

109TH CONGRESS
1ST SESSION

S. 568

To balance the budget and protect the Social Security Trust Fund surpluses.

IN THE SENATE OF THE UNITED STATES

MARCH 8, 2005

Mr. VOINOVICH (for himself and Mr. FEINGOLD) introduced the following bill;
which was read twice and referred to the Committee on the Budget

A BILL

To balance the budget and protect the Social Security Trust
Fund surpluses.

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 “Truth in Budgeting and Social Security Protection Act
6 of 2005”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL REFORMS

Sec. 101. Extension of the discretionary spending caps.

Sec. 102. Extension of Pay-as-You-Go requirement.

- Sec. 103. Point of order to require compliance with the caps and Pay-as-You-Go.
- Sec. 104. Disclosure of interest costs.
- Sec. 105. Executive branch report on fiscal exposures.
- Sec. 106. Senate sets 302(b) allocations.
- Sec. 107. Long-Term Cost Recognition Point of Order.

TITLE II—REFORM OF BUDGETARY TREATMENT OF FEDERAL INSURANCE PROGRAMS

- Sec. 201. Federal insurance programs.

TITLE III—BIENNIAL BUDGETING AND APPROPRIATIONS

- Sec. 301. Revision of timetable.
- Sec. 302. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
- Sec. 303. Amendments to title 31, United States Code.
- Sec. 304. Two-year appropriations; title and style of appropriations Acts.
- Sec. 305. Multiyear authorizations.
- Sec. 306. Government plans on a biennial basis.
- Sec. 307. Biennial appropriations bills.
- Sec. 308. Report on two-year fiscal period.
- Sec. 309. Effective date.

TITLE IV—COMMISSION ON FEDERAL BUDGET CONCEPTS

- Sec. 401. Establishment of Commission on Federal Budget Concepts.
- Sec. 402. Powers and duties of Commission.
- Sec. 403. Membership.
- Sec. 404. Staff and support services.
- Sec. 405. Report.
- Sec. 406. Termination.
- Sec. 407. Funding.

1 **TITLE I—GENERAL REFORMS**

2 **SEC. 101. EXTENSION OF THE DISCRETIONARY SPENDING**

3 **CAPS.**

4 (a) IN GENERAL.—Section 251(c) of the Balanced
 5 Budget and Emergency Deficit Control Act of 1985 is
 6 amended by striking paragraphs (7) through (16) and in-
 7 serting the following:

8 “(7) with respect to fiscal years 2006 through
 9 2011 an amount equal to the appropriated amount
 10 of discretionary spending in budget authority and

1 outlays for fiscal year 2003 adjusted to reflect infla-
 2 tion;”.

3 (b) EMERGENCY DESIGNATION.—Section 314 of the
 4 Congressional Budget Act of 1974 (2 U.S.C. 645) is
 5 amended by adding at the end the following:

6 “(f) EMERGENCY LEGISLATION.—

7 “(1) AUTHORITY TO DESIGNATE.—If a provi-
 8 sion of direct spending or receipts legislation, not to
 9 include revisions to the income tax, is enacted or if
 10 appropriations for discretionary accounts are en-
 11 acted that the President designates as an emergency
 12 requirement and that Congress so designates in stat-
 13 ute, the amounts of new budget authority, outlays,
 14 and receipts in all fiscal years resulting from that
 15 provision shall be designated as an emergency re-
 16 quirement for the purpose of subsection (b)(1).

17 “(2) DESIGNATIONS.—

18 “(A) GUIDANCE.—If a provision of legisla-
 19 tion is designated as an emergency requirement
 20 under paragraph (1), the committee report and
 21 any statement of managers accompanying that
 22 legislation shall analyze whether a proposed
 23 emergency requirement meets all the criteria in
 24 subparagraph (B).

25 “(B) CRITERIA.—

1 “(i) IN GENERAL.—The criteria to be
2 considered in determining whether a pro-
3 posed expenditure or tax change is an
4 emergency requirement are that the ex-
5 penditure or tax change is—

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

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

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

13 “(IV) subject to subparagraph
14 (B), unforeseen, unpredictable, and
15 unanticipated; and

16 “(V) not permanent, temporary
17 in nature.

18 “(ii) UNFORESEEN.—An emergency
19 that is part of an aggregate level of antici-
20 pated emergencies, particularly when nor-
21 mally estimated in advance, is not unfore-
22 seen.

23 “(C) JUSTIFICATION FOR USE OF DES-
24 IGNATION.—When an emergency designation is
25 proposed in any bill, joint resolution, or con-

ference report thereon, the committee report and the statement of managers accompanying a conference report, as the case may be, shall provide a written justification of why the provision meets the criteria set forth in subparagraph (B).

“(3) DEFINITIONS.—In this subsection, the terms ‘direct spending’, ‘receipts’, and ‘appropriations for discretionary accounts’ means any provision of a bill, joint resolution, amendment, motion or conference report that affects direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(4) DEFINITION OF AN EMERGENCY REQUIREMENT.—A provision shall be considered an emergency designation if it designates any item as an emergency requirement pursuant to paragraph (1).

“(5) POINT OF ORDER.—

“(A) IN GENERAL.—When the Senate is considering a bill, resolution, amendment, motion, or conference report, a point of order may be made by a Senator against an emergency designation in that measure and if the Presiding Officer sustains that point of order, that

1 provision making such a designation shall be
2 stricken from the measure and may not be of-
3 fered as an amendment from the floor.

4 “(B) WAIVER AND APPEAL.—This sub-
5 section may be waived or suspended in the Sen-
6 ate only by an affirmative vote of $\frac{3}{5}$ of the
7 Members, duly chosen and sworn. An affirma-
8 tive vote of $\frac{3}{5}$ of the Members of the Senate,
9 duly chosen and sworn, shall be required to sus-
10 tain an appeal of the ruling of the Chair on a
11 point of order raised under this section.

12 “(C) FORM OF THE POINT OF ORDER.—A
13 point of order under this subsection may be
14 raised by a Senator as provided in section
15 313(e).

16 “(D) CONFERENCE REPORTS.—If a point
17 of order is sustained under this subsection
18 against a conference report, the report shall be
19 disposed of as provided in section 313(d).

20 “(E) EXCEPTION FOR DEFENSE AND
21 HOMELAND SECURITY SPENDING.—Subpara-
22 graph (A) shall not apply against an emergency
23 designation for a provision making discretionary
24 appropriations in the defense category and for
25 homeland security programs.”.

1 (c) EXPIRATION.—Section 275(b) of the Balanced
 2 Budget and Emergency Deficit Control Act of 1985 (2
 3 U.S.C. 900 note) is amended by striking subsection (b).

4 **SEC. 102. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.**

5 Section 252(a) of the Balanced Budget and Emer-
 6 gency Deficit Control Act of 1985 is amended by striking
 7 “enacted before October 1, 2002,” both places it appears.

