedure relating to a
spending reduction bill shall be decided
without debate.

“(iv) APPLICATION OF HOUSE
RULES.—Except to the extent specifically
provided in paragraph (2)(A), consider-
ation of a spending reduction bill shall be
governed by the Rules of the House of
Representatives. It shall not be in order in
the House of Representatives to consider
any spending reduction bill introduced pur-
suant to the provisions of this subsection
under a suspension of the rules pursuant
to Clause 1 of House Rule XV, or under
a special rule reported by the House Committee on Rules.

“(v) NO AMENDMENTS.—No amendment to a spending reduction bill shall be in order in the House of Representatives.

“(vi) VOTE ON PASSAGE.—Immediately following the conclusion of consideration of a spending reduction bill, the vote on passage of a spending reduction bill shall occur without any intervening action or motion, requiring an affirmative vote of the majority of the Members, duly chosen and sworn. If the spending reduction bill is passed, the Clerk of the House of Representatives shall cause the bill to be transmitted to the Senate before the close of the next day of session of the House. The vote on passage on both spending reduction bills shall occur not later than 1 month after the date on which a spending reduction bill is reported or discharged from all committees to which it was referred.

“(vii) VOTE.—The House Committee on Rules may not report a rule or order that would have the effect of causing a
spending reduction bill to be approved by a vote of less than the majority of the Members, duly chosen and sworn.

“(B) FAST TRACK CONSIDERATION IN SENATE.—

“(i) IN GENERAL.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order, not later than 2 days of session after the date on which a spending reduction bill is reported or discharged from all committees to which it was referred, for the majority leader of the Senate or the majority leader’s designee to move to proceed to the consideration of a spending reduction bill. It shall also be in order for any Member of the Senate to move to proceed to the consideration of a spending reduction bill at any time after the conclusion of such 2-day period. A motion to proceed is in order even though a previous motion to the same effect has been disagreed to. All points of order against the motion to proceed to a spending reduction bill are waived. The motion to proceed is not debatable. The motion is
not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of a spending reduction bill is agreed to, the spending reduction bill shall remain the unfinished business until disposed of.

“(ii) DEBATE.—All points of order against a spending reduction bill and against consideration of a spending reduction bill are waived. Consideration of a spending reduction bill and of all debatable motions and appeals in connection therewith shall not exceed a total of 100 hours. Debate shall be divided equally between the majority and minority leaders or their designees. A motion further to limit debate on a spending reduction bill is in order, shall require an affirmative vote of the majority of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the mo-
tion or appeal. All time used for consideration of a spending reduction bill, including time used for quorum calls and voting, shall be counted against the total 100 hours of consideration.

“(iii) NO AMENDMENTS.—An amendment to a spending reduction bill, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the spending reduction bill, is not in order.

“(iv) VOTE ON PASSAGE.—The vote on passage shall occur immediately following the conclusion of the debate on a spending reduction bill, and a single quorum call at the conclusion of the debate if requested. Passage shall require an affirmative vote of the majority of the Members, duly chosen and sworn. The vote on passage shall of both spending reduction bills shall occur not later than 1 month after the date on which a spending reduction bill is reported or discharged from all committees to which it was referred.
“(v) ADJOURNMENT.—If, after 1 month from the date on which a spending reduction bill is reported or discharged from all committees to which it was referred, either House has failed to adopt a motion to proceed to the spending reduction bill, paragraph (1)(A)(ii)(II) shall not apply.

“(vi) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a spending reduction bill shall be decided without debate.

“(C) RULES TO COORDINATE ACTION WITH OTHER HOUSE.—

“(i) REFERRAL.—If, before the passage by 1 House of a spending reduction bill of that House, that House receives from the other House a spending reduction bill, then the spending reduction bill of the other House shall not be referred to a committee and shall immediately be placed on the calendar.
“(ii) Procedure.—If the Senate receives the spending reduction bill passed by the House of Representatives before the Senate has voted on passage of the spending reduction bill—

“(I) the procedure in the Senate shall be the same as if no spending reduction bill had been received from House of Representatives; and

“(II) the vote on passage in the Senate shall be on the spending reduction bill of the House of Representatives.

“(iii) Treatment of Spending Reduction Bill of Other House.—If 1 House fails to introduce or consider a spending reduction bill under this section, the spending reduction bill of the other House shall be entitled to expedited floor procedures under this section.

“(iv) Treatment of Companion Measures in the Senate.—If following passage of the spending reduction bill in the Senate, the Senate then receives the spending reduction bill from the House of
Representatives, the House-passed spending reduction bill shall not be debatable. The vote on passage of the spending reduction bill in the Senate shall be considered to be the vote on passage of the spending reduction bill received from the House of Representatives.

“(v) VETOES.—If the President vetoes the spending reduction bill, debate on a veto message in the Senate under this section shall be 1 hour equally divided between the majority and minority leaders or their designees.

“(3) SUSPENSION.—No motion to suspend the application of this subsection shall be in order in the Senate or in the House of Representatives.”.

(b) LOW-GROWTH AMENDMENT.—Amend section 258(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 to read as follows:

“(b) SUSPENSION OF SEQUESTRATION PROCEDURES.—Upon the enactment of a declaration of war or a joint resolution described in subsection (a)—

“(1) the subsequent issuance of any sequestration report to enforce the spending limits in section
252B or the Deficit Limits in section 253 order is precluded;

“(2) sections 302(f), 310(d), 311(a), of the Congressional Budget Act of 1974 are suspended;

and

“(3) section 1103 of title 31, United States Code, is suspended.”.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) REPEALS.—Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(2) CONFORMING AMENDMENT.—The item relating to section 256 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. 256. Spending reduction order.”.

TITLE IV—LEGISLATIVE LINE-ITEM VETO

SEC. 401. SHORT TITLE.

This subtitle may be cited as the “Legislative Line-Item Veto Act of 2011”.

SEC. 402. LEGISLATIVE LINE-ITEM VETO.

(a) IN GENERAL.—Title X of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621 et seq.) is amended by striking all of part B (except for sections 1016 and 1013, which are redesignated as sec-
sections 1020 and 1021, respectively) and part C and inserting the following:

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"PART B—LEGISLATIVE LINE-ITEM VETO

"LINE-ITEM VETO AUTHORITY

"Sec. 1011. (a) PROPOSED CANCELLATIONS.—Within 45 calendar days after the enactment of any bill or joint resolution providing any discretionary budget authority, item of direct spending, limited tariff benefit, or targeted tax benefit, the President may propose, in the manner provided in subsection (b), the cancellation of any dollar amount of such discretionary budget authority, item of direct spending, or targeted tax benefit. If the 45 calendar-day period expires during a period where either House of Congress stands adjourned sine die at the end of a Congress or for a period greater than 45 calendar days, the President may propose a cancellation under this section and transmit a special message under subsection (b) on the first calendar day of session following such a period of adjournment.

