

113TH CONGRESS
1ST SESSION

H. R. 1270

To provide for greater transparency and honesty in the Federal budget process.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2013

Mrs. ROBY (for herself, Mrs. ELLMERS, Mr. GIBBS, Mr. GARDNER, Mr. BROOKS of Alabama, Mr. KINZINGER of Illinois, and Mr. GRIFFIN of Arkansas) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules and Oversight 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 provide for greater transparency and honesty in the Federal budget process.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Honest Budget Act of 2013”.

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

Sec. 1. Short title and table of contents.
Sec. 2. No budget—no appropriations.

- Sec. 3. No phony emergency or disaster designations.
- Sec. 4. Strengthen the Federal Credit Reform Act of 1990.
- Sec. 5. No changes in mandatory programs in appropriation bills.
- Sec. 6. Don't count rescissions that don't save money.
- Sec. 7. Suspension of step increases for Federal employees during a pay-adjustment suspension period.
- Sec. 8. Point of order against advance appropriations.
- Sec. 9. Prohibit timing shifts.
- Sec. 10. Budget scoring rule relating to transfers from the general fund of the Treasury to the Highway Trust Fund that increase public indebtedness.
- Sec. 11. Requirement in budget submission with respect to the cost per taxpayer of the deficit.

1 **SEC. 2. NO BUDGET—NO APPROPRIATIONS.**

2 Section 904 of the Congressional Budget Act of 1974
 3 (2 U.S.C. 621 note) is amended—

4 (1) in subsection (c)(1), by inserting after “Sec-
 5 tions” the following: “303(c),”; and

6 (2) in subsection (d)(2), by inserting after “sec-
 7 tions” the following: “303(c),”.

8 **SEC. 3. NO PHONY EMERGENCY OR DISASTER DESIGNA-**
 9 **TIONS.**

10 (a) EMERGENCY REQUIREMENT IN A BILL, JOINT
 11 RESOLUTION, OR CONFERENCE REPORT.—

12 (1) IN GENERAL.—It shall not be in order in
 13 the House of Representatives or the Senate to con-
 14 sider any bill, joint resolution, or conference report
 15 that—

16 (A) designates as an emergency require-
 17 ment, pursuant to section 403 of S. Con. Res.
 18 13 (110th Congress, the FY 2010 Budget Res-
 19 olution), clause 10(c) of rule XXI of the Rules

1 of the House of Representatives, section 4(g) of
2 the Statutory Pay-As-You-Go Act of 2010, or
3 section 251(b)(2)(A)(i) of the Balanced Budget
4 and Emergency Deficit Control Act of 1985 any
5 provision that creates discretionary or direct
6 spending or decreases revenues; or

7 (B) designates as being for disaster relief
8 pursuant to section 251(b)(2)(D) of the Bal-
9 anced Budget and Emergency Deficit Control
10 Act of 1985.

11 (2) WAIVER.—An affirmative vote of three-
12 fifths of the Members, duly chosen and sworn, shall
13 be required to sustain an appeal of the ruling of the
14 Chair on a point of order against such a measure
15 raised under this subsection.

16 (3) EXCEPTION.—For purposes of this sub-
17 section, a conference report may include an emer-
18 gency designation only if it was also adopted in the
19 House of Representatives or Senate version of the
20 measure subject to the conference report.

21 (b) EMERGENCY REQUIREMENT IN AN AMEND-
22 MENT.—

23 (1) IN GENERAL.—It shall not be in order in
24 the House of Representatives or the Senate to con-

1 sider any bill, joint resolution, or conference report
2 that—

3 (A) designates as an emergency require-
4 ment, pursuant to section 403 of S. Con. Res.
5 13 (110th Congress, the FY 2010 Budget Res-
6 olution), clause 10(c) of rule XXI of the Rules
7 of the House of Representatives, section 4(g) of
8 the Statutory Pay-As-You-Go Act of 2010, or
9 section 251(b)(2)(A)(i) of the Balanced Budget
10 and Emergency Deficit Control Act of 1985 any
11 provision that creates discretionary or direct
12 spending or decreases revenues; or

13 (B) designates as being for disaster relief
14 pursuant to section 251(b)(2)(D) of the Bal-
15 anced Budget and Emergency Deficit Control
16 Act of 1985.

17 (2) WAIVER AND APPEAL.—A point of order
18 against an amendment under this subsection may be
19 waived or suspended only by an affirmative vote of
20 three-fifths of the Members, duly chosen and sworn.
21 In the Senate, an affirmative vote of three-fifths of
22 the Members, duly chosen and sworn, shall be re-
23 quired to sustain an appeal of the ruling of the
24 Chair on a point of order against such an amend-
25 ment raised under this subsection.

1 (c) RULES OR ORDERS IN THE HOUSE OF REP-
 2 RESENTATIVES.—In the House of Representatives, it shall
 3 not be in order to consider a rule or order that waives
 4 the application of subsection (a) or (b). As disposition of
 5 a point of order under this subsection, the Chair shall put
 6 the question of consideration with respect to the rule or
 7 order. The question of consideration shall be debatable for
 8 10 minutes by the Member initiating the point of order
 9 and for 10 minutes by an opponent, but shall otherwise
 10 be decided without intervening motion except one that the
 11 House adjourn.

