

108TH CONGRESS
1ST SESSION

H. R. 3358

To require a balanced Federal budget by fiscal year 2009 and for each year thereafter, to combat waste, fraud, and abuse, to establish biennial budgets, to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to impose spending safeguards on the growth of entitlements and discretionary spending, and to enforce those requirements through a budget process involving the President and Congress and sequestration.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 2003

Mr. HENSARLING (for himself, Mr. BARRETT of South Carolina, Mr. MARIO DIAZ-BALART of Florida, Mr. BARTON of Texas, Mr. AKIN, Mr. DEMINT, Mr. GOODE, Mr. MANZULLO, Mr. THORNBERRY, Mr. GUTKNECHT, Mr. FLAKE, Mrs. MYRICK, Mr. BEAUPREZ, Mr. FRANKS of Arizona, Mr. GARRETT of New Jersey, Mr. PITTS, Mr. TANCREDO, Mr. MILLER of Florida, Mr. CHABOT, Mr. CARTER, Mr. CULBERSON, Mr. COLE, Mr. SESSIONS, Mr. PENCE, Mr. SHADEGG, Mr. TERRY, Mr. WILSON of South Carolina, Mr. TOOMEY, Mr. SMITH of Michigan, and Mr. FEENEY) introduced the following bill; which was referred to the Committee on the Budget, for a period ending not later than October 31, 2003, and in addition to the Committees on Rules and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require a balanced Federal budget by fiscal year 2009 and for each year thereafter, to combat waste, fraud, and abuse, to establish biennial budgets, to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to impose spending safeguards on the growth

of entitlements and discretionary spending, and to enforce those requirements through a budget process involving the President and Congress and sequestration.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “Family Budget Protection Act of 2003”.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title.

TITLE I—BALANCED BUDGET BY FISCAL YEAR 2009

Sec. 101. Reduction of maximum deficit amount to zero.

Sec. 102. Maximum deficit amount and limit on public debt points of order.

Sec. 103. Adjustment in the event of negative revenue growth.

TITLE II—DISCRETIONARY SPENDING LIMITS

Sec. 201. Enforcing discretionary spending limits.

Sec. 202. Establishment of family budget protection discretionary account.

**TITLE III—SPENDING CAPS ON THE GROWTH OF ENTITLEMENTS
AND MANDATORIES**

Sec. 301. Spending caps on growth of entitlements and mandatories.

Sec. 302. Exempt programs and activities.

Sec. 303. Exceptions, limitations, and special rules.

Sec. 304. Point of order.

Sec. 305. Technical and conforming amendments.

Sec. 306. Establishment of family budget protection mandatory account.

**TITLE IV—COMBATING WASTE, FRAUD, AND ABUSE THROUGH
SUNSETTING**

Sec. 401. Reauthorization of discretionary programs and unearned entitlements.

Sec. 402. Point of order.

Sec. 403. Decennial sunseting.

**TITLE V—JOINT BUDGET RESOLUTIONS AND BIENNIAL
BUDGETING**

Subtitle A—Joint Budget Resolutions

Sec. 501. Joint budget resolutions.

Subtitle B—Biennial Budgeting

- Sec. 511. Revision of timetable.
 Sec. 512. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
 Sec. 513. Amendments to Rules of House of Representatives.
 Sec. 514. Amendments to title 31, United States Code.
 Sec. 515. Two-year appropriations; title and style of appropriation acts.
 Sec. 516. Multiyear authorizations.
 Sec. 517. Government strategic and performance plans on a biennial basis.
 Sec. 518. Biennial appropriation bills.
 Sec. 519. Assistance by Federal agencies to standing committees of the Senate and the House of Representatives.
 Sec. 520. Report on two-year fiscal period.
 Sec. 521. Special transition period for the 109th Congress.

Subtitle C—Prevention of Government Shutdown

- Sec. 531. Amendment to title 31.

Subtitle D—Effective Date

- Sec. 532. Effective date.

TITLE VI—FURTHER ENFORCEMENT AMENDMENTS

- Sec. 601. Super-majority points of order.
 Sec. 602. Budget resolution enforcement point of order.
 Sec. 603. Point of order waiver protection.

1 **TITLE I—BALANCED BUDGET BY** 2 **FISCAL YEAR 2009**

3 **SEC. 101. REDUCTION OF MAXIMUM DEFICIT AMOUNT TO** 4 **ZERO.**

5 Section 253 of the Balanced Budget and Emergency
 6 Deficit Control Act of 1985 is amended to read as follows:

7 **“SEC. 253. ENFORCING DEFICIT TARGETS.**

8 “(a) SEQUESTRATION.—Within 15 calendar days
 9 after Congress adjourns to end a session (other than of
 10 the first session of the One Hundred Eighth Congress)
 11 and on the same day as a sequestration (if any) under
 12 section 251 and section 252A, but after any sequestration
 13 required by section 251 (enforcing discretionary spending

1 limits) or section 252A (enforcing controls on direct
2 spending), there shall be a sequestration to eliminate the
3 excess deficit (if any remains) if it exceeds the margin.

4 “(b) EXCESS DEFICIT; MARGIN.—The excess deficit
5 is, if greater than zero, the estimated deficit for the budget
6 year, minus the maximum deficit amount for that year.
7 The ‘margin’ for any fiscal year is \$5,000,000,000.

8 “(c) DIVIDING THE SEQUESTRATION.—To eliminate
9 the excess deficit in a budget year, half of the required
10 outlay reductions shall be obtained from non-exempt de-
11 fense accounts (accounts designated as function 050 in the
12 President’s fiscal year 2005 budget submission) and half
13 from non-exempt, non-defense accounts (all other non-ex-
14 empt accounts).

15 “(d) DEFENSE.—Each non-exempt defense account
16 shall be reduced by a dollar amount calculated by multi-
17 plying the level of sequesterable budgetary resources in
18 that account at that time by the uniform percentage nec-
19 essary to carry out subsection (c). If any defense accounts
20 are exempted by the President, no adjustments shall be
21 made in the uniform percentage for non-exempt defense
22 accounts.

23 “(e) NON-DEFENSE.—Actions to reduce non-defense
24 accounts shall be taken in the following order:

1 “(1) FIRST.—All reductions in automatic
2 spending increases under section 256(a) shall be
3 made.

4 “(2) SECOND.—If additional reductions in non-
5 defense accounts are required to be made, the max-
6 imum reduction permissible under sections 256(b)
7 (guaranteed student loans) and 256(c) (foster care
8 and adoption assistance) shall be made.

9 “(3) THIRD.—(A) If additional reductions in
10 non-defense accounts are required to be made, each
11 remaining non-exempt, non-defense account shall be
12 reduced by the uniform percentage necessary to
13 make the reductions in non-defense outlays required
14 by subsection (c), except that any program specified
15 in section 256 that is subject to a 2-percent limita-
16 tion shall not be reduced by more than 2 percent in
17 total including any reduction of less than 2 percent
18 made under 252A, if it has been reduced by 2 per-
19 cent under either such section, it may not be further
20 reduced under this section; and the uniform percent
21 applicable to all other programs under this sub-
22 section shall be increased (if necessary) to a level
23 sufficient to achieve the required reduction in non-
24 defense outlays.

1 “(B) For purposes of determining reductions
2 under subparagraph (A), outlay reduction (as a re-
3 sult of sequestration of Commodity Credit Corpora-
4 tion commodity price support contracts in the fiscal
5 year of a sequestration) that would occur in the fol-
6 lowing fiscal year shall be credited as outlay reduc-
7 tions in the fiscal year of the sequestration.

8 If any defense accounts are exempted by the President,
9 no adjustments shall be made in the uniform percentage
10 for non-exempt non-defense accounts.

11 “(f) BASELINE ASSUMPTIONS; PART-YEAR APPRO-
12 PRIATIONS.—

13 “(1) BUDGET ASSUMPTIONS.—For purposes of
14 subsections (b), (c), (d), and (e), accounts shall be
15 assumed to be at the level in the baseline minus any
16 reductions required to be made under sections 251
17 and 252A.

18 “(2) PART-YEAR APPROPRIATIONS.—If, on the
19 date specified in subsection (a), there is in effect an
20 Act making or continuing appropriations for part of
21 a fiscal year for any non-exempt budget account,
22 then the dollar sequestration calculated for that ac-
23 count under subsection (d) or (e), as applicable,
24 shall be subtracted from—

1 “(A) the annualized amount otherwise
2 available by law in that account under that or
3 a subsequent part-year appropriation; and

4 “(B) when a full-year appropriation for
5 that account is enacted, from the amount other-
6 wise provided by the full-year appropriation; ex-
7 cept that the amount to be sequestered from
8 that account shall be reduced (but not below
9 zero) by the savings achieved by that appropria-
10 tion when the enacted amount is less than the
11 baseline for that account.

12 “(g) LOOK-BACK SEQUESTER.—

13 “(1) IN GENERAL.—On July 1 of each fiscal
14 year, the Director of OMB shall determine if laws
15 effective during the current fiscal year will cause the
16 deficit to exceed the maximum deficit amount for
17 such fiscal year. If the limit is exceeded, there shall
18 be a preliminary sequester on July 1 to eliminate the
19 excess.

20 “(2) PERMANENT SEQUESTER.—Budget au-
21 thority sequestered on July 1 pursuant to paragraph
22 (1) shall be permanently canceled on July 15.

23 “(3) NO MARGIN.—The margin for determining
24 a sequester under this subsection shall be
25 \$5,000,000,000.

1 “(4) SEQUESTRATION PROCEDURES.—The pro-
2 vision of subsections (c), (d), and (e) of this section
3 shall apply to a sequester under this subsection.

4 “(h) MAXIMUM DEFICIT AMOUNT.—The term ‘max-
5 imum deficit amount’ means—

6 “(1) with respect to fiscal year 2005,
7 \$429,200,000,000;

8 “(2) with respect to fiscal year 2006,
9 \$368,400,000,000;

10 “(3) with respect to fiscal year 2007,
11 \$307,600,000,000;

12 “(4) with respect to fiscal year 2008,
13 \$270,000,000,000;

14 “(5) with respect to fiscal year 2009,
15 \$186,000,000,000;

16 “(6) with respect to fiscal year 2010,
17 \$125,200,000,000;

18 “(7) with respect to fiscal year 2011,
19 \$64,400,000,000; and

20 “(8) with respect to fiscal year 2012 and fiscal
21 years thereafter, zero.”.

1 **SEC. 102. MAXIMUM DEFICIT AMOUNT AND LIMIT ON PUB-**
 2 **LIC DEBT POINTS OF ORDER.**

3 (a) MDA POINT OF ORDER.—Section 312 of the
 4 Congressional Budget Act of 1974 is amended by adding
 5 at the end the following new subsection:

6 “(g) MAXIMUM DEFICIT POINT OF ORDER.—It shall
 7 not be in order in the House of Representatives or the
 8 Senate to consider any bill, joint resolution, amendment,
 9 or conference report that includes any provision that
 10 would result in a deficit for a fiscal year that exceeds the
 11 maximum deficit amount for such fiscal year.”.

12 (b) BALANCING THE BUDGET.—Section 301(a)(3) of
 13 the Congressional Budget Act of 1974 is amended by add-
 14 ing “(except that after fiscal year 2011 there shall be no
 15 provision for a deficit) after “budget”.

16 **SEC. 103. ADJUSTMENT IN THE EVENT OF NEGATIVE REV-**
 17 **ENUE GROWTH.**

18 (a) IN GENERAL.—Part B of the Balanced Budget
 19 and Emergency Deficit Control of Act of 1985 is amended
 20 by repealing sections 258, 258A, 258B, and 258C and in-
 21 serting a new section 258 to read as follows:

22 **“SEC. 258. ADJUSTMENT IN THE EVENT OF NEGATIVE REV-**
 23 **ENUE GROWTH.**

24 “Whenever an OMB sequestration preview report or
 25 an OMB sequestration update report for a budget year
 26 estimates that the level of aggregate Federal revenues for

1 the budget year will be less than the level of aggregate
 2 Federal revenues for the prior year, OMB may change the
 3 maximum deficit amount under section 253(h) for that
 4 budget year to the prior year's amount or increase the
 5 maximum deficit amount for the budget year by not more
 6 than the amount of the revenue shortfall.”.

7 (b) TABLE OF CONTENTS AMENDMENT.—The table
 8 of contents set forth in 250(c) of the Balanced Budget
 9 and Emergency Deficit Control Act of 1985 is amended
 10 by striking the items relating to sections 258, 258A,
 11 258B, and 258C and adding after the item relating to sec-
 12 tion 257 the following new item:

“Sec. 258. Adjustment in the event of negative revenue growth.”.