"(b) TRANSMITTAL OF SPECIAL MESSAGE.—

"(1) SPECIAL MESSAGE.—

"(A) IN GENERAL.—The President may transmit to the Congress a special message proposing to cancel any dollar amounts of discretionary budget authority, items of direct spend-
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ing, limited tariff benefits, or targeted tax bene-
fits.

“(B) CONTENTS OF SPECIAL MESSAGE.—

Each special message shall specify, with respect
to the discretionary budget authority, items of
direct spending proposed, limited tariff benefits,
or targeted tax benefits to be canceled—

“(i) the dollar amount of discretionary
budget authority, the specific item of direct
spending (that OMB, after consultation
with CBO, estimates to increase budget
authority or outlays as required by section
1017(9)), the limited tariff benefit, or the
targeted tax benefit that the President pro-
poses be canceled;

“(ii) any account, department, or es-
establishment of the Government to which
such discretionary budget authority is
available for obligation, and the specific
project or governmental functions involved;

“(iii) the reasons why such discre-
 tionary budget authority, item of direct
spending, limited tariff benefit, or targeted
tax benefit should be canceled;
“(iv) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect (including the effect on outlays and receipts in each fiscal year) of the proposed cancellation;

“(v) to the maximum extent practicable, all facts, circumstances, and considerations relating to or bearing upon the proposed cancellation and the decision to propose the cancellation, and the estimated effect of the proposed cancellation upon the objects, purposes, or programs for which the discretionary budget authority, item of direct spending, limited tariff benefit, or the targeted tax benefit is provided;

“(vi) a numbered list of cancellations to be included in an approval bill that, if enacted, cancels discretionary budget authority, items of direct spending, limited tariff benefit, or targeted tax benefits proposed in that special message; and

“(vii) if the special message is transmitted subsequent to or at the same time as another special message, a detailed explanation why the proposed cancellations
are not substantially similar to any other proposed cancellation in such other message.

“(C) **Duplicative proposals prohibited.**—The President may not propose to cancel the same or substantially similar discretionary budget authority, item of direct spending, limited tariff benefit, or targeted tax benefit more than one time under this Act.

“(D) **Maximum number of special messages.**—The President may not transmit to the Congress more than 5 special messages under this subsection related to any bill or joint resolution described in subsection (a), but may transmit not more than 10 special messages for any omnibus budget reconciliation or appropriation measure.

“(2) **Enactment of approval bill.**—

“(A) **Deficit reduction.**—Amounts of budget authority, items of direct spending, limited tariff benefit, or targeted tax benefits which are canceled pursuant to enactment of a bill as provided under this section shall be dedicated only to reducing the deficit or increasing the surplus.
“(B) Adjustment of levels in the joint resolution on the budget.—Not later than 5 days after the date of enactment of an approval bill as provided under this section, the chairs of the Committees on the Budget of the Senate and the House of Representatives shall revise allocations and aggregates and other appropriate levels under the appropriate joint resolution on the budget to reflect the cancellation, and the applicable committees shall report revised suballocations pursuant to section 302(b), as appropriate.

“(C) Adjustments to statutory limits.—After enactment of an approval bill as provided under this section, the Office of Management and Budget shall revise applicable limits under the Balanced Budget and Emergency Deficit Control Act of 1985, as appropriate.

“(D) Trust funds and special funds.—Notwithstanding subparagraph (A), nothing in this part shall be construed to require or allow the deposit of amounts derived from a trust fund or special fund which are canceled pursuant to enactment of a bill as provided under this section to any other fund.
“PROCEDURES FOR EXPEDITED CONSIDERATION

“SEC. 1012. (a) EXPEDITED CONSIDERATION.—

“(1) IN GENERAL.—The majority leader or minority leader of each House or his designee shall (by request) introduce an approval bill as defined in section 1017 not later than the third day of session of that House after the date of receipt of a special message transmitted to the Congress under section 1011(b). If the bill is not introduced as provided in the preceding sentence in either House, then, on the fourth day of session of that House after the date of receipt of the special message, any Member of that House may introduce the bill.

“(2) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

“(A) REFERRAL AND REPORTING.—Any committee of the House of Representatives to which an approval bill is referred shall report it to the House of Representatives without amendment not later than the seventh legislative day after the date of its introduction. If a committee fails to report the bill within that period or the House of Representatives has adopted a joint resolution providing for adjournment sine die at the end of a Congress, such committee
shall be automatically discharged from further consideration of the bill and it shall be placed on the appropriate calendar.

“(B) PROCEEDING TO CONSIDERATION.—After an approval bill is reported by or discharged from committee or the House of Representatives has adopted a joint resolution providing for adjournment sine die at the end of a Congress, it shall be in order to move to proceed to consider the approval bill in the House of Representatives within two legislative days after the day on which the proponent announces his intention to offer the motion. 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.

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

“(D) Senate bill.—An approval bill re-
ceived from the Senate shall not be referred to
committee.

“(3) Consideration in the Senate.—

“(A) Motion to proceed to consider-
atation.—A motion to proceed to the consider-
ation of a bill under this subsection in the Sen-
ate 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 a bill under this subsection, and all
debatable motions and appeals in connection
therewith (including debate pursuant to sub-
paragraph (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 a bill 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 a bill under this subsection is not debatable.

“(E) MOTION TO RECOMMIT.—A motion to recommit a bill under this subsection is not in order.

“(F) CONSIDERATION OF THE HOUSE OF REPRESENTATIVES BILL.—

“(i) IN GENERAL.—If the Senate has received the House of Representatives companion bill to the bill 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 bill.

“(ii) PROCEDURE AFTER VOTE ON SENATE BILL.—If the Senate votes, pursuant to paragraph (1)(C), on the bill introduced in the Senate, then immediately fol-
lowing that vote, or upon receipt of the
House of Representatives companion bill,
the House of Representatives bill shall be
deemed to be considered, read the third
time, and the vote on passage of the Sen-
ate bill shall be considered to be the vote
on the bill received from the House of Rep-
resentatives.

“(b) Amendments Prohibited.—No amendment
to, or motion to strike a provision from, a bill considered
under this section shall be in order in either the Senate
or the House of Representatives.