12 (d) CHANGES TO THE STATUTORY PAY-AS-YOU-GO
 13 ACT OF 2010.—Section 4(g) of the Statutory Pay-As-You-
 14 Go Act of 2010 is amended by striking paragraph (3) and
 15 inserting the following:

16 “(3) DESIGNATION IN THE HOUSE OF REP-
 17 RESENTATIVES OR THE SENATE.—A provision or
 18 provisions designated as an emergency requirement
 19 pursuant to this section are subject to section 3 of
 20 the Honest Budget Act of 2013.”.

21 **SEC. 4. STRENGTHEN THE FEDERAL CREDIT REFORM ACT**
 22 **OF 1990.**

23 Title V of the Congressional Budget Act of 1990 is
 24 amended to read as follows:

1 **“TITLE V—CREDIT REFORM**

2 **“SEC. 500. SHORT TITLE.**

3 “‘This title may be cited as the ‘Federal Credit Re-
4 form Act of 1990’.

5 **“SEC. 501. PURPOSES.**

6 “‘The purposes of this title are to—

7 “(1) measure more accurately the costs of Fed-
8 eral credit programs and financial investments by
9 accounting for them on a fair value basis;

10 “(2) place the cost of credit programs and fi-
11 nancial investments on a budgetary basis equivalent
12 to other Federal spending;

13 “(3) encourage the delivery of benefits in the
14 form most appropriate to the needs of beneficiaries;
15 and

16 “(4) improve the allocation of resources among
17 Federal programs.

18 **“SEC. 502. DEFINITIONS.**

19 “‘For purposes of this title:

20 “(1) The term ‘direct loan’ means a disburse-
21 ment of funds by the Government to a non-Federal
22 borrower under a contract that requires the repay-
23 ment of such funds with or without interest. The
24 term includes the purchase of, or participation in, a
25 loan made by another lender and financing arrange-

1 ments that defer payment for more than 90 days, in-
2 cluding the sale of a Government asset on credit
3 terms. The term does not include the acquisition of
4 a federally guaranteed loan in satisfaction of default
5 claims or the price support loans of the Commodity
6 Credit Corporation.

7 “(2) The term ‘direct loan obligation’ means a
8 binding agreement by a Federal agency to make a
9 direct loan when specified conditions are fulfilled by
10 the borrower.

11 “(3) The term ‘loan guarantee’ means any
12 guarantee, insurance, or other pledge with respect to
13 the payment of all or a part of the principal or inter-
14 est on any debt obligation of a non-Federal borrower
15 to a non-Federal lender, but does not include the in-
16 surance of deposits, shares, or other withdrawable
17 accounts in financial institutions.

18 “(4) The term ‘loan guarantee commitment’
19 means a binding agreement by a Federal agency to
20 make a loan guarantee when specified conditions are
21 fulfilled by the borrower, the lender, or any other
22 party to the guarantee agreement.

23 “(5)(A) The term ‘financial investment’ means
24 an investment by the Government in any securities
25 (debt or equity), stocks, bonds, or futures, options,

1 swaps, or other derivatives, issued by a non-Federal
2 entity, including State, local tribal, and foreign gov-
3 ernments, and private organizations, regardless of
4 whether the issuances are federally guaranteed, or
5 issued by a Federal entity if the issuance consists of
6 marketable securities.

7 “(B) The term includes Government invest-
8 ments in money market and mutual funds, even if
9 the money market or mutual fund’s assets consist
10 entirely of Federal securities.

11 “(6) The term ‘financial investment commit-
12 ment’ means a binding agreement by a Federal
13 agency to acquire a financial investment when speci-
14 fied conditions are fulfilled by other party to the in-
15 vestment agreement.

16 “(7)(A) The term ‘cost’ means the sum of the
17 Treasury discounting component and the risk com-
18 ponent of a direct loan, loan guarantee, or financial
19 investment or a modification thereof.

20 “(B) The Treasury discounting component shall
21 be the estimated long-term cost to the Government
22 of a direct loan, loan guarantee, or financial invest-
23 ment or modification thereof, calculated on a net
24 present value basis, excluding administrative costs

1 and any incidental effects on governmental receipts
2 or outlays.

3 “(C) The risk component shall be an amount
4 equal to the difference between—

5 “(i) the estimated long-term cost to the
6 Government of a direct loan, loan guarantee, or
7 financial investment or modification thereof, es-
8 timated on a fair value basis, applying the
9 guidelines set forth by the Financial Accounting
10 Standards Board in Financial Accounting
11 Standards #157, or a successor thereto, exclud-
12 ing administrative costs and any incidental ef-
13 fects on governmental receipts or outlays; and

14 “(ii) the Treasury discounting component
15 of such direct loan, loan guarantee, or financial
16 investment or modification thereof.

17 “(D) The Treasury discounting component of a
18 direct loan shall be the net present value, at the time
19 when the direct loan is disbursed, of the following
20 estimated cash flows:

21 “(i) Loan disbursements.

22 “(ii) Repayments of principal.

23 “(iii) Essential preservation expenses, pay-
24 ments of interest and other payments by or to
25 the Government over the life of the loan after

1 adjusting for estimated defaults, prepayments,
2 fees, penalties, and other recoveries, including
3 the effects of changes in loan terms resulting
4 from the exercise by the borrower of an option
5 included in the loan contract.

6 “(E) The Treasury discounting component of a
7 loan guarantee shall be the net present value, at the
8 time when the direct loan is disbursed, of the fol-
9 lowing estimated cash flows:

10 “(i) Payments by the Government to cover
11 defaults and delinquencies, interests subsidies,
12 essential preservation expenses, or other pay-
13 ments.

