113TH CONGRESS  
1ST SESSION  

H. R. 593  

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to modify the discretionary spending limits to take into account savings resulting from the reduction in the number of Federal employees.

IN THE HOUSE OF REPRESENTATIVES  

FEBRUARY 8, 2013  

Mr. McKeon (for himself, Mrs. Hartzler, Mr. Brooks of Alabama, Mr. Hunter, Mr. Thornberry, Mrs. Walorski, Mr. Wilson of South Carolina, Mr. Rigell, Mr. Jones, Mr. Conaway, Mr. Franks of Arizona, Mr. Turner, Mr. Miller of Florida, Mr. Palazzo, Mrs. Noem, Mr. Austin Scott of Georgia, Mr. Heck of Nevada, Mr. Runyan, Mr. Salmon, Mr. Bishop of Utah, Mr. LoBiondo, Mr. Rogers of Alabama, Mr. Coffman, Mr. Shuster, and Mr. Kline) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on the Budget, House Administration, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL  

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to modify the discretionary spending limits to take into account savings resulting from the reduction in the number of Federal employees.

1. Be it enacted by the Senate and House of Representa-
2. tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Down Payment to Protect National Security Act of 2013”.

SEC. 2. FINDINGS AND SENSE OF CONGRESS.

(a) FINDINGS.—Congress makes the following findings:

(1) On April 13, 2011, in a speech at George Washington University, the President outlined his plan to further reduce military spending by $400 billion through fiscal year 2023.

(2) On August 2, 2011, the President signed into law, S. 365, the Budget Control Act of 2011, which reduced discretionary spending and established a sequestration effective January 2, 2013, pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings Act) in the event that additional deficit reduction could not be found. To this end, the Budget Control Act of 2011 also established a Joint Select Committee on Deficit Reduction charged with identifying $1.2 trillion in additional savings by November, 2011.

(3) The Joint Select Committee on Deficit Reduction was unable to reach an agreement, which resulted in new spending caps for national defense for fiscal year 2013.
(4) On March 29, 2012, the House of Representatives passed H. Con. Res. 112, the budget resolution for fiscal year 2013, which included reconciliation instructions directing House Committees to craft legislation that would achieve the savings required to replace the sequestration called for in fiscal year 2013, as established by the Budget Control Act of 2011.

(5) On May 10, 2012, the House of Representatives passed H.R. 5652, the Sequestration Replacement Reconciliation Act of 2012, which would replace the $98 billion sequestration of discretionary spending called for in 2013, as established by the Budget Control Act of 2011, by making changes in law to reduce mandatory spending by $310 billion through fiscal year 2022.

(6) Acting Director of the Office of Management and Budget, Jeffery Zients, testified before the House Armed Services Committee on August 1, 2012, “Sequestration, by design, is bad policy, and Congress should pass balanced deficit reduction to avoid it.”.

(7) On August 7, 2012, the President signed into law, H.R. 5872, the Sequestration Transparency Act of 2012, which required the President
to submit to Congress a detailed report on the implementation of the sequestration for fiscal year 2013 by September 6, 2012. The President failed to submit the report by the due date and the report did not provide a detailed assessment of potential impacts of sequestration, stating instead that, “no amount of planning can mitigate the significant impact of the sequestration.”

(8) On September 11, 2012, Bob Woodward released “The Price of Politics”, documenting the origins of sequestration in the Budget Control Act of 2011 negotiations, stating, “[Jack] Lew, [Rob] Nabors, [Gene] Sperling and Bruce Reed, Biden’s chief of staff, had finally decided to propose using language from the 1985 Gramm-Rudman-Hollings deficit reduction law as the model for the trigger. . . . It would require a sequester with half the cuts from Defense, and the other half from domestic programs. There would be no chance the Republicans would want to pull the trigger and allow the sequester to force massive cuts to Defense.”.

(9) On October 22, 2012, referring to the upcoming implementation of sequestration on the U.S. military, the President said, “it will not happen”.

(10) On January 2, 2013, the President signed into law, H.R. 8, the American Taxpayer Relief Act of 2012, which moved the effective date of the sequestration to March 1, 2013. Fifty percent of the required offset was generated through tax increases, while 25 percent came from additional cuts to defense discretionary spending and the remaining 25 percent from domestic discretionary spending. No reduction to mandatory spending was included in H.R. 8.

(11) To date, Congress has enacted and the President has signed into law $1.1 trillion in discretionary spending cuts, plus an additional $600 billion in tax increases, with no spending reductions in mandatory programs.