“PRESIDENTIAL DEFERRAL AUTHORITY

“Sec. 1013. (a) Temporary Presidential Au-
thority To Withhold Discretionary Budget Au-
thority.—

“(1) In general.—At the same time as the
President transmits to the Congress a special mes-
 sage pursuant to section 1011(b), the President may
direct that any dollar amount of discretionary budg-
et authority to be canceled in that special message
shall not be made available for obligation for a pe-
 riod not to exceed 45 calendar days from the date
the President transmits the special message to the
Congress.
“(2) EARLY AVAILABILITY.—The President shall make any dollar amount of discretionary budget authority deferred pursuant to paragraph (1) available at a time earlier than the time specified if he determines that continuation of the deferral not further the purposes of this Act.

“(b) TEMPORARY PRESIDENTIAL AUTHORITY TO SUSPEND DIRECT SPENDING.—

“(1) IN GENERAL.—At the same time as the President transmits to the Congress a special message pursuant to section 1011(b), the President may suspend the implementation of any item of direct spending proposed to be canceled in that special message for a period not to exceed 45 calendar days from the date the President transmits the special message to the Congress.

“(2) EARLY AVAILABILITY.—The President shall terminate the suspension of any item of direct spending at a time earlier than the time specified if he determines that continuation of the suspension will not further the purposes of this Act.

“(c) TEMPORARY PRESIDENTIAL AUTHORITY TO SUSPEND A LIMITED TARIFF BENEFIT.—

“(1) IN GENERAL.—At the same time as the President transmits to the Congress a special mes-
sage pursuant to section 1011(b), the President may
suspend the implementation of any limited tariff
benefit proposed to be canceled in that special mes-
sage for a period not to exceed 45 calendar days
from the date the President transmits the special
message to the Congress.

“(2) EARLY AVAILABILITY.—The President
shall terminate the suspension of any limited tariff
benefit at a time earlier than the time specified if he
determines that continuation of the suspension will
not further the purposes of this Act.

“(d) TEMPORARY PRESIDENTIAL AUTHORITY TO
SUSPEND A TARGETED TAX BENEFIT.—

“(1) IN GENERAL.—At the same time as the
President transmits to the Congress a special mes-
sage pursuant to section 1011(b), the President may
suspend the implementation of any targeted tax ben-
efit proposed to be repealed in that special message
for a period not to exceed 45 calendar days from the
date the President transmits the special message to
the Congress.

“(2) EARLY AVAILABILITY.—The President
shall terminate the suspension of any targeted tax
benefit at a time earlier than the time specified if he
determines that continuation of the suspension will not further the purposes of this Act.

“(e) EXTENSION OF 45-DAY PERIOD.—The President may transmit to the Congress not more than one supplemental special message to extend the period to suspend the implementation of any discretionary budget authority, item of direct spending, limited tariff benefit, or targeted tax benefit, as applicable, by an additional 45 calendar days. Any such supplemental message may not be transmitted to the Congress before the 40th day of the 45-day period set forth in the preceding message or later than the last day of such period.

“IDENTIFICATION OF TARGETED TAX BENEFITS

“Sec. 1014. (a) STATEMENT.—The chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate acting jointly (hereafter in this subsection referred to as the ‘chairmen’) shall review any revenue or reconciliation bill or joint resolution which includes any amendment to the Internal Revenue Code of 1986 that is being prepared for filing by a committee of conference of the two Houses, and shall identify whether such bill or joint resolution contains any targeted tax benefits. The chairmen shall provide to the committee of conference a statement identifying any such targeted tax benefits or declaring that the bill or joint resolution does not
contain any targeted tax benefits. Any such statement
shall be made available to any Member of Congress by
the chairmen immediately upon request.

``(b) STATEMENT INCLUDED IN LEGISLATION.—
``(1) IN GENERAL.—Notwithstanding any other
rule of the House of Representatives or any rule or
precedent of the Senate, any revenue or reconcili-
ation bill or joint resolution which includes any
amendment to the Internal Revenue Code of 1986
reported by a committee of conference of the two
Houses may include, as a separate section of such
bill or joint resolution, the information contained in
the statement of the chairmen, but only in the man-
ner set forth in paragraph (2).
``(2) APPLICABILITY.—The separate section
permitted under subparagraph (A) shall read as fol-
lows: ‘Section 1021 of the Congressional Budget and
Impoundment Control Act of 1974 shall
___________ apply to ______________.', with
the blank spaces being filled in with—
``(A) in any case in which the chairmen
identify targeted tax benefits in the statement
required under subsection (a), the word ‘only’
in the first blank space and a list of all of the
specific provisions of the bill or joint resolution in the second blank space; or

“(B) in any case in which the chairmen declare that there are no targeted tax benefits in the statement required under subsection (a), the word ‘not’ in the first blank space and the phrase ‘any provision of this Act’ in the second blank space.

“(e) IDENTIFICATION IN REVENUE ESTIMATE.—With respect to any revenue or reconciliation bill or joint resolution with respect to which the chairmen provide a statement under subsection (a), the Joint Committee on Taxation shall—

“(1) in the case of a statement described in subsection (b)(2)(A), list the targeted tax benefits in any revenue estimate prepared by the Joint Committee on Taxation for any conference report which accompanies such bill or joint resolution, or

“(2) in the case of a statement described in subsection (b)(2)(B), indicate in such revenue estimate that no provision in such bill or joint resolution has been identified as a targeted tax benefit.

“(d) PRESIDENT’S AUTHORITY.—If any revenue or reconciliation bill or joint resolution is signed into law—
“(1) with a separate section described in subsection (b)(2), then the President may use the authority granted in this section only with respect to any targeted tax benefit in that law, if any, identified in such separate section; or

“(2) without a separate section described in subsection (b)(2), then the President may use the authority granted in this section with respect to any targeted tax benefit in that law.

"TREATMENT OF CANCELLATIONS"

"Sec. 1015. The cancellation of any dollar amount of discretionary budget authority, item of direct spending, limited tariff benefit, or targeted tax benefit shall take effect only upon enactment of the applicable approval bill. If an approval bill is not enacted into law before the end of the applicable period under section 1013, then all proposed cancellations contained in that bill shall be null and void and any such dollar amount of discretionary budget authority, item of direct spending, limited tariff benefit, or targeted tax benefit shall be effective as of the original date provided in the law to which the proposed cancellations applied.

"REPORTS BY COMPTROLLER GENERAL"

"Sec. 1016. With respect to each special message under this part, the Comptroller General shall issue to the Congress a report determining whether any discretionary
budget authority is not made available for obligation or
item of direct spending, limited tariff benefit, or targeted
tax benefit continues to be suspended after the deferral
authority set forth in section 1013 of the President has expired.