13 **TITLE II—DISCRETIONARY** 14 **SPENDING LIMITS**

15 **SEC. 201. ENFORCING DISCRETIONARY SPENDING LIMITS.**

16 (a) DISCRETIONARY SPENDING LIMITS.—Sections
 17 251(b) and (c) of the Balanced Budget and Emergency
 18 Deficit Control of Act of 1985 are amended to read as
 19 follows:

20 “(b) DISCRETIONARY SPENDING LIMIT.—As used in
 21 this part, the term ‘discretionary spending limit’ means—

22 “(1) with respect to fiscal year 2005—

23 “(A) \$795,442,000,000 in new budget au-
 24 thority of which no more than

1 \$376,005,000,000 shall be for the nondefense
2 category; and

3 “(B) \$_____ in outlays of which no
4 more than \$_____ shall be for the non-
5 defense category;

6 “(2) with respect to fiscal year 2006—

7 “(A) \$807,374,000,000 in new budget au-
8 thority of which no more than
9 \$367,867,000,000 shall be for the nondefense
10 category; and

11 “(B) \$_____ in outlays of which no
12 more than \$_____ shall be for the non-
13 defense category;

14 “(3) with respect to fiscal year 2007—

15 “(A) \$819,484,000,000 in new budget au-
16 thority of which no more than
17 \$359,755,000,000 shall be for the nondefense
18 category; and

19 “(B) \$_____ in outlays of which no
20 more than \$_____ shall be for the non-
21 defense category;

22 “(4) with respect to fiscal year 2008—

23 “(A) \$831,777,000,000 in new budget au-
24 thority of which no more than

1 \$351,648,000,000 shall be for the nondefense
2 category; and

3 “(B) \$_____ in outlays of which no
4 more than \$_____ shall be for the non-
5 defense category;

6 “(5) with respect to fiscal year 2009—

7 “(A) \$844,243,000,000 in new budget au-
8 thority of which no more than
9 \$350,955,000,000 shall be for the nondefense
10 category; and

11 “(B) \$_____ in outlays of which no
12 more than \$_____ shall be for the non-
13 defense category;

14 “(6) with respect to fiscal year 2010—

15 “(A) \$856,917,000,000 in new budget au-
16 thority of which no more than
17 \$349,891,000,000 shall be for the nondefense
18 category; and

19 “(B) \$_____ in outlays of which no
20 more than \$_____ shall be for the non-
21 defense category;

22 “(7) with respect to fiscal year 2011—

23 “(A) \$869,771,000,000 in new budget au-
24 thority of which no more than

1 \$348,512,000,000 shall be for the nondefense
2 category; and

3 “(B) \$_____ in outlays of which no
4 more than \$_____ shall be for the non-
5 defense category;

6 “(8) with respect to fiscal year 2012—

7 “(A) \$882,817,000,000 in new budget au-
8 thority of which no more than
9 \$347,137,000,000 shall be for the nondefense
10 category; and

11 “(B) \$_____ in outlays of which no
12 more than \$_____ shall be for the non-
13 defense category; and

14 “(9) with respect to fiscal year 2013—

15 “(A) \$896,060,000,000 in new budget au-
16 thority of which no more than
17 \$345,628,000,000 shall be for the nondefense
18 category; and

19 “(B) \$_____ in outlays of which no
20 more than \$_____ shall be for the non-
21 defense category.”.

22 (b) ELIMINATION OF GRAMM-RUDMAN EXPIRATION
23 DATE.—Section 275 of the Balanced Budget and Emer-
24 gency Deficit Control Act of 1985 is repealed.

1 (c) ELIMINATION OF EMERGENCY DESIGNATION AND
2 ADJUSTMENT.—(1) Section 252(e) of the Balanced Budg-
3 et and Emergency Deficit Control Act of 1985 is repealed.

4 (2) Section 314(b)(1) of the Congressional Budget
5 Act of 1974 is repealed.

6 (d) DISCRETIONARY SPENDING LIMIT POINT OF
7 ORDER.—Section 312 of the Congressional Budget Act of
8 1974 (as amended by section 102(a)) is further amended
9 by adding at the end the following new subsection:

10 “(h) DISCRETIONARY SPENDING LIMIT POINT OF
11 ORDER.—It shall not be in order in the House of Rep-
12 resentatives or the Senate to consider any bill, joint resolu-
13 tion, amendment, or conference report that—

14 “(1) increases the discretionary spending limits
15 for any ensuing fiscal year after the budget year; or

16 “(2) would cause the discretionary spending
17 limits for the budget year to be breached.”.

18 (e) ADVANCE APPROPRIATION POINT OF ORDER.—
19 Section 312 of the Congressional Budget Act of 1974 (as
20 amended by this section) is further amended by adding
21 at the end the following new subsection:

22 “(i) ADVANCE APPROPRIATION POINT OF ORDER.—
23 It shall not be in order in the House of Representatives
24 or the Senate to consider any appropriation bill or joint
25 resolution, or amendment thereto or conference report

1 thereon, that provides advance discretionary new budget
 2 authority that first becomes available for any fiscal year
 3 after the budget year at an amount for any program,
 4 project, or activity above the amount of appropriations for
 5 fiscal year 2004 for such program, project, or activity.”.

6 **SEC. 202. ESTABLISHMENT OF FAMILY BUDGET PROTEC-**
 7 **TION DISCRETIONARY ACCOUNT.**

8 The Rules of the House of Representatives are
 9 amended by redesignating rule XXVIII as rule XXX and
 10 by inserting after rule XXVII the following new rule:

11 “RULE XXVIII

12 “FAMILY BUDGET PROTECTION DISCRETIONARY
 13 ACCOUNT.

14 “1. (a) The chairman of the Committee on the Budg-
 15 et shall maintain an account to be known as the ‘Family
 16 Budget Protection Discretionary Account’. The Account
 17 shall be divided into entries corresponding to the sub-
 18 committees of the Committee on Appropriations and each
 19 entry shall consist of the ‘Family Budget Protection Bal-
 20 ance’.

21 “(b) Each entry shall consist only of amounts cred-
 22 ited to it under paragraph (c). No entry of a negative
 23 amount shall be made.

24 “(c) Whenever a Member offers an amendment to an
 25 appropriation bill to reduce new budget authority in any

1 account, that Member may state the portion of such reduc-
2 tion that shall be—

3 “(1) credited to the Family Budget Protection
4 Balance;

5 “(2) used to offset an increase in new budget
6 authority in any other account; or

7 “(3) allowed to remain within the applicable
8 section 302(b) suballocation.

9 If no such statement is made, the amount of reduction
10 in new budget authority resulting from the amendment
11 shall be credited to the Family Budget Protection Bal-
12 ance, as applicable, if the amendment is agreed to.

13 “2. (a) Except as provided by paragraph (b), the
14 chairman of the Committee on the Budget shall, upon the
15 engrossment of any appropriation bill by the House of
16 Representatives, credit to the entry balance amounts of
17 new budget authority and outlays equal to the net
18 amounts of reductions in new budget authority and in out-
19 lays resulting from amendments agreed to by the House
20 to that bill.

21 “(b) When computing the net amounts of reductions
22 in new budget authority and in outlays resulting from
23 amendments agreed to by the House to an appropriation
24 bill, the chairman of the Committee on the Budget shall
25 only count those portions of such amendments agreed to

1 that were so designated by the Members offering such
2 amendments as amounts to be credited to the Family
3 Budget Protection Balance, or that fall within the last
4 sentence of clause 1.

5 “3. The chairman of the Committee on the Budget
6 shall maintain a running tally of the amendments adopted
7 reflecting increases and decreases of budget authority in
8 the bill as reported. This tally shall be available to Mem-
9 bers during consideration of any appropriation bill by the
10 House.

11 “4. (a) For purposes of enforcing section 302(a) of
12 the Congressional Budget Act of 1974, upon the engross-
13 ment of any appropriation bill by the House, the amount
14 of budget authority and outlays calculated pursuant to
15 clause 2(b) shall be counted against the 302(a) allocation
16 provided to the Committee on Appropriations as if the
17 amount calculated pursuant to such clause was included
18 in the bill just engrossed.

19 “(b) For purposes of enforcing section 302(b) of the
20 Congressional Budget Act of 1974, upon the engrossment
21 of any appropriation bill by the House, the 302(b) alloca-
22 tion provided to the subcommittee for the bill just en-
23 grossed shall be deemed to have been reduced by the
24 amount of budget authority and outlays calculated, pursu-
25 ant to clause 2(b).

1 “5. As used in this rule, the term ‘appropriation bill’
 2 means any general or special appropriation bill, and any
 3 bill or joint resolution making supplemental, deficiency, or
 4 continuing appropriations through the end of fiscal year
 5 2005 or any subsequent fiscal year or biennium, as the
 6 case may be.”.

7 **TITLE III—SPENDING CAPS ON**
 8 **THE GROWTH OF ENTITLE-**
 9 **MENTS AND MANDATORIES**

10 **SEC. 301. SPENDING CAPS ON GROWTH OF ENTITLEMENTS**
 11 **AND MANDATORIES.**

12 (a) CONTROL OF ENTITLEMENTS AND
 13 MANDATORIES.—The Balanced Budget and Emergency
 14 Deficit Control Act of 1985 is amended by adding after
 15 section 252 the following new section:

16 **“SEC. 252A. ENFORCING CONTROLS ON DIRECT SPENDING.**

17 “(a) CAP ON GROWTH OF ENTITLEMENTS.—Effec-
 18 tive for fiscal year 2005 and for each ensuing fiscal year,
 19 the total level of direct spending for all direct spending
 20 programs, projects, and activities (excluding social secu-
 21 rity) for any such fiscal year shall not exceed the total
 22 level of spending for all such programs, projects, and ac-
 23 tivities for the previous fiscal year after the direct spend-
 24 ing for each such program, project, or activity is increased
 25 by the inflator (if any) applicable to that program, project,

1 or activity and the growth in eligible population for such,
2 project, or activity.

3 “(b) SEQUESTRATION.—Within 15 days after Con-
4 gress adjourns to end a session (other than of the first
5 session of the One Hundred Eighth Congress), and on the
6 same day as a sequestration (if any) under section 251
7 and section 253, there shall be a sequestration to reduce
8 the amount of direct spending for the fiscal year beginning
9 in the year the Congress adjourns by any amount nec-
10 essary to reduce such spending to the level set forth in
11 subsection (a) unless that amount is less than
12 \$250,000,000.

13 “(c) UNIFORM REDUCTIONS; LIMITATIONS.—The
14 amount required to be sequestered for the fiscal year
15 under subsection (a) shall be obtained from nonexempt di-
16 rect spending accounts by actions taken in the following
17 order:

18 “(1) FIRST.—The reductions in the programs
19 specified in section 256(a) (National Wool Act and
20 special milk), section 256(b) (guaranteed student
21 loans), and section 256(c) (foster care and adoption
22 assistance) shall be made.

23 “(2) SECOND.—Any additional reductions that
24 may be required shall be achieved by reducing each
25 remaining nonexempt direct spending account by the

1 uniform percentage necessary to achieve those addi-
2 tional reductions, except that—

3 “(A) the low-income programs specified in
4 section 256(d) shall not be reduced by more
5 than 2 percent;

6 “(B) the retirement and veterans benefits
7 specified in sections 256(f), (g), and (h) shall
8 not be reduced by more than 2 percent in the
9 manner specified in that section; and

10 “(C) the medicare programs shall not be
11 reduced by more than 2 percent in the manner
12 specified in section 256(i).

13 The limitations set forth in subparagraphs (A), (B),
14 and (C) shall be applied iteratively, and after each
15 iteration the uniform percentage applicable to all
16 other programs under this paragraph shall be in-
17 creased (if necessary) to a level sufficient to achieve
18 the reductions required by this paragraph.”.

19 (b) TABLE OF CONTENTS AMENDMENT.—The table
20 of contents set forth in 250(c) of the Balanced Budget
21 and Emergency Deficit Control Act of 1985 is amended
22 by adding after the item relating to section 252 the fol-
23 lowing new item:

“Sec. 252A. Enforcing controls on direct spending.”.

1 **SEC. 302. EXEMPT PROGRAMS AND ACTIVITIES.**

2 Section 255 of the Balanced Budget and Emergency
3 Deficit Control Act of 1985 is amended to read as follows:

4 **“SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.**

5 “(a) SOCIAL SECURITY BENEFITS AND TIER I RAIL-
6 ROAD RETIREMENT BENEFITS.—Benefits payable under
7 the old-age, survivors, and disability insurance program
8 established under title II of the Social Security Act, and
9 benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f)
10 of the Railroad Retirement Act of 1974, shall be exempt
11 from reduction under any order issued under this part.

