

110TH CONGRESS
1ST SESSION

H. R. 1121

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to extend the discretionary spending limits through fiscal year 2012, to extend paygo for direct spending, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 2007

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

A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to extend the discretionary spending limits through fiscal year 2012, to extend paygo for direct spending, and for other purposes.

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.**

4 This Act may be cited as the “Government Waste Re-
5 duction Act of 2007”.

1 **SEC. 2. EXTENSION OF DISCRETIONARY SPENDING LIMITS.**

2 (a) ADJUSTMENTS TO DISCRETIONARY SPENDING
3 LIMITS.—In the matter that precedes subparagraph (A)
4 of section 251(b)(2) of the Balanced Budget and Emer-
5 gency Deficit Control Act of 1985, strike “through 2002”.

6 (b) DISCRETIONARY SPENDING LIMIT.—Section
7 251(c) of the Balanced Budget and Emergency Deficit
8 Control Act of 1985 is amended as follows:

9 (1) Strike paragraphs (1) through (16) and in-
10 sert the following new paragraphs:

11 “(1) with respect to fiscal year 2008, for the
12 discretionary category: \$847,322,000,000 in total
13 new budget authority;

14 “(2) with respect to fiscal year 2009, for the
15 discretionary category: an amount of new budget au-
16 thority equal to the amount of total new budget au-
17 thority specified in paragraph (1) adjusted to reflect
18 the change in Consumer Price Index over the pre-
19 vious 12 months prior to October 1, 2007;

20 “(3) with respect to fiscal year 2010, for the
21 discretionary category: an amount of new budget au-
22 thority equal to the amount of total new budget au-
23 thority provided under paragraph (2) adjusted to re-
24 flect the change in Consumer Price Index over the
25 previous 12 months prior to October 1, 2008;

1 “(4) with respect to fiscal year 2012, for the
2 discretionary category: an amount of new budget au-
3 thority equal to the amount of total new budget au-
4 thority specified in paragraph (3) adjusted to reflect
5 the change in Consumer Price Index over the pre-
6 vious 12 months prior to October 1, 2010; and

7 “(5) with respect to fiscal year 2012, for the
8 discretionary category: an amount of new budget au-
9 thority equal to the amount of total new budget au-
10 thority specified in paragraph (4) adjusted to reflect
11 the change in Consumer Price Index over the pre-
12 vious 12 months prior to October 1, 2010;”.

13 (c) ADJUSTMENTS TO DISCRETIONARY SPENDING
14 LIMITS.—

15 (1) Section 251(b)(2) of the Balanced Budget
16 and Emergency Deficit Control Act of 1985 is
17 amended by striking subparagraphs (C) through (H)
18 and by inserting after subparagraph (B) the fol-
19 lowing new subparagraph:

20 “(C) ACCRUAL ACCOUNTING.—If a bill or
21 joint resolution is enacted that charges Federal
22 agencies for the full cost of accrued Federal re-
23 tirement and health benefits and a bill or joint
24 resolution making appropriations is enacted
25 that provides new budget authority to carry out

1 the legislation charging Federal agencies for
2 such accrued costs, the adjustment shall be
3 equal to the reduction in mandatory budget au-
4 thority and the outlays flowing therefrom esti-
5 mated to result from the legislation charging
6 Federal agencies for such accrued costs.”.

7 (2) Section 251(b)(2)(A) of the Balanced Budg-
8 et and Emergency Deficit Control Act of 1985 is
9 amended by striking the last sentence.

10 (d) DEFINITION OF CONSUMER PRICE INDEX.—Sec-
11 tion 3 of the Congressional Budget and Impoundment
12 Control Act of 1974 is amended by adding at the end the
13 following new paragraph:

14 “(11) The term ‘Consumer Price Index’ refers
15 to the Consumer Price Index for All Urban Con-
16 sumers (all items; United States city average), pub-
17 lished by the Bureau of Labor Statistics.”.

18 **SEC. 3. EXTENSION OF PAY-AS-YOU-GO.**

19 Section 252 of the Balanced Budget and Emergency
20 Deficit Control Act of 1985 is amended to read as follows:

21 **“SEC. 252. ENFORCING PAY-AS-YOU-GO.**

22 “(a) PURPOSE.—The purpose of this section is to as-
23 sure that any legislation enacted before October 1, 2013,
24 affecting direct spending that increases the deficit will
25 trigger an offsetting sequestration.

1 “(b) SEQUESTRATION.—

2 “(1) TIMING.—Not later than 15 calendar days
3 after the date Congress adjourns to end a session
4 and on the same day as a sequestration (if any)
5 under section 251, there shall be a sequestration to
6 offset the amount of any net deficit increase caused
7 by all direct spending legislation enacted before Oc-
8 tober 1, 2013, as calculated under paragraph (2).