(12) Should sequestration occur on March 1, 2013, an additional $800 billion in across the board defense and domestic discretionary cuts will be applied over a 9-year period, with negligible reductions in mandatory spending.

(13) On January 14, 2013, all seven members of the Joint Chiefs of Staff signed a letter to the congressional defense committees stating, “Should this looming readiness crisis be left unaddressed, we will have to ground aircraft, return ships to port,
and stop driving combat vehicles in training. Training will be reduced by almost half of what we were planning just three months ago. . . . We will also be unable to reset and restore the force’s full-spectrum combat capability after over a decade of hard fighting in Iraq and Afghanistan. . . . Under current budgetary uncertainty, we are at grave risk of an imposed mismatch between the size of our Nation’s military force and the funding required to maintain its readiness, which will inevitably lead to a hollow force.”.

(14) The Joint Chiefs of Staff further stated, “We are also now planning for the potential to furlough up to nearly 800,000 defense civilians who are essential to critical functions like maintenance, intelligence, logistics, contracting, and health care.”.

(15) On January 28, 2013, the Vice Chairman of the Joint Chiefs of Staff stated “I know of no other time in history when we have come potentially down this far, this fast, in the defense budget. . . . There could be, for the first time in my career, instances where we may be asked to respond to a crisis and we will have to say that we cannot.”.

(16) On February 5, 2013, the President proposed to further delay the sequestration using the
same model adopted in H.R. 8, the American Tax-
payer Relief Act of 2012, 50 percent through tax in-
creases, 25 percent through additional cuts to de-
fense discretionary, and 25 percent through addi-
tional cuts to domestic discretionary programs. For
fiscal year 2013, the President’s proposal would re-
sult in an additional $21 billion cut to the military.

(b) SENSE OF CONGRESS.—It is the sense of Con-
gress that:

(1) Full sequestration is a failed Administration
policy that must be averted.

(2) Without growing the economy and reducing
the rate of growth in mandatory spending programs,
the United States will continue to run deficits, even
if defense and domestic discretionary programs were
defunded in their entirety.

(3) Having enacted defense and domestic dis-
cretionary spending reductions and raised taxes,
truly balanced deficit reduction must include sub-
stantive reductions in mandatory spending.

(4) The President’s short term plan to avert se-
questration lacks balance and would continue to
raise taxes and slash defense and domestic discre-
tionary spending, exacerbating the readiness crisis
described by the Joint Chiefs of Staff, rather than addressing the drivers of our debt.

(5) Secretary Panetta was correct in his assessment of January 10, 2013 that the civilian furloughs resulting from full sequestration would also, “... further harm our readiness and create hardship on them and their families. In a word—in a word, we would be forced to . . . hollow out the defense force of this nation.”.

(6) Any plan to avert sequestration and provide additional time for political negotiations on a truly balanced deficit reduction package must use additional savings that do not increase the risk to military personnel or degrade the readiness or capabilities of our Armed Forces. This goal can be achieved by providing tools to reshape the Federal civilian workforce without furloughs.

SEC. 3. REDUCTION IN THE NUMBER OF FEDERAL EMPLOYEES.

(a) DEFINITION.—In this section, the term “agency” means an executive agency as defined under section 105 of title 5, United States Code.

(b) DETERMINATION OF NUMBER OF EMPLOYEES.—Not later than 60 days after the date of enactment of this Act, the Director of the Office of Management and Budget
shall determine the number of full-time employees employed in each agency. The head of each agency shall cooperate with the Director of the Office of Management and Budget in making the determinations.

(c) Replacement Hire Rate.—

(1) In general.—During the period described under paragraph (2), the head of each agency may hire no more than 1 employee in that agency for every 3 employees who leave employment in that agency.

(2) Period of replacement hire rate.—Paragraph (1) shall apply to each agency during the period beginning 60 days after the date of enactment of this Act through the date on which the Director of the Office of Management and Budget makes a determination that the number of full-time employees employed in that agency is 10 percent less than the number of full-time employees employed in that agency determined under subsection (a).

(d) Waivers.—This section may be waived upon a determination by the President that—

(1) the existence of a state of war or other national security concern so requires; or
(2) the existence of an extraordinary emergency threatening life, health, public safety, property, or the environment so requires.

SEC. 4. REDUCTION OF DISCRETIONARY SPENDING LIMITS TO ACHIEVE SAVINGS FROM FEDERAL EMPLOYEE PROVISIONS.