8 **SEC. 103. POINT OF ORDER TO REQUIRE COMPLIANCE**
 9 **WITH THE CAPS AND PAY-AS-YOU-GO.**

10 Section 312(b) of the Congressional Budget Act of
 11 1974 (2 U.S.C. 643(b)) is amended to read as follows:

12 “(b) DISCRETIONARY SPENDING AND PAY-AS-YOU-
 13 GO POINT OF ORDER IN THE SENATE.—

14 “(1) IN GENERAL.—Except as otherwise pro-
 15 vided in this subsection, it shall not be in order in
 16 the Senate to consider any bill or resolution or any
 17 separate provision of a bill or resolution (or amend-
 18 ment, motion, or conference report on that bill or
 19 resolution) that would—

20 “(A) exceed any of the discretionary spend-
 21 ing limits in section 251(c) of the Balanced
 22 Budget and Emergency Deficit Control Act of
 23 1985; or

24 “(B) for direct spending or revenue legisla-
 25 tion, would cause or increase an on-budget def-

1 icit for any one of the following three applicable
2 time periods—

3 “(i) the first year covered by the most
4 recently adopted concurrent resolution on
5 the budget;

6 “(ii) the period of the first 5 fiscal
7 years covered by the most recently adopted
8 concurrent resolution on the budget; or

9 “(iii) the period of the 5 fiscal years
10 following the first five fiscal years covered
11 in the most recently adopted concurrent
12 resolution on the budget.

13 “(2) POINT OF ORDER AGAINST A SPECIFIC
14 PROVISION.—If the Presiding Officer sustains a
15 point of order under paragraph (1) with respect to
16 any separate provision of a bill or resolution, that
17 provision shall be stricken from the measure and
18 may not be offered as an amendment from the floor.

19 “(3) FORM OF THE POINT OF ORDER.—A point
20 of order under this section may be raised by a Sen-
21 ator as provided in section 313(e) of the Congres-
22 sional Budget Act of 1974.

23 “(4) CONFERENCE REPORTS.—If a point of
24 order is sustained under this section against a con-
25 ference report the report shall be disposed of as pro-

1 vided in section 313(d) of the Congressional Budget
2 Act of 1974.

3 “(5) EXCEPTIONS.—This subsection shall not
4 apply if a declaration of war by the Congress is in
5 effect or if a joint resolution pursuant to section 258
6 of the Balanced Budget and Emergency Deficit Con-
7 trol Act of 1985 has been enacted.”.

8 **SEC. 104. DISCLOSURE OF INTEREST COSTS.**

9 Section 308(a)(1) of the Congressional Budget Act
10 of 1974 (2 U.S.C. 639(a)(1)) is amended—

11 (1) in subparagraph (B), by striking “and”
12 after the semicolon;

13 (2) in subparagraph (C), by striking the period
14 and inserting “; and”; and

15 (3) by adding at the end the following:

16 “(D) containing a projection by the Con-
17 gressional Budget Office of the cost of the debt
18 servicing that would be caused by such measure
19 for such fiscal year (or fiscal years) and each
20 of the 4 ensuing fiscal years.”.

21 **SEC. 105. EXECUTIVE BRANCH REPORT ON FISCAL EXPO-**
22 **SURES.**

23 (a) IN GENERAL.—The President shall submit to the
24 Committees on Appropriations, Budget, Finance, and
25 Homeland Security and Governmental Affairs of the Sen-

ate, and the Committees on Appropriations, Budget, Government Reform, and Ways and Means of the House of Representatives, not later than 2 weeks before the first Monday in February of each year, a report (in this section referred to as the “report”) on the fiscal exposures of the United States Federal Government and their implications for long-term financial health. The report shall also be included as part of the Consolidated Financial Statement of the United States Government.

(b) CONTENTS.—

(1) IN GENERAL.—The report shall include fiscal exposures for the following categories of fiscal exposures:

(A) DEBT.—Debt, including—

- (i) total gross debt;
- (ii) publicly held debt; and
- (iii) debt held by Government accounts.

(B) OTHER FINANCIAL LIABILITIES.—

Other financial liabilities, including—

- (i) civilian and military pensions;
- (ii) post-retirement health benefits;
- (iii) environmental liabilities;
- (iv) accounts payable;
- (v) loan guarantees; and

1 (vi) Social Security benefits due and
2 payable.

3 (C) FINANCIAL COMMITMENTS.—Financial
4 commitments, including—

5 (i) undelivered orders; and

6 (ii) long-term operating leases.

7 (D) FINANCIAL CONTINGENCIES AND
8 OTHER EXPOSURE.—Financial contingencies
9 and other exposures, including—

10 (i) unadjudicated claims;

11 (ii) Federal insurance programs (in-
12 cluding both the financial contingency for
13 and risk assumed by such programs);

14 (iii) net future benefits under Social
15 Security, Medicare Part A, Medicare Part
16 B, and other social insurance programs;

17 (iv) life cycle costs, including deferred
18 and future maintenance and operating
19 costs associated with operating leases and
20 the maintenance of capital assets;

21 (v) unfunded portions of incrementally
22 funded capital projects;

23 (vi) disaster relief; and

24 (vii) others as deemed appropriate.

1 (2) ESTIMATES.—Where available, estimates
 2 for each exposure should be included. Where reason-
 3 able estimates are not available, a range of estimates
 4 may be appropriate.

5 (3) OTHER EXPOSURES.—Exposures that are
 6 analogous to those specified in paragraph (1) shall
 7 also be included in the exposure categories identified
 8 in such paragraph.

9 (c) FORMAT.—The report shall include a 1-page list
 10 of all exposures. Additional disclosures shall include de-
 11 scriptions of exposures, the estimation methodologies and
 12 significant assumptions used, and an analysis of the impli-
 13 cations of the exposures for the long-term financial out-
 14 look. Additional analysis deemed informative may be pro-
 15 vided on subsequent pages.

16 (d) REVIEW WITH CONGRESS.—Following the sub-
 17 mission of the report on fiscal exposures to the Senate
 18 and the House of Representatives, the Comptroller Gen-
 19 eral shall review and report to the committee reviewing
 20 the report on the report, discussing—

- 21 (1) the extent to which all required disclosures
- 22 under this section have been made;
- 23 (2) the quality of the cost estimates;
- 24 (3) the scope of the information;
- 25 (4) the long-range financial outlook; and

1 (5) any other matters deemed appropriate.

2 (e) DEFINITIONS.—In this section:

3 (1) LIABILITIES.—The terms “liabilities”,
4 “commitments”, and “contingencies” shall be de-
5 fined in accordance with generally accepted account-
6 ing principles and standards of the United States
7 Federal Government.

8 (2) NET FUTURE BENEFIT PAYMENTS.—The
9 term “net future benefit payments” means the net
10 present value of negative cashflow. Negative
11 cashflow is to be calculated as the current amount
12 of funds needed to cover projected shortfalls, exclud-
13 ing trust fund balances, over a 75-year period. This
14 estimate should include births during the period and
15 individuals below age 15 as of January 1 of the
16 valuation year.

17 (3) RISK ASSUMED.—The term “risk assumed”
18 means the full portion of the risk premium based on
19 the expected cost of losses inherent in the Govern-
20 ment’s commitment that is not charged to the in-
21 sured. For example, the present value of unpaid ex-
22 pected losses net of associated premiums, based on
23 the risk assumed as a result of insurance coverage.

1 **SEC. 106. SENATE SETS 302(b) ALLOCATIONS.**

2 The Congressional Budget Act of 1974 (2 U.S.C. 621
3 et seq.) is amended—

4 (1) in section 301(e)(2)(F) (2 U.S.C.
5 632(e)(2)(F)), by striking “section 302(a)” and in-
6 serting “subsections (a) and (b) of section 302”; and

7 (2) in section 302 (2 U.S.C. 633), by striking
8 subsection (b) and inserting the following:

9 “(b) SUBALLOCATIONS FOR APPROPRIATIONS COM-
10 MITTEE.—The joint explanatory statement accompanying
11 a conference report on a concurrent resolution on the
12 budget shall include suballocations of amounts allocated
13 to the Committees on Appropriations of each amount allo-
14 cated to those committees under subsection (a) among
15 each of the subcommittees of those committees.”.