14 “(ii) Payments to the Government includ-
15 ing origination and other fees, penalties, and re-
16 coveries, including the effects of changes in loan
17 terms resulting from the exercise by the guar-
18 anteed lender of an option included in the loan
19 guarantee contract, or by the borrower of an
20 option included in the guaranteed loan contract.

21 “(F) The Treasury discounting component of a
22 financial investment shall be the net present value,
23 at the time the financial investment is executed, of
24 the following estimated cash flows:

1 “(i) Payments by the Government includ-
2 ing essential preservation expenses.

3 “(ii) Payments to the Government includ-
4 ing any dividends, periodic payments, fees, pen-
5 alties, or recoveries.

6 Including the effects of changes in investment terms
7 resulting from the exercise by the non-Federal entity
8 of an option included in the investment contract.

9 “(G) The cost of a modification is the sum of—

10 “(i) the difference between the current es-
11 timate of the Treasury discounting component
12 of the remaining cash flows under the terms of
13 a direct loan, loan guarantee, or financial in-
14 vestment contract, and the current estimate of
15 the Treasury discounting component of the re-
16 maining cash flows under the terms of the con-
17 tract, as modified; and

18 “(ii) the difference between the current es-
19 timate of the risk component of the remaining
20 cash flows under the terms of a direct loan,
21 loan guarantee, or financial investment con-
22 tract, and the current estimate of the risk com-
23 ponent of the remaining cash flows under the
24 terms of the contract as modified.

1 “(H) In estimating Treasury discounting com-
2 ponents, the discount rate shall be the average inter-
3 est rate on marketable Treasury securities of similar
4 duration to the cash flows of the direct loan or loan
5 guarantee for which the estimate is being made.

6 “(I) When funds are obligated for a direct loan
7 or loan guarantee, the estimated cost shall be based
8 on the current assumptions, adjusted to incorporate
9 the terms of the loan contract, for the fiscal year in
10 which the funds are obligated.

11 “(8) The term ‘program account’ means the
12 budget account into which an appropriation to cover
13 the cost of a direct loan, loan guarantee, or financial
14 investment program is made and from which such
15 cost is disbursed to the financing account.

16 “(9) The term ‘financing account’ means the
17 nonbudget account or accounts associated with each
18 program account which holds balances, receives the
19 cost payment from the program account, and also
20 includes all other cash flows to and from the Gov-
21 ernment resulting from direct loan obligations or
22 loan guarantee commitments made on or after Octo-
23 ber 1, 1991, or financial investment commitments
24 made on or after October 1, 2016.

1 “(10) The term ‘liquidating account’ means the
2 budget account that includes all cash flows to and
3 from the Government resulting from direct loan obli-
4 gations or loan guarantee commitments made prior
5 to October 1, 1991. These accounts shall be shown
6 in the budget on a cash basis.

7 “(11) The term ‘modification’ means any Gov-
8 ernment action that alters the estimated cost of an
9 outstanding direct loan (or direct loan obligation),
10 an outstanding loan guarantee (or loan guarantee
11 commitment), or outstanding financial investment
12 (or financial investment commitment) from the cur-
13 rent estimate of cash flows. This includes the sale of
14 loan assets, with or without recourse, and the pur-
15 chase of guaranteed loans (or direct loan obliga-
16 tions), loan guarantees (or loan guarantee commit-
17 ments), financial investments (or financial invest-
18 ment commitments) such as a change in collection
19 procedures.

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

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

1 “(14) The term ‘administrative costs’ means
2 costs related to program management activities, but
3 does not include essential preservation expenses.

4 “(15) The term ‘essential preservation ex-
5 penses’ means servicing and other costs that are es-
6 sential to preserve the value of loan assets or collat-
7 eral.

8 **“SEC. 503. OMB AND CBO ANALYSIS, COORDINATION, AND**
9 **REVIEW.**

10 “(a) IN GENERAL.—For the executive branch, the
11 Director shall be responsible for coordinating the esti-
12 mates required by this title. The Director shall consult
13 with the agencies that administer direct loan or loan guar-
14 antee, or financial investment programs.

15 “(b) DELEGATION.—The Director may delegate to
16 agencies authority to make estimates of costs. The delega-
17 tion of authority shall be based upon written guidelines,
18 regulations, or criteria consistent with the definitions in
19 this title.

20 “(c) COORDINATION WITH THE CONGRESSIONAL
21 BUDGET OFFICE.—In developing estimation guidelines,
22 regulations, or criteria to be used by Federal agencies, the
23 Director shall consult with the Director of the Congres-
24 sional Budget Office.

1 “(d) IMPROVING COST ESTIMATES.—The Director
2 and the Director of the Congressional Budget Office shall
3 coordinate the development of more accurate data on his-
4 torical performance and prospective risk of direct loan,
5 loan guarantee, and financial investment programs. They
6 shall annually review the performance of outstanding di-
7 rect loans, loan guarantees, and financial investment to
8 improve estimates of costs. The Office of Management and
9 Budget and the Congressional Budget Office shall have
10 access to all agency data that may facilitate the develop-
11 ment and improvement of estimates of costs.

12 “(e) HISTORICAL CREDIT PROGRAMS COSTS.—The
13 Director shall review, to the extent possible, historical data
14 and develop the best possible estimates of adjustments
15 that would convert aggregate historical budget data to
16 credit reform accounting.

