

105TH CONGRESS
1ST SESSION

H. R. 2825

To establish procedures to ensure a balanced Federal budget by fiscal year 2002 and to create a Social Security reform reserve fund to protect revenues generated by economic growth.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 1997

Mr. SANFORD introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish procedures to ensure a balanced Federal budget by fiscal year 2002 and to create a Social Security reform reserve fund to protect revenues generated by economic growth.

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

3 **SECTION 1. SHORT TITLE; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Economic Growth and Social Security Transition Act”.

6 (b) PURPOSE.—The purpose of this Act is—

1 (1) to ensure a balanced Federal budget by fis-
2 cal year 2002;

3 (2) to create a mechanism to monitor total
4 costs of direct spending programs, and, in the event
5 that actual or projected costs exceed targeted levels,
6 to require the President and Congress to address ad-
7 justments in direct spending; and

8 (3) to ensure that windfall revenues are used to
9 help pay for the transition costs to a fully funded
10 Social Security system that includes individually
11 owned accounts that are invested in real assets such
12 as equities, bonds and similar financial instruments.

13 **SEC. 2. ESTABLISHMENT OF DIRECT SPENDING AND REVE-**
14 **NUE TARGETS.**

15 For purposes of this Act—

16 (1) the initial direct spending targets for each
17 of fiscal years 1998 through 2002 shall equal total
18 outlays for all direct spending except net interest as
19 provided in H. Con. Res. 84, the concurrent resolu-
20 tion on the budget for fiscal year 1998, unless such
21 outlays are reduced by a subsequent concurrent res-
22 olution on the budget; in which case, the lower level
23 of total outlays for all direct spending except net in-
24 terest shall be used; and

1 (2) the revenue targets are the revenue
2 amounts provided in H. Con. Res. 84, the concur-
3 rent resolution on the budget for fiscal year 1998.

4 **SEC. 3. ANNUAL REVIEW OF DIRECT SPENDING AND RE-**
5 **CEIPTS BY PRESIDENT.**

6 As part of each budget submitted under section
7 1105(a) of title 31, United States Code, the President
8 shall provide an annual review of direct spending and re-
9 ceipts, which shall include—

10 (1) information on total outlays for programs
11 covered by the direct spending targets, including ac-
12 tual outlays for the prior fiscal year and projected
13 outlays for the current fiscal year and the 5 succeed-
14 ing fiscal years; and

15 (2) any amount by which revenues for a budget
16 year and any outyears through fiscal year 2002 ex-
17 ceed the revenue target in section 2(2).

18 **SEC. 4. FINANCING TRANSITION TO A SOUND SOCIAL SECU-**
19 **RITY SYSTEM.**

20 (a) INCLUSION ON SCORECARD.—The Office of Man-
21 agement and Budget shall include the amount of any
22 changes in revenues determined pursuant to section 3(2)
23 as a deficit decrease under the estimates and reports re-
24 quired by section 252(b) and section 254 of the Balanced
25 Budget and Emergency Deficit Control Act of 1985.

1 (b) USE OF REVENUES EXCEEDING TARGET.—Any
2 amount not to exceed the amount of deficit decrease deter-
3 mined under section 3(2) may only be offset by legislation
4 to help pay for the transition costs to a fully funded Social
5 Security system that includes individually owned accounts
6 that are invested in real assets such as equities, bonds and
7 similar financial instruments.

8 **SEC. 5. SPECIAL DIRECT SPENDING MESSAGE BY PRESI-**
9 **DENT.**

10 (a) TRIGGER.—If the information submitted by the
11 President under section 3(1) indicates—

12 (1) that actual outlays for direct spending in
13 the prior fiscal year exceeded the applicable direct
14 spending target; or

15 (2) that outlays for direct spending for the cur-
16 rent or future budget years are projected to exceed
17 the applicable direct spending targets,

18 the President shall include in his budget a special direct
19 spending message meeting the requirements of subsection
20 (b).

21 (b) CONTENTS.—The special direct spending message
22 shall include—

23 (1) an analysis of the variance in direct spend-
24 ing over the direct spending targets; and

1 (2) the President’s recommendations for elimi-
2 nating overages, if any, in the prior, current, or fu-
3 ture budget years.

4 (c) PROPOSED SPECIAL DIRECT SPENDING RESOLU-
5 TION.—The special direct spending message shall include
6 the text of a special direct spending resolution implement-
7 ing the President’s recommendations through reconcili-
8 ation directives instructing the appropriate committees of
9 the House of Representatives and Senate to determine and
10 recommend changes in laws within their jurisdictions. If
11 the President recommends no reductions pursuant to
12 (b)(2)(C), the special direct spending message shall in-
13 clude the text of a special resolution concurring in the
14 President’s recommendation of no legislative action.

15 **SEC. 6. REQUIRED RESPONSE BY CONGRESS.**

16 (a) IN GENERAL.—It shall not be in order in the
17 House of Representatives or the Senate to consider a con-
18 current resolution on the budget unless that concurrent
19 resolution fully eliminates the entirety of any overage con-
20 tained in the applicable report of the President under sec-
21 tion 5 through reconciliation directives.

22 (b) WAIVER AND SUSPENSION.—This section may be
23 waived or suspended in the House of Representatives or
24 the Senate only by the affirmative vote of three-fifths of
25 the Members duly chosen and sworn. This section shall

1 be subject to the provisions of section 258 of the Balanced
2 Budget and Emergency Deficit Control Act of 1985.

3 (c) APPEALS.—Appeals in the House of Representa-
4 tives or the Senate from the decisions of the Chair relating
5 to any provision of this section shall be limited to 1 hour,
6 to be equally divided between, and controlled by, the appel-
7 lant and the manager of the bill or joint resolution, as
8 the case may be. An affirmative vote of three-fifths of the
9 Members, duly chosen and sworn, shall be required to sus-
10 tain an appeal of the ruling of the Chair on a point of
11 order raised under this section.

12 **SEC. 7. RELATIONSHIP TO BALANCED BUDGET AND EMER-**
13 **GENCY DEFICIT CONTROL ACT.**

14 Reductions in outlays resulting from legislation re-
15 ported pursuant to section 6 shall not be taken into ac-
16 count for purposes of any budget enforcement procedure
17 under the Balanced Budget and Emergency Deficit Con-
18 trol Act of 1985 and the Congressional Budget Act of
19 1974.

20 **SEC. 8. ESTIMATING MARGIN.**

21 For any fiscal year for which the overage is less than
22 one-half of 1 percent of the direct spending target for that
23 year, the procedures set forth in sections 5 and 6 shall
24 not apply.

1 **SEC. 9. EFFECTIVE DATE.**

2 This Act shall apply to direct spending targets and
3 revenues for fiscal years 1998 through 2002 and shall ex-
4 pire at the end of fiscal year 2002.

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