9 “(2) CALCULATION OF DEFICIT INCREASE.—
10 OMB shall calculate the amount of deficit increase
11 or decrease by adding—

12 “(A) all OMB estimates for the budget
13 year of direct spending legislation transmitted
14 under subsection (d);

15 “(B) the estimated amount of savings in
16 direct spending programs applicable to budget
17 year resulting from the prior year’s sequestra-
18 tion under this section or, if any, as published
19 in OMB’s final sequestration report for that
20 prior year; and

21 “(C) any net deficit increase or decrease in
22 the current year resulting from all OMB esti-
23 mates for the current year of direct spending
24 legislation transmitted under subsection (d) of

1 this section that were not reflected in the final
2 OMB sequestration report for the current year.

3 “(D) for fiscal year 2008, before making
4 the calculations required in subparagraphs (A)
5 through (C), OMB shall assume an automatic
6 deficit increase of \$33,485,000,000.

7 “(c) ELIMINATING A DEFICIT INCREASE.—(1) The
8 amount required to be sequestered in a fiscal year under
9 subsection (b) shall be obtained from non-exempt direct
10 spending accounts from actions taken in the following
11 order:

12 “(A) FIRST.—All reductions in automatic
13 spending increases specified in section 256(a) shall
14 be made.

15 “(B) SECOND.—If additional reductions in di-
16 rect spending accounts are required to be made, the
17 maximum reductions permissible under sections
18 256(b) (guaranteed and direct student loans) and
19 256(c) (foster care and adoption assistance) shall be
20 made.

21 “(C) THIRD.—(i) If additional reductions in di-
22 rect spending accounts are required to be made,
23 each remaining non-exempt direct spending account
24 shall be reduced by the uniform percentage nec-

1 essary to make the reductions in direct spending re-
2 quired by paragraph (1).

3 “(ii) For purposes of determining reductions
4 under clause (i), outlay reductions (as a result of se-
5 questration of Commodity Credit Corporation com-
6 modity price support contracts in the fiscal year of
7 a sequestration) that would occur in the following
8 fiscal year shall be credited as outlay reductions in
9 the fiscal year of the sequestration.

10 “(2) For purposes of this subsection, accounts shall
11 be assumed to be at the level in the baseline for fiscal
12 year 2009 and for fiscal years 2010 through 2013 at the
13 baseline after adjusting for any sequester in fiscal year
14 2008.

15 “(d) ESTIMATES.—

16 “(1) CBO ESTIMATES.—As soon as practicable
17 after Congress completes action on any direct spend-
18 ing, CBO shall provide an estimate to OMB of that
19 legislation.

20 “(2) OMB ESTIMATES.—Not later than 7 cal-
21 endar days (excluding Saturdays, Sundays, and legal
22 holidays) after the date of enactment of any direct
23 spending, OMB shall transmit a report to the House
24 of Representatives and to the Senate containing—

25 “(A) the CBO estimate of that legislation;

1 “(B) an OMB estimate of that legislation
2 using current economic and technical assump-
3 tions; and

4 “(C) an explanation of any difference be-
5 tween the 2 estimates.

6 “(3) SIGNIFICANT DIFFERENCES.—If during
7 the preparation of the report under paragraph (2)
8 OMB determines that there is a significant dif-
9 ference between the OMB and CBO estimates, OMB
10 shall consult with the Committees on the Budget of
11 the House of Representatives and the Senate regard-
12 ing that difference and that consultation, to the ex-
13 tent practicable, shall include written communication
14 to such committees that affords such committees the
15 opportunity to comment before the issuance of that
16 report.

17 “(4) SCOPE OF ESTIMATES.—The estimates
18 under this section shall include the amount of
19 change in outlays for the current year (if applica-
20 ble), the budget year, and each outyear excluding
21 any amounts resulting from—

22 “(A) full funding of, and continuation of,
23 the deposit insurance guarantee commitment in
24 effect under current estimates; and

1 “(B) emergency provisions as designated
2 under subsection (e).

3 “(5) SCOREKEEPING GUIDELINES.—OMB and
4 CBO, after consultation with each other and the
5 Committees on the Budget of the House of Rep-
6 resentatives and the Senate, shall—

7 “(A) determine common scorekeeping
8 guidelines; and

9 “(B) in conformance with such guidelines,
10 prepare estimates under this section.

11 “(e) EMERGENCY LEGISLATION.—If a provision of
12 direct spending legislation is enacted that the President
13 designates as an emergency requirement and that the Con-
14 gress so designates in statute, the amounts of new budget
15 authority, outlays, and receipts in all fiscal years resulting
16 from that provision shall be designated as an emergency
17 requirement in the reports required under subsection (d)
18 of this section.”.