“DEFINITIONS

“SEC. 1017. As used in this part:

“(1) Appropriation law.—The term ‘appropriation law’ means an Act referred to in section 105 of title 1, United States Code, including any general or special appropriation Act, or any Act making supplemental, deficiency, or continuing appropriations, that has been signed into law pursuant to article I, section 7, of the Constitution of the United States.

“(2) Approval bill.—The term ‘approval bill’ means a bill or joint resolution which only approves proposed cancellations of dollar amounts of discretionary budget authority, items of new direct spending, limited tariff benefits, or targeted tax benefits in a special message transmitted by the President under this part and—

“(A) the title of which is as follows: ‘A bill approving the proposed cancellations transmitted by the President on _____’, the blank space being filled in with the date of trans-
mission of the relevant special message and the public law number to which the message relates;

“(B) which does not have a preamble; and

“(C) which provides only the following after the enacting clause: ‘That the Congress approves of proposed cancellations ______’, the blank space being filled in with a list of the cancellations contained in the President’s special message, ‘as transmitted by the President in a special message on ______’, the blank space being filled in with the appropriate date, ‘regarding ______.’, the blank space being filled in with the public law number to which the special message relates;

“(D) which only includes proposed cancellations that are estimated by CBO to meet the definition of discretionary budgetary authority or items of direct spending, or limited tariff benefits, or that are identified as targeted tax benefits pursuant to section 1014;

“(E) if any proposed cancellation other than discretionary budget authority or targeted tax benefits is estimated by CBO to not meet the definition of item of direct spending, then
the approval bill shall include at the end: ‘The President shall cease the suspension of the implementation of the following under section 1013 of the Impoundment Control Act of 1974: _________’, the blank space being filled in with the list of such proposed cancellations; and

“(F) if no CBO estimate is available, then the entire list of legislative provisions proposed by the President is inserted in the second blank space in subparagraph (C).

“(3) CALENDAR DAY.—The term ‘calendar day’ means a standard 24-hour period beginning at midnight.

“(4) CANCEL OR CANCELLATION.—The terms ‘cancel' or ‘cancellation’ means to prevent—

“(A) budget authority from having legal force or effect;

“(B) in the case of entitlement authority, to prevent the specific legal obligation of the United States from having legal force or effect;

“(C) in the case of the food stamp program, to prevent the specific provision of law that provides such benefit from having legal force or effect; or
“(D) a limited tariff benefit from having legal force or effect, and to make any necessary, conforming statutory change to ensure that such limited tariff benefit is not implemented; or

“(E) a targeted tax benefit from having legal force or effect, and to make any necessary, conforming statutory change to ensure that such targeted tax benefit is not implemented and that any budgetary resources are appropriately canceled.

“(5) CONGRESSIONAL BUDGET OFFICE.—The term ‘CBO’ means the Director of the Congressional Budget Office.

“(6) DIRECT SPENDING.—The term ‘direct spending’ means—

“(A) budget authority provided by law (other than an appropriation law);

“(B) entitlement authority; and

“(C) the food stamp program.

“(7) AMOUNT OF DISCRETIONARY BUDGET AUTHORITY.—(A) Except as provided in subparagraph (B), the term ‘dollar amount of discretionary budget authority’ means the entire dollar amount of budget authority—
“(i) specified in an appropriation law, or the entire dollar amount of budget authority or obligation limitation required to be allocated by a specific proviso in an appropriation law for which a specific dollar figure was not included;

“(ii) represented separately in any table, chart, or explanatory text included in the statement of managers or the governing committee report accompanying such law;

“(iii) required to be allocated for a specific program, project, or activity in a law (other than an appropriation law) that mandates the expenditure of budget authority from accounts, programs, projects, or activities for which budget authority is provided in an appropriation law;

“(iv) represented by the product of the estimated procurement cost and the total quantity of items specified in an appropriation law or included in the statement of managers or the governing committee report accompanying such law; or
“(v) represented by the product of the estimated procurement cost and the total quantity of items required to be provided in a law (other than an appropriation law) that mandates the expenditure of budget authority from accounts, programs, projects, or activities for which budget authority is provided in an appropriation law.

“(B) The term ‘dollar amount of discretionary budget authority’ does not include—

“(i) direct spending;

“(ii) budget authority in an appropriation law which funds direct spending provided for in other law;

“(iii) any existing budget authority canceled in an appropriation law; or

“(iv) any restriction, condition, or limitation in an appropriation law or the accompanying statement of managers or committee reports on the expenditure of budget authority for an account, program, project, or activity, or on activities involving such expenditure.

“(8) ITEM OF DIRECT SPENDING.—The term ‘item of direct spending’ means any provision of law
that results in an increase in budget authority or
outlays for direct spending relative to the most re-
cent levels calculated consistent with the method-
ology used to calculate a baseline under section 257
of the Balanced Budget and Emergency Deficit Con-
trol Act of 1985 and included with a budget submis-
sion under section 1105(a) of title 31, United States
Code, in the first year or the 5-year period for which
the item is effective. However, such item does not in-
clude an extension or reauthorization of existing di-
rect spending, but instead only refers to provisions
of law that increase such direct spending.

“(9) LIMITED TARIFF BENEFIT.—The term
‘limited tariff benefit’ means any provision of law
that modifies the Harmonized Tariff Schedule of the
United States in a manner that benefits 10 or fewer
entities (as defined in paragraph (12)(B)).

“(10) OMB.—The term ‘OMB’ means the Di-
rector of the Office of Management and Budget.

“(11) OMNIBUS RECONCILIATION OR APPROP-
RIATION MEASURE.—The term ‘omnibus reconcili-
ation or appropriation measure’ means—

“(A) in the case of a reconciliation bill, any
such bill that is reported to its House by the
Committee on the Budget; or
“(B) in the case of an appropriation measure, any such measure that provides appropriations for programs, projects, or activities falling within 2 or more section 302(b) suballocations.