17 **“SEC. 504. BUDGETARY TREATMENT.**

18 “(a) PRESIDENT’S BUDGET.—Beginning with fiscal
19 year 1992, the President’s budget shall reflect the Treas-
20 ury discounting component of direct loan and loan guar-
21 antee programs. Beginning with fiscal year 2017, the
22 President’s budget shall reflect the costs of direct loan,
23 loan guarantee, and financial investment programs. The
24 budget shall also include the planned level of new direct
25 loan obligations, loan guarantee commitments, or financial

1 investment commitments associated with each appropria-
2 tions request.

3 “(b) APPROPRIATIONS REQUIRED.—Notwithstanding
4 any other provision of law, new direct loan obligations may
5 be incurred and new loan guarantee commitments may be
6 made of fiscal year 1992 and thereafter and new financial
7 investment commitments may be made for fiscal year
8 2017 and thereafter only to the extent that—

9 “(1) new budget authority to cover their costs
10 is provided in advance in an appropriations Act;

11 “(2) a limitation on the use of funds otherwise
12 available for the cost of a direct loan, loan guar-
13 antee, or financial investment program has been pro-
14 vided in advance in an appropriations Act; or

15 “(3) authority is otherwise provided in appro-
16 priation Acts.

17 “(c) EXEMPTION FOR MANDATORY PROGRAMS.—
18 Subsections (b) and (e) shall not apply to a direct loan
19 or loan guarantee program that—

20 “(1) constitutes an entitlement (such as the
21 guaranteed student loan program or the veteran’s
22 home loan guaranty program); or

23 “(2) all existing credit programs of the Com-
24 modity Credit Corporation on the date of enactment
25 of this title.

1 “(d) BUDGET ACCOUNTING.—

2 “(1) The authority to incur new direct loan ob-
3 ligations, make new loan guarantee commitments,
4 make new financial investment commitments, or
5 modify outstanding direct loans (or direct loan obli-
6 gations), loan guarantees (or loan guarantee com-
7 mitments), financial investments (or financial invest-
8 ment commitments) shall constitute new budget au-
9 thority in an amount equal to the cost of the direct
10 loan or loan guarantee in the fiscal year in which
11 definite authority becomes available or indefinite au-
12 thority is used. Such budget authority shall con-
13 stitute an obligation of the program account to pay
14 to the financing account.

15 “(2) The outlays resulting from new budget au-
16 thority for the cost of direct loans, loan guarantees,
17 or financial investment described in paragraph (1)
18 shall be paid from the program account into the fi-
19 nancing account and recorded in the fiscal year in
20 which the direct loan, the guaranteed loan, or finan-
21 cial investment is disbursed or its costs altered.

22 “(3) All collections and payments of the financ-
23 ing accounts shall be a means of financing.

24 “(e) MODIFICATIONS.—An outstanding direct loan
25 (or direct loan obligation), loan guarantee (or loan guar-

1 antee commitment), or financial investment (or financial
2 investment commitment) shall not be modified in a man-
3 ner that increases its costs unless budget authority for the
4 additional cost has been provided in advance in an appro-
5 priations Act.

6 “(f) RE-ESTIMATES.—When the estimated cost for a
7 group of direct loans, loan guarantees, or financial invest-
8 ments for a given program made in a single fiscal year
9 is re-estimated in a subsequent year, the difference be-
10 tween the re-estimated cost and the previous cost estimate
11 shall be displayed as a distinct and separately identified
12 subaccount in the program account as a change in pro-
13 gram costs and a change in net interest. There is hereby
14 provided permanent indefinite authority for these re-esti-
15 mates.

16 “(g) ADMINISTRATIVE EXPENSES.—All funding for
17 an agency’s administrative costs associated with a direct
18 loan, loan guarantee, or financial investment program
19 shall be displayed as distinct and separately identified sub-
20 accounts within the same budget account as the program’s
21 cost.

22 **“SEC. 505. AUTHORIZATIONS.**

23 “(a) AUTHORIZATION OF APPROPRIATIONS FOR
24 COSTS.—There are authorized to be appropriated to each
25 Federal agency authorized to make direct loan obligations,

1 loan guarantee commitments, or financial investment com-
2 mitments such sums as may be necessary to pay the cost
3 associated with such direct loan obligations, loan guar-
4 antee commitments, or financial investment commitments.

5 “(b) AUTHORIZATION FOR FINANCING ACCOUNTS.—

6 In order to implement the accounting required by this
7 title, the President is authorized to establish such non-
8 budgetary accounts as may be appropriate.

9 “(c) TREASURY TRANSACTIONS WITH THE FINANC-
10 ING ACCOUNTS.—

11 “(1) IN GENERAL.—The Secretary of the
12 Treasury shall borrow from, receive from, lend to, or
13 pay to the financing accounts such amounts as may
14 be appropriate. The Secretary of the Treasury may
15 prescribe forms and denominations, maturities, and
16 terms and conditions for the transactions described
17 in the preceding sentence, except that the rate of in-
18 terest charged by the Secretary on lending to financ-
19 ing accounts (including amounts treated as lending
20 to financing accounts by the Federal Financing
21 Bank (hereinafter in this subsection referred to as
22 the ‘Bank’) pursuant to section 405(b)) and the rate
23 of interest paid to financing accounts on uninvested
24 balances in financing accounts shall be the same as
25 the rate determined pursuant to section 502(7)(H).