12 “(b) DESCRIPTIONS AND LISTS.—The following
13 budget accounts or activities shall be exempt from seques-
14 tration:

15 “(1) net interest;

16 “(2) all payments to trust funds from excise
17 taxes or other receipts or collections properly cred-
18 itable to those trust funds;

19 “(3) all payments from one Federal direct
20 spending budget account to another Federal budget
21 account; and all intragovernmental funds including
22 those from which funding is derived primarily from
23 other Government accounts, except to the extent
24 that such funds are augmented by direct appropria-
25 tions for the fiscal year for which the order is in ef-
26 fect;

1 “(4) activities resulting from private donations,
2 bequests, or voluntary contributions to the Govern-
3 ment;

4 “(5) payments from any revolving fund or
5 trust-revolving fund (or similar activity) that pro-
6 vides deposit insurance or other Government insur-
7 ance, Government guarantees, or any other form of
8 contingent liability, to the extent those payments re-
9 sult from contractual or other legally binding com-
10 mitments of the Government at the time of any se-
11 questration;

12 “(6) credit liquidating and financing accounts;

13 “(7) the following accounts, which largely fulfill
14 requirements of the Constitution or otherwise make
15 payments to which the Government is committed:

16 “Administration of Territories, Northern
17 Mariana Islands Covenant grants (14-0412-0-
18 1-806);

19 “Armed Forces Retirement Home Trust
20 Fund, payment of claims (84-8930-0-7-705);

21 “Bureau of Indian Affairs, miscellaneous
22 payments to Indians (14-2303-0-1-452);

23 “Bureau of Indian Affairs, miscellaneous
24 trust funds, tribal trust funds (14-9973-0-7-
25 999);

1 “Claims, defense;

2 “Claims, judgments, and relief act (20–
3 1895–0–1–806);

4 “Compact of Free Association, economic
5 assistance pursuant to Public Law 99–658 (14–
6 0415–0–1–806);

7 “Compensation of the President (11–
8 0001–0–1–802);

9 “Customs Service, miscellaneous perma-
10 nent appropriations (20–9992–0–2–852);

11 “Eastern Indian land claims settlement
12 fund (14–2202–0–1–806);

13 “Farm Credit System Financial Assistance
14 Corporation, interest payments (20–1850–0–1–
15 351);

16 “Internal Revenue collections of Puerto
17 Rico (20–5737–0–2–852);

18 “Panama Canal Commission, operating ex-
19 penses and capital outlay (95–5190–0–2–403);

20 “Payments of Vietnam and USS Pueblo
21 prisoner-of-war claims (15–0104–0–1–153);

22 “Payments to copyright owners (03–5175–
23 0–2–376);

24 “Payments to the United States terri-
25 tories, fiscal assistance (14–0418–0–1–801);

1 “Payments to widows and heirs of de-
2 ceased Members of Congress (00-0215-0-1-
3 801);

4 “Salaries of Article III judges;

5 “Washington Metropolitan Area Transit
6 Authority, interest payments (46-0300-0-1-
7 401);

8 “(8) the following noncredit special, revolving,
9 or trust-revolving funds:

10 “Coinage profit fund (20-5811-0-2-803);

11 “Comptroller of the Currency;

12 “Director of the Office of Thrift Super-
13 vision;

14 “Exchange Stabilization Fund (20-4444-
15 0-3-155);

16 “Federal Housing Finance Board;

17 “Foreign Military Sales trust fund (11-
18 82232-0-7-155);

19 “(9) Thrift Savings Fund;

20 “(10) appropriations for the District of Colum-
21 bia to the extent they are appropriations of locally
22 raised funds;

23 “(11)(A) any amount paid as regular unemploy-
24 ment compensation by a State from its account in

1 the Unemployment Trust Fund (established by sec-
2 tion 904(a) of the Social Security Act);

3 “(B) any advance made to a State from the
4 Federal unemployment account (established by sec-
5 tion 904(g) of such Act) under title XII of such Act
6 and any advance appropriated to the Federal unem-
7 ployment account pursuant to section 1203 of such
8 Act; and

9 “(C) any payment made from the Federal Em-
10 ployees Compensation Account (as established under
11 section 909 of such Act) for the purpose of carrying
12 out chapter 85 of title 5, United States Code, and
13 funds appropriated or transferred to or otherwise
14 deposited in such Account.

15 “(c) FEDERAL RETIREMENT AND DISABILITY AC-
16 COUNTS.—The following Federal retirement and disability
17 accounts shall be exempt from reduction under any order
18 issued under this part: Civil service retirement and dis-
19 ability fund (24–8135–0–7–602).

20 “(d) FEDERAL ADMINISTRATIVE EXPENSES.—

21 “(1) Notwithstanding any provision of law
22 other than paragraph (3), administrative expenses
23 incurred by the departments and agencies, including
24 independent agencies, of the Federal Government in
25 connection with any program, project, activity, or ac-

1 count shall be subject to reduction pursuant to any
2 sequestration order, without regard to any exemp-
3 tion, exception, limitation, or special rule otherwise
4 applicable with respect to such program, project, ac-
5 tivity, or account, and regardless of whether the pro-
6 gram, project, activity, or account is self-supporting
7 and does not receive appropriations.

8 “(2) Payments made by the Federal Govern-
9 ment to reimburse or match administrative costs in-
10 curred by a State or political subdivision under or in
11 connection with any program, project, activity, or ac-
12 count shall not be considered administrative ex-
13 penses of the Federal Government for purposes of
14 this section, and shall be subject to sequestration to
15 the extent (and only to the extent) that other pay-
16 ments made by the Federal Government under or in
17 connection with that program, project, activity, or
18 account are subject to that reduction or sequestra-
19 tion; except that Federal payments made to a State
20 as reimbursement of administrative costs incurred
21 by that State under or in connection with the unem-
22 ployment compensation programs specified in sub-
23 section (a)(11) shall be subject to reduction or se-
24 questration under this part notwithstanding the ex-

1 emption otherwise granted to such programs under
2 that subsection.

3 “(3) Notwithstanding any other provision of
4 law, the administrative expenses of the following
5 programs shall be exempt from sequestration:

6 “(A) Comptroller of the Currency.

7 “(B) Federal Deposit Insurance Corpora-
8 tion.

9 “(C) Office of Thrift Supervision.

10 “(D) National Credit Union Administra-
11 tion.

12 “(E) National Credit Union Administra-
13 tion, central liquidity facility.

14 “(F) Federal Retirement Thrift Invest-
15 ment Board.

16 “(G) Resolution Funding Corporation.

17 “(H) Resolution Trust Corporation.

18 “(I) Board of Governors of the Federal
19 Reserve System.

20 “(e) OPTIONAL EXEMPTION OF DEFENSE AND
21 HOMELAND SECURITY ACCOUNTS.—

22 “(1) IN GENERAL.—The President may, with
23 respect to any defense or homeland security account,
24 exempt that account from sequestration or provide

1 for a lower uniform percentage reduction than would
 2 otherwise apply.

3 “(2) LIMITATION.—The President may not use
 4 the authority provided by paragraph (1) unless the
 5 President notifies the Congress of the manner in
 6 which such authority will be exercised on or before
 7 the date specified in section 254(a) for the budget
 8 year.”.

9 **SEC. 303. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

10 (a) IN GENERAL.—Section 256 of the Balanced
 11 Budget and Emergency Deficit Control Act of 1985 is
 12 amended to read as follows:

13 **“SEC. 256. EXCEPTIONS, LIMITATIONS, AND SPECIAL**
 14 **RULES.**

15 “(a) NATIONAL WOOL ACT AND THE SPECIAL MILK
 16 PROGRAM.—Automatic spending increases are increases
 17 in outlays due to changes in indexes in the following pro-
 18 grams:

19 “(1) National Wool Act; and

20 “(2) Special milk program.

21 In those programs all amounts other than the automatic
 22 spending increases shall be exempt from reduction under
 23 any sequestration order.

24 “(b) THE GUARANTEED STUDENT LOAN PRO-
 25 GRAM.—(1) Any reductions which are required to be

1 achieved from the student loan programs operated pursu-
 2 ant to part B of title IV of the Higher Education Act of
 3 1965 under any sequestration order shall be achieved only
 4 from loans described in paragraphs (2) and (3) by the ap-
 5 plication of the measures described in such paragraphs.

6 “(2) For any loan made during the period beginning
 7 on the date that a sequestration order takes effect with
 8 respect to a fiscal year, the rate used in computing the
 9 special allowance payment pursuant to section
 10 438(b)(2)(A)(iii) of such Act for each of the first four spe-
 11 cial allowance payments for such loan shall be adjusted
 12 by reducing such rate by the lesser of—

13 “(A) 0.40 percent, or

14 “(B) the percentage by which the rate specified
 15 in such section exceeds 3 percent.

16 “(3) For any loan made during the period beginning
 17 on the date that a sequestration order takes effect with
 18 respect to a fiscal year, the origination fee which is author-
 19 ized to be collected pursuant to section 438(c)(2) of such
 20 Act shall be increased by 0.50 percent.

21 “(c) FOSTER CARE AND ADOPTION ASSISTANCE
 22 PROGRAMS.—Any sequestration order shall make the re-
 23 duction otherwise required under the foster care and adop-
 24 tion assistance programs (established by part E of title
 25 IV of the Social Security Act) only with respect to pay-

1 ments and expenditures made by States in which increases
2 in foster care maintenance payment rates or adoption as-
3 sistance payment rates (or both) are to take effect during
4 the fiscal year involved, and only to the extent that the
5 required reduction can be accomplished by applying a uni-
6 form percentage reduction to the Federal matching pay-
7 ments that each such State would otherwise receive under
8 section 474 of that Act (for such fiscal year) for that por-
9 tion of the State's payments attributable to the increases
10 taking effect during that year. No State's matching pay-
11 ments from the Federal Government for foster care main-
12 tenance payments or for adoption assistance maintenance
13 payments may be reduced by a percentage exceeding the
14 applicable domestic sequestration percentage. No State
15 may, after the date of the enactment of this Act, make
16 any change in the timetable for making payments under
17 a State plan approved under part E of title IV of the So-
18 cial Security Act which has the effect of changing the fis-
19 cal year in which expenditures under such part are made.

20 “(d) LOW-INCOME PROGRAMS.—(1) Benefit pay-
21 ments or payments to States or other entities for the pro-
22 grams listed in paragraph (2) shall not be reduced by
23 more than 2 percent under any sequestration order. When
24 reduced under an end-of-session sequestration order, those
25 benefit reductions shall occur starting with the payment

1 made at the start of January. When reduced under a with-
2 in-session sequestration order, those benefit reductions
3 shall occur starting with the next periodic payment.

4 “(2) The programs referred to in paragraph (1) are
5 the following:

6 “Child nutrition (12–3539–0–1–605);

7 “Food stamp programs (12–3505–0–1–605)
8 and (12–3550–0–1–605);

9 “Grants to States for medicaid (75–0512–0–1–
10 551);

11 “State Children’s Health Insurance Fund (75–
12 0515–0–1–551);

13 “Supplemental security income program (75–
14 0406–0–1–609); and

15 “Temporary assistance for needy families (75–
16 1552–0–1–609);

17 “(e) VETERANS’ MEDICAL CARE.—The maximum
18 permissible reduction in budget authority for Veterans’
19 medical care (36–0160–0–1–703) for any fiscal year, pur-
20 suant to an order issued under section 254, shall be 2
21 percent.

22 “(f) FEDERAL RETIREMENT PROGRAMS.—

23 “(1) For each of the programs listed in para-
24 graph (2) and except as provided in paragraph (3),
25 monthly (or other periodic) benefit payments shall

1 be reduced by the uniform percentage applicable to
2 direct spending sequestrations for such programs,
3 which shall in no case exceed 2 percent under any
4 sequestration order. When reduced under an end-of-
5 session sequestration order, those benefit reductions
6 shall occur starting with the payment made at the
7 start of January or 7 weeks after the order is
8 issued, whichever is later. When reduced under a
9 within-session sequestration order, those benefit re-
10 ductions shall occur starting with the next periodic
11 payment.

12 “(2) The programs subject to paragraph (1)
13 are:

14 “Black lung benefits (20–8144–0–7–601);

15 “Central Intelligence Agency retirement
16 and disability system fund (56–3400–0–1–054);

17 “Comptrollers general retirement system
18 (05–0107–0–1–801);

19 “Foreign service retirement and disability
20 fund (19–8186–0–7–602);

21 “Judicial survivors’ annuities fund (10–
22 8110–0–7–602);

23 “Judicial Officers’ Retirement Fund (10–
24 8122–0–7–602);

1 “Claims Judges’ Retirement Fund (10–
2 8124–0–7–602);

3 “Longshoremen’s and harborworkers’ com-
4 pensation benefits (16–9971–0–7–601);

5 “National Oceanic and Atmospheric Ad-
6 ministration retirement (13–1450–0–1–306);

7 “Pensions for former Presidents (47–
8 0105–0–1–802);

9 “Railroad Industry Pension Fund (60–
10 8011–0–7–601);

11 “Railroad retirement tier II (60–8011–0–
12 7–601);

13 “Railroad supplemental annuity pension
14 fund (60–8012–0–7–602);

15 “Retired pay, Coast Guard (69–0241–0–1–
16 403);

17 “Retirement pay and medical benefits for
18 commissioned officers, Public Health Service
19 (75–0379–0–1–551);

20 “Special benefits, Federal Employees’
21 Compensation Act (16–1521–0–1–600);

22 “Special benefits for disabled coal miners
23 (75–0409–0–1–601); and

24 “Tax Court judges survivors annuity fund
25 (23–8115–0–7–602);

1 “(g) VETERANS PROGRAMS.—To achieve the total
2 percentage reduction required by any order issued under
3 this part, the percentage reduction that shall apply to pay-
4 ments under the following programs shall in no event ex-
5 ceed 2 percent:

6 “National Service Life Insurance Fund (36–
7 8132–0–7–701);

8 “Service-Disabled Veterans Insurance Fund
9 (36–4012–0–3–701);

10 “Veterans Special Life Insurance Fund (36–
11 8455–0–8–701);

12 “Veterans Reopened Insurance Fund (36–
13 4010–0–3–701);

14 “United States Government Life Insurance
15 Fund (36–8150–0–7–701);

16 “Veterans Insurance and Indemnities (36–
17 0120–0–1–701);

18 “Special Therapeutic and Rehabilitation Activi-
19 ties Fund (36–4048–0–3–703);

20 “Canteen Service Revolving Fund (36–4014–0–
21 3–705);

22 “Benefits under chapter 21 of title 38, United
23 States Code, relating to specially adapted housing
24 and mortgage-protection life insurance for certain

1 veterans with service-connected disabilities (36–
2 0120–0–1–701);

3 “Benefits under section 907 of title 38, United
4 States Code, relating to burial benefits for veterans
5 who die as a result of service-connected disability
6 (36–0155–0–1–701);

7 “Benefits under chapter 39 of title 38, United
8 States Code, relating to automobiles and adaptive
9 equipment for certain disabled veterans and mem-
10 bers of the Armed Forces (36–0137–0–1–702);

11 “Compensation (36–0153–0–1–701);

12 “Pensions (36–0154–0–1–701);

13 “Benefits under chapter 35 of title 38, United
14 States Code, related to educational assistance for
15 survivors and dependents of certain veterans with
16 service-connected disabilities (36–0137–0–1–702);

17 “Assistance and services under chapter 31 of
18 title 38, United States Code, relating to training and
19 rehabilitation for certain veterans with service-con-
20 nected disabilities (36–0137–0–1–702);

21 “Benefits under subchapters I, II, and III of
22 chapter 37 of title 38, United States Code, relating
23 to housing loans for certain veterans and for the
24 spouses and surviving spouses of certain veterans

1 Guaranty and Indemnity Program Account (36–
2 1119–0–1–704);

3 “Loan Guaranty Program Account (36–1025–
4 0–1–704); and

5 “Direct Loan Program Account (36–1024–0–1–
6 704).