“(12) TARGETED TAX BENEFIT.—(A) The term ‘targeted tax benefit’ means any revenue-losing provision that provides a Federal tax deduction, credit, exclusion, or preference to ten or fewer beneficiaries (determined with respect to either present law or any provision of which the provision is a part) under the Internal Revenue Code of 1986 in any year for which the provision is in effect;

“(B) for purposes of subparagraph (A)—

“(i) all businesses and associations that are members of the same controlled group of corporations (as defined in section 1563(a) of the Internal Revenue Code of 1986) shall be treated as a single beneficiary;

“(ii) all shareholders, partners, members, or beneficiaries of a corporation, partnership, association, or trust or estate, respectively, shall be treated as a single beneficiary;
“(iii) all employees of an employer shall be treated as a single beneficiary;

“(iv) all qualified plans of an employer shall be treated as a single beneficiary;

“(v) all beneficiaries of a qualified plan shall be treated as a single beneficiary;

“(vi) all contributors to a charitable organization shall be treated as a single beneficiary;

“(vii) all holders of the same bond issue shall be treated as a single beneficiary; and

“(viii) if a corporation, partnership, association, trust or estate is the beneficiary of a provision, the shareholders of the corporation, the partners of the partnership, the members of the association, or the beneficiaries of the trust or estate shall not also be treated as beneficiaries of such provision;

“(C) for the purpose of this paragraph, the term ‘revenue-losing provision’ means any provision that is estimated to result in a reduction
in Federal tax revenues (determined with respect to either present law or any provision of which the provision is a part) for any one of the two following periods—

“(i) the first fiscal year for which the provision is effective; or

“(ii) the period of the five fiscal years beginning with the first fiscal year for which the provision is effective;

“(D) the term ‘targeted tax benefit’ does not include any provision which applies uniformly to an entire industry; and

“(E) the terms used in this paragraph shall have the same meaning as those terms have generally in the Internal Revenue Code of 1986, unless otherwise expressly provided.

“EXPIRATION

“SEC. 1018. This title shall have no force or effect on or after October 1, 2021.

“DEFICIT REDUCTION

“SEC. 1019. All spending reductions related to this title shall be for deficit reduction.”.

SEC. 403. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Exercise of Rulemaking Powers.—Section 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 note) is amended—
(1) in subsection (a), by striking “1017” and inserting “1012”; and
(2) in subsection (d), by striking “section 1017” and inserting “section 1012”.

(b) ANALYSIS BY CONGRESSIONAL BUDGET OFFICE.—Section 402 of the Congressional Budget Act of 1974 is amended by inserting “(a)” after “402.” and by adding at the end the following new subsection:

“(b) Upon the receipt of a special message under section 1011 proposing to cancel any item of direct spending, the Director of the Congressional Budget Office shall prepare an estimate of the savings in budget authority or outlays resulting from such proposed cancellation relative to the most recent levels calculated consistent with the methodology used to calculate a baseline under section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 and included with a budget submission under section 1105(a) of title 31, United States Code, and transmit such estimate to the chairmen of the Committees on the Budget of the House of Representatives and Senate.”.

(c) CLERICAL AMENDMENTS.—(1) Section 1(a) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the last sentence.
(2) Section 1021(c) of such Act (as redesignated) is amended by striking “reseinded or that is to
be reserved” and insert “canceled” and by striking “1012” and inserting “1011”.

(3) **TABLE OF CONTENTS.**—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by deleting the contents for parts B and C of title X and inserting the following:

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"PART B—LEGISLATIVE LINE-ITEM VETO

"Sec. 1011. Line-item veto authority.
"Sec. 1012. Procedures for expedited consideration.
"Sec. 1013. Presidential deferral authority.
"Sec. 1014. Identification of targeted tax benefits.
"Sec. 1015. Treatment of cancellations.
"Sec. 1016. Reports by Comptroller General.
"Sec. 1017. Definitions.
"Sec. 1018. Expiration.
"Sec. 1019. Deficit reduction.
"Sec. 1020. Suits by Comptroller General.
"Sec. 1021. Proposed deferrals of budget authority.”.
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(d) **EFFECTIVE DATE.**—The amendments made by this subtitle shall take effect on the date of its enactment and apply only to any dollar amount of discretionary budget authority, item of direct spending, or targeted tax benefit provided in an Act enacted on or after the date of enactment of this Act.

**SEC. 404. RESCISSION MEASURES CONSIDERED.**

(a) **RULES AMENDMENT.**—Clause 6(e) of rule XIII of the Rules of the House of Representatives is amended by inserting before the period “, or a rule or order that limits any amendment otherwise in order to a rescission bill”.

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(b) Automatic Allocations Reductions.—
Clause 4(b) of rule X of the Rules of the House of Representatives is amended by inserting “(1)” after “(b)”, by redesignating subparagraphs (1) through (6) as subdivisions (A) through (F), respectively, and by adding at the end the following:

“(2)(A) Whenever a rescission bill passes the House of Representatives, the Committee on the Budget shall immediately reduce the applicable allocations under section 302(a) of the Congressional Budget Act of 1974 by the total amount of reductions in budget authority and in outlays resulting from such rescission bill.

“(B) As used in this subparagraph, the term ‘rescission bill’ means a bill or joint resolution which only rescinds, in whole or in part, budget authority and which includes only titles corresponding to the most recently enacted appropriation bills that continue to include unobligated balances.”.

(c) Privileged Discharge Resolutions.—Rule XIII of the Rules of the House of Representatives is amended by adding at the end the following new clause:

“8. (a) By February 1, May 1, July 30, and November 11 of each session, the majority leader shall introduce a rescission bill. If such bill is not introduced by that date, then whenever a rescission bill is introduced during a ses-
sion on or after that date, a motion to discharge the com-
mittee from its consideration shall be privileged after the
10-legislative day period beginning on that date for the
first 5 such bills.

“(b) It shall not be in order to offer any amendment
to a rescission bill except an amendment that increases
the amount of budget authority that such bill rescinds.
“(c) As used in this clause and in clause 6, the term
‘rescission bill’ has the meaning given such term in clause
4(b)(2)(B) of rule X.”.

(d) POINT OF ORDER.—Rule XXI of the Rules of the
House of Representatives (as amended by subsection (d))
is further amended by adding at the end the following new
clause:

“9. It shall not be in order to consider any rescission
bill, or conference report thereon or amendment thereto,
unless—

“(1) in the case of such bill or conference re-
port thereon, it is made available to Members and
the general public on the Internet for at least 48
hours before its consideration; or
““(2)(A) in the case of an amendment to such
rescission bill made in order by a rule, it is made
available to Members and the general public on the
Internet within one hour after the rule is filed; or
“(B) in the case of an amendment under an open rule, it is made available to Members and the general public on the Internet immediately after being offered; in a format that is searchable and sortable.

“(3) No amendment to an amendment to a rescission bill shall be in order unless germane to the amendment to which it is offered.”.

TITLE V—BIENNIAL BUDGET DEFICIT REDUCTION

SEC. 501. JOINT COMMITTEE ON DEFICIT REDUCTION.

(a) Establishment and Composition.—

(1) In general.—There is established a Joint Committee on Deficit Reduction (referred to in this Act as the “joint committee”) to be composed of 20 members as follows:

(A) Ten members of the House of Representatives, including 5 members appointed from the majority party by the Speaker of the House and 5 members from the minority party to be appointed by the minority leader.

(B) Ten members of the Senate, including 5 members appointed from the majority party by the majority leader of the Senate and 5
members from the minority party to be ap-
pointed by the minority leader.