16 **SEC. 107. LONG-TERM COST RECOGNITION POINT OF**
17 **ORDER.**

18 (a) IN GENERAL.—Title III of the Congressional
19 Budget Act of 1974 is amended by adding at the end the
20 following:

21 “LONG-TERM COST RECOGNITION POINT OF ORDER

22 “SEC. 318. (a) CONGRESSIONAL BUDGET OFFICE
23 ANALYSIS.—

24 “(1) IN GENERAL.—CBO shall, in conjunction
25 with the analysis required by section 402, prepare
26 and submit to the Committees on the Budget of the

1 House of Representatives and Senate a report on
 2 each bill, joint resolution, amendment, motion, or
 3 conference report reported by any committee of the
 4 House of Representatives or the Senate that con-
 5 tains any cost drivers that CBO concludes are likely
 6 to have the effect of increasing the cost path of that
 7 measure such that the estimated discounted cash
 8 flows of the measure in the 10 years following the
 9 10th year after the measure takes effect would be
 10 150 percent or greater of the level of the estimated
 11 discounted cash flows of the measure at the end of
 12 the 10 years following the enactment of the meas-
 13 ure.

14 “(2) PROJECTIONS.—Where possible, CBO
 15 should use existing long-term projections of cost
 16 drivers prepared by the appropriate Federal agency.

17 “(3) LIMIT.—Nothing in this section requires
 18 CBO to develop cost estimates for a measure beyond
 19 the 10th year after the measure takes effect.

20 “(b) COST DRIVERS.—Cost drivers CBO shall con-
 21 sider under subsection (a) include—

22 “(1) demographic changes;

23 “(2) new technologies; and

24 “(3) environmental factors.

1 “(c) POINT OF ORDER.—It shall not be in order in
 2 the House of Representatives or the Senate to consider
 3 any bill, joint resolution, amendment, motion, or con-
 4 ference report that CBO determines will increase the level
 5 of the estimated discounted cash flows of that measure
 6 as reported in subsection (a) by 150 percent or more.”.

7 **TITLE II—REFORM OF BUDG-**
 8 **ETARY TREATMENT OF FED-**
 9 **ERAL INSURANCE PROGRAMS**

10 **SEC. 201. FEDERAL INSURANCE PROGRAMS.**

11 (a) IN GENERAL.—The Congressional Budget Act of
 12 1974 is amended by adding after title V the following new
 13 title:

14 **“TITLE VI—BUDGETARY TREAT-**
 15 **MENT OF FEDERAL INSUR-**
 16 **ANCE PROGRAMS**

17 **“SEC. 601. SHORT TITLE.**

18 “This title may be cited as the ‘Federal Insurance
 19 Budgeting Act of 2005’.

20 **“SEC. 602. BUDGETARY TREATMENT.**

21 “(a) PRESIDENT’S BUDGET.—Beginning with fiscal
 22 year 2010, the budget of the Government submitted pur-
 23 suant to section 1105(a) of title 31, United States Code,
 24 shall be based on the risk-assumed cost of Federal insur-
 25 ance programs.

1 “(b) BUDGET ACCOUNTING.—For any Federal insur-
 2 ance program—

3 “(1) the program account shall—

4 “(A) pay the risk-assumed cost borne by
 5 taxpayers to the financing account; and

6 “(B) pay actual insurance program admin-
 7 istrative costs; and

8 “(2) the financing account shall—

9 “(A) receive premiums and other income;

10 “(B) pay all claims for insurance and re-
 11 ceive all recoveries; and

12 “(C) transfer to the program account on
 13 not less than an annual basis amounts nec-
 14 essary to pay insurance program administrative
 15 costs;

16 “(3) a negative risk-assumed cost shall be
 17 transferred from the financing account to the pro-
 18 gram account, and shall be transferred from the pro-
 19 gram account to the general fund; and

20 “(4) all payments by or receipts of the financ-
 21 ing accounts shall be treated in the budget as a
 22 means of financing.

23 “(c) APPROPRIATIONS REQUIRED.—(1) Notwith-
 24 standing any other provision of law, insurance commit-
 25 ments may be made for fiscal year 2008 and thereafter

1 only to the extent that new budget authority to cover their
 2 risk-assumed cost is provided in advance in an appropria-
 3 tion Act.

4 “(2) An outstanding insurance commitment shall not
 5 be modified in a manner that increases its risk-assumed
 6 cost unless budget authority for the additional cost has
 7 been provided in advance.

8 “(3) Paragraph (1) shall not apply to Federal insur-
 9 ance programs that constitute entitlements.

10 “(d) REESTIMATES.—

11 “(1) IN GENERAL.—The risk-assumed cost for
 12 a fiscal year shall be reestimated in each subsequent
 13 year. Such reestimate can equal zero. In the case of
 14 a positive reestimate, the amount of the reestimate
 15 shall be paid from the program account to the fi-
 16 nancing account. In the case of a negative reesti-
 17 mate, the amount of the reestimate shall be paid
 18 from the financing account to the program account,
 19 and shall be transferred from the program account
 20 to the general fund. Reestimates shall be displayed
 21 as a distinct and separately identified subaccount in
 22 the program account.

23 “(2) APPROPRIATIONS.—There are appro-
 24 priated such sums as are necessary to fund a posi-
 25 tive reestimate under paragraph (1).

1 “(e) ADMINISTRATIVE EXPENSES.—All funding for
 2 an agency’s administration of a Federal insurance pro-
 3 gram shall be displayed as a distinct and separately identi-
 4 fied subaccount in the program account.

5 **“SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL**
 6 **BUDGETING FOR FEDERAL INSURANCE PRO-**
 7 **GRAMS.**

8 “(a) AGENCY REQUIREMENTS.—Agencies with re-
 9 sponsibility for Federal insurance programs shall develop
 10 models to estimate their risk-assumed cost by year
 11 through the budget horizon and shall submit those models,
 12 all relevant data, a justification for critical assumptions,
 13 and the annual projected risk-assumed costs to OMB with
 14 their budget requests each year starting with the request
 15 for fiscal year 2007. Agencies will likewise provide OMB
 16 with annual estimates of modifications, if any, and reesti-
 17 mates of program costs.

18 “(b) DISCLOSURE.—When the President submits a
 19 budget of the Government pursuant to section 1105(a) of
 20 title 31, United States Code, for fiscal year 2007, OMB
 21 shall publish a notice in the Federal Register advising in-
 22 terested persons of the availability of information describ-
 23 ing the models, data (including sources), and critical as-
 24 sumptions (including explicit or implicit discount rate as-
 25 sumptions) that it or other executive branch entities would

1 use to estimate the risk-assumed cost of Federal insurance
2 programs and giving such persons an opportunity to sub-
3 mit comments. At the same time, the chairman of the
4 Committee on the Budget shall publish a notice for CBO
5 in the Federal Register advising interested persons of the
6 availability of information describing the models, data (in-
7 cluding sources), and critical assumptions (including ex-
8 plicit or implicit discount rate assumptions) that it would
9 use to estimate the risk-assumed cost of Federal insurance
10 programs and giving such interested persons an oppor-
11 tunity to submit comments.

12 “(c) REVISION.—After consideration of comments
13 pursuant to subsection (b), and in consultation with the
14 Committees on the Budget of the House of Representa-
15 tives and the Senate, OMB and CBO shall revise the mod-
16 els, data, and major assumptions they would use to esti-
17 mate the risk-assumed cost of Federal insurance pro-
18 grams.