7 “(h) MILITARY RETIREMENT.—To achieve the total
8 percentage reduction in military retirement required by
9 any order issued under this part, the percentage reduction
10 that shall apply to payments under the Military retirement
11 fund (97–8097–0–7–602) shall in no event exceed 2 per-
12 cent.

13 “(i) MEDICARE PROGRAM.—

14 “(1) CALCULATION OF REDUCTION IN INDI-
15 VIDUAL PAYMENT AMOUNTS.—To achieve the total
16 percentage reduction in those programs required by
17 any order issued under this part, the percentage re-
18 duction that shall apply to payments under the
19 health insurance programs under title XVIII of the
20 Social Security Act for services furnished after any
21 sequestration order is issued shall be such that the
22 reduction made in payments under that order shall
23 achieve the required total percentage reduction in
24 those payments for that fiscal year as determined on
25 a 12-month basis. However, the total reduction

1 under any such program shall in no case exceed 2
2 percent under any sequestration order.

3 “(2) TIMING OF APPLICATION OF REDUC-
4 TIONS.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), if a reduction is made under
7 paragraph (1) in payment amounts pursuant to
8 a sequestration order, the reduction shall be ap-
9 plied to payment for services furnished after the
10 effective date of the order. For purposes of the
11 previous sentence, in the case of inpatient serv-
12 ices furnished for an individual, the services
13 shall be considered to be furnished on the date
14 of the individual’s discharge from the inpatient
15 facility.

16 “(B) PAYMENT ON THE BASIS OF COST
17 REPORTING PERIODS.—In the case in which
18 payment for services of a provider of services is
19 made under title XVIII of the Social Security
20 Act on a basis relating to the reasonable cost
21 incurred for the services during a cost reporting
22 period of the provider, if a reduction is made
23 under paragraph (1) in payment amounts pur-
24 suant to a sequestration order, the reduction
25 shall be applied to payment for costs for such

1 services incurred at any time during each cost
2 reporting period of the provider any part of
3 which occurs after the effective date of the
4 order, but only (for each such cost reporting pe-
5 riod) in the same proportion as the fraction of
6 the cost reporting period that occurs after the
7 effective date of the order.

8 “(3) NO INCREASE IN BENEFICIARY CHARGES
9 IN ASSIGNMENT-RELATED CASES.—If a reduction in
10 payment amounts is made under paragraph (1) for
11 services for which payment under part B of title
12 XVIII of the Social Security Act is made on the
13 basis of an assignment described in section
14 1842(b)(3)(B)(ii), in accordance with section
15 1842(b)(6)(B), or under the procedure described in
16 section 1870(f)(1) of such Act, the person furnishing
17 the services shall be considered to have accepted
18 payment of the reasonable charge for the services,
19 less any reduction in payment amount made pursu-
20 ant to a sequestration order, as payment in full.

21 “(4) NO EFFECT ON COMPUTATION OF
22 AAPCC.—In computing the adjusted average per cap-
23 ita cost for purposes of section 1876(a)(4) of the So-
24 cial Security Act, the Secretary of Health and
25 Human Services shall not take into account any re-

1 ductions in payment amounts which have been or
2 may be effected under this subtitle.

3 “(j) FEDERAL PAY.—

4 “(1) IN GENERAL.—For purposes of any order
5 issued under section 254, new budget authority to
6 pay Federal personnel shall be reduced by the appli-
7 cable uniform percentage, but no sequestration order
8 may reduce or have the effect of reducing the rate
9 of pay to which any individual is entitled under any
10 statutory pay system (as increased by any amount
11 payable under section 5304 of title 5, United States
12 Code, or section 302 of the Federal Employees Pay
13 Comparability Act of 1990) or the rate of any ele-
14 ment of military pay to which any individual is enti-
15 tled under title 37, United States Code, or any in-
16 crease in rates of pay which is scheduled to take ef-
17 fect under section 5303 of title 5, United States
18 Code, section 1009 of title 37, United States Code,
19 or any other provision of law.

20 “(2) DEFINITIONS.—For purposes of this sub-
21 section:

22 “(A) The term ‘statutory pay system’ shall
23 have the meaning given that term in section
24 5302(1) of title 5, United States Code.

1 “(B) The term ‘elements of military pay’
2 means—

3 “(i) the elements of compensation of
4 members of the uniformed services speci-
5 fied in section 1009 of title 37, United
6 States Code,

7 “(ii) allowances provided members of
8 the uniformed services under sections 403a
9 and 405 of such title, and

10 “(iii) cadet pay and midshipman pay
11 under section 203(c) of such title.

12 “(C) The term ‘uniformed services’ shall
13 have the meaning given that term in section
14 101(3) of title 37, United States Code.

15 “(k) CHILD SUPPORT ENFORCEMENT PROGRAM.—
16 Any sequestration order shall accomplish the full amount
17 of any required reduction in expenditures under sections
18 455 and 458 of the Social Security Act by reducing the
19 Federal matching rate for State administrative costs
20 under such program, as specified (for the fiscal year in-
21 volved) in section 455(a) of such Act, to the extent nec-
22 essary to reduce such expenditures by that amount.

23 “(l) EXTENDED UNEMPLOYMENT COMPENSATION.—
24 (1) A State may reduce each weekly benefit payment made
25 under the Federal-State Extended Unemployment Com-

1 pensation Act of 1970 for any week of unemployment oc-
2 curring during any period with respect to which payments
3 are reduced under an order issued under this title by a
4 percentage not to exceed the percentage by which the Fed-
5 eral payment to the State under section 204 of such Act
6 is to be reduced for such week as a result of such order.

7 “(2) A reduction by a State in accordance with sub-
8 paragraph (A) shall not be considered as a failure to fulfill
9 the requirements of section 3304(a)(11) of the Internal
10 Revenue Code of 1954.

11 “(m) COMMODITY CREDIT CORPORATION.—

12 “(1) POWERS AND AUTHORITIES OF THE COM-
13 MODITY CREDIT CORPORATION.—This title shall not
14 restrict the Commodity Credit Corporation in the
15 discharge of its authority and responsibility as a cor-
16 poration to buy and sell commodities in world trade,
17 to use the proceeds as a revolving fund to meet
18 other obligations and otherwise operate as a corpora-
19 tion, the purpose for which it was created.

20 “(2) REDUCTION IN PAYMENTS MADE UNDER
21 CONTRACTS.—(A) Payments and loan eligibility
22 under any contract entered into with a person by the
23 Commodity Credit Corporation prior to the time any
24 sequestration order has been issued shall not be re-
25 duced by an order subsequently issued. Subject to

1 subparagraph (B), after any sequestration order is
2 issued for a fiscal year, any cash payments made by
3 the Commodity Credit Corporation—

4 “(i) under the terms of any one-year con-
5 tract entered into in or after such fiscal year
6 and after the issuance of the order; and

7 “(ii) out of an entitlement account,
8 to any person (including any producer, lender, or
9 guarantee entity) shall be subject to reduction under
10 the order.

11 “(B) Each contract entered into with producers
12 or producer cooperatives with respect to a particular
13 crop of a commodity and subject to reduction under
14 subparagraph (A) shall be reduced in accordance
15 with the same terms and conditions. If some, but
16 not all, contracts applicable to a crop of a com-
17 modity have been entered into prior to the issuance
18 of any sequestration order, the order shall provide
19 that the necessary reduction in payments under con-
20 tracts applicable to the commodity be uniformly ap-
21 plied to all contracts for succeeding crops of the
22 commodity, under the authority provided in para-
23 graph (3).

24 “(3) DELAYED REDUCTION IN OUTLAYS PER-
25 MISSIBLE.—Notwithstanding any other provision of

1 this title, if any sequestration order is issued with
2 respect to a fiscal year, any reduction under the
3 order applicable to contracts described in paragraph
4 (2) may provide for reductions in outlays for the ac-
5 count involved to occur in the fiscal years following
6 the fiscal year to which the order applies.

7 “(4) UNIFORM PERCENTAGE RATE OF REDUC-
8 TION AND OTHER LIMITATIONS.—All reductions de-
9 scribed in paragraph (2) that are required to be
10 made in connection with any sequestration order
11 with respect to a fiscal year—

12 “(A) shall be made so as to ensure that
13 outlays for each program, project, activity, or
14 account involved are reduced by a percentage
15 rate that is uniform for all such programs,
16 projects, activities, and accounts, and may not
17 be made so as to achieve a percentage rate of
18 reduction in any such item exceeding the rate
19 specified in the order; and

20 “(B) with respect to commodity price sup-
21 port and income protection programs, shall be
22 made in such manner and under such proce-
23 dures as will attempt to ensure that—

1 “(i) uncertainty as to the scope of
2 benefits under any such program is mini-
3 mized;

4 “(ii) any instability in market prices
5 for agricultural commodities resulting from
6 the reduction is minimized; and

7 “(iii) normal production and mar-
8 keting relationships among agricultural
9 commodities (including both contract and
10 non-contract commodities) are not dis-
11 torted.

12 In meeting the criterion set out in clause (iii)
13 of subparagraph (B) of the preceding sentence,
14 the President shall take into consideration that
15 reductions under an order may apply to pro-
16 grams for two or more agricultural commodities
17 that use the same type of production or mar-
18 keting resources or that are alternative com-
19 modities among which a producer could choose
20 in making annual production decisions.

21 “(5) CERTAIN AUTHORITY NOT TO BE LIM-
22 ITED.—Nothing in this title shall limit or reduce in
23 any way any appropriation that provides the Com-
24 modity Credit Corporation with funds to cover the
25 Corporation’s net realized losses.

1 “(n) POSTAL SERVICE FUND.—Notwithstanding any
2 other provision of law, any sequestration of the Postal
3 Service Fund shall be accomplished by a payment from
4 that Fund to the General Fund of the Treasury, and the
5 Postmaster General of the United States shall make the
6 full amount of that payment during the fiscal year to
7 which the presidential sequestration order applies.

8 “(o) EFFECTS OF SEQUESTRATION.—The effects of
9 sequestration shall be as follows:

10 “(1) Budgetary resources sequestered from any
11 account other than an entitlement trust, special, or
12 revolving fund account shall revert to the Treasury
13 and be permanently canceled.

14 “(2) Except as otherwise provided, the same
15 percentage sequestration shall apply to all programs,
16 projects, and activities within a budget account (with
17 programs, projects, and activities as delineated in
18 the appropriation Act or accompanying report for
19 the relevant fiscal year covering that account, or for
20 accounts not included in appropriation Acts, as de-
21 lined in the most recently submitted President’s
22 budget).

23 “(3) Administrative regulations or similar ac-
24 tions implementing a sequestration shall be made
25 within 120 days of the sequestration order. To the

1 extent that formula allocations differ at different
2 levels of budgetary resources within an account, pro-
3 gram, project, or activity, the sequestration shall be
4 interpreted as producing a lower total appropriation,
5 with that lower appropriation being obligated as
6 though it had been the pre-sequestration appropria-
7 tion and no sequestration had occurred.

8 “(4) Except as otherwise provided, obligations
9 in sequestered direct spending accounts shall be re-
10 duced in the fiscal year in which a sequestration oc-
11 curs and in all succeeding fiscal years.

12 “(5) If an automatic spending increase is se-
13 questered, the increase (in the applicable index) that
14 was disregarded as a result of that sequestration
15 shall not be taken into account in any subsequent
16 fiscal year.

17 “(6) Except as otherwise provided, sequestra-
18 tion in accounts for which obligations are indefinite
19 shall be taken in a manner to ensure that obliga-
20 tions in the fiscal year of a sequestration and suc-
21 ceeding fiscal years are reduced, from the level that
22 would actually have occurred, by the applicable se-
23 questration percentage.”.

24 (b) CONFORMING AMENDMENT.—The table of con-
25 tents set forth in 250(c) of the Balanced Budget and

1 Emergency Deficit Control Act of 1985 is amended by
2 amending the item relating to section 256 to read as fol-
3 lows:

“Sec. 256. Exceptions, limitations, and special rules.”.

