

Olson	Royce	Sullivan
Olver	Ruppersberger	Sutton
Ortiz	Ryan (OH)	Tanner
Owens	Ryan (WI)	Taylor
Pallone	Salazar	Teague
Pascarella	Sánchez, Linda	Terry
Pastor (AZ)	T.	Thompson (CA)
Paul	Sanchez, Loretta	Thompson (MS)
Paulsen	Sarbanes	Thornberry
Payne	Scalise	Tiahrt
Pence	Schakowsky	Tiberi
Perlmutter	Schauer	Tierney
Perriello	Schiff	Titus
Peters	Schmidt	Tonko
Peterson	Schock	Towns
Petri	Schrader	Towngas
Pingree (ME)	Schwartz	Turner
Pitts	Scott (GA)	Upton
Platts	Scott (VA)	Van Hollen
Poe (TX)	Sensenbrenner	Velázquez
Polis (CO)	Serrano	Vislosky
Pomeroy	Sessions	Walden
Posey	Sestak	Walz
Price (GA)	Shadegg	Wamp
Price (NC)	Shea-Porter	Wasserman
Putnam	Sherman	Wasserman
Quigley	Shimkus	Schultz
Rahall	Shuler	Waters
Rangel	Shuster	Watson
Rehberg	Simpson	Watt
Reichert	Sires	Waxman
Reyes	Skelton	Weiner
Richardson	Slaughter	Welch
Rodriguez	Smith (NE)	Westmoreland
Roe (TN)	Smith (NJ)	Whitfield
Rogers (AL)	Smith (TX)	Wilson (OH)
Rogers (KY)	Smith (WA)	Wilson (SC)
Rohrabacher	Snyder	Wittman
Rooney	Souder	Wolf
Ros-Lehtinen	Space	Woolsey
Roskam	Speier	Wu
Ross	Spratt	Yarmuth
Rothman (NJ)	Stark	Young (AK)
Roybal-Allard	Stearns	

NAYS—6

Campbell	Gohmert	Lummis
Coffman (CO)	King (IA)	McClintock

NOT VOTING—15

Abercrombie	Davis (IL)	Rogers (MI)
Berman	Gutierrez	Rush
Boehner	Linder	Stupak
Clay	Murtha	Thompson (PA)
Culberson	Radanovich	Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members have 2 minutes remaining in this vote.

□ 1401

So (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GUTIERREZ. Madam Speaker, I was absent from the House Chamber today, due to a family emergency. Had I been present, I would have voted "yea" on rollcall votes 39 through 47.

INCREASING THE STATUTORY LIMIT ON THE PUBLIC DEBT

Mr. HOYER. Madam Speaker, pursuant to House Resolution 1065, I call up the joint resolution (H.J. Res. 45) increasing the statutory limit on the public debt, with a Senate amendment thereto, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The Clerk will designate the Senate amendment.

The text of the Senate amendment is as follows:

Senate amendment:

Strike all after the resolving clause and insert the following:

That subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof \$14,294,000,000,000.

TITLE I—STATUTORY PAY-AS-YOU-GO ACT OF 2010**SEC. 1. SHORT TITLE.**

This title may be cited as the "Statutory Pay-As-You-Go Act of 2010".

SEC. 2. PURPOSE.

The purpose of this title is to reestablish a statutory procedure to enforce a rule of budget neutrality on new revenue and direct spending legislation.

SEC. 3. DEFINITIONS AND APPLICATIONS.

As used in this title—

(1) The term "BBEDCA" means the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) The definitions set forth in section 3 of the Congressional Budget and Impoundment Control Act of 1974 and in section 250 of BBEDCA shall apply to this title, except to the extent that they are specifically modified as follows:

(A) The term "outyear" means a fiscal year one or more years after the budget year.

(B) In section 250(c)(8)(C), the reference to the food stamp program shall be deemed to be a reference to the Supplemental Nutrition Assistance Program.

(3) The term "AMT" means the Alternative Minimum Tax for individuals under sections 55–59 of the Internal Revenue Code of 1986, the term "EGTRRA" means the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107–16), and the term "JGTRRA" means the Jobs and Growth Tax Relief and Reconciliation Act of 2003 (Public Law 108–27).