19 “(d) OMB, CBO, AND GAO EVALUATIONS.—(1) Not
20 later than 6 months after the budget submission of the
21 President pursuant to section 1105(a) of title 31, United
22 States Code, for fiscal year 2009, OMB, CBO, and GAO
23 shall each submit to the Committees on the Budget of the
24 House of Representatives and the Senate a report that

1 evaluates the advisability and appropriate implementation
2 of this title.

3 “(2) Each report made pursuant to paragraph (1)
4 shall address the following:

5 “(A) The adequacy of risk-assumed estimation
6 models used and alternative modeling methods.

7 “(B) The availability and reliability of data or
8 information necessary to carry out this title.

9 “(C) The appropriateness of the explicit or im-
10 plicit discount rate used in the various risk-assumed
11 estimation models.

12 “(D) The advisability of specifying a statutory
13 discount rate (such as the Treasury rate) for use in
14 risk-assumed estimation models.

15 “(E) The ability of OMB, CBO, or GAO, as ap-
16 plicable, to secure any data or information directly
17 from any Federal agency necessary to enable it to
18 carry out this title.

19 “(F) The relationship between risk-assumed ac-
20 crual budgeting for Federal insurance programs and
21 the specific requirements of the Balanced Budget
22 and Emergency Deficit Control Act of 1985.

23 “(G) Whether Federal budgeting is improved by
24 the inclusion of risk-assumed cost estimates for Fed-
25 eral insurance programs.

1 “(H) The advisability of including each of the
2 programs currently estimated on a risk-assumed cost
3 basis in the Federal budget on that basis.

4 **“SEC. 604. DEFINITIONS.**

5 “For purposes of this title:

6 “(1) The term ‘CBO’ means the Director of the
7 Congressional Budget Office.

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

11 “(3) The term ‘Federal insurance program’
12 means a program that makes insurance commit-
13 ments and includes the list of such programs as to
14 be defined by the budget concepts commission, as re-
15 quired by title IV of the Truth in Budgeting and So-
16 cial Security Protection Act of 2005.

17 “(4) The term ‘financing account’ means the
18 nonbudget account that is associated with each pro-
19 gram account which receives payments from or
20 makes payments to the program account, receives
21 premiums and other payments from the public, pays
22 insurance claims, and holds balances.

23 “(5) The term ‘GAO’ means the Comptroller
24 General of the United States.

1 “(6) The term ‘insurance commitment’ means
2 an agreement in advance by a Federal agency to in-
3 demnify a non-Federal entity against specified
4 losses. This term does not include loan guarantees
5 as defined in title V or benefit programs such as so-
6 cial security, medicare, and similar existing social in-
7 surance programs.

8 “(7) The term ‘model’ means any actuarial, fi-
9 nancial, econometric, probabilistic, or other method-
10 ology used to estimate the expected frequency and
11 magnitude of loss-producing events, expected pre-
12 miums or collections from or on behalf of the in-
13 sured, expected recoveries, and administrative ex-
14 penses.

15 “(8) The term ‘modification’ means any Gov-
16 ernment action that alters the risk-assumed cost of
17 an existing insurance commitment from the current
18 estimate of cash flows. This includes any action re-
19 sulting from new legislation, or from the exercise of
20 administrative discretion under existing law, that di-
21 rectly or indirectly alters the estimated cost of exist-
22 ing insurance commitments.

23 “(9) The term ‘OMB’ means the Director of
24 the Office of Management and Budget.

1 “(10) The term ‘program account’ means the
 2 budget account for the risk-assumed cost, and for
 3 paying all costs of administering the insurance pro-
 4 gram, and is the account from which the risk-as-
 5 sumed cost is disbursed to the financing account.

6 “(11)(A) The term ‘risk-assumed cost’ means
 7 the net present value of the estimated cash flows to
 8 and from the Government resulting from an insur-
 9 ance commitment or modification thereof.

10 “(B) The cash flows associated with an insur-
 11 ance commitment include—

12 “(i) expected claims payments inherent in
 13 the Government’s commitment;

14 “(ii) net premiums (expected premium col-
 15 lections received from or on behalf of the in-
 16 sured less expected administrative expenses);

17 “(iii) expected recoveries; and

18 “(iv) expected changes in claims, pre-
 19 miums, or recoveries resulting from the exercise
 20 by the insured of any option included in the in-
 21 surance commitment.

22 “(C) The cost of a modification is the difference
 23 between the current estimate of the net present
 24 value of the remaining cash flows under the terms
 25 of the insurance commitment, and the current esti-

1 mate of the net present value of the remaining cash
2 flows under the terms of the insurance commitment
3 as modified.

4 “(D) The cost of a reestimate is the difference
5 between the net present value of the amount cur-
6 rently required by the financing account to pay esti-
7 mated claims and other expenditures and the
8 amount currently available in the financing account.
9 The cost of a reestimate shall be accounted for in
10 the current year in the budget of the Government
11 submitted pursuant to section 1105(a) of title 31,
12 United States Code.

13 “(E) For purposes of this definition, expected
14 administrative expenses shall be construed as the
15 amount estimated to be necessary for the proper ad-
16 ministration of the insurance program. This amount
17 may differ from amounts actually appropriated or
18 otherwise made available for the administration of
19 the program.

20 **“SEC. 605. AUTHORIZATIONS TO ENTER INTO CONTRACTS;**
21 **ACTUARIAL COST ACCOUNT.**

22 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
23 is authorized to be appropriated \$600,000 for each of fis-
24 cal years 2006 through 2011 to the Director of the Office
25 of Management and Budget and each agency responsible

1 for administering a Federal program to carry out this
2 title.

3 “(b) TREASURY TRANSACTIONS WITH THE FINANC-
4 ING ACCOUNTS.—The Secretary of the Treasury shall bor-
5 row from, receive from, lend to, or pay the insurance fi-
6 nancing accounts such amounts as may be appropriate.
7 The Secretary of the Treasury may prescribe forms and
8 denominations, maturities, and terms and conditions for
9 the transactions described above. The authorities de-
10 scribed above shall not be construed to supersede or over-
11 ride the authority of the head of a Federal agency to ad-
12 minister and operate an insurance program. All the trans-
13 actions provided in this subsection shall be subject to the
14 provisions of subchapter II of chapter 15 of title 31,
15 United States Code. Cash balances of the financing ac-
16 counts in excess of current requirements shall be main-
17 tained in a form of uninvested funds, and the Secretary
18 of the Treasury shall pay interest on these funds.

19 “(c) APPROPRIATION OF AMOUNT NECESSARY TO
20 COVER RISK-ASSUMED COST OF INSURANCE COMMIT-
21 MENTS AT TRANSITION DATE.—(1) A financing account
22 is established on September 30, 2009, for each Federal
23 insurance program.

24 “(2) These financing accounts shall be used in imple-
25 menting the budget accounting required by this title.

1 **“SEC. 606. EFFECTIVE DATE.**

2 “(a) IN GENERAL.—This title shall take effect imme-
3 diately and shall expire on September 30, 2011.

4 “(b) SPECIAL RULE.—If this title is not reauthorized
5 by September 30, 2011, then the accounting structure and
6 budgetary treatment of Federal insurance programs shall
7 revert to the accounting structure and budgetary treat-
8 ment in effect immediately before the date of enactment
9 of this title.”.

10 (b) CONFORMING AMENDMENT.—The table of con-
11 tents set forth in section 1(b) of the Congressional Budget
12 and Impoundment Control Act of 1974 is amended by in-
13 serting after the item relating to section 507 the following
14 new items:

“TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE
PROGRAMS

“Sec. 601. Short title.