4 **SEC. 304. POINT OF ORDER.**

5 (a) ENTITLEMENT POINT OF ORDER.—Section 312
6 of the Congressional Budget Act of 1974 (as amended by
7 sections 102 and 201(d)) is further amended by adding
8 at the end the following new subsection:

9 “(j) ENTITLEMENT POINT OF ORDER.—It shall not
10 be in order in the House of Representatives or the Senate
11 to consider any bill, joint resolution, amendment, or con-
12 ference report that—

13 “(1) increases aggregate level of direct spending
14 for any ensuing fiscal year or

15 “(2) includes any provision that has the effect
16 of modifying the application of section 252A of the
17 Balanced Budget and Emergency Deficit Control
18 Act of 1985 to any entitlement program subject to
19 sequestration or exempt from sequestration under
20 such Act.”.

21 **SEC. 305. TECHNICAL AND CONFORMING AMENDMENTS.**

22 The Balanced Budget and Emergency Deficit Control
23 Act of 1985 is amended as follows:

24 (1) Section 251(a)(1) is amended by inserting
25 “, section 252A,” after “section 252”.

1 (2) Section 254(c)(4)(B) is amended by insert-
2 ing “or section 252A” after “section 252”.

3 (3) Section 254(c) is amended by redesignating
4 paragraph (5) as paragraph (6) and by inserting
5 after paragraph (4) the following new paragraph:

6 “(5) DIRECT SPENDING CONTROL SEQUESTRA-
7 TION REPORTS.—The preview reports shall set forth,
8 for the current year and the budget year, estimates
9 for each of the following:

10 “(A) The total level of direct spending for
11 all programs, projects, and activities (excluding
12 social security).

13 “(B) The sequestration percentage or (if
14 the required sequestration percentage is greater
15 than the maximum allowable percentage for
16 medicare) percentages necessary to comply with
17 section 252A.”.

18 (4) Section 254(f) is amended by redesignating
19 paragraphs (4) and (5) as paragraphs (5) and (6)
20 and by inserting after paragraph (3) the following
21 new paragraph:

22 “(4) DIRECT SPENDING CONTROL SEQUESTRA-
23 TION REPORTS.—The final reports shall contain all
24 the information required in the direct spending con-
25 trol sequestration preview reports. In addition, these

1 reports shall contain, for the budget year, for each
 2 account to be sequestered, estimates of the baseline
 3 level of sequesterable budgetary resources and re-
 4 sulting outlays and the amount of budgetary re-
 5 sources to be sequestered and resulting outlay reduc-
 6 tions. The reports shall also contain estimates of the
 7 effects on outlays of the sequestration in each out-
 8 year for direct spending programs.”.

9 (5) Section 258C(a)(1) is amended by inserting
 10 “, 252A,” after “section 252”.

11 **SEC. 306. ESTABLISHMENT OF FAMILY BUDGET PROTEC-**
 12 **TION MANDATORY ACCOUNT.**

13 The Rules of the House of Representatives (as
 14 amended by section 202) are further amended by inserting
 15 after rule XXVIII the following new rule:

16 “RULE XXIX

17 “FAMILY BUDGET PROTECTION MANDATORY ACCOUNT.

18 “1. (a) The chairman of the Committee on the Budg-
 19 et shall maintain an account to be known as the ‘Family
 20 Budget Protection Mandatory Account’. The Account
 21 shall be divided into entries corresponding to the House
 22 committees that received allocations under section 302(a)
 23 of the Congressional Budget Act of 1974 in the most re-
 24 cently adopted concurrent resolution on the budget, except
 25 that it shall not include the Committee on Appropriations

1 and each entry shall consist of the ‘First Year Family
2 Budget Protection Balance’ and the ‘Five Year Family
3 Budget Protection Balance’.

4 “(b) Each entry shall consist only of amounts cred-
5 ited to it under paragraph (c). No entry of a negative
6 amount shall be made.

7 “(c) Whenever a Member offers an amendment to a
8 bill that reduces the amount of mandatory budget author-
9 ity provided either under current law or proposed to be
10 provided by the bill under consideration, that Member may
11 state the portion of such reduction achieved in the first
12 year covered by the most recently adopted concurrent reso-
13 lution on the budget and in addition the portion of such
14 reduction achieved in the first five years covered by the
15 most recently adopted concurrent resolution on the budget
16 that shall be—

17 “(1) credited to the First Year Family Budget
18 Protection Balance and the Five Year Family Budg-
19 et Protection Balance;

20 “(2) used to offset an increase in other new
21 budget authority; or

22 “(3) allowed to remain within the applicable
23 section 302(a) allocation.

24 If no such statement is made, the amount of reduction
25 in new budget authority resulting from the amendment

1 shall be credited to the First Year Family Budget Protec-
2 tion Balance and the Five Year Family Budget Protection
3 Balance, as applicable, if the amendment is agreed to.

4 “2. (a) Except as provided by paragraph (b), the
5 chairman of the Committee on the Budget shall, upon the
6 engrossment of any bill, other than an appropriation bill,
7 by the House, credit to the applicable entry balances
8 amounts of new budget authority and outlays equal to the
9 net amounts of reductions in budget authority and in out-
10 lays resulting from amendments agreed to by the House
11 to that bill.

12 “(b) When computing the net amounts of reductions
13 in budget authority and in outlays resulting from amend-
14 ments agreed to by the House to a bill, the chairman of
15 the Committee on the Budget shall only count those por-
16 tions of such amendments agreed to that were so des-
17 ignated by the Members offering such amendments as
18 amounts to be credited to the First Year Family Budget
19 Protection Balance and the Five Year Family Budget Pro-
20 tection Balance, or that fall within the last sentence of
21 clause 1.

22 “3. The chairman of the Committee on the Budget
23 shall maintain a running tally of the amendments adopted
24 reflecting increases and decreases of budget authority in

1 the bill as reported. This tally shall be available to Mem-
 2 bers during consideration of any bill by the House.

3 “4. For the purposes of enforcing section 302(a) of
 4 the Congressional Budget Act of 1974, upon the engross-
 5 ment of any bill, other than an appropriation bill, by the
 6 House, the amount of budget authority and outlays cal-
 7 culated pursuant to paragraph 2(b) shall be counted
 8 against the 302(a) allocation provided to the applicable
 9 committee or committees which reported the bill as if the
 10 amount calculated pursuant to clause 2(b) was included
 11 in the bill just engrossed.

12 “5. As used in this rule, the term ‘appropriation bill’
 13 means any general or special appropriation bill, and any
 14 bill or joint resolution making supplemental, deficiency, or
 15 continuing appropriations through the end of fiscal year
 16 2005 or any subsequent fiscal year, as the case may be.”.

17 **TITLE IV—COMBATING WASTE,**
 18 **FRAUD, AND ABUSE**
 19 **THROUGH SUNSETTING**

20 **SEC. 401. REAUTHORIZATION OF DISCRETIONARY PRO-**
 21 **GRAMS AND UNEARNED ENTITLEMENTS.**

22 (a) FISCAL YEAR 2006.—Effective October 1, 2005,
 23 spending authority for each unearned entitlement and
 24 high-cost discretionary spending program is frozen at then

1 current levels unless such spending authority is reauthor-
2 ized after the date of enactment of this Act.

3 (b) FISCAL YEAR 2007.—(1) Effective October 1,
4 2006, spending authority for each authorized discre-
5 tionary spending program (not including high-cost discre-
6 tionary spending programs) is frozen at then current levels
7 unless such spending authority is reauthorized after the
8 date of enactment of this Act.

9 (2) Effective October 1, 2006, spending authority for
10 each unauthorized discretionary spending program (not
11 including high-cost discretionary spending programs) is
12 terminated unless such spending authority is reauthorized
13 after the date of enactment of this Act.

14 (c) DEFINITIONS.—For purposes of this title—

15 (1) the term “unearned entitlement” means an
16 entitlement not earned by service or paid for in total
17 or in part by assessments or contributions such as
18 Social Security, veterans’ benefits, retirement pro-
19 grams, and medicare; and

20 (2) the term “high-cost discretionary program”
21 means the most expensive one-third of discretionary
22 program within each budget function account.

23 **SEC. 402. POINT OF ORDER.**

24 (a) IN GENERAL.—It shall not be in order in the
25 House of Representatives or the Senate to consider any

1 bill, joint resolution, amendment, or conference report that
2 includes any provision that appropriates funds above cur-
3 rent levels unless such appropriation has been previously
4 authorized by law.

5 (b) WAIVER OR SUSPENSION.—This section may be
6 waived or suspended in the House of Representatives or
7 the Senate only by the affirmative vote of two-thirds of
8 the Members, duly chosen and sworn.

9 **SEC. 403. DECENNIAL SUNSETTING.**

10 (a) FIRST DECENNIAL CENSUS YEAR.—Effective on
11 the first day of the fiscal year beginning in the first decen-
12 nial census year after the year 2010 and each 10 years
13 thereafter, the spending authority described in section
14 401(a) is terminated unless such spending authority is re-
15 authorized after the last date the spending authority was
16 required to be reauthorized under this title.

17 (b) FIRST DECENNIAL CENSUS YEAR.—Effective on
18 the first day of the fiscal year beginning in the year after
19 the first decennial census year after the year 2010 and
20 each 10 years thereafter, the spending authority described
21 in section 401(b) is terminated unless such spending au-
22 thority is reauthorized after the last date the spending au-
23 thority was required to be reauthorized under this title.

1 **TITLE V—JOINT BUDGET RESO-**
2 **LUTIONS AND BIENNIAL**
3 **BUDGETING**

4 **Subtitle A—Joint Budget**
5 **Resolutions**

6 **SEC. 501. JOINT BUDGET RESOLUTIONS.**

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

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

12 “(A) a joint resolution setting forth the
13 congressional budget for the United States Gov-
14 ernment for a fiscal year as provided in section
15 301; and

16 “(B) any other joint resolution revising the
17 congressional budget for the United States Gov-
18 ernment for a fiscal year as described in section
19 304.”.

20 (b) JOINT RESOLUTION ON THE BUDGET.—(1) Sec-
21 tion 301(a) of the Congressional Budget Act of 1974 is
22 amended by striking “concurrent resolution” each place
23 it appears including in the caption and inserting “joint
24 resolution”.

1 (2) Section 301(b) of such Act is amended by striking
2 “concurrent resolution” each place it appears including in
3 the caption and inserting “joint resolution”.

4 (3) Section 301(c) of such Act is amended by striking
5 “concurrent resolution” each place it appears and insert-
6 ing “joint resolution”.

7 (4) Section 301(d) of such Act is amended by striking
8 “concurrent resolution” each place it appears and insert-
9 ing “joint resolution”.

10 (5) Section 301(e) of such Act is amended by striking
11 “concurrent resolution” each place it appears and insert-
12 ing “joint resolution”.

13 (6) Section 301(f) of such Act is amended by striking
14 “concurrent resolution” each place it appears and insert-
15 ing “joint resolution”.

16 (7) Section 301(g) of such Act is amended by striking
17 “concurrent resolution” and inserting “joint resolution”.

18 (8) Section 301(h) of such Act is amended by striking
19 “concurrent resolution” each place it appears and insert-
20 ing “joint resolution”.

21 (9) The section heading of section 301 of such Act
22 is amended by striking “**ANNUAL ADOPTION OF CON-**
23 **CURRENT**” and inserting “**ANNUAL ADOPTION OF**
24 **JOINT**”.

1 (10) The table of contents set forth in section 1(b)
2 of the Congressional Budget and Impoundment Control
3 Act of 1974 is amended by striking “Annual adoption of
4 the concurrent” in the item relating to section 301 and
5 inserting “Annual adoption of the joint”.

6 (11) Section 302 of such Act is amended by striking
7 “concurrent resolution” each place it appears and insert-
8 ing “joint resolution”.

9 (12) Section 303 of such Act, including the heading,
10 is amended by striking “concurrent resolution” each place
11 it appears and inserting “joint resolution”.

12 (13) The table of contents set forth in section 1(b)
13 of the Congressional Budget and Impoundment Control
14 Act of 1974 is amended by striking “Concurrent” in the
15 item relating to section 303 and inserting “Joint”.

16 (14) Section 304 of such Act is amended by striking
17 “concurrent resolution”, including in the heading, each
18 place it appears and inserting “joint resolution”.

19 (15) The table of contents set forth in section 1(b)
20 of the Congressional Budget and Impoundment Control
21 Act of 1974 is amended by striking “Concurrent” in the
22 item relating to section 304 and inserting “Joint”.

23 (16) Section 305 of such Act is amended by striking
24 “concurrent resolution”, including in the heading, each
25 place it appears and inserting “joint resolution”.

1 (17) Section 308 of such Act is amended by striking
 2 “concurrent resolution” each place it appears and insert-
 3 ing “joint resolution”.

4 (18) Section 310 of such Act is amended by striking
 5 “concurrent resolution” each place it appears and insert-
 6 ing “joint resolution”.

7 (19) Section 311 of such Act is amended by striking
 8 “concurrent resolution” each place it appears and insert-
 9 ing “joint resolution”.

