

113TH CONGRESS
2D SESSION

S. 2495

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

IN THE SENATE OF THE UNITED STATES

JUNE 19, 2014

Mr. ENZI (for himself, Mr. PAUL, Mr. RUBIO, Mr. RISCH, Mr. BARRASSO, Mr. VITTER, and Mr. ISAKSON) introduced the following bill; which was read twice and referred to the Committee on the Budget

A BILL

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

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 “One Percent Spending
5 Reduction Act of 2014”.

6 **SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) The fiscal crisis faced by the Federal Gov-
9 ernment demands immediate action.

1 (2) The dramatic growth in spending and debt
2 in recent years threatens our economic and national
3 security:

4 (A) Federal spending has grown from 18
5 percent of GDP in 2001 to over 20 percent of
6 GDP in 2014.

7 (B) Total Federal debt exceeds
8 \$17,000,000,000,000 and is projected to in-
9 crease each year over the next 10 years.

10 (C) Without action, the Federal Govern-
11 ment will continue to run massive deficits in the
12 next decade and total Federal debt will rise to
13 \$27,000,000,000,000 by 2024.

14 (D) Interest payments on this debt will
15 soon rise to the point where balancing the
16 budget as a matter of policy is beyond the reach
17 of Congress.

18 (3) Due to recent tax hikes, Federal revenues
19 are scheduled to rise to approximately 18 percent of
20 GDP, inline with the average of about 18 percent of
21 GDP over the past 40 years.

22 (4) Absent reform, the growth of Social Secu-
23 rity, Medicare, Medicaid, and other health-related
24 spending will overwhelm all other Federal programs
25 and consume all projected tax revenues.

1 (b) PURPOSE.—The purpose of this Act is to address
2 the fiscal crisis by—

3 (1) acting quickly to balance the Federal budg-
4 et and eliminate the parade of deficits and bal-
5 looning interest payments;

6 (2) achieving balance by reducing spending one
7 percent per year until spending equals projected
8 long-term revenues; and

9 (3) reforming entitlement programs to ensure
10 long-term fiscal stability and balance.

11 **SEC. 3. ESTABLISHMENT AND ENFORCEMENT OF SPEND-**
12 **ING CAPS.**

13 (a) OUTLAY CAPS.—The Balanced Budget and
14 Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et
15 seq.) is amended by inserting after section 253 the fol-
16 lowing:

17 **“SEC. 253A. ESTABLISHING OUTLAY CAPS.**

18 “(a) OUTLAY CAPS.—In this section, the term ‘outlay
19 cap’ means:

20 “(1) FISCAL YEAR 2015.—For fiscal year 2015,
21 the aggregate outlays (less net interest payments)
22 shall be \$3,774,000,000,000, less one percent.

23 “(2) FISCAL YEAR 2016.—For fiscal year 2016,
24 the aggregate outlays (less net interest payments)

1 shall be the amount computed under paragraph (1),
 2 less one percent.

3 “(3) FISCAL YEAR 2017.—For fiscal year 2017,
 4 the aggregate outlays (less net interest payments)
 5 shall be the amount computed under paragraph (2),
 6 less one percent.

7 “(4) FISCAL YEAR 2018 AND SUBSEQUENT FIS-
 8 CAL YEARS.—

9 “(A) IN GENERAL.—For fiscal year 2018
 10 and each fiscal year thereafter, the aggregate
 11 outlays shall be 18 percent of the gross domes-
 12 tic product for that fiscal year, as estimated by
 13 the Office of Management and Budget prior to
 14 March of the previous fiscal year.

15 “(B) LIMITATION.—Notwithstanding sub-
 16 paragraph (A), for any fiscal year beginning
 17 with fiscal year 2019, the aggregate projected
 18 outlays may not be less than the aggregate pro-
 19 jected outlays for the preceding fiscal year.

20 “(b) SEQUESTRATION.—

21 “(1) IN GENERAL.—

22 “(A) EXCESS SPENDING.—Not later than
 23 45 calendar days after the beginning of a fiscal
 24 year, the Office of Management and Budget
 25 shall prepare and the President shall order a

1 sequestration to eliminate any excess outlay
2 amount.

3 “(B) DEFINITIONS.—

4 “(i) FISCAL YEARS 2015 THROUGH
5 2017.—For each of fiscal years 2015
6 through 2017 and for purposes of this sub-
7 section, the term ‘excess outlay amount’
8 means the amount by which total projected
9 Federal outlays (less net interest pay-
10 ments) for a fiscal year exceeds the outlay
11 cap for that fiscal year.

12 “(ii) FISCAL YEAR 2018 AND SUBSE-
13 QUENT FISCAL YEARS.—For fiscal year
14 2018 and each fiscal year thereafter and
15 for purposes of this subsection, the term
16 ‘excess outlay amount’ means the amount
17 by which total projected Federal outlays
18 for a fiscal year exceeds the outlay cap for
19 that fiscal year.

20 “(2) SEQUESTRATION.—

21 “(A) CBO PREVIEW REPORT.—On August
22 15 of each year, the Congressional Budget Of-
23 fice shall issue a sequestration preview report
24 as described in section 254(c)(4).