(2) Vacancy.—A vacancy in the joint com-
mittee shall not affect the power of the remaining
members to execute the functions of the joint com-
mittee, and shall be filled in the same manner as the
original selection.

(3) Agreement.—No recommendation shall be
made by the joint committee except upon the major-
ity vote of the members from each House, respec-
tively.

(4) Public Meetings.—The joint committee
shall hold not fewer than 5 public hearings in pre-
paring legislation as required under section 502.

(b) Duties.—The joint committee shall be respon-
sible for reporting biennial legislation as provided in sec-
tion 502.

(c) Resources.—The joint committee may utilize
the resources of the House and Senate.

SEC. 502. BIENNIAL BUDGET DEFICIT REDUCTION LEGISLA-
TION.

(a) Agency Reports.—Not later than June 1st of
each odd numbered year, the Government Accountability
Office and Congressional Budget Office shall report to the
joint committee—
(1) recommendations for eliminating waste, 
fraud, abuse, and ineffective, duplicative, or out-
dated Government programs and recommendations 
for streamlining, consolidating, or eliminating waste-
ful Government programs; and 

(2) the projected savings of the recommenda-
tions over the 2-year period of the current budget 
cycle.

(b) DEFICIT REDUCTION TARGET.—In this section, 
the term “deficit reduction target” means savings over the 
2-year period of the current budget cycle of 10 percent 
of the 2 preceding years’ budget deficit but not exceeding 
10 percent of the preceding year’s outlays and not less 
than 1 percent of the preceding year’s outlays.

(c) LEGISLATION.—

(1) INTRODUCTION.—Not later than July 15th 
of each odd numbered year, the chairman or ranking 
member of the joint committee or their designees 
shall introduce legislation (referred to in this Act as 
the “legislation”) which shall be referred to the joint 
committee—

(A) to eliminate or reduce spending on 
   wasteful, fraudulent, abusive, ineffective, dupli-
   cative, or outdated Government programs; and
(B) that achieves a savings equal to or greater than the deficit reduction target.

(2) Discharge.—After the legislation is introduced and made public for at least 72 hours, the joint committee shall discharge the legislation not later than 2 weeks after introduction to the House and the Senate and report the legislation with a favorable recommendation, unfavorable recommendation, or no recommendation.

(3) Consideration.—Once the legislation is discharged from the joint committee, it shall be in order in the House or the Senate, as appropriate, to move to the legislation not later than September 15th of the year of introduction. The legislation shall not be subject to amendment or points of order. Debate on the legislation shall be limited to 20 hours in the Senate and 3 hours in the House.

(4) Other House.—Upon passage of legislation in the House or the Senate under paragraph (3), it shall be in order for the other house to move to the respective bill not later than September 25th with the same rules of debate.

(5) Veto.—If the legislation is vetoed, both the House and the Senate shall vote on whether override the veto not later than 1 week after the veto.
(d) **ADJUSTMENT OF BUDGET CAPS.**—If legislation is enacted pursuant to this title, the Chairmen of the House and Senate Committees on the Budget shall reduce the appropriate budgetary allocations and levels in the most recently enacted budget resolution to reflect the reductions achieved by such legislation, including the discretionary spending caps established in title III.

**SEC. 503. DEBT BUYBACK FUND.**

(a) **ESTABLISHMENT.**—There is established in the Treasury of the United States a trust fund to be known as the “Debt Buyback Fund” (in this section referred to as the “Trust Fund”).

(b) **SAVINGS.**—There is appropriated to the Trust Fund amounts equivalent to the reductions in Federal spending, as estimated by the Secretary of the Treasury from time to time, as a result of the laws enacted pursuant to this title.

(c) **USE OF FUNDS.**—The Secretary of the Treasury shall use the moneys in the Trust Fund solely to pay at maturity, or to redeem or buy before maturity, an obligation of the Government included in the public debt.

(d) **PROHIBITION ON REISSUING DEBT.**—Any obligation of the Government which is paid, redeemed, or bought with money from the Trust Fund shall be canceled and retired and may not be reissued.
TITLE VI—PAYGO HONESTY
WITH RESPECT TO TRUST
FUNDS AND EMERGENCY
DESIGNATIONS

SEC. 601. PAYGO AND TRUST FUNDS.

(a) In General.—Any increase in revenues or reduced spending in a Federal trust fund resulting from a bill, amendment, resolution, motion, or conference report shall—

(1) not be counted for purposes of offsetting revenues, receipts, or discretionary spending under the Congressional Budget Act of 1974 or the Statutory Pay-As-You-Go Act of 2010; and

(2) only be used for the purposes of the Federal trust as provided by law.

(b) Intergovernmental Transfers.—Nothing in this section shall impact intergovernmental lending from a Federal trust fund to annual government operations.

SEC. 602. EMERGENCY DESIGNATIONS.

Section 4(g)(3) of the Statutory Pay-As-You-Go Act of 2010 (Public Law 111–139) is amended to read as follows:

“(3) Procedure in the Senate and vote requirement.—
“(A) IN GENERAL.—When the Senate is considering a PAYGO Act, any provision making an emergency designation shall be stricken from the measure and may not be offered as an amendment from the floor unless a waiver is offered and agreed to.

“(B) SUPERMAJORITY WAIVER AND APPEALS.—

“(i) WAIVER.—Subparagraph (A) may be waived or suspended in the Senate only by an affirmative vote of two-thirds of the Members, duly chosen and sworn.

“(ii) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this subsection shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of two-thirds 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 this subsection.
“(C) WAIVER PETITION.—Prior to making a motion to waive under this paragraph, a Senator shall file a petition—

“(i) signed by 16 members requesting the waiver;

“(ii) with a Member of both the majority and minority signing; and

“(iii) stating that the spending is an emergency as described in subparagraph (D).

“(D) EMERGENCY SPENDING.—

“(i) IN GENERAL.—For purposes of this subparagraph, spending is emergency spending if the spending is—

“(I) necessary, essential, or vital (not merely useful or beneficial);

“(II) sudden, quickly coming into being, and not building up over time;

“(III) an urgent, pressing, and compelling need requiring immediate action;

“(IV) subject to clause (ii), unforeseen, unpredictable, and unanticipated; and
“(V) not permanent, temporary in nature.

“(ii) UNFORSEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.”.