“Sec. 602. Budgetary treatment.

“Sec. 603. Timetable for implementation of accrual budgeting for Federal
insurance programs.

“Sec. 604. Definitions.

“Sec. 605. Authorizations to enter into contracts; actuarial cost account.

“Sec. 606. Effective date.”.

15 **TITLE III—BIENNIAL BUDG-**
16 **ETING AND APPROPRIATIONS**

17 **SEC. 301. REVISION OF TIMETABLE.**

18 Section 300 of the Congressional Budget Act of 1974
19 (2 U.S.C. 631) is amended to read as follows:

1 “TIMETABLE

2 “SEC. 300. (a) IN GENERAL.—Except as provided by
 3 subsection (b), the timetable with respect to the congres-
 4 sional budget process for any Congress (beginning with
 5 the second session of the One Hundred Ninth Congress)
 6 is as follows:

First Session	
On or before:	Action to be completed:
First Monday in Feb- ruary.	President submits budget recommendations.
February 15	Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after budget submis- sion.	Committees submit views and estimates to Budget Committees.
April 1	Budget Committees report concurrent resolution on the biennial budget.
May 15	Congress completes action on concurrent resolution on the biennial budget.
May 15	Biennial appropriation bills may be considered in the House.
June 10	House Appropriations Committee reports last biennial appropriation bill.
June 30	House completes action on biennial appropriation bills.
August 1	Congress completes action on reconciliation legisla- tion.
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 sub- mits budget review.	Congressional Budget Office submits report to Budget Committees.
The last day of the ses- sion.	Congress completes action on bills and resolutions au- thorizing 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 immediately following
 3 a leap year and during which the term of a President (ex-
 4 cept a President who succeeds himself) begins, the fol-
 5 lowing dates shall supersede those set forth in subsection
 6 (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 concurrent resolution on the biennial budget.
June 1	Congress completes action on concurrent resolution on the biennial budget.
July 1	Biennial appropriation bills may be considered in the House.
July 20	House completes action on biennial appropriation bills.
August 1	Congress completes action on reconciliation legislation.
October 1	Biennium begins.”.

7 **SEC. 302. AMENDMENTS TO THE CONGRESSIONAL BUDGET**
 8 **AND IMPOUNDMENT CONTROL ACT OF 1974.**

9 (a) DECLARATION OF PURPOSE.—Section 2(2) of the
 10 Congressional Budget and Impoundment Control Act of
 11 1974 (2 U.S.C. 621(2)) is amended by striking “each
 12 year” and inserting “biennially”.

13 (b) DEFINITIONS.—

14 (1) BUDGET RESOLUTION.—Section 3(4) of
 15 such Act (2 U.S.C. 622(4)) is amended by striking

1 “fiscal year” each place it appears and inserting “bi-
2 ennium”.

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

6 “(11) The term ‘biennium’ means the period of
7 2 consecutive fiscal years beginning on October 1 of
8 any odd-numbered year.”.

9 (c) BIENNIAL CONCURRENT RESOLUTION ON THE
10 BUDGET.—

11 (1) CONTENTS OF RESOLUTION.—Section
12 301(a) of such Act (2 U.S.C. 632(a)) is amended—

13 (A) in the matter preceding paragraph (1)
14 by—

15 (i) striking “April 15 of each year”
16 and inserting “May 15 of each odd-num-
17 bered year”;

18 (ii) striking “the fiscal year beginning
19 on October 1 of such year” the first place
20 it appears and inserting “the biennium be-
21 ginning on October 1 of such year”; and

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

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

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

7 (2) ADDITIONAL MATTERS.—Section 301(b)(3)
8 of such Act (2 U.S.C. 632(b)) is amended by strik-
9 ing “for such fiscal year” and inserting “for either
10 fiscal year in such biennium”.

11 (3) VIEWS OF OTHER COMMITTEES.—Section
12 301(d) of such Act (2 U.S.C. 632(d)) is amended by
13 inserting “(or, if applicable, as provided by section
14 300(b))” after “United States Code”.

15 (4) HEARINGS.—Section 301(e)(1) of such Act
16 (2 U.S.C. 632(e)) is amended by—

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

19 (B) inserting after the second sentence the
20 following: “On or before April 1 of each odd-
21 numbered year (or, if applicable, as provided by
22 section 300(b)), the Committee on the Budget
23 of each House shall report to its House the con-
24 current resolution on the budget referred to in

1 subsection (a) for the biennium beginning on
 2 October 1 of that year.”.

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

7 (6) ECONOMIC ASSUMPTIONS.—Section
 8 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is
 9 amended by striking “for a fiscal year” and insert-
 10 ing “for a biennium”.

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

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

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

20 (1) in subsection (a)(1), by—

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

1 (B) striking “for that period of fiscal
2 years” and inserting “for all fiscal years cov-
3 ered by the resolution”; and

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

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

9 (3) in subsection (f)(1), by striking “first fiscal
10 year” and inserting “each fiscal year of the bien-
11 nium”;

12 (4) in subsection (f)(2)(A), by—

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

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

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

20 (e) SECTION 303 POINT OF ORDER.—

21 (1) IN GENERAL.—Section 303(a) of such Act
22 (2 U.S.C. 634(a)) is amended by striking “first fis-
23 cal year” and inserting “each fiscal year of the bien-
24 nium”.

1 (2) EXCEPTIONS IN THE HOUSE.—Section
 2 303(b)(1) of such Act (2 U.S.C. 634(b)) is amend-
 3 ed—

4 (A) in subparagraph (A), by striking “the
 5 budget year” and inserting “the biennium”;
 6 and

7 (B) in subparagraph (B), by striking “the
 8 fiscal year” and inserting “the biennium”.

9 (3) APPLICATION TO THE SENATE.—Section
 10 303(c)(1) of such Act (2 U.S.C. 634(c)) is amended
 11 by—

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

14 (B) striking “that year” and inserting
 15 “each fiscal year of that biennium”.

16 (f) PERMISSIBLE REVISIONS OF CONCURRENT RESO-
 17 LUTIONS ON THE BUDGET.—Section 304(a) of such Act
 18 (2 U.S.C. 635) is amended—

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

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

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

24 (g) PROCEDURES FOR CONSIDERATION OF BUDGET
 25 RESOLUTIONS.—Section 305(a)(3) of such Act (2 U.S.C.

1 636(b)(3)) is amended by striking “fiscal year” and in-
 2 serting “biennium”.

3 (h) COMPLETION OF HOUSE ACTION ON APPROPRIA-
 4 TION BILLS.—Section 307 of such Act (2 U.S.C. 638) is
 5 amended—

6 (1) by striking “each year” and inserting “each
 7 odd-numbered year”;

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

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

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

14 (i) COMPLETION OF ACTION ON REGULAR APPRO-
 15 PRIATION BILLS.—Section 309 of such Act (2 U.S.C.
 16 640) is amended—

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

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

21 (3) by striking “fiscal year” and inserting “bi-
 22 ennium”.

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

1 (1) in the matter preceding paragraph (1), by
2 striking “any fiscal year” and inserting “any bien-
3 nium”; and

4 (2) in paragraph (1) by striking “such fiscal
5 year” each place it appears and inserting “any fiscal
6 year covered by such resolution”.