10 **Subtitle B—Biennial Budgeting**

11 **SEC. 511. REVISION OF TIMETABLE.**

12 Section 300 of the Congressional Budget Act of 1974
 13 (2 U.S.C. 631) is amended to read as follows:

14 “TIMETABLE

15 “SEC. 300. (a) IN GENERAL.—Except as provided by
 16 subsection (b), the timetable with respect to the congres-
 17 sional budget process for any Congress (beginning with
 18 the One Hundred Tenth Congress) is as follows:

	“First Session Action to be completed:
“On or before:	
First Monday in February	President submits budget recommendations.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after budget submission.	Committees submit views and estimates to Budget Committees.
April 1	Budget Committees report joint resolution on the biennial budget.
May 15	Congress completes action on joint resolution on the biennial budget.
May 15	Biennial appropriation bills may be consid- ered in the House.
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.	Congressional Budget Office submits report to Budget Committees.
The last day of the session	Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium.

1 “(b) SPECIAL RULE.—In the case of any first session
2 of Congress that begins in any year during which the term
3 of a President (except a President who succeeds himself)
4 begins, the following dates shall supersede those set forth
5 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.
July 1	House Appropriations Committee reports last biennial appropriation bill.
July 20	House completes action on biennial appropriation bills.
October 1	Biennium begins.”.

6 **SEC. 512. AMENDMENTS TO THE CONGRESSIONAL BUDGET**
7 **AND IMPOUNDMENT CONTROL ACT OF 1974.**

8 (a) DECLARATION OF PURPOSE.—Section 2(2) of the
9 Congressional Budget and Impoundment Control Act of

1 1974 (2 U.S.C. 621(2)) is amended by striking “each
2 year” and inserting “biennially”.

3 (b) DEFINITIONS.—

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

8 (2) BIENNIUM.—Section 3 of such Act (2
9 U.S.C. 622) is amended by adding at the end the
10 following new paragraph:

11 “(11) The term ‘biennium’ means the period of
12 2 consecutive fiscal years beginning on October 1 of
13 any odd-numbered year.”.

14 (c) BIENNIAL JOINT RESOLUTION ON THE BUDG-
15 ET.—

16 (1) CONTENTS OF RESOLUTION.—Section
17 301(a) of such Act (2 U.S.C. 632(a)) is amended—

18 (A) in the matter preceding paragraph (1)
19 by—

20 (i) striking “April 15 of each year”
21 and inserting “May 15 of each odd-num-
22 bered year”;

23 (ii) striking “the fiscal year beginning
24 on October 1 of such year” the first place

1 it appears and inserting “the biennium be-
2 ginning on October 1 of such year”; and

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

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

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

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

15 (A) in paragraph (3), by striking “for such
16 fiscal year” and inserting “for either fiscal year
17 in such biennium”; and

18 (B) in paragraph (7), by striking “for the
19 first fiscal year” and inserting “for each fiscal
20 year in the biennium”.

21 (3) VIEWS OF OTHER COMMITTEES.—Section
22 301(d) of such Act (2 U.S.C. 632(d)) is amended by
23 inserting “(or, if applicable, as provided by section
24 300(b))” after “United States Code”.

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

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

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

13 (5) GOALS FOR REDUCING UNEMPLOYMENT.—
14 Section 301(f) of such Act (2 U.S.C. 632(f)) is
15 amended by striking “fiscal year” each place it ap-
16 pears and inserting “biennium”.

17 (6) ECONOMIC ASSUMPTIONS.—Section
18 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is
19 amended by striking “for a fiscal year” and insert-
20 ing “for a biennium”.

21 (7) SECTION HEADING.—The section heading of
22 section 301 of such Act is amended by striking “**AN-**
23 **NUAL**” and inserting “**BIENNIAL**”.

24 (8) TABLE OF CONTENTS.—The item relating
25 to section 301 in the table of contents set forth in

1 section 1(b) of such Act is amended by striking “An-
2 nual” and inserting “Biennial”.

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

5 (1) in subsection (a)(1) by—

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

9 (B) striking “for that period of fiscal
10 years” and inserting “for all fiscal years cov-
11 ered by the resolution”; and

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

15 (2) in subsection (f)(1), by striking “for a fiscal
16 year” and inserting “for a biennium”;

17 (3) in subsection (f)(1), by striking “first fiscal
18 year” and inserting “either fiscal year of the bien-
19 nium”;

20 (4) in subsection (f)(2)(A), by—

21 (A) striking “first fiscal year” and insert-
22 ing “each fiscal year of the biennium”; and

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

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

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

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

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

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

14 (3) by inserting before the period “for such bi-
15 ennium”.

16 (g) PROCEDURES FOR CONSIDERATION OF BUDGET
17 RESOLUTIONS.—Section 305(a)(3) of such Act (2 U.S.C.
18 636(b)(3)) is amended by striking “fiscal year” and in-
19 serting “biennium”.

20 (h) COMPLETION OF HOUSE COMMITTEE ACTION ON
21 APPROPRIATION BILLS.—Section 307 of such Act (2
22 U.S.C. 638) is amended—

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

1 (2) by striking “annual” and inserting “bien-
2 nial”;

3 (3) by striking “fiscal year” and inserting “bi-
4 ennium”; and

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

7 (i) QUARTERLY BUDGET REPORTS.—Section 308 of
8 such Act (2 U.S.C. 639) is amended by adding at the end
9 the following new subsection:

10 “(d) QUARTERLY BUDGET REPORTS.—The Director
11 of the Congressional Budget Office shall, as soon as prac-
12 ticable after the completion of each quarter of the fiscal
13 year, prepare an analysis comparing revenues, spending,
14 and the deficit or surplus for the current fiscal year to
15 assumptions included in the congressional budget resolu-
16 tion. In preparing this report, the Director of the Congres-
17 sional Budget Office shall combine actual budget figures
18 to date with projected revenue and spending for the bal-
19 ance of the fiscal year. The Director of the Congressional
20 Budget Office shall include any other information in this
21 report that it deems useful for a full understanding of the
22 current fiscal position of the Federal Government. The re-
23 ports mandated by this subsection shall be transmitted by
24 the Director to the Senate and House Committees on the
25 Budget, and the Congressional Budget Office shall make

1 such reports available to any interested party upon re-
2 quest.”.

3 (j) COMPLETION OF HOUSE ACTION ON REGULAR
4 APPROPRIATION BILLS.—Section 309 of such Act (2
5 U.S.C. 640) is amended—

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

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

10 (3) by striking “annual” and inserting “bien-
11 nial”; and

12 (4) by striking “fiscal year” and inserting “bi-
13 ennium”.

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

16 (1) in subsection (a), in the matter preceding
17 paragraph (1), by striking “any fiscal year” and in-
18 serting “any biennium”;

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

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

24 (l) SECTION 311 POINT OF ORDER.—

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

3 (A) by striking “for a fiscal year” and in-
4 serting “for a biennium”;

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

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

10 (2) IN THE SENATE.—Section 311(a)(2) of
11 such Act is amended—

12 (A) in subparagraph (A), by striking “for
13 the first fiscal year” and inserting “for either
14 fiscal year of the biennium”; and

15 (B) in subparagraph (B)—

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

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

22 (3) SOCIAL SECURITY LEVELS.—Section
23 311(a)(3) of such Act is amended by—

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

4 (B) striking “that fiscal year and the ensu-
 5 ing fiscal years” and inserting “all fiscal
 6 years”.

7 (m) MAXIMUM DEFICIT AMOUNT POINT OF
 8 ORDER.—Section 312(c) of the Congressional Budget Act
 9 of 1974 (2 U.S.C. 643) is amended—

10 (1) by striking “for a fiscal year” and inserting
 11 “for a biennium”;

12 (2) in paragraph (1), by striking “first fiscal
 13 year” and inserting “either fiscal year in the bien-
 14 nium”;

15 (3) in paragraph (2), by striking “that fiscal
 16 year” and inserting “either fiscal year in the bien-
 17 nium”; and

18 (4) in the matter following paragraph (2), by
 19 striking “that fiscal year” and inserting “the appli-
 20 cable fiscal year”.

21 **SEC. 513. AMENDMENTS TO RULES OF HOUSE OF REP-**
 22 **RESENTATIVES.**

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

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

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

7 (d) Clause 4(b) of rule X of the Rules of the House
8 of Representatives is amended by striking “and” at the
9 end of subparagraph (5), by striking the period and insert-
10 ing “; and” at the end of subparagraph (6), and by adding
11 at the end the following new subparagraph:

12 “(7) use the second session of each Congress to
13 study issues with long-term budgetary and economic
14 implications, which would include—

15 “(A) hold hearings to receive testimony
16 from committees of jurisdiction to identify prob-
17 lem areas and to report on the results of over-
18 sight; and

19 “(B) by January 1 of each odd-number
20 year, issuing a report to the Speaker which
21 identifies the key issues facing the Congress in
22 the next biennium.”.

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

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

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

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

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

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

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

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

21 **SEC. 514. AMENDMENTS TO TITLE 31, UNITED STATES**
22 **CODE.**

23 (a) DEFINITION.—Section 1101 of title 31, United
24 States Code, is amended by adding at the end the fol-
25 lowing new paragraph:

1 “(3) ‘biennium’ has the meaning given to such
2 term in paragraph (11) of section 3 of the Congres-
3 sional Budget and Impoundment Control Act of
4 1974 (2 U.S.C. 622(11)).”.

5 (b) BUDGET CONTENTS AND SUBMISSION TO THE
6 CONGRESS.—

7 (1) SCHEDULE.—The matter preceding para-
8 graph (1) in section 1105(a) of title 31, United
9 States Code, is amended to read as follows:

10 “(a) On or before the first Monday in February of
11 each odd-numbered year (or, if applicable, as provided by
12 section 300(b) of the Congressional Budget Act of 1974),
13 beginning with the One Hundred Ninth Congress, the
14 President shall transmit to the Congress, the budget for
15 the biennium beginning on October 1 of such calendar
16 year. The budget transmitted under this subsection shall
17 include a budget message and summary and supporting
18 information. The President shall include in each budget
19 the following:”.

20 (2) EXPENDITURES.—Section 1105(a)(5) of
21 title 31, United States Code, is amended by striking
22 “the fiscal year for which the budget is submitted
23 and the 4 fiscal years after that year” and inserting
24 “each fiscal year in the biennium for which the
25 budget is submitted and in the succeeding 4 years”.

1 (3) RECEIPTS.—Section 1105(a)(6) of title 31,
2 United States Code, is amended by striking “the fis-
3 cal year for which the budget is submitted and the
4 4 fiscal years after that year” and inserting “each
5 fiscal year in the biennium for which the budget is
6 submitted and in the succeeding 4 years”.

7 (4) BALANCE STATEMENTS.—Section
8 1105(a)(9)(C) of title 31, United States Code, is
9 amended by striking “the fiscal year” and inserting
10 “each fiscal year in the biennium”.

11 (5) GOVERNMENT FUNCTIONS AND ACTIVI-
12 TIES.—Section 1105(a)(12) of title 31, United
13 States Code, is amended in subparagraph (A), by
14 striking “the fiscal year” and inserting “each fiscal
15 year in the biennium”.

16 (6) ALLOWANCES.—Section 1105(a)(13) of title
17 31, United States Code, is amended by striking “the
18 fiscal year” and inserting “each fiscal year in the bi-
19 ennium”.

20 (7) ALLOWANCES FOR UNANTICIPATED AND
21 UNCONTROLLABLE EXPENDITURES.—Section
22 1105(a)(14) of title 31, United States Code, is
23 amended by striking “that year” and inserting “each
24 fiscal year in the biennium for which the budget is
25 submitted”.

1 (8) TAX EXPENDITURES.—Section 1105(a)(16)
2 of title 31, United States Code, is amended by strik-
3 ing “the fiscal year” and inserting “each fiscal year
4 in the biennium”.

5 (9) ESTIMATES FOR FUTURE YEARS.—Section
6 1105(a)(17) of title 31, United States Code, is
7 amended—

8 (A) by striking “the fiscal year following
9 the fiscal year” and inserting “each fiscal year
10 in the biennium following the biennium”;

11 (B) by striking “that following fiscal year”
12 and inserting “each such fiscal year”; and

13 (C) by striking “fiscal year before the fis-
14 cal year” and inserting “biennium before the bi-
15 ennium”.

16 (10) PRIOR YEAR OUTLAYS.—Section
17 1105(a)(18) of title 31, United States Code, is
18 amended—

19 (A) by striking “the prior fiscal year,” and
20 inserting “each of the 2 most recently com-
21 pleted fiscal years,”;

22 (B) by striking “for that year” and insert-
23 ing “with respect to those fiscal years”; and

24 (C) by striking “in that year” and insert-
25 ing “in those fiscal years”.

1 (11) PRIOR YEAR RECEIPTS.—Section
2 1105(a)(19) of title 31, United States Code, is
3 amended—

4 (A) by striking “the prior fiscal year” and
5 inserting “each of the 2 most recently com-
6 pleted fiscal years”;

7 (B) by striking “for that year” and insert-
8 ing “with respect to those fiscal years”; and

9 (C) by striking “in that year” each place
10 it appears and inserting “in those fiscal years”.

11 (c) ESTIMATED EXPENDITURES OF LEGISLATIVE
12 AND JUDICIAL BRANCHES.—Section 1105(b) of title 31,
13 United States Code, is amended by striking “each year”
14 and inserting “each even-numbered year”.