1 “(2) LOANS.—For guaranteed loans financed
2 by the Bank and treated as direct loans by a Fed-
3 eral agency pursuant to section 406(b)(1), any fee
4 or interest surcharge (the amount by which the in-
5 terest rate charged exceeds the rate determined pur-
6 suant to section 502(7)(H)) that the Bank charges
7 to a private borrower pursuant to section 6(c) of the
8 Federal Financing Bank Act of 1973 shall be con-
9 sidered a cash flow to the Government for the pur-
10 poses of determining the cost of the direct loan pur-
11 suant to section 502(7). All such amounts shall be
12 credited to the appropriate financing account.

13 “(3) REIMBURSEMENT.—The Bank is author-
14 ized to require reimbursement from a Federal agen-
15 cy to cover the administrative expenses of the Bank
16 that are attributable to the direct loans financed for
17 that agency. All such payments by an agency shall
18 be considered administrative expenses subject to sec-
19 tion 504(g). This subsection shall apply to trans-
20 actions related to direct loan obligations or loan
21 guarantee commitments made on or after October 1,
22 1991.

23 “(4) AUTHORITY.—The authorities provided in
24 this subsection shall not be construed to supersede
25 or override the authority of the head of a Federal

1 agency to administer and operate a direct loan or
2 loan guarantee program.

3 “(5) TITLE 31.—All of the transactions pro-
4 vided in the subsection shall be subject to the provi-
5 sions of subchapter II of chapter 15 of title 31,
6 United States Code.

7 “(6) TREATMENT OF CASH BALANCES.—Cash
8 balances of the financing accounts in excess of cur-
9 rent requirements shall be maintained in a form of
10 uninvested funds and the Secretary of the Treasury
11 shall pay interest on these funds. The Secretary of
12 the Treasury shall charge (or pay if the amount is
13 negative) financing accounts an amount equal to the
14 risk component for a direct loan, loan guarantee, or
15 financial investment or modification thereof. Such
16 amount received by the Secretary of the Treasury
17 shall be a means of financing and shall not be con-
18 sidered a cash flow of the Government for the pur-
19 poses of section 502(7).

20 “(d) AUTHORIZATION FOR LIQUIDATING AC-
21 COUNTS.—(1) Amounts in liquidating accounts shall be
22 available only for payments resulting from direct loan obli-
23 gations or loan guarantee commitments made prior to Oc-
24 tober 1, 1991, for—

1 “(A) interest payments and principal repay-
2 ments to the Treasury or the Federal Financing
3 Bank for amounts borrowed;

4 “(B) disbursements of loans;

5 “(C) default and other guarantee claim pay-
6 ments;

7 “(D) interest supplement payments;

8 “(E) payments for the costs of foreclosing,
9 managing, and selling collateral that are capitalized
10 or routinely deducted from the proceeds of sales;

11 “(F) payments to financing accounts when re-
12 quired for modifications;

13 “(G) administrative costs and essential preser-
14 vation expenses, if—

15 “(i) amounts credited to the liquidating ac-
16 count would have been available for Administra-
17 tive costs and essential preservation expenses
18 under a provision of law in effect prior to Octo-
19 ber 1, 1991; and

20 “(ii) no direct loan obligation or loan guar-
21 antee commitment has been made, or any modi-
22 fication of a direct loan or loan guarantee has
23 been made, since September 30, 1991; or

1 “(H) such other payments as are necessary for
2 the liquidation of such direct loan obligations and
3 loan guarantee commitments.

4 “(2) Amounts credited to liquidating accounts in any
5 year shall be available only for payments required in that
6 year. Any unobligated balances in liquidating accounts at
7 the end of a fiscal year shall be transferred to miscella-
8 neous receipts as soon as practicable after the end of the
9 fiscal year.

10 “(3) If funds in liquidating accounts are insufficient
11 to satisfy obligations and commitments of such accounts,
12 there is hereby provided permanent, indefinite authority
13 to make any payments required to be made on such obliga-
14 tions and commitments.

15 “(e) AUTHORIZATION OF APPROPRIATIONS FOR IM-
16 PLEMENTATION EXPENSES.—There are authorized to be
17 appropriated to existing accounts such sums as may be
18 necessary for salaries and expenses to carry out the re-
19 sponsibilities under this title.

20 “(f) REINSURANCE.—Nothing in this title shall be
21 construed as authorizing or requiring the purchase of in-
22 surance or reinsurance on a direct loan or loan guarantee
23 from private insurers. If any such reinsurance for a direct
24 loan or loan guarantee is authorized, the cost of such in-

1 surance and any recoveries to the Government shall be in-
2 cluded in the calculation of the cost.

3 “(g) ELIGIBILITY AND ASSISTANCE.—Nothing in this
4 title shall be construed to change the authority or the re-
5 sponsibility of a Federal agency to determine the terms
6 and conditions of eligibility for, or the amount of assist-
7 ance provided by a direct loan or a loan guarantee.

8 **“SEC. 506. TREATMENT OF DEPOSIT INSURANCE AND AGEN-**
9 **CIES AND OTHER INSURANCE PROGRAMS.**

10 “This title shall not apply to the credit or insurance
11 activities of the Federal Deposit Insurance Corporation,
12 National Credit Union Administration, Resolution Trust
13 Corporation, Pension Benefit Guaranty Corporation, Na-
14 tional Flood Insurance, National Insurance Development
15 Fund, Crop Insurance, or Tennessee Valley Authority.