7 (k) SECTION 311 POINT OF ORDER.—

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

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

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

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

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

19 (A) in subparagraph (A), by striking “for
20 the first fiscal year” and inserting “for either
21 fiscal year of the biennium”; and

22 (B) in subparagraph (B)—

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

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

4 (3) SOCIAL SECURITY LEVELS.—Section
 5 311(a)(3) of such Act is amended by—

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

9 (B) striking “that fiscal year and the ensu-
 10 ing fiscal years” and inserting “all fiscal
 11 years”.

12 (l) MDA POINT OF ORDER.—Section 312(c) of the
 13 Congressional Budget Act of 1974 (2 U.S.C. 643) is
 14 amended—

15 (1) by striking “for a fiscal year” and inserting
 16 “for a biennium”;

17 (2) in paragraph (1), by striking “first fiscal
 18 year” and inserting “either fiscal year in the bien-
 19 nium”;

20 (3) in paragraph (2), by striking “that fiscal
 21 year” and inserting “either fiscal year in the bien-
 22 nium”; and

23 (4) in the matter following paragraph (2), by
 24 striking “that fiscal year” and inserting “the appli-
 25 cable fiscal year”.

1 **SEC. 303. AMENDMENTS TO TITLE 31, UNITED STATES**

2 **CODE.**

3 (a) DEFINITION.—Section 1101 of title 31, United
4 States Code, is amended by adding at the end thereof the
5 following new paragraph:

6 “(3) ‘biennium’ has the meaning given to such
7 term in paragraph (11) of section 3 of the Congres-
8 sional Budget and Impoundment Control Act of
9 1974 (2 U.S.C. 622(11)).”.

10 (b) BUDGET CONTENTS AND SUBMISSION TO CON-
11 GRESS.—

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

15 “(a) On or before the first Monday in February of
16 each odd-numbered year (or, if applicable, as provided by
17 section 300(b) of the Congressional Budget Act of 1974),
18 beginning with the One Hundred Seventh Congress, the
19 President shall transmit to Congress, the budget for the
20 biennium beginning on October 1 of such calendar year.
21 The budget transmitted under this subsection shall include
22 a budget message and summary and supporting informa-
23 tion. The President shall include in each budget the fol-
24 lowing:”.

25 (2) EXPENDITURES.—Section 1105(a)(5) of
26 title 31, United States Code, is amended by striking

1 “the fiscal year for which the budget is submitted
 2 and the 4 fiscal years after that year” and inserting
 3 “each fiscal year in the biennium for which the
 4 budget is submitted and in the succeeding 4 years”.

5 (3) RECEIPTS.—Section 1105(a)(6) of title 31,
 6 United States Code, is amended by striking “the fis-
 7 cal year for which the budget is submitted and the
 8 4 fiscal years after that year” and inserting “each
 9 fiscal year in the biennium for which the budget is
 10 submitted and in the succeeding 4 years”.

11 (4) BALANCE STATEMENTS.—Section
 12 1105(a)(9)(C) of title 31, United States Code, is
 13 amended by striking “the fiscal year” and inserting
 14 “each fiscal year in the biennium”.

15 (5) FUNCTIONS AND ACTIVITIES.—Section
 16 1105(a)(12) of title 31, United States Code, is
 17 amended in subparagraph (A), by striking “the fis-
 18 cal year” and inserting “each fiscal year in the bien-
 19 nium”.

20 (6) ALLOWANCES.—Section 1105(a)(13) of title
 21 31, United States Code, is amended by striking “the
 22 fiscal year” and inserting “each fiscal year in the bi-
 23 ennium”.

24 (7) ALLOWANCES FOR UNCONTROLLED EX-
 25 PENDITURES.—Section 1105(a)(14) of title 31,

1 United States Code, is amended by striking “that
 2 year” and inserting “each fiscal year in the bien-
 3 nium for which the budget is submitted”.

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

8 (9) FUTURE YEARS.—Section 1105(a)(17) of
 9 title 31, United States Code, is amended—

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

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

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

18 (10) PRIOR YEAR OUTLAYS.—Section
 19 1105(a)(18) of title 31, United States Code, is
 20 amended—

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

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

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

3 (11) PRIOR YEAR RECEIPTS.—Section
 4 1105(a)(19) of title 31, United States Code, is
 5 amended—

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

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

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

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

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

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

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

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

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

7 (f) SUPPLEMENTAL BUDGET ESTIMATES AND
8 CHANGES.—

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

11 (A) in the matter preceding paragraph (1),
12 by—

13 (i) striking “Before July 16 of each
14 year,” and inserting “Before February 15
15 of each even numbered year,”; and

16 (ii) striking “fiscal year” and insert-
17 ing “biennium”;

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

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

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

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

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

5 (B) striking “April 11 and July 16 of each
6 year” and inserting “February 15 of each even-
7 numbered year”; and

8 (C) striking “July 16” and inserting “Feb-
9 ruary 15 of each even-numbered year.”.

10 (g) CURRENT PROGRAMS AND ACTIVITIES ESTI-
11 MATES.—

12 (1) IN GENERAL.—Section 1109(a) of title 31,
13 United States Code, is amended—

14 (A) by striking “On or before the first
15 Monday after January 3 of each year (on or be-
16 fore February 5 in 1986)” and inserting “At
17 the same time the budget required by section
18 1105 is submitted for a biennium”; and

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

21 (2) JOINT ECONOMIC COMMITTEE.—Section
22 1109(b) of title 31, United States Code, is amended
23 by striking “March 1 of each year” and inserting
24 “within 6 weeks of the President’s budget submis-
25 sion for each odd-numbered year (or, if applicable,

1 as provided by section 300(b) of the Congressional
 2 Budget Act of 1974)”.
 3

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

7 (1) striking “May 16” and inserting “March
 8 31”; and

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

13 **SEC. 304. TWO-YEAR APPROPRIATIONS; TITLE AND STYLE**
 14 **OF APPROPRIATIONS ACTS.**

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

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

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

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

1 “(c) For purposes of this section, the term ‘biennium’
 2 has the same meaning as in section 3(11) of the Congres-
 3 sional Budget and Impoundment Control Act of 1974 (2
 4 U.S.C. 622(11)).”.

5 **SEC. 305. MULTIYEAR AUTHORIZATIONS.**

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

9 “AUTHORIZATIONS OF APPROPRIATIONS

10 “SEC. 319. (a) POINT OF ORDER.—It shall not be
 11 in order in the House of Representatives or the Senate
 12 to consider—

13 “(1) any bill, joint resolution, amendment, mo-
 14 tion, or conference report that authorizes appropria-
 15 tions for a period of less than 2 fiscal years, unless
 16 the program, project, or activity for which the ap-
 17 propriations are authorized will require no further
 18 appropriations and will be completed or terminated
 19 after the appropriations have been expended; and

20 “(2) in any odd-numbered year, any authoriza-
 21 tion or revenue bill or joint resolution until Congress
 22 completes action on the biennial budget resolution,
 23 all regular biennial appropriations bills, and all rec-
 24 onciliation bills.

25 “(b) APPLICABILITY.—In the Senate, subsection (a)
 26 shall not apply to—

1 “(1) any measure that is privileged for consid-
 2 eration pursuant to a rule or statute;

3 “(2) any matter considered in Executive Ses-
 4 sion; or

5 “(3) an appropriations measure or reconcili-
 6 ation bill.”.

7 (b) AMENDMENT TO TABLE OF CONTENTS.—The
 8 table of contents set forth in section 1(b) of the Congres-
 9 sional Budget and Impoundment Control Act of 1974 is
 10 amended by adding after the item relating to section 318
 11 the following new item:

“Sec. 319. Authorizations of appropriations.”.