15 (d) RECOMMENDATIONS TO MEET ESTIMATED DE-
16 FICIENCIES.—Section 1105(c) of title 31, United States
17 Code, is amended—

18 (1) by striking “the fiscal year for” the first
19 place it appears and inserting “each fiscal year in
20 the biennium for”;

21 (2) by striking “the fiscal year for” the second
22 place it appears and inserting “each fiscal year of
23 the biennium, as the case may be,”; and

24 (3) by striking “that year” and inserting “for
25 each year of the biennium”.

1 (e) CAPITAL INVESTMENT ANALYSIS.—Section
2 1105(e)(1) of title 31, United States Code, is amended
3 by striking “ensuing fiscal year” and inserting “biennium
4 to which such budget relates”.

5 (f) SUPPLEMENTAL BUDGET ESTIMATES AND
6 CHANGES.—

7 (1) IN GENERAL.—Section 1106(a) of title 31,
8 United States Code, is amended—

9 (A) in the matter preceding paragraph (1),
10 by—

11 (i) inserting “and before February 15
12 of each even-numbered year” after “Before
13 July 16 of each year”; and

14 (ii) striking “fiscal year” and insert-
15 ing “biennium”;

16 (B) in paragraph (1), by striking “that fis-
17 cal year” and inserting “each fiscal year in
18 such biennium”;

19 (C) in paragraph (2), by striking “4 fiscal
20 years following the fiscal year” and inserting “4
21 fiscal years following the biennium”; and

22 (D) in paragraph (3), by striking “fiscal
23 year” and inserting “biennium”.

24 (2) CHANGES.—Section 1106(b) of title 31,
25 United States Code, is amended by—

1 (A) striking “the fiscal year” and inserting
2 “each fiscal year in the biennium”; and

3 (B) inserting “and before February 15 of
4 each even-numbered year” after “Before July
5 16 of each year”.

6 (g) CURRENT PROGRAMS AND ACTIVITIES ESTI-
7 MATES.—

8 (1) THE PRESIDENT.—Section 1109(a) of title
9 31, United States Code, is amended—

10 (A) by striking “On or before the first
11 Monday after January 3 of each year (on or be-
12 fore February 5 in 1986)” and inserting “At
13 the same time the budget required by section
14 1105 is submitted for a biennium”; and

15 (B) by striking “the following fiscal year”
16 and inserting “each fiscal year of such period”.

17 (2) JOINT ECONOMIC COMMITTEE.—Section
18 1109(b) of title 31, United States Code, is amended
19 by striking “March 1 of each year” and inserting
20 “within 6 weeks of the President’s budget submis-
21 sion for each odd-numbered year (or, if applicable,
22 as provided by section 300(b) of the Congressional
23 Budget Act of 1974)”.

1 (h) YEAR-AHEAD REQUESTS FOR AUTHORIZING
2 LEGISLATION.—Section 1110 of title 31, United States
3 Code, is amended by—

4 (1) striking “May 16” and inserting “March
5 31”; and

6 (2) striking “year before the year in which the
7 fiscal year begins” and inserting “calendar year pre-
8 ceding the calendar year in which the biennium be-
9 gins”.

10 **SEC. 515. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE**
11 **OF APPROPRIATION ACTS.**

12 Section 105 of title 1, United States Code, is amend-
13 ed to read as follows:

14 **“§ 105. Title and style of appropriations Acts**

15 “(a) The style and title of all Acts making appropria-
16 tions for the support of the Government shall be as fol-
17 lows: ‘An Act making appropriations (here insert the ob-
18 ject) for each fiscal year in the biennium of fiscal years
19 (here insert the fiscal years of the biennium).’.

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

24 “(c) For purposes of this section, the term ‘biennium’
25 has the same meaning as in section 3(11) of the Congres-

1 sional Budget and Impoundment Control Act of 1974 (2
2 U.S.C. 622(11)).”.

3 **SEC. 516. MULTIYEAR AUTHORIZATIONS.**

4 (a) IN GENERAL.—Title III of the Congressional
5 Budget Act of 1974 is amended by adding at the end the
6 following new section:

7 “MULTIYEAR AUTHORIZATIONS OF APPROPRIATIONS

8 “SEC. 316. (a) It shall not be in order in the House
9 of Representatives or the Senate to consider any measure
10 that contains a specific authorization of appropriations for
11 any purpose unless the measure includes such a specific
12 authorization of appropriations for that purpose for not
13 less than each fiscal year in one or more bienniums.

14 “(b)(1) For purposes of this section, a specific au-
15 thorization of appropriations is an authorization for the
16 enactment of an amount of appropriations or amounts not
17 to exceed an amount of appropriations (whether stated as
18 a sum certain, as a limit, or as such sums as may be nec-
19 essary) for any purpose for a fiscal year.

20 “(2) Subsection (a) does not apply with respect to
21 an authorization of appropriations for a single fiscal year
22 for any program, project, or activity if the measure con-
23 taining that authorization includes a provision expressly
24 stating the following: ‘Congress finds that no authoriza-
25 tion of appropriation will be required for [Insert name of

1 applicable program, project, or activity] for any subse-
 2 quent fiscal year.’.

3 “(c) For purposes of this section, the term ‘measure’
 4 means a bill, joint resolution, amendment, motion, or con-
 5 ference report.”.

6 (b) AMENDMENT TO TABLE OF CONTENTS.—The
 7 table of contents set forth in section 1(b) of the Congres-
 8 sional Budget and Impoundment Control Act of 1974 is
 9 amended by adding after the item relating to section 315
 10 the following new item:

“Sec. 316. Multiyear authorizations of appropriations.”.

11 **SEC. 517. GOVERNMENT STRATEGIC AND PERFORMANCE**
 12 **PLANS ON A BIENNIAL BASIS.**

13 (a) STRATEGIC PLANS.—Section 306 of title 5,
 14 United States Code, is amended—

15 (1) in subsection (a), by striking “September
 16 30, 1997” and inserting “September 30, 2005”;

17 (2) in subsection (b)—

18 (A) by striking “at least every three years”
 19 and all that follows thereafter and inserting “at
 20 least every 4 years, except that strategic plans
 21 submitted by September 30, 2005, shall be up-
 22 dated and revised by September 30, 2008”; and

23 (B) by striking “five years forward” and
 24 inserting “six years forward”; and

1 (3) in subsection (c), by inserting a comma
2 after “section” the second place it appears and add-
3 ing “including a strategic plan submitted by Sep-
4 tember 30, 2005, meeting the requirements of sub-
5 section (a)”.

6 (b) BUDGET CONTENTS AND SUBMISSION TO CON-
7 GRESS.—Paragraph (28) of section 1105(a) of title 31,
8 United States Code, is amended by striking “beginning
9 with fiscal year 1999, a” and inserting “beginning with
10 fiscal year 2008, a biennial”.

11 (c) PERFORMANCE PLANS.—Section 1115 of title 31,
12 United States Code, is amended—

13 (1) in subsection (a)—

14 (A) in the matter before paragraph (1)—

15 (i) by striking “section 1105(a)(29)”

16 and inserting “section 1105(a)(28)”; and

17 (ii) by striking “an annual” and in-

18 serting “a biennial”;

19 (B) in paragraph (1) by inserting after

20 “program activity” the following: “for both

21 years 1 and 2 of the biennial plan”;

22 (C) in paragraph (5) by striking “and”

23 after the semicolon;

1 (D) in paragraph (6) by striking the period
2 and inserting a semicolon; and inserting “and”
3 after the inserted semicolon; and

4 (E) by adding after paragraph (6) the fol-
5 lowing:

6 “(7) cover each fiscal year of the biennium be-
7 ginning with the first fiscal year of the next biennial
8 budget cycle.”;

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

11 (3) in paragraph (6) of subsection (f) by strik-
12 ing “annual” and inserting “biennial”.

13 (d) MANAGERIAL ACCOUNTABILITY AND FLEXI-
14 BILITY.—Section 9703 of title 31, United States Code, re-
15 lating to managerial accountability, is amended—

16 (1) in subsection (a)—

17 (A) in the first sentence by striking “an-
18 nual”; and

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

21 (2) in subsection (e)—

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

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

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

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

8 (1) in subsection (a), by striking “September
9 30, 1997” and inserting “September 30, 2005”;

10 (2) in subsection (b), by striking “at least every
11 three years” and inserting “at least every 4 years
12 except that strategic plans submitted by September
13 30, 2005, shall be updated and revised by September
14 30, 2008”;

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

17 (4) in subsection (c), by inserting a comma
18 after “section” the second place it appears and in-
19 serting “including a strategic plan submitted by
20 September 30, 2005, meeting the requirements of
21 subsection (a)”.

22 (f) PERFORMANCE PLANS.—Section 2803(a) of title
23 39, United States Code, is amended—

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

1 (2) in paragraph (1), by inserting after “pro-
2 gram activity” the following: “for both years 1 and
3 2 of the biennial plan”;

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

6 (4) in paragraph (6), by striking the period and
7 inserting “; and”; and

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

9 “(7) cover each fiscal year of the biennium be-
10 ginning with the first fiscal year of the next biennial
11 budget cycle.”.

12 (g) COMMITTEE VIEWS OF PLANS AND REPORTS.—

13 Section 301(d) of the Congressional Budget Act (2 U.S.C.

14 632(d)) is amended by adding at the end “Each committee

15 of the Senate or the House of Representatives shall review

16 the strategic plans, performance plans, and performance

17 reports, required under section 306 of title 5, United

18 States Code, and sections 1115 and 1116 of title 31,

19 United States Code, of all agencies under the jurisdiction

20 of the committee. Each committee may provide its views

21 on such plans or reports to the Committee on the Budget

22 of the applicable House.”.

23 (h) EFFECTIVE DATE.—

24 (1) IN GENERAL.—The amendments made by

25 this section shall take effect on March 1, 2007.

1 (2) AGENCY ACTIONS.—Effective on and after
2 the date of enactment of this Act, each agency shall
3 take such actions as necessary to prepare and sub-
4 mit any plan or report in accordance with the
5 amendments made by it.

6 **SEC. 518. BIENNIAL APPROPRIATION BILLS.**

7 (a) IN THE HOUSE OF REPRESENTATIVES.—Clause
8 2(a) of rule XXI of the Rules of the House of Representa-
9 tives is amended by adding at the end the following new
10 subparagraph:

11 “(3)(A) Except as provided by subdivision (B), an ap-
12 propriation may not be reported in a general appropriation
13 bill (other than a supplemental appropriation bill), and
14 may not be in order as an amendment thereto, unless it
15 provides new budget authority or establishes a level of ob-
16 ligations under contract authority for each fiscal year of
17 a biennium.

18 “(B) Subdivision (A) does not apply with respect to
19 an appropriation for a single fiscal year for any program,
20 project, or activity if the bill or amendment thereto con-
21 taining that appropriation includes a provision expressly
22 stating the following: ‘Congress finds that no additional
23 funding beyond one fiscal year will be required and the
24 [Insert name of applicable program, project, or activity]

1 will be completed or terminated after the amount provided
 2 has been expended.’.

3 “(C) For purposes of paragraph (b), the statement
 4 set forth in subdivision (B) with respect to an appropria-
 5 tion for a single fiscal year for any program, project, or
 6 activity may be included in a general appropriation bill
 7 or amendment thereto.”.

8 (b) CONFORMING AMENDMENT.—Clause 5(b)(1) of
 9 rule XXII of the House of Representatives is amended by
 10 striking “or (c)” and inserting “or (3) or 2(c)”.

11 **SEC. 519. ASSISTANCE BY FEDERAL AGENCIES TO STAND-**
 12 **ING COMMITTEES OF THE SENATE AND THE**
 13 **HOUSE OF REPRESENTATIVES.**

14 (a) INFORMATION REGARDING AGENCY APPROPRIA-
 15 TIONS REQUESTS.—To assist each standing committee of
 16 the House of Representatives and the Senate in carrying
 17 out its responsibilities, the head of each Federal agency
 18 which administers the laws or parts of laws under the ju-
 19 risdiction of such committee shall provide to such com-
 20 mittee such studies, information, analyses, reports, and
 21 assistance as may be requested by the chairman and rank-
 22 ing minority member of the committee.

23 (b) INFORMATION REGARDING AGENCY PROGRAM
 24 ADMINISTRATION.—To assist each standing committee of
 25 the House of Representatives and the Senate in carrying

1 out its responsibilities, the head of any agency shall fur-
2 nish to such committee documentation, containing infor-
3 mation received, compiled, or maintained by the agency
4 as part of the operation or administration of a program,
5 or specifically compiled pursuant to a request in support
6 of a review of a program, as may be requested by the
7 chairman and ranking minority member of such com-
8 mittee.

9 (c) SUMMARIES BY COMPTROLLER GENERAL.—With-
10 in thirty days after the receipt of a request from a chair-
11 man and ranking minority member of a standing com-
12 mittee having jurisdiction over a program being reviewed
13 and studied by such committee under this section, the
14 Comptroller General of the United States shall furnish to
15 such committee summaries of any audits or reviews of
16 such program which the Comptroller General has com-
17 pleted during the preceding six years.

18 (d) CONGRESSIONAL ASSISTANCE.—Consistent with
19 their duties and functions under law, the Comptroller Gen-
20 eral of the United States, the Director of the Congres-
21 sional Budget Office, and the Director of the Congres-
22 sional Research Service shall continue to furnish (con-
23 sistent with established protocols) to each standing com-
24 mittee of the House of Representatives or the Senate such
25 information, studies, analyses, and reports as the chair-

1 man and ranking minority member may request to assist
2 the committee in conducting reviews and studies of pro-
3 grams under this section.