**TITLE VII—CREDIT REFORM**

**SEC. 701. CREDIT REFORM ACT TREATMENT OF THE PURCHASE OF PRIVATE STOCK, EQUITY, OR CAPITAL.**

Section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)) is amended by inserting at the end the following:

“(G) The cost of the purchase of stock, equity, capital, or debt instruments, or the option to purchase any such assets, of a private or publicly-traded company or any enterprise under the conservatorship of the Federal Government shall be determined on a fair value basis according to Financial Accounting Standards No. 157 of the Financial Accounting Standards Board.”.
TITLE VIII—RESPONSIBLE HEALTH CARE BUDGETING LIMITS
Subtitle A—Cost Containment of the CLASS Program

SEC. 801. CLASS FUNDING WARNING.

For purposes of section 1105(i) of title 31, United States Code, and this subtitle, a determination in 2 consecutive annual reports of the Board of Trustees of the CLASS Independence Fund established under section 3206 of the Public Health Service Act (42 U.S.C. 300ll-5) that the CLASS Independence Fund is not projected to be actuarially sound over the 75-year period addressed in each such report shall be treated as a CLASS funding warning in the year in which the second such report is made.

SEC. 802. PRESIDENTIAL SUBMISSION OF LEGISLATION.

(a) In General.—Section 1105 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(i)(1) If a CLASS funding warning under section 801 of the Deficit Reduction and Budget Reform Act of 2011 is made in a year, the President shall submit to Congress, within the 15-day period beginning on the date of the budget submission to Congress under subsection (a)
for the succeeding year, proposed legislation to respond
to such warning.

“(2) Paragraph (1) does not apply if, during the year
in which the warning is made, legislation is enacted which
makes the CLASS Independence Fund established under
section 3206 of the Public Health Service Act (42 U.S.C.
300ll–5) actuarially sound for the 75-year period that be-
gins in such year not later than 30 days after the date
of the enactment of such legislation.”.

(b) Sense of Congress.—It is the sense of Con-
gress that legislation submitted pursuant to section
1105(i) of title 31, United States Code, in a year should
be designed to make the CLASS Independence Fund es-
tablished under section 3206 of the Public Health Service
Act (42 U.S.C. 300ll–5) actuarially sound for the 75-year
period that begins in such year.

SEC. 803. PROCEDURES IN THE HOUSE OF REPRESENTA-
TIVES.

(a) Introduction and Referral of President’s
Legislative Proposal.—

(1) Introduction.—In the case of a legislative
proposal submitted by the President pursuant to sec-
tion 1105(i) of title 31, United States Code, within
the 15-day period specified in paragraph (1) of such
section, the majority leader of the House of Rep-
resentatives (or his designee) and the Minority Leader of the House of Representatives (or his designee) shall introduce such proposal (by request), the title of which is as follows: “A bill to respond to a CLASS funding warning.” Such bill shall be introduced within 3 legislative days after Congress receives such proposal.

(2) Referral.—Any legislation introduced pursuant to paragraph (1) shall be referred to the appropriate committees of the House of Representatives.

(b) Direction to the Appropriate House Committees.—

(1) In general.—In the House, in any year during which the President is required to submit proposed legislation to Congress under section 1105(i) of title 31, United States Code, the appropriate committees shall report CLASS funding legislation by not later than June 30 of such year.

(2) CLASS funding legislation.—For purposes of this section, the term “CLASS funding legislation” means—

(A) legislation introduced pursuant to subsection (a)(1), but only if the legislative proposal upon which the legislation is based was
submitted within the 15-day period referred to
in such subsection; or

(B) any bill the title of which is as follows:
“A bill to respond to a CLASS funding warn-
ing.”.

(3) CERTIFICATION.—With respect to any
CLASS funding legislation or any amendment to
such legislation to respond to a CLASS funding
warning, the chairman of the Committee on the
Budget of the House shall certify—

(A) whether or not such legislation makes
the CLASS Independence Fund established
under section 3206 of the Public Health Service
Act (42 U.S.C. 300ll–5) actuarially sound for
the 75-year period that begins with the year in
which the legislation is introduced; and

(B) with respect to such an amendment,
whether the legislation, as amended, would
make the CLASS Independence Fund estab-
lished under section 3206 of the Public Health
Service Act (42 U.S.C. 300ll–5) actuarially
sound for the 75-year period that begins with
the year in which the amendment is offered.

(4) AMENDMENTS.—During any committee
consideration of any CLASS funding legislation,
only an amendment to such legislation that is germane and for which there is an affirmative certification under paragraph (3)(B) shall be in order.

(e) **Fallback Procedure for Floor Consideration if the House Fails To Vote on Final Passage by July 30.**—

(1) After July 30 of any year during which the President is required to submit proposed legislation to Congress under section 1105(i) of title 31, United States Code, unless the House of Representatives has voted on final passage of any CLASS funding legislation for which there is an affirmative certification under subsection (b)(3)(A), then, after the expiration of not less than 30 calendar days (and concurrently 5 legislative days), it is in order to move to discharge any committee to which CLASS funding legislation which has such a certification and which has been referred to such committee for 30 calendar days from further consideration of the legislation.

(2) A motion to discharge may be made only by an individual favoring the legislation, may be made only if supported by one-fifth of the total membership of the House (a quorum being present), and is highly privileged in the House. Debate thereon shall
be limited to not more than one hour, the time to
be divided in the House equally between those favor-
ing and those opposing the motion. An amendment
to the motion is not in order, and it is not in order
to move to reconsider the vote by which the motion
is agreed to or disagreed to.

(3) Notwithstanding paragraph (1), it shall not
be in order to move to discharge a committee from
further consideration of CLASS funding legislation
pursuant to this subsection during a session of a
Congress if, during the previous session of the Con-
gress, the House passed CLASS funding legislation
for which there is an affirmative certification under
subsection (b)(3)(A).

(d) FLOOR CONSIDERATION IN THE HOUSE OF DIS-
CHARGED LEGISLATION.—

(1) In the House, not later than 3 legislative
days after any committee has been discharged from
further consideration of legislation under subsection
(c), the Speaker shall resolve the House into the
Committee of the Whole for consideration of the leg-
islation.

(2) The first reading of the legislation shall be
dispensed with. All points of order against consider-
ation of the legislation are waived. General debate
shall be confined to the legislation and shall not exceed five hours, which shall be divided equally between those favoring and those opposing the legislation. After general debate the legislation shall be considered for amendment under the five-minute rule. During consideration of the legislation, no amendments shall be in order in the House or in the Committee of the Whole except those which are germane and for which there has been an affirmative certification under subsection (b)(3)(B). All points of order against consideration of any such amendment in the Committee of the Whole are waived. The legislation, together with any amendments which shall be in order, shall be considered as read. During the consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of Rule XVIII of the Rules of the House of Representatives. Debate on any amendment shall not exceed one hour, which shall be divided equally between those favoring and those opposing the amendment, and no pro forma amendments shall be offered dur-
ing the debate. The total time for debate on all
amendments shall not exceed 10 hours. At the con-
clusion of consideration of the legislation for amend-
ment, the Committee shall rise and report the legis-
lation to the House with such amendments as may
have been adopted. The previous question shall be
considered as ordered on the legislation and amend-
ments thereto to final passage without intervening
motion except one motion to recommit with or with-
out instructions. If the Committee of the Whole rises
and reports that it has come to no resolution on the
bill, then on the next legislative day the House shall,
immediately after the third daily order of business
under clause 1 of Rule XIV of the Rules of the
House of Representatives, resolve into the Com-
mittee of the Whole for further consideration of the
bill.