12 **SEC. 306. GOVERNMENT 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 inserting “at least every four years”; and

20 (B) by striking “five years forward” and
 21 inserting “six years forward”; and

22 (3) in subsection (c), by inserting a comma
 23 after “section” the second place it appears and add-
 24 ing “including a strategic plan submitted by Sep-

1 tember 30, 2005 meeting the requirements of sub-
2 section (a)’’.

3 (b) BUDGET CONTENTS AND SUBMISSION TO CON-
4 GRESS.—Paragraph (28) of section 1105(a) of title 31,
5 United States Code, is amended by striking “beginning
6 with fiscal year 1999, a” and inserting “beginning with
7 fiscal year 2006, a biennial”.

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

10 (1) in subsection (a)—

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

12 (i) by striking “section 1105(a)(29)”
13 and inserting “section 1105(a)(28)”; and

14 (ii) by striking “an annual” and in-
15 serting “a biennial”;

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

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

21 (D) in paragraph (6), by striking the pe-
22 riod and inserting a semicolon; and inserting
23 “and” after the inserted semicolon; and

24 (E) by adding after paragraph (6) the fol-
25 lowing:

1 “(7) cover a 2-year period beginning with the
2 first fiscal year of the next biennial budget cycle.”;

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

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

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

10 (1) in subsection (a)—

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

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

15 (2) in subsection (e)—

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

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

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

23 (e) PILOT PROJECTS FOR PERFORMANCE BUDG-
24 ETING.—Section 1119 of title 31, United States Code, is
25 amended—

1 (1) in paragraph (1) of subsection (d), by strik-
 2 ing “annual” and inserting “biennial”; and

3 (2) in subsection (e), by striking “annual” and
 4 inserting “biennial”.

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

7 (1) in subsection (a), by striking “September
 8 30, 1997” and inserting “September 30, 2003”;

9 (2) in subsection (b), by striking “at least every
 10 three years” and inserting “at least every 4 years”;

11 (3) by striking “five years forward” and insert-
 12 ing “six years forward”; and

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

18 (g) PERFORMANCE PLANS.—Section 2803(a) of title
 19 39, United States Code, is amended—

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

22 (2) in paragraph (1), by inserting after “pro-
 23 gram activity” the following: “for both years 1 and
 24 2 of the biennial plan”;

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

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

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

6 “(7) cover a 2-year period beginning with the
7 first fiscal year of the next biennial budget cycle.”.

8 (h) COMMITTEE VIEWS OF PLANS AND REPORTS.—
9 Section 301(d) of the Congressional Budget Act (2 U.S.C.
10 632(d)) is amended by adding at the end “Each committee
11 of the Senate or the House of Representatives shall review
12 the strategic plans, performance plans, and performance
13 reports, required under section 306 of title 5, United
14 States Code, and sections 1115 and 1116 of title 31,
15 United States Code, of all agencies under the jurisdiction
16 of the committee. Each committee may provide its views
17 on such plans or reports to the Committee on the Budget
18 of the applicable House.”.

19 (i) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 this section shall take effect on March 1, 2007.

22 (2) AGENCY ACTIONS.—Effective on and after
23 the date of enactment of this Act, each agency shall
24 take such actions as necessary to prepare and sub-

1 mit any plan or report in accordance with the
 2 amendments made by this Act.

3 **SEC. 307. BIENNIAL APPROPRIATIONS BILLS.**

4 (a) IN GENERAL.—Title III of the Congressional
 5 Budget Act of 1974 (2 U.S.C. 631 et seq.) is amended
 6 by adding at the end the following:

7 “CONSIDERATION OF BIENNIAL APPROPRIATIONS BILLS

8 “SEC. 320. It shall not be in order in the House of
 9 Representatives or the Senate in any odd-numbered year
 10 to consider any regular bill providing new budget authority
 11 or a limitation on obligations under the jurisdiction of any
 12 of the subcommittees of the Committees on Appropria-
 13 tions for only the first fiscal year of a biennium, unless
 14 the program, project, or activity for which the new budget
 15 authority or obligation limitation is provided will require
 16 no additional authority beyond 1 year and will be com-
 17 pleted or terminated after the amount provided has been
 18 expended.”.

19 (b) AMENDMENT TO TABLE OF CONTENTS.—The
 20 table of contents set forth in section 1(b) of the Congres-
 21 sional Budget and Impoundment Control Act of 1974 is
 22 amended by adding after the item relating to section 319
 23 the following new item:

“Sec. 320. Consideration of biennial appropriations bills.”.

1 **SEC. 308. REPORT ON TWO-YEAR FISCAL PERIOD.**

2 Not later than 180 days after the date of enactment
3 of this subpart, the Director of OMB shall—

4 (1) determine the impact and feasibility of
5 changing the definition of a fiscal year and the
6 budget process based on that definition to a 2-year
7 fiscal period with a biennial budget process based on
8 the 2-year period; and

9 (2) report the findings of the study to the Com-
10 mittees on the Budget of the House of Representa-
11 tives and the Senate.

12 **SEC. 309. EFFECTIVE DATE.**

13 (a) IN GENERAL.—Except as provided in sections
14 306 and 308 and subsection (b), this title and the amend-
15 ments made by this title shall take effect on January 1,
16 2007, and shall apply to budget resolutions and appropria-
17 tions for the biennium beginning with fiscal year 2008.

18 (b) AUTHORIZATIONS FOR THE BIENNIUM.—For
19 purposes of authorizations for the biennium beginning
20 with fiscal year 2006, the provisions of this title and the
21 amendments made by this title relating to 2-year author-
22 izations shall take effect January 1, 2005.

1 **TITLE IV—COMMISSION ON**
 2 **FEDERAL BUDGET CONCEPTS**

3 **SEC. 401. ESTABLISHMENT OF COMMISSION ON FEDERAL**
 4 **BUDGET CONCEPTS.**

5 There is established a commission to be known as the
 6 Commission on Federal Budget Concepts (referred to in
 7 this title as the “Commission”).

8 **SEC. 402. POWERS AND DUTIES OF COMMISSION.**

9 (a) DUTIES OF THE COMMISSION.—

10 (1) IN GENERAL.—The duties of the Commis-
 11 sion shall include—

12 (A) a review of the 1967 report of the
 13 President’s Commission on Budget Concepts
 14 and assessment of the implementation of the
 15 recommendations of that report;

16 (B) identification and evaluation of the
 17 structure, concepts, classifications, and bases of
 18 accounting of the Federal budget;

19 (C) identification of any applicable general
 20 accounting principles and practices in the pri-
 21 vate sector and evaluation of their value to
 22 budget practices in the Federal sector; and

23 (D) a report that shall include rec-
 24 ommendations for modifications to the struc-
 25 ture, concepts, classifications, and bases of ac-

1 counting of the Federal budget that would en-
2 hance the usefulness of the budget for public
3 policy and financial planning.

4 (2) SPECIFIC AREAS OF CONSIDERATION.—Spe-
5 cific areas for consideration by the Commission shall
6 include the following:

7 (A) Should part ownership by the Govern-
8 ment be sufficient to make an entity Federal
9 and to include it in the budget?

10 (B) When is Federal control of an entity,
11 including control exercised through Federal reg-
12 ulations, sufficient to cause it to be included in
13 the budget?

14 (C) Are privately owned assets under long-
15 term leases to the Federal Government effec-
16 tively purchased by the Government during the
17 lease period?

18 (D) Should there be an “off-budget” sec-
19 tion of the budget? How should the Federal
20 Government differentiate between spending and
21 receipts?

22 (E) Should the total costs of refundable
23 tax credits belong on the spending side of the
24 budget?