16 **“SEC. 507. EFFECT ON OTHER LAWS.**

17 “(a) EFFECT ON OTHER LAWS.—This title shall su-
18 percede, modify, or repeal any provision of law enacted
19 prior to the date of enactment of this title to the extent
20 such provision is inconsistent with this title. Nothing in
21 this title shall be construed to establish a credit limitation
22 on any Federal loan or loan guarantee program.

23 “(b) CREDITING OF COLLECTIONS.—Collections re-
24 sulting from direct loans obligated or loan guarantees
25 committed prior to October 1, 1991, shall be credited to

1 the liquidating accounts of Federal agencies. Amounts so
 2 credited shall be available, to the same extent that they
 3 were available prior to the date of enactment of this title,
 4 to liquidate obligations arising from such direct loans obli-
 5 gated or loan guarantees committed prior to October 1,
 6 1991, including repayment of any obligations held by the
 7 Secretary of the Treasury or the Federal Financing Bank.
 8 The unobligated balances of such accounts that are in ex-
 9 cess of current needs shall be transferred to the general
 10 fund of the Treasury. Such transfers shall be made from
 11 time to time but, at least once each year.”.

12 **SEC. 5. NO CHANGES IN MANDATORY PROGRAMS IN AP-**
 13 **PROPRIATION BILLS.**

14 Section 302(f) of the Congressional Budget Act of
 15 1974 is amended to read as follows:

16 “(f) LEGISLATION SUBJECT TO POINT OF ORDER.—

17 “(1) IN THE HOUSE OF REPRESENTATIVES.—

18 (A) After the Congress has completed action on a
 19 concurrent resolution on the budget for a fiscal year,
 20 it shall not be in order in the House of Representa-
 21 tives to consider any bill, joint resolution, or amend-
 22 ment providing new budget authority or outlays for
 23 any fiscal year, or any conference report on any such
 24 bill or joint resolution, if the enactment of such bill
 25 or resolution as reported, the adoption and enact-

1 ment of such amendment, or the enactment of such
2 bill or resolution in the form recommended in such
3 conference report, would cause—

4 “(i) the applicable allocation of new budget
5 authority or outlays made under subsection (a)
6 or (b) for the first fiscal year or the total of fis-
7 cal years to be exceeded, or

8 “(ii) appropriations legislation to contain a
9 provision that would have been estimated as af-
10 fecting direct spending or receipts under section
11 252 of the Balanced Budget and Emergency
12 Deficit Control Act of 1985 were it included in
13 legislation other than appropriations legislation,
14 if such provision does not result in net outlay
15 savings over the total of the period of the cur-
16 rent year, the budget year, and all fiscal years
17 covered under the most recently adopted con-
18 current resolution on the budget.

19 “(B) In the House of Representatives, it shall
20 not be in order to consider a rule or order that
21 waives the application of subparagraph (A). As dis-
22 position of a point of order under this subparagraph,
23 the Chair shall put the question of consideration
24 with respect to the rule or order. The question of
25 consideration shall be debatable for 10 minutes by

1 the Member initiating the point of order and for 10
2 minutes by an opponent, but shall otherwise be de-
3 cided without intervening motion except one that the
4 House adjourn.

5 “(2) IN THE SENATE.—After a concurrent reso-
6 lution on the budget is agreed to, it shall not be in
7 order in the Senate to consider any bill or joint reso-
8 lution, amendment, motion, or conference report
9 that—

10 “(A) in the case of any committee except
11 the Committee on Appropriations, would cause
12 the applicable allocation of new budget author-
13 ity or outlays under subsection (a) for the first
14 fiscal year or the total of fiscal years to be ex-
15 ceeded; or

16 “(B) in the case of the Committee on Ap-
17 propriations would—

18 “(i) cause the applicable suballocation
19 of new budget authority or outlays under
20 subsection (b) to be exceeded; or

21 “(ii) includes one or more provisions
22 that would have been estimated as affect-
23 ing direct spending or receipts under sec-
24 tion 252 of the Balanced Budget and
25 Emergency Deficit Control Act of 1985

1 were they included in legislation other than
2 appropriations legislation, if such provision
3 does not result in net outlay savings over
4 the total of the period of the current year,
5 the budget year, and all fiscal years cov-
6 ered under the most recently adopted con-
7 current resolution on the budget.”.

8 **SEC. 6. DON’T COUNT RESCISSIONS THAT DON’T SAVE**
9 **MONEY.**

10 Section 312(a) of the Congressional Budget Act of
11 1974 (2 U.S.C. 643(a)) is amended—

12 (1) by striking “For purposes” and inserting
13 the following:

14 “(1) IN GENERAL.—For purposes;”; and

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

16 “(2) EXCLUSION.—In making determinations
17 under paragraph (1), the committee shall not count
18 rescissions of budget authority that do not result in
19 outlay savings over the period of fiscal years covered
20 by the concurrent resolution on the budget.”.