(4)(A) The term "budgetary effects" means the amount by which PAYGO legislation changes outlays flowing from direct spending or revenues relative to the baseline and shall be determined on the basis of estimates prepared under section 4. Budgetary effects that increase outlays flowing from direct spending or decrease revenues are termed "costs" and budgetary effects that increase revenues or decrease outlays flowing from direct spending are termed "savings". Budgetary effects shall not include any costs associated with debt service.

(B) For purposes of these definitions, off-budget effects shall not be counted as budgetary effects.

(C) Solely for purposes of recording entries on a PAYGO scorecard, provisions in appropriation Acts are also considered to be budgetary effects for purposes of this title if such provisions make outyear modifications to substantive law, except that provisions for which the outlay effects net to zero over a period consisting of the current year, the budget year, and the 4 subsequent years shall not be considered budgetary effects. For purposes of this paragraph, the term, "modifications to substantive law" refers to changes to or restrictions on entitlement law or other mandatory spending contained in appropriations Acts, notwithstanding section 250(c)(8) of BBEDCA. Provisions in appropriations Acts that are neither outyear modifications to substantive law nor changes in revenues have no budgetary effects for purposes of this title.

(5) The term "debit" refers to the net total amount, when positive, by which costs recorded on the PAYGO scorecards for a fiscal year exceed savings recorded on those scorecards for that year.

(6) The term "entitlement law" refers to a section of law which provides entitlement authority.

(7) The term "PAYGO legislation" or a "PAYGO Act" refers to a bill or joint resolution that affects direct spending or revenue relative to the baseline. The budgetary effects of changes in revenues and outyear modifications to substantive law included in appropriation Acts as defined in paragraph (4) shall be treated as if they were contained in PAYGO legislation or a PAYGO Act.

(8) The term "timing shift" refers to a delay of the date on which outlays flowing from direct spending would otherwise occur from the ninth outyear to the tenth outyear or an acceleration of the date on which revenues would otherwise occur from the tenth outyear to the ninth outyear.

SEC. 4. PAYGO ESTIMATES AND PAYGO SCORECARDS.**(a) PAYGO ESTIMATES.—****(1) REQUIRED DESIGNATION IN PAYGO ACTS.—**

(A) HOUSE OF REPRESENTATIVES.—To establish the budgetary effects of a PAYGO Act consistent with the determination made by the Chairman of the House Budget Committee, a PAYGO Act originated in or amended by the House of Representatives may include the following statement: "The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled 'Budgetary Effects of PAYGO Legislation' for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage."

(B) SENATE.—To establish the budgetary effects of a PAYGO Act consistent with the determination made by the Chairman of the Senate Budget Committee, a PAYGO Act originated in or amended by the Senate shall include the following statement: "The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled 'Budgetary Effects of PAYGO Legislation' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage."

(C) CONFERENCE REPORTS AND AMENDMENTS BETWEEN THE HOUSES.—To establish the budgetary effects of the conference report on a PAYGO Act, or an amendment to an amendment between Houses on a PAYGO Act, which if estimated shall be estimated jointly by the Chairmen of the House and Senate Budget Committees, the conference report or amendment between the Houses shall include the following statement: "The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled 'Budgetary Effects of PAYGO Legislation' for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses."

(2) DETERMINATION OF BUDGETARY EFFECTS OF PAYGO ACTS.—**(A) ORIGINAL LEGISLATION.—**

(i) STATEMENT AND ESTIMATE.—Prior to a vote on passage of a PAYGO Act originated or amended by one House, the Chairman of the Budget Committee of that House may submit for printing in the Congressional Record a statement titled "Budgetary Effects of PAYGO Legislation" which shall include an estimate of the budgetary effects of that Act, if available prior to passage of the Act by that House and shall submit, if applicable, an identification of any

current policy adjustments made pursuant to section 7 of this Act. The timely submission of such a statement, in conjunction with the appropriate designation made pursuant to paragraph (1)(A) or (1)(B), as applicable, shall establish the budgetary effects of the PAYGO Act for the purposes of this Act.

(ii) **EFFECT.**—The latest statement submitted by the Chairman of the Budget Committee of that House prior to passage shall supersede any prior statements submitted in the Congressional Record and shall be valid only if the PAYGO Act is not further amended by either House.