1 (F) When should Federal Reserve earnings
2 be reported as receipts or offsetting receipts
3 (negative spending) in the net interest portion
4 of the budget?

5 (G) What is a “user fee” and under what
6 circumstances is it properly an offset to spend-
7 ing or a governmental receipt? What uses do
8 trust funds have?

9 (H) Do trust fund balances provide mis-
10 leading information? Do the roughly 200 trust
11 funds add clarity or confusion to the budget
12 process?

13 (I) Are there better ways than trust fund
14 accounting to identify long-term liabilities?

15 (J) Should accrual budgetary accounting
16 be adopted for Federal retirement, military re-
17 tirement, or Social Security and other entitle-
18 ments?

19 (K) Are off-budget accounts suitable for
20 capturing accruals in the budget?

21 (L) What is the appropriate budgetary
22 treatment of—

23 (i) purchases and sales of financial as-
24 sets, including equities, bonds, and foreign
25 currencies;

- 1 (ii) emergency spending;
- 2 (iii) the cost of holding fixed assets
- 3 (cost of capital);
- 4 (iv) sales of physical assets; and
- 5 (v) seigniorage on coins and currency?

6 (M) When policy changes have strong but
 7 indirect feedback effects on revenues and other
 8 aggregates, should they be reported in budget
 9 estimates?

10 (N) How should the policies that are one-
 11 sided bets on economic events (probabilistic
 12 scoring) be represented in the budget?

13 (b) POWERS OF THE COMMISSION.—

14 (1) CONDUCT OF BUSINESS.—The Commission
 15 may hold hearings, take testimony, receive evidence,
 16 and undertake such other activities necessary to
 17 carry out its duties.

18 (2) ACCESS TO INFORMATION.—The Commis-
 19 sion may secure directly from any department or
 20 agency of the United States information necessary
 21 to carry out its duties. Upon request of the Chair of
 22 the Commission, the head of that department or
 23 agency shall furnish that information to the Com-
 24 mission.

1 (3) POSTAL SERVICE.—The Commission may
2 use the United States mails in the same manner and
3 under the same conditions as other departments and
4 agencies of the United States.

5 **SEC. 403. MEMBERSHIP.**

6 (a) MEMBERSHIP.—The Commission shall be com-
7 posed of 12 members as follows:

8 (1) Three members appointed by the chairman
9 of the Committee on the Budget of the Senate.

10 (2) Three members appointed by the chairman
11 of the Committee on the Budget of the House of
12 Representatives.

13 (3) Three members appointed by the ranking
14 member of the Committee on the Budget of the Sen-
15 ate.

16 (4) Three members appointed by the ranking
17 member of the Committee on the Budget of the
18 House of Representatives.

19 (b) QUALIFICATIONS AND TERM.—

20 (1) QUALIFICATIONS.—Members appointed to
21 the Commission pursuant to subsection (a) shall—

22 (A) have expertise and experience in the
23 fields or disciplines related to the subject areas
24 to be considered by the Commission; and

25 (B) not be Members of Congress.

1 (2) TERM OF APPOINTMENT.—The term of an
2 appointment to the Commission shall be for the life
3 of the Commission.

4 (3) CHAIR AND VICE CHAIR.—The Chair and
5 Vice Chair may be elected from among the members
6 of the Commission. The Vice Chair shall assume the
7 duties of the Chair in the Chair's absence.

8 (c) MEETINGS; QUORUM; AND VACANCIES.—

9 (1) MEETINGS.—The Commission shall meet at
10 least once a month on a day to be decided by the
11 Commission. The Commission may meet at such
12 other times at the call of the Chair or of a majority
13 of its voting members. The meetings of the Commis-
14 sion shall be open to the public, unless by public
15 vote, the Commission shall determine to close a
16 meeting or any portion of a meeting to the public.

17 (2) QUORUM.—A majority of the voting mem-
18 bership shall constitute a quorum of the Commis-
19 sion, except that 3 or more voting members may
20 conduct hearings.

21 (3) VACANCIES.—A vacancy on the Commission
22 shall be filled in the same manner in which the origi-
23 nal appointment was filled under subsection (a).

24 (d) COMPENSATION AND EXPENSES.—Members of
25 the Commission shall serve without pay for their service

1 on the Commission, but may receive travel expenses, in-
2 cluding per diem in lieu of subsistence, at rates authorized
3 for employees of agencies under subchapter I of chapter
4 57 of title 5, United States Code.

5 **SEC. 404. STAFF AND SUPPORT SERVICES.**

6 (a) STAFF.—With the advance approval of the Com-
7 mission, the executive director may appoint such personnel
8 as is appropriate. The staff of the Commission shall be
9 appointed without regard to political affiliation and with-
10 out regard to the provisions of title 5, United States Code,
11 governing appointments in the competitive service, and
12 may be paid without regard to the provisions of chapter
13 51 and subchapter III of chapter 53 of such title relating
14 to classifications and General Schedule pay rates.

15 (b) EXECUTIVE DIRECTOR.—The Chairman shall ap-
16 point an executive director, who shall be paid the rate of
17 basic pay for level II of the Executive Schedule.

18 (c) EXPERTS AND CONSULTANTS.—With the advance
19 approval of the Commission, the executive director may
20 procure temporary and intermittent services under section
21 3109(b) of title 5, United States Code.

22 (d) TECHNICAL AND ADMINISTRATIVE ASSIST-
23 ANCE.—Upon the request of the Commission—

24 (1) the head of any agency, office, or establish-
25 ment within the executive or legislative branches of

1 the United States shall provide, without reimburse-
2 ment, such technical assistance as the Commission
3 determines is necessary to carry out its duties; and

4 (2) the Administrator of General Services shall
5 provide, on a reimbursable basis, such administrative
6 support services as the Commission may require.

7 (e) DETAIL OF FEDERAL PERSONNEL.—Upon the
8 request of the Commission, the head of an agency, office,
9 or establishment in the executive or legislative branch of
10 the United States is authorized to detail, without reim-
11 bursement, any of the personnel of that agency, office, or
12 establishment to the Commission to assist the Commission
13 in carrying out its duties. Any such detail shall not inter-
14 rupt or otherwise affect the employment status or privi-
15 leges of that employee.

16 (f) CBO.—The Director of the Congressional Budget
17 Office shall provide the Commission with its latest re-
18 search on the accuracy of its past budget and economic
19 projections as compared to those of the Office of Manage-
20 ment and Budget and, if possible, those of private sector
21 forecasters. The Commission shall work with the Directors
22 of the Congressional Budget Office and the Office of Man-
23 agement and Budget in their efforts to explain the factors
24 affecting the accuracy of budget projections.

1 **SEC. 405. REPORT.**

2 Not later than July 1, 2006, the Commission shall
3 transmit a report to the President and to each House of
4 Congress. The report shall contain a detailed statement
5 of the findings and conclusions of the Commission, to-
6 gether with its recommendations for such legislative or ad-
7 ministrative actions as it considers appropriate. No find-
8 ing, conclusion, or recommendation may be made by the
9 Commission unless approved by a majority of those voting,
10 a quorum being present. At the request of any Commis-
11 sion member, the report shall include that member's dis-
12 senting findings, conclusions, or recommendations.

13 **SEC. 406. TERMINATION.**

14 The Commission shall terminate 30 days after the
15 date of transmission of the report required in section 405.

16 **SEC. 407. FUNDING.**

17 There are authorized to be appropriated not more
18 than \$1,000,000 to carry out this title. Sums so appro-
19 priated shall remain available until expended.