1 **SEC. 7. SUSPENSION OF STEP INCREASES FOR FEDERAL**
2 **EMPLOYEES DURING A PAY-ADJUSTMENT**
3 **SUSPENSION PERIOD.**

4 (a) PERIODIC STEP INCREASES.—Section 5335 of
5 title 5, United States Code, is amended by adding at the
6 end the following:

7 “(g)(1) Under regulations prescribed by the Office of
8 Personnel Management—

9 “(A) the benefit of step-increases under this
10 section shall, in the case of any such increase which
11 would otherwise take effect during a pay-adjustment
12 suspension period, be suspended until the expiration
13 of such period (or, in the case of successive suspen-
14 sion periods, the last of them); and

15 “(B) after the end of the pay-adjustment sus-
16 pension period (or, in the case of successive suspen-
17 sion periods, the last of them)—

18 “(i) the rate of pay payable for any service
19 performed after the end of such suspension pe-
20 riod (or, if applicable, the last of them) shall be
21 recomputed so as to be equal to the rate that
22 would then be payable if step-increases under
23 this subsection had not been suspended under
24 subparagraph (A) during such suspension pe-
25 riod (or periods); and

1 “(ii) service performed by an employee be-
2 fore, during, or after a suspension period (or
3 successive suspension periods) shall, for pur-
4 poses of any determination of eligibility for a
5 step-increase under this section, be computed
6 without regard to subparagraph (A).

7 “(2) For purposes of this subsection—

8 “(A) the term ‘pay-adjustment suspension pe-
9 riod’ or ‘suspension period’ means any calendar year
10 in which an annual pay adjustment for statutory pay
11 systems is denied, in its entirety, under authority of
12 section 5303(b) (as determined by the Office); and

13 “(B) the term ‘statutory pay system’ has the
14 meaning given such term by section 5302.”.

15 (b) ADDITIONAL STEP INCREASES.—Section 5336 of
16 title 5, United States Code, is amended by adding at the
17 end the following:

18 “(d)(1) Under regulations prescribed by the Office of
19 Personnel Management—

20 “(A) the benefit of additional step-increases
21 under this section shall, in the case of any such in-
22 crease which would otherwise take effect during a
23 pay-adjustment suspension period, be suspended
24 until the expiration of such period (or, in the case

1 of successive suspension periods, the last of them);
 2 and

3 “(B) after end of the pay-adjustment suspen-
 4 sion period (or, in the case of successive suspension
 5 periods, the last of them)—

6 “(i) the rate of pay payable for any service
 7 performed after the end of such suspension pe-
 8 riod (or, if applicable, the last of them) shall be
 9 recomputed so as to be equal to the rate that
 10 would then be payable if additional step-in-
 11 creases under this subsection had not been sus-
 12 pended under subparagraph (A) during such
 13 suspension period (or periods); and

14 “(ii) for purposes of the second sentence of
 15 subsection (a), an additional step-increase shall
 16 be attributed to the 52-week period during
 17 which such increase would (but for this sub-
 18 section) otherwise have taken effect.

19 “(2) For purposes of this subsection, the term ‘pay-
 20 adjustment suspension period’ or ‘suspension period’
 21 means a pay-adjustment suspension period under section
 22 5335(g).”.

23 **SEC. 8. POINT OF ORDER AGAINST ADVANCE APPROPRIA-**
 24 **TIONS.**

25 (a) IN GENERAL.—

1 (1) POINT OF ORDER.—Except as provided in
2 subsection (b), it shall not be in order in the House
3 of Representatives or the Senate to consider any bill,
4 joint resolution, motion, amendment, or conference
5 report that would provide an advance appropriation.

6 (2) DEFINITION.—In this section, the term
7 “advance appropriation” means any new budget au-
8 thority provided in a bill or joint resolution making
9 appropriations for a fiscal year that first becomes
10 available for any fiscal year after that fiscal year, or
11 any new budget authority provided in a bill or joint
12 resolution making general appropriations or con-
13 tinuing appropriations for any budget year, that
14 first becomes available for any fiscal year after that
15 budget year.

16 (b) EXCEPTIONS.—Advance appropriations may be
17 provided as follows:

18 (1) In an aggregate amount not to exceed
19 \$28,852,000,000 in new budget authority in each
20 fiscal year for the following programs, projects, ac-
21 tivities, or accounts:

22 (A) Employment and Training Administra-
23 tion.

24 (B) Job Corps.

25 (C) Education for the Disadvantaged.

1 (D) School Improvement.

2 (E) Children and Family Services (Head
3 Start).

4 (F) Special Education.

5 (G) Career, Technical, and Adult Edu-
6 cation.

7 (H) Financial Services and General Gov-
8 ernment: Payment to Postal Service.

9 (I) Transportation, Housing and Urban
10 Development: Tenant-based Rental Assistance
11 Project-based Rental Assistance.

12 (2) For the Corporation for Public Broad-
13 casting.

14 (3) For the Department of Veterans Affairs for
15 the Medical Services, Medical Support and Compli-
16 ance, and Medical Facilities accounts of the Vet-
17 erans Health Administration.

18 (c) SUPERMAJORITY WAIVER AND APPEAL.—

19 (1) WAIVER.—In the House of Representatives
20 or the Senate, subsection (a)(1) may be waived or
21 suspended only by an affirmative vote of three-fifths
22 of the Members, duly chosen and sworn.

23 (2) APPEAL.—In the Senate, an affirmative
24 vote of three-fifths of the Members of the Senate,
25 duly chosen and sworn, shall be required to sustain

1 an appeal of the ruling of the Chair on a point of
2 order raised under subsection (a).

3 (d) FORM OF POINT OF ORDER.—A point of order
4 under subsection (a) may be raised by any Member as pro-
5 vided in section 313(e) of the Congressional Budget Act
6 of 1974.