(3) All appeals from the decisions of the Chair
relating to the application of the Rules of the House
of Representatives to the procedure relating to any
such legislation shall be decided without debate.

(4) Except to the extent specifically provided in
the preceding provisions of this subsection, consider-
ation of any such legislation and amendments there-
to (or any conference report thereon) shall be gov-
erned by the Rules of the House of Representatives applicable to other bills and resolutions, amendments, and conference reports in similar circumstances.

(e) LEGISLATIVE DAY DEFINED.—As used in this section, the term "legislative day" means a day on which the House of Representatives is in session.

(f) RESTRICTION ON WAIVER.—In the House, the provisions of this section may be waived only by a rule or order proposing only to waive such provisions.

(g) RULEMAKING POWER.—The provisions of this section are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and, as such, shall be considered as part of the rules of that House and shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of that House to change the rules (so far as they relate to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 804. PROCEDURES IN THE SENATE.

(a) INTRODUCTION AND REFERRAL OF PRESIDENT’S LEGISLATIVE PROPOSAL.—
(1) INTRODUCTION.—In the case of a legislative proposal submitted by the President pursuant to section 1105(i) of title 31, United States Code, within the 15-day period specified in paragraph (1) of such section, the majority leader and minority leader of the Senate (or their designees) shall introduce such proposal (by request), the title of which is as follows: “A bill to respond to a CLASS funding warning.” Such bill shall be introduced within 3 days of session after Congress receives such proposal.

(2) REFERRAL.—Any legislation introduced pursuant to paragraph (1) shall be referred to the Committee on Health, Education, Labor, and Pensions.

(b) CLASS FUNDING LEGISLATION.—For purposes of this section, the term “CLASS funding legislation” means—

(1) legislation introduced pursuant to subsection (a)(1), but only if the legislative proposal upon which the legislation is based was submitted within the 15-day period referred to in such subsection; or

(2) any bill the title of which is as follows: “A bill to respond to a CLASS funding warning.”.

(c) QUALIFICATION FOR SPECIAL PROCEDURES.—
(1) In general.—The special procedures set forth in subsections (d), (e), and (f) shall apply to CLASS funding legislation, as described in subsection (b), only if the legislation—

(A) is CLASS funding legislation that is passed by the House of Representatives; or

(B) contains matter within the jurisdiction of the Committee on Health, Education, Labor, and Pensions in the Senate.

(2) Failure to qualify for special procedures.—If the CLASS funding legislation does not satisfy paragraph (1), then the legislation shall be considered under the ordinary procedures of the Standing Rules of the Senate.

(d) Discharge.—

(1) In general.—If the Committee on Health, Education, Labor, and Pensions has not reported CLASS funding legislation described in subsection (c)(1) by June 30 of a year in which the President is required to submit CLASS funding legislation to Congress under section 1105(i) of title 31, United States Code, then any Senator may move to discharge the Committee of any single CLASS funding legislation measure.
(2) Debate limits.—Debate in the Senate on any such motion to discharge, and all appeals in connection therewith, shall be limited to not more than 2 hours. The time shall be equally divided between, and controlled by, the maker of the motion and the majority leader, or their designees, except that in the event the majority leader is in favor of such motion, the time in opposition thereto shall be controlled by the minority leader or the minority leader’s designee. A point of order under this subsection may be made at any time. It is not in order to move to proceed to another measure or matter while such motion (or the motion to reconsider such motion) is pending.

(3) Amendments.—No amendment to the motion to discharge shall be in order.

(4) Exception if certified legislation enacted.—Notwithstanding paragraph (1), it shall not be in order to discharge the Committee from further consideration of CLASS funding legislation pursuant to this subsection during a session of a Congress if the chairman of the Committee on the Budget of the Senate certifies that CLASS funding legislation has been enacted that makes the CLASS Independence Fund established under section 3206
of the Public Health Service Act (42 U.S.C. 300ll–5) actuarially sound for the 75-year period that begins with the year in which the legislation is enacted.

(c) CONSIDERATION.—

(1) MOTION TO PROCEED.—After the date on which the Committee on Health, Education, Labor, and Pensions has reported CLASS funding legislation described in subsection (c)(1), or has been discharged (under subsection (d)) from further consideration of, such legislation, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the Senate to move to proceed to the consideration of such legislation. Adoption of the motion shall require an affirmative vote of the majority of the Members, duly chosen and sworn.

(2) DEBATE.—All points of order against a CLASS funding legislation and against consideration of a CLASS funding legislation are waived. Consideration of a spending reduction bill and of all debatable motions and appeals in connection therewith shall not exceed a total of 30 hours. Debate shall be divided equally between the majority and minority leaders or their designees. A motion further to limit
debate on a CLASS funding legislation is in order, shall require an affirmative vote of the majority of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of a CLASS funding legislation, including time used for quorum calls and voting, shall be counted against the total 30 hours of consideration.

(f) Only germane, actuarially sound amendments permitted.—During any committee or floor consideration of any CLASS funding legislation, only an amendment to such legislation that is germane and for which there has been an affirmative certification under subsection (d)(4) shall be in order.

(g) Rules of the Senate.—This section is enacted by the Senate—

(1) as an exercise of the rulemaking power of the Senate and as such it is deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of a bill described in this paragraph, and it supersedes other rules only to the extent that it is inconsistent with such rules; and
(2) with full recognition of the constitutional right of the Senate to change the rules (so far as relating to the procedure of the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

Subtitle B—Modification of Medicare Cost Containment Trigger

SEC. 811. MODIFICATION OF MEDICARE COST CONTAINMENT TRIGGER.

Section 801(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (42 U.S.C. 1395i note) is amended by adding at the end the following new paragraph:

“(4) DISREGARD OF PPACA.—On and after the date of the enactment of this paragraph, any determination under subparagraph (A) (with respect to compiling information) or subparagraph (B) of paragraph (1) shall be made as if the provisions of, and amendments made by, the Patient Protection and Affordable Care Act (Public Law 111–148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 11–152), had not been enacted.”.