19 **SEC. 4. CONFORMING AMENDMENTS.**

20 (a) EXPIRATION.—(1) Section 254(c)(2) of the Bal-
21 anced Budget and Emergency Deficit Control Act of 1985
22 is amended by striking “2002” and inserting “2013”.

23 (2) Section 254(f)(2)(A) of the Balanced Budget and
24 Emergency Deficit Control Act of 1985 is amended by
25 striking “2002” and inserting “2013”.

1 (b) EXPIRATION.—Section 275(b) of the Balanced
2 Budget and Emergency Deficit Control Act of 1985 is
3 amended by striking “2002” and inserting “2013”.

4 **SEC. 5. EMERGENCY SPENDING LEGISLATION AND THE**
5 **BASELINE.**

6 (a) IN GENERAL.—Section 257(a) of the Balanced
7 Budget and Emergency Deficit Control Act of 1985 is
8 amended by inserting “, except for emergency appropria-
9 tions covered by section 251(b)(2)(A) and emergency leg-
10 islation covered by section 252(e)” before the period.

11 (b) DIRECT SPENDING AND RECEIPTS.—Section
12 257(b)(2) of the Balanced Budget and Emergency Deficit
13 Control Act of 1985 is amended by adding at the end the
14 following new subparagraph:

15 “(E) Emergency legislation covered by sec-
16 tion 252(e) shall not be extended in the base-
17 line.”.

18 (c) DISCRETIONARY APPROPRIATIONS.—Section
19 257(c) of the Balanced Budget and Emergency Deficit
20 Control Act of 1985 is amended by adding at the end the
21 following new paragraph:

22 “(7) Emergency appropriations covered by sec-
23 tion 251(b)(2)(A) shall not be extended in the base-
24 line.”.

1 **SEC. 6. OMB EMERGENCY CRITERIA.**

2 (a) DEFINITION OF EMERGENCY.—Section 3 of the
3 Congressional Budget and Impoundment Control Act of
4 1974 (as amended by section 2(d) is further amended by
5 adding at the end the following new paragraph:

6 “(12)(A) The term ‘emergency’ means a situa-
7 tion that—

8 “(i) requires new budget authority and
9 outlays (or new budget authority and the out-
10 lays flowing therefrom) for the prevention or
11 mitigation of, or response to, loss of life or
12 property, or a threat to national security; and

13 “(ii) is unanticipated.

14 “(B) As used in subparagraph (A), the term
15 ‘unanticipated’ means that the underlying situation
16 is—

17 “(i) sudden, which means quickly coming
18 into being or not building up over time;

19 “(ii) urgent, which means a pressing and
20 compelling need requiring immediate action;

21 “(iii) unforeseen, which means not pre-
22 dicted or anticipated as an emerging need; and

23 “(iv) temporary, which means not of a per-
24 manent duration.”.

25 (b) CONFORMING AMENDMENT.—Section 250(c) of
26 the Balanced Budget and Emergency Deficit Control Act

1 Control Act of 1985 unless the proposed emergency re-
2 quirement meets the definition of an ‘emergency’ set out
3 in section 3 of the Congressional Budget and Impound-
4 ment Control Act of 1974.

5 “(c) WAIVER AND APPEAL IN THE SENATE.—This
6 section may be waived or suspended in the Senate only
7 by an affirmative vote of three-fifths of the Members, duly
8 chosen and sworn. An affirmative vote of three-fifths of
9 the Members of the Senate, duly chosen and sworn, shall
10 be required in the Senate to sustain an appeal of the rul-
11 ing of the Chair on a point of order raised under this sec-
12 tion.

13 “(d) ENFORCEMENT IN THE HOUSE OF REPRESENT-
14 ATIVES.—It shall not be in order in the House of Rep-
15 resentatives to consider a rule or order that waives the
16 application of subsection (b).

17 “(e) DISPOSITION OF POINTS OF ORDER IN THE
18 HOUSE.—As disposition of a point of order under sub-
19 section (b) or subsection (d), the Chair shall put the ques-
20 tion of consideration with respect to the proposition that
21 is the subject of the point of order. A question of consider-
22 ation under this section shall be debatable for 10 minutes
23 by the Member initiating the point of order and for 10
24 minutes by an opponent of the point of order, but shall
25 otherwise be decided without intervening motion except

1 one that the House adjourn or that the Committee of the
2 Whole rise, as the case may be.

3 “(f) EFFECT ON AMENDMENT IN ORDER AS ORIGI-
4 NAL TEXT IN THE HOUSE.—The disposition of the ques-
5 tion of consideration under this section with respect to a
6 bill or joint resolution shall be considered also to deter-
7 mine the question of consideration under this subsection
8 with respect to an amendment made in order as original
9 text.”.

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 315 the following
14 new item:

“Sec. 316. Rule respecting designation of legislative provision as an emer-
gency.”.

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