(iii) **FAILURE TO SUBMIT ESTIMATE.**—If—

(I) the estimate required by clause (i) has not been submitted prior to passage by that House;

(II) such estimate has been submitted but is no longer valid due to a subsequent amendment to the PAYGO Act; or

(III) the designation required pursuant to this subsection has not been made;

the budgetary effects of the PAYGO Act shall be determined under subsection (d)(3), provided that this clause shall not apply if a valid designation is subsequently included in that PAYGO Act pursuant to paragraph (1)(C) and a statement is submitted pursuant to subparagraph (B).

(B) **CONFERENCE REPORTS AND AMENDMENTS BETWEEN HOUSES.**—

(i) **IN GENERAL.**—Prior to the adoption of a report of a committee of conference on a PAYGO Act in either House, or disposition of an amendment to an amendment between Houses on a PAYGO Act, the Chairmen of the Budget Committees of the House and Senate may jointly submit for printing in the Congressional Record a statement titled “Budgetary Effects of PAYGO Legislation” which shall include an estimate of the budgetary effects of that Act if available prior to passage of the Act by the House acting first on the legislation and shall submit, if applicable, an identification of any current policy adjustments made pursuant to section 7 of this title. The timely submission of such a statement, in conjunction with the appropriate designation made pursuant to paragraph (1)(C), shall establish the budgetary effects of the PAYGO Act for the purposes of this Act.

(ii) **FAILURE TO SUBMIT ESTIMATE.**—If such estimate has not been submitted prior to the adoption of a report of a committee of conference by either House, or if the designation required pursuant to this subsection has not been made, the budgetary effects of the PAYGO Act shall be determined under subsection (d)(3).

(3) **PROCEDURE IN THE SENATE.**—In the Senate, upon submission of a statement titled “Budgetary Effects of PAYGO Legislation” by the Chairman of the Senate Budget Committee for printing in the Congressional Record, the Legislative Clerk shall read the statement.

(4) **JURISDICTION OF THE BUDGET COMMITTEES.**—For the purposes of enforcing section 306 of the Congressional Budget Act of 1974, a designation made pursuant to paragraph (1)(A), (1)(B), or (1)(C), that includes only the language specifically prescribed therein, shall not be considered a matter within the jurisdiction of either the Senate or House Committees on the Budget.

(b) **CBO PAYGO ESTIMATES.**—

(1) **IN GENERAL.**—

(A) **ESTIMATES.**—Section 308(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

“(3) **CBO PAYGO ESTIMATES.**—

“(A) The Chairs of the Committees on the Budget of the House and Senate, as applicable, shall request from the Director of the Congressional Budget Office an estimate of the budgetary effects of PAYGO legislation.

“(B) Estimates shall be prepared using baseline estimates supplied by the Congressional Budget Office, consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985.

“(C) The Director shall not count timing shifts, as that term is defined at section 3(8) of the Statutory Pay-As-You-Go Act of 2010, in estimates of the budgetary effects of PAYGO Legislation.”

(B) **SIDEHEADING.**—The side heading of section 308(a) of the Congressional Budget Act of 1974 is amended by striking “Reports on”.

(2) **GUIDELINES.**—Section 308 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(d) **Scorekeeping Guidelines.**—Estimates under this section shall be provided in accordance with the scorekeeping guidelines determined under section 252(d)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985.”

(c) **CURRENT POLICY ADJUSTMENTS FOR CERTAIN LEGISLATION.**—

(1) **IN GENERAL.**—For any provision of legislation that meets the criteria in subsection (c), (d), (e) or (f) of section 7, the Chairs of the Committees on the Budget of the House and Senate, as applicable, shall request that CBO adjust the estimate of budgetary effects of that legislation pursuant to paragraph (2) for the purposes of this title. A single piece of legislation may contain provisions that meet criteria in more than one of the subsections referred to in the preceding sentence. CBO shall adjust estimates for legislation designated under subsection (a) and estimated under subsection (b). OMB shall adjust estimates for legislation estimated under subsection (d)(3).

(2) **ADJUSTMENTS.**—

(A) **ESTIMATES.**—CBO or OMB, as applicable, shall exclude from the estimate of budgetary effects any budgetary effects of a provision that meets the criteria in subsection (c), (d), (e) or (f) of section 7, to the extent that those budgetary effects, when combined with all other excluded budgetary effects of any other previously designated provisions of enacted legislation under the same subsection of section 7, do not exceed the maximum applicable current policy adjustment defined under the applicable subsection of section 7 for the applicable 10-year period.