4 **SEC. 520. REPORT ON TWO-YEAR FISCAL PERIOD.**

5 Not later than 180 days after the date of enactment
6 of this Act, the Director of the Office of Management and
7 Budget shall—

8 (1) determine the impact and feasibility of
9 changing the definition of a fiscal year and the
10 budget process based on that definition to a 2-year
11 fiscal period with a biennial budget process based on
12 the 2-year period; and

13 (2) report the findings of the study to the Com-
14 mittees on the Budget of the House of Representa-
15 tives and the Senate and the Committee on Rules of
16 the House of Representatives.

17 **SEC. 521. SPECIAL TRANSITION PERIOD FOR THE 109TH**
18 **CONGRESS.**

19 (a) **PRESIDENT’S BUDGET SUBMISSION FOR FISCAL**
20 **YEAR 2006.**—The budget submission of the President
21 pursuant to section 1105(a) of title 31, United States
22 Code, for fiscal year 2006 shall include the following:

23 (1) An identification of the budget accounts for
24 which an appropriation should be made for each fis-
25 cal year of the fiscal year 2006–2007 biennium.

1 (2) Budget authority that should be provided
2 for each such fiscal year for the budget accounts
3 identified under paragraph (1).

4 (b) REVIEW AND RECOMMENDATIONS OF THE COM-
5 MITTEES ON APPROPRIATIONS.—The Committee on Ap-
6 propriations of the House of Representatives and the Sen-
7 ate shall review the items included pursuant to subsection
8 (a) in the budget submission of the President for fiscal
9 year 2006 and include its recommendations thereon in its
10 views and estimates made under section 301(d) of the
11 Congressional Budget Act of 1974 within 6 weeks of that
12 budget submission.

13 (c) ACTIONS BY THE COMMITTEES ON THE BUDG-
14 ET.—(1) The Committee on the Budget of the House of
15 Representatives and the Senate shall review the items in-
16 cluded pursuant to subsection (a) in the budget submis-
17 sion of the President for fiscal year 2006 and the rec-
18 ommendations submitted by the Committee on Appropria-
19 tions of its House pursuant to subsection (b) included in
20 its views and estimates made under section 301(d) of the
21 Congressional Budget Act of 1974.

22 (2) The report of the Committee on the Budget of
23 each House accompanying the concurrent resolution on
24 the budget for fiscal year 2006 and the joint explanatory
25 statement of managers accompanying such resolution shall

1 also include allocations to the Committee on Appropria-
2 tions of its House of total new budget authority and total
3 outlays (which shall be deemed to be made pursuant to
4 section 302(a) of the Congressional Budget Act of 1974
5 for purposes of budget enforcement under section 302(f))
6 for fiscal year 2005 from which the Committee on Appro-
7 priations may report regular appropriation bills for fiscal
8 year 2006 that include funding for certain accounts for
9 each of fiscal years 2006 and 2007.

10 (3) The report of the Committee on the Budget of
11 each House accompanying the concurrent resolution on
12 the budget for fiscal year 2006 and the joint explanatory
13 statement of managers accompanying such resolution shall
14 also include the assumptions upon which such allocations
15 referred to in paragraph (2) are based.

16 (d) GAO PROGRAMMATIC OVERSIGHT ASSIST-
17 ANCE.—(1) During the first session of the 109th Congress
18 the committees of the House of Representatives and the
19 Senate are directed to work with the Comptroller General
20 of the United States to develop plans to transition pro-
21 gram authorizations to a multi-year schedule.

22 (2) During the 109th Congress, the Comptroller Gen-
23 eral of the United States will continue to provide assist-
24 ance to the Congress with respect to programmatic over-
25 sight and in particular will assist the committees of Con-

gress in designing and conforming programmatic oversight procedures for the fiscal year 2006–2007 biennium.

(e) CBO AUTHORIZATION REPORT.—On or before January 15, 2006, the Director of the Congressional Budget Office, after consultation with the appropriate committees of the House of Representatives and Senate, shall submit to the Congress a report listing (1) all programs and activities funded during fiscal year 2006 for which authorizations for appropriations have not been enacted for that fiscal year and (2) all programs and activities funded during fiscal year 2006 for which authorizations for appropriations will expire during that fiscal year, fiscal year 2007, or fiscal year 2008.

(f) PRESIDENT’S BUDGET SUBMISSION FOR FISCAL YEAR 2007.—The budget submission of the President pursuant to section 1105(a) of title 31, United States Code, for fiscal year 2007 shall include an evaluation of, and recommendations regarding, the transitional biennial budget process for the fiscal year 2006–2007 biennium that was carried out pursuant to this section.

(g) CBO TRANSITIONAL REPORT.—On or before March 31, 2006, the Director of the Congressional Budget Office shall submit to Congress an evaluation of, and recommendations regarding, the transitional biennial budget

1 process for the fiscal year 2006–2007 biennium that was
2 carried out pursuant to this section.

3 **Subtitle C—Prevention of**
4 **Government Shutdown**

5 **SEC. 531. AMENDMENT TO TITLE 31.**

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

9 **“§ 1311. Continuing appropriations**

10 “(a)(1) If any regular appropriation bill for a fiscal
11 year or for each fiscal year in a biennium does not become
12 law prior to the beginning of such fiscal year or a joint
13 resolution making continuing appropriations is not in ef-
14 fect, there is appropriated, out of any moneys in the
15 Treasury not otherwise appropriated, and out of applicable
16 corporate or other revenues, receipts, and funds, such
17 sums as may be necessary to continue any project or activ-
18 ity for which funds were provided in the preceding fiscal
19 year—

20 “(A) in the corresponding regular appropriation
21 Act for such preceding fiscal year; or

22 “(B) if the corresponding regular appropriation
23 bill for such preceding fiscal year did not become
24 law, then in a joint resolution making continuing ap-
25 propriations for such preceding fiscal year.

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

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

8 “(B) in the absence of such an Act, the rate of
9 operations provided for such project or activity pur-
10 suant to a joint resolution making continuing appro-
11 priations for such preceding fiscal year,

12 “(C) the rate of operations provided for in the
13 House or Senate passed appropriation bill for the
14 fiscal year in question, except that the lower of these
15 two versions shall be ignored for any project or ac-
16 tivity for which there is a budget request if no fund-
17 ing is provided for that project or activity in either
18 version,

19 “(D) the rate provided in the budget submis-
20 sion of the President under section 1105(a) of title
21 31, United States Code, for the fiscal year in ques-
22 tion, or

23 “(E) the annualized rate of operations provided
24 for in the most recently enacted joint resolution
25 making continuing appropriations for part of that

1 fiscal year or any funding levels established under
2 the provisions of this Act.

3 “(3) Appropriations and funds made available, and
4 authority granted, for any fiscal year pursuant to this sec-
5 tion for a project or activity shall be available for the pe-
6 riod beginning with the first day of a lapse in appropria-
7 tions and ending with the earlier of—

8 “(A) the date on which the applicable regular
9 appropriation bill for such fiscal year becomes law
10 (whether or not such law provides for such project
11 or activity) or a continuing resolution making appro-
12 priations becomes law, as the case may be, or

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

14 “(b) An appropriation or funds made available, or au-
15 thority granted, for a project or activity for any fiscal year
16 pursuant to this section shall be subject to the terms and
17 conditions imposed with respect to the appropriation made
18 or funds made available for the preceding fiscal year, or
19 authority granted for such project or activity under cur-
20 rent law.

21 “(c) Appropriations and funds made available, and
22 authority granted, for any project or activity for any fiscal
23 year pursuant to this section shall cover all obligations or
24 expenditures incurred for such project or activity during

1 the portion of such fiscal year for which this section ap-
2 plies to such project or activity.

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

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

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

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

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

1 “(1) Agriculture, rural development, and re-
2 lated agencies programs.

3 “(2) The Departments of Commerce, Justice,
4 and State, the judiciary, and related agencies.

5 “(3) The Department of Defense.

6 “(4) The government of the District of Colum-
7 bia and other activities chargeable in whole or in
8 part against the revenues of the District.

9 “(5) The Departments of Labor, Health and
10 Human Services, and Education, and related agen-
11 cies.

12 “(6) The Department of Housing and Urban
13 Development, and sundry independent agencies,
14 boards, commissions, corporations, and offices.

15 “(7) Energy and water development.

16 “(8) Foreign assistance and related programs.

17 “(9) The Department of the Interior and re-
18 lated agencies.

19 “(10) Military construction.

20 “(11) The Departments of Transportation and
21 Treasury, and independent agencies.

22 “(12) The legislative branch.

23 “(13) The Department of Homeland Security.”.

24 (b) CLERICAL AMENDMENT.—The analysis of chap-
25 ter 13 of title 31, United States Code, is amended by in-

1 setting after the item relating to section 1310 the fol-
 2 lowing new item:

“1311. Continuing appropriations.”.

3 **Subtitle D—Effective Date**

4 **SEC. 532. EFFECTIVE DATE.**

5 (a) IN GENERAL.—Except as provided by subsection
 6 (b) and by sections 520, 521, and 532, this title and the
 7 amendments made by it shall take effect on January 1,
 8 2007, and shall apply to budget resolutions and appropria-
 9 tions for the biennium beginning with fiscal year 2008.

10 (b) SUBTITLE C.—Subtitle C and the amendments
 11 made by it shall apply with respect to fiscal years begin-
 12 ning with fiscal year 2005.

13 **TITLE VI—FURTHER** 14 **ENFORCEMENT AMENDMENTS**

15 **SEC. 601. SUPER-MAJORITY POINTS OF ORDER.**

16 (a) ELIMINATION OF EXCEPTION.—Section 303 of
 17 the Congressional Budget Act of 1974 is amended by
 18 striking “IN GENERAL.—” in subsection (a) and by strik-
 19 ing subsections (b) and (c).

20 (b) SUPER-MAJORITY POINT OF ORDER.—(1)(A)
 21 Section 904(c)(1) of the Congressional Budget Act of
 22 1974 is amended by inserting “303,” before “305(b)(2),”,
 23 by inserting “312(g), (h), (i), (j), and (k),” before “313,”
 24 and by inserting “316,” before “904(c),”.

1 (B) Section 904(c) of the Congressional Budget Act
 2 of 1974 is amended by striking “three-fifths” each place
 3 it appears and inserting “two-thirds”.

4 (2)(A) Section 904(d)(2) of the Congressional Budg-
 5 et Act of 1974 is amended by inserting “303,” before
 6 “305(b)(2),”, by inserting “312(g), (h), (i), (j), and (k),”
 7 before “313,” and by inserting “316,” before “904(c),”.

8 (B) Section 904(d) of the Congressional Budget Act
 9 of 1974 is amended by striking “three-fifths” each place
 10 it appears and inserting “two-thirds”.

11 (3)(A) Sections 904(c)(2) and (d)(3) of the Congres-
 12 sional Budget Act of 1974 are amended by striking
 13 “311(a),”.

14 (B) Sections 904(c)(1) and (d)(2) of the Congres-
 15 sional Budget Act of 1974 are amended by inserting
 16 “311(a),” after “310(d)(2),”.

17 (4) Section 904(e) of the Congressional Budget Act
 18 of 1974 is amended by striking “2002” and inserting
 19 “2006”.

20 **SEC. 602. BUDGET RESOLUTION ENFORCEMENT POINT OF**
 21 **ORDER.**

22 (a) ENTITLEMENT POINT OF ORDER.—Section 312
 23 of the Congressional Budget Act of 1974 (as amended by
 24 sections 102, 201(d), and 304(a)) is further amended by
 25 adding at the end the following new subsection:

1 “(k) BUDGET RESOLUTION ENFORCEMENT POINT
 2 OF ORDER.—It shall not be in order in the House of Rep-
 3 resentatives or the Senate to consider any concurrent reso-
 4 lution on the budget for a fiscal year, or amendment there-
 5 to or conference report thereon, that—

6 “(1) provides for a deficit for the fiscal year of
 7 the resolution or any ensuing fiscal year included in
 8 such resolution that exceeds the maximum deficit
 9 amount for such fiscal year set forth in section
 10 253(h) of the Balanced Budget and Emergency Def-
 11 icit Control Act of 1985;

12 “(2) is not consistent with the discretionary
 13 spending limits set forth in section 251(c) of the
 14 Balanced Budget and Emergency Deficit Control
 15 Act of 1985; or

16 “(3) provides for an increase in the aggregate
 17 level of direct spending for the fiscal year of the res-
 18 olution or any ensuing fiscal year included in such
 19 resolution.”.

20 **SEC. 603. POINT OF ORDER WAIVER PROTECTION.**

21 Clause 6(c) of rule XIII of the Rules of the House
 22 of Representatives is amended by striking the period at
 23 the end of subparagraph (2) and inserting “; or” and by
 24 adding at the end the following new subparagraph:

1 “(3) a rule or order that would waive the provi-
2 sions of section 303, 311(a), 312(g), 312(h), 312(i),
3 312(j), or 312(k) of the Congressional Budget Act
4 of 1974 or of section 402 of the Family Budget Pro-
5 tection Act of 2003.”.

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