Paragraphs (2) through (10) of section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

“(2) with respect to fiscal year 2013, for the discretionary category, $1,043,000,000,000 in new budget authority;

“(3) with respect to fiscal year 2014—

“(A) for the security category, $549,000,000,000 in budget authority; and

“(B) for the nonsecurity category, $500,000,000,000 in budget authority;

“(4) with respect to fiscal year 2015—

“(A) for the security category, $562,000,000,000 in budget authority; and

“(B) for the nonsecurity category, $514,000,000,000 in budget authority;

“(5) with respect to fiscal year 2016—

“(A) for the security category, $573,000,000,000 in budget authority; and
“(B) for the nonsecurity category, $523,000,000,000 in budget authority;
“(6) with respect to fiscal year 2017—
“(A) for the security category, $586,000,000,000 in budget authority; and
“(B) for the nonsecurity category, $534,000,000,000 in budget authority;
“(7) with respect to fiscal year 2018—
“(A) for the security category, $599,000,000,000 in budget authority; and
“(B) for the nonsecurity category, $546,000,000,000 in budget authority;
“(8) with respect to fiscal year 2019—
“(A) for the security category, $612,000,000,000 in budget authority; and
“(B) for the nonsecurity category, $559,000,000,000 in budget authority;
“(9) with respect to fiscal year 2020—
“(A) for the security category, $626,000,000,000 in budget authority; and
“(B) for the nonsecurity category, $571,000,000,000 in budget authority; and
“(10) with respect to fiscal year 2021—
“(A) for the security category, $640,000,000,000 in budget authority; and
“(B) for the nonsecurity category, $583,000,000,000 in budget authority;”.

SEC. 5. CALCULATION OF TOTAL DEFICIT REDUCTION.

Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1)(A) in paragraph (3)(A), by striking “$1,200,000,000,000” and inserting “$1,091,000,000,000” and in paragraph (3)(D), by striking “9” and inserting “8”; and

(B) in paragraph (3)(C), by inserting “and” after the semicolon, in paragraph (3)(D) by striking “; and” and inserting a period, and by striking paragraph (3)(E);

(2) in paragraph (4), by striking “On March 1, 2013, for fiscal year 2013, and in” and inserting “In”;

(3) in paragraphs (5) and (6), by striking “2013” each place it appears and inserting “2014”; and

(4) in paragraph (7), by striking subparagraph (A) and by striking “(B) FISCAL YEARS 2014–2021,— ”, moving the remaining text 2 ems to the left, and redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively.
SEC. 6. TRANSFER AUTHORITY FOR FUNDING OF DEPARTMENT OF DEFENSE UNDER CONTINUING RESOLUTION AND SEQUESTER CONSISTENT WITH AMOUNTS AUTHORIZED BY NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2013.

(a) IN GENERAL.—In accordance with subsection (b), the Secretary of Defense may transfer amounts appropriated for the Department of Defense by the Continuing Appropriations Resolution (Public Law 112–175) among accounts of the Department of Defense.

(b) TRANSFERS CONSISTENT WITH AMOUNTS APPROPRIATED OR AUTHORIZED.—In the event of any transfers under subsection (a), the total amount in any account of the Department of Defense that is available for obligation and expenditure in fiscal year 2013 shall be consistent with, and may not exceed—

(1) if a regular appropriation Act making appropriations for the Department of Defense for fiscal year 2013 is enacted before the date of the transfer, the level provided for that account for that fiscal year by applicable provisions of such Act; or

(2) if no such Act is enacted before the date of the transfer, the amount authorized to be appropriated for that account for that fiscal year by applicable provisions of division A of the National De-

(c) NOTICE TO CONGRESS.—Not later than 15 days before any transfer under subsection (a), the Secretary of Defense shall submit to the congressional defense committees a report setting forth a description of the transfer, including the amount of the transfer and the accounts from and to which the funds were transferred.

(d) TRANSFER SUBJECT TO NOTIFICATION REQUIREMENTS.—In addition to the notice required under subsection (c), a transfer under subsection (a) shall be subject to the applicable notification requirements for reprogramming in division A of Public Law 112–74.

(e) TRANSFER AUTHORITY.—The transfer authority provided by subsection (a) is in addition to any other transfer authority provided by law.

(f) DEFINITION.—In this section, the term “congressional defense committees” has the meaning given that term in section 101(a)(16) of title 10, United States Code.

SEC. 7. NO COST-OF-LIVING ADJUSTMENTS FOR MEMBERS OF CONGRESS.

Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost-of-living adjustments for Members of Congress) for
1 any fiscal year for which the Congressional Budget Office
determines there is a Federal budget deficit.