1 “(B) OMB PREVIEW REPORT.—On August
2 20 of each year, the Office of Management and
3 Budget shall issue a sequestration preview re-
4 port as described in section 254(c)(4).

5 “(C) FINAL REPORT.—On October 31 of
6 each year, the Office of Management and Budg-
7 et shall issue its final sequestration report as
8 described in section 254(f)(3). It shall be ac-
9 companied by a Presidential order detailing uni-
10 form spending reductions equal to the excess
11 outlay amount as defined in this section.

12 “(D) PROCESS.—The reductions shall gen-
13 erally follow the process set forth in sections
14 253 and 254, except as provided in this section.

15 “(3) CONGRESSIONAL ACTION.—If the August
16 20 report by the Office of Management and Budget
17 projects a sequestration, the Committee on the
18 Budget of the Senate and the Committee on the
19 Budget of the House of Representatives may report
20 a resolution directing committees of their House to
21 change the existing law to achieve the spending re-
22 ductions outlined in the August 20 report necessary
23 to meet the outlay limits.

24 “(e) NO EXEMPT PROGRAMS.—Section 255 and sec-
25 tion 256 shall not apply to this section or any sequestra-

tion order issued under this section, except that payments for net interest (budget function 900) shall be exempt from the spending reductions under sequestration.

“(d) LOOK BACK.—If, after November 14, a bill resulting in outlays for the fiscal year in progress is enacted that causes excess outlays, the excess outlay amount for the next fiscal year shall be increased by the amount or amounts of that breach.”.

(b) CONFORMING AMENDMENTS TO BBEDCA.—

(1) SEQUESTRATION PREVIEW REPORTS.—Section 254(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 904(c)(4)) is amended to read as follows:

“(4) OUTLAY CAP SEQUESTRATION REPORTS.—The preview reports shall set forth for the budget year estimates for the following:

“(A)(i) For each of budget years 2015 through 2017, the aggregate projected outlays (less net interest payments), less one percent.

“(ii) For budget year 2018 and each subsequent budget year, the estimated gross domestic product (GDP) for that budget year.

“(B) The amount of reductions required under section 253A.

1 “(C) The sequestration percentage nec-
 2 essary to achieve the required reduction under
 3 section 253A.”.

4 (2) FINAL SEQUESTRATION REPORTS.—Section
 5 254(f)(3) of the Balanced Budget and Emergency
 6 Deficit Control Act of 1985 (2 U.S.C. 904(f)(3)) is
 7 amended to read as follows:

8 “(3) OUTLAY CAPS SEQUESTRATION RE-
 9 PORTS.—The final reports shall contain all the infor-
 10 mation required in the outlay cap sequestration pre-
 11 view reports. In addition, these reports shall contain,
 12 for the budget year, for each account to be seques-
 13 tered, estimates of the baseline level of sequestrable
 14 budgetary resources and resulting outlays and the
 15 amount of budgetary sources to be sequestered and
 16 result in outlay reductions. The reports shall also
 17 contain estimates of the effects on outlays on the se-
 18 questration of each outyear for direct spending pro-
 19 grams.”.

20 (c) ENFORCEMENT.—Title III of the Congressional
 21 Budget Act of 1974 (2 U.S.C. 631 et seq.) is amended
 22 by adding after section 315 the following:

23 **“SEC. 316. ENFORCEMENT PROCEDURES.**

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

1 bill, joint resolution, amendment, amendment between the
 2 Houses, or conference report that includes any provision
 3 that would cause the most recently reported, current out-
 4 lay cap set forth in section 253A of the Balanced Budget
 5 and Emergency Deficit Control Act of 1985 to be
 6 breached.

7 “(b) WAIVER OR SUSPENSION.—

8 “(1) IN THE SENATE.—The provisions of this
 9 section may be waived or suspended in the Senate
 10 only by the affirmative vote of two-thirds of the
 11 Members, duly chosen and sworn.

12 “(2) IN THE HOUSE.—The provisions of this
 13 section may be waived or suspended in the House of
 14 Representatives only by a rule or order proposing
 15 only to waive such provisions by an affirmative vote
 16 of two-thirds of the Members, duly chosen and
 17 sworn.

18 “(c) POINT OF ORDER PROTECTION.—In the House,
 19 it shall not be in order to consider a rule or order that
 20 waives the application of paragraph (2) of subsection (b).

21 “(d) MOTION TO SUSPEND.—It shall not be in order
 22 for the Speaker to entertain a motion to suspend the appli-
 23 cation of this section under clause 1 of rule XV.”.

24 **SEC. 4. CONFORMING AMENDMENTS.**

25 The table of contents set forth in—

1 (1) section 1(b) of the Congressional Budget
2 and Impoundment Control Act of 1974 is amended
3 by inserting after the item relating to section 315
4 the following new item:

“Sec. 316. Enforcement procedures.”;

5 and

6 (2) section 250(a) of the Balanced Budget and
7 Emergency Deficit Control Act of 1985 is amended
8 by inserting after the item relating to section 253
9 the following new item:

“Sec. 253A. Establishing outlay caps.”.

10 **SEC. 5. EFFECTIVE DATE.**

11 This Act and the amendments made by this Act shall
12 apply to fiscal year 2015 and each fiscal year thereafter,
13 including any reports and calculations required for imple-
14 mentation in fiscal year 2015.

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