7 (e) RULES OR ORDERS IN THE HOUSE OF REP-
8 RESENTATIVES.—In the House of Representatives, it shall
9 not be in order to consider a rule or order that waives
10 the application of subsection (a)(1). As disposition of a
11 point of order under this subsection, the Chair shall put
12 the question of consideration with respect to the rule or
13 order. The question of consideration shall be debatable for
14 10 minutes by the Member initiating the point of order
15 and for 10 minutes by an opponent, but shall otherwise
16 be decided without intervening motion except one that the
17 House adjourn.

18 (f) CONFERENCE REPORTS.—When the House of
19 Representatives or the Senate is considering a conference
20 report on, or an amendment between the Houses in rela-
21 tion to, a bill, upon a point of order being made by any
22 Member pursuant to this section, and such point of order
23 being sustained, such material contained in such con-
24 ference report shall be deemed stricken, and the applicable
25 House shall proceed to consider the question of whether

1 it shall recede from its amendment and concur with a fur-
2 ther amendment, or concur in the amendment of the other
3 House with a further amendment, as the case may be,
4 which further amendment shall consist of only that portion
5 of the conference report or amendment, as the case may
6 be, not so stricken. Any such motion in the House of Rep-
7 resentatives or Senate shall be debatable. In any case in
8 which such point of order is sustained against a conference
9 report (or House or Senate amendment, as applicable, de-
10 rived from such conference report by operation of this sub-
11 section), no further amendment shall be in order.

12 **SEC. 9. PROHIBIT TIMING SHIFTS.**

13 (a) IN GENERAL.—In the House of Representatives
14 or the Senate, for purposes of enforcement of points of
15 order established under the Congressional Budget Act of
16 1974, S. Con. Res. 21 (110th Congress; Fiscal Year 2008
17 Budget Resolution), S. Con. Res. 70 (110th Congress;
18 Fiscal Year 2009 Budget Resolution), S. Con. Res. 13
19 (111th Congress; Fiscal Year 2010 Budget Resolution),
20 and subsequent concurrent resolutions on the budget, a
21 provision in any bill, resolution, amendment, motion,
22 amendment between houses, or conference report that
23 shifts outlays or revenues from one year to another by a
24 date change to act as an offset for other provisions that
25 increase the deficit for a time period shall not count.

1 (b) RULES OR ORDERS IN THE HOUSE OF REP-
 2 RESENTATIVES.—In the House of Representatives, it shall
 3 not be in order to consider a rule or order that waives
 4 the application of subsection (a). As disposition of a point
 5 of order under this subsection, the Chair shall put the
 6 question of consideration with respect to the rule or order.
 7 The question of consideration shall be debatable for 10
 8 minutes by the Member initiating the point of order and
 9 for 10 minutes by an opponent, but shall otherwise be de-
 10 cided without intervening motion except one that the
 11 House adjourn.

12 **SEC. 10. BUDGET SCORING RULE RELATING TO TRANSFERS**
 13 **FROM THE GENERAL FUND OF THE TREAS-**
 14 **URY TO THE HIGHWAY TRUST FUND THAT IN-**
 15 **CREASE PUBLIC INDEBTEDNESS.**

16 (a) IN GENERAL.—In the House of Representatives
 17 or the Senate, for purposes of enforcement of points of
 18 order established under the Congressional Budget Act of
 19 1974, S. Con. Res. 21 (110th Congress; Fiscal Year 2008
 20 Budget Resolution), S. Con. Res. 70 (110th Congress;
 21 Fiscal Year 2009 Budget Resolution), S. Con. Res. 13
 22 (111th Congress; Fiscal Year 2010 Budget Resolution),
 23 and subsequent concurrent resolutions on the budget, a
 24 bill, resolution, amendment, motion, amendment between
 25 houses, or conference report that transfers funds from the

1 general fund of the Treasury to the Highway Trust Fund
 2 and that increases the level of indebtedness that is subject
 3 to the current applicable statutory public debt limit shall
 4 be counted by the chairman of the Committee on the
 5 Budget of the House of Representatives or the Senate, as
 6 applicable, as new budget authority and outlays equal to
 7 the amount of the transfer in the fiscal year the transfer
 8 occurs.

9 (b) RULES OR ORDERS IN THE HOUSE OF REP-
 10 RESENTATIVES.—In the House of Representatives, it shall
 11 not be in order to consider a rule or order that waives
 12 the application of subsection (a). As disposition of a point
 13 of order under this subsection, the Chair shall put the
 14 question of consideration with respect to the rule or order.
 15 The question of consideration shall be debatable for 10
 16 minutes by the Member initiating the point of order and
 17 for 10 minutes by an opponent, but shall otherwise be de-
 18 cided without intervening motion except one that the
 19 House adjourn.

20 **SEC. 11. REQUIREMENT IN BUDGET SUBMISSION WITH RE-**
 21 **SPECT TO THE COST PER TAXPAYER OF THE**
 22 **DEFICIT.**

23 Section 1105(a) of title 31, United States Code, is
 24 amended—

1 (1) by redesignating paragraph (37) (relating to
2 the list of outdated or duplicative plans and reports)
3 as paragraph (39); and

4 (2) by adding at the end the following:

5 “(40) in the case of a fiscal year in which the
6 budget is projected to result in a deficit, an estimate
7 of the pro rata cost of such deficit for taxpayers who
8 will file individual income tax returns for taxable
9 years ending during such fiscal year.”.

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