(B) **BASELINE.**—Any estimate made pursuant to subparagraph (A) shall be prepared using baseline estimates supplied by the Congressional Budget Office, consistent with section 257 of the BBEDCA. CBO estimates of legislation adjusted for current policy shall include a separate presentation of costs excluded from the calculation of budgetary effects for the legislation, as well as an updated total of all excluded costs of provisions within subsection (c), (d), or (e) of section 7, as applicable, and in the case of paragraph (1) of section 7(f), within any of the subparagraphs (A) through (L) of such paragraph, as applicable.

(3) **LIMITATION ON AVAILABILITY OF EXCESS SAVINGS.**—

(A) **PROHIBITION ON USE OF EXCESS SAVING FOR INELIGIBLE POLICIES.**—To the extent the adjustment for current policy of any provision estimated under this subsection exceeds the estimated budgetary effects of that provision, these excess savings shall not be available to offset the costs of any provisions not otherwise eligible for a current policy adjustment under section 7, and shall not be counted on the PAYGO scorecards established pursuant to subsections (d)(4) and (d)(5).

(B) **PROHIBITION ON USE OF EXCESS SAVINGS ACROSS BUDGET AREAS.**—For provisions eligible for a current policy adjustment under subsections (c) through (f) of section 7, to the extent the adjustment for current policy of any provision exceeds the estimated budgetary effects of that same provision, the excess savings shall be available only to offset the costs of other provisions that qualify for a current policy adjustment in that same subsection. Each paragraph in section 7(f)(1) shall be considered a separate subsection for purposes of this section.

(4) **FURTHER GUIDANCE ON ESTIMATING BUDGETARY EFFECTS.**—Estimates of budgetary effects

under this subsection shall be consistent with the guidance provided at section 7(h).

(5) **INCLUSION OF STATEMENT.**—For PAYGO legislation adjusted pursuant to section 7, the Chairman of the House or Senate Budget Committee, as applicable, shall include in any statement titled “Budgetary Effects of PAYGO Legislation”, submitted for that legislation pursuant to section 4, an explanation of the current policy designation and adjustments.

(d) **OMB PAYGO SCORECARDS.**—

(1) **IN GENERAL.**—OMB shall maintain and make publicly available a continuously updated document containing two PAYGO scorecards displaying the budgetary effects of PAYGO legislation as determined under section 308 of the Congressional Budget Act of 1974, applying the look-back requirement in subsection (e) and the averaging requirement in subsection (f), and a separate addendum displaying the estimates of the costs of provisions designated in statute as emergency requirements.

(2) **ESTIMATES IN LEGISLATION.**—Except as provided in paragraph (3), in making the calculations for the PAYGO scorecards, OMB shall use the budgetary effects included by reference in the applicable legislation pursuant to subsection (a).

(3) **OMB PAYGO ESTIMATES.**—If a PAYGO Act does not contain a valid reference to its budgetary effects consistent with subsection (a), OMB shall estimate the budgetary effects of that legislation upon its enactment. The OMB estimate shall be based on the approaches to scorekeeping set forth in section 308 of the Congressional Budget Act of 1974, as amended by this title, and subsection (g)(4), and shall use the same economic and technical assumptions as used in the most recent budget submitted by the President under section 1105(a) of title 31 of the United States Code.

(4) **5-YEAR SCORECARD.**—The first scorecard shall display the budgetary effects of PAYGO legislation in each year over the 5-year period beginning in the budget year.

(5) **10-YEAR SCORECARD.**—The second scorecard shall display the budgetary effects of PAYGO legislation in each year over the 10-year period beginning in the budget year.

(6) **COMMUNITY LIVING ASSISTANCE SERVICES AND SUPPORTS ACT.**—Neither scorecard maintained by OMB pursuant to this subsection shall include net savings from any provisions of legislation titled “Community Living Assistance Services and Supports Act”, which establishes a Federal insurance program for long-term care, if such legislation is enacted into law, or amended, subsequent to the date of enactment of this title.

(e) **LOOK-BACK TO CAPTURE CURRENT-YEAR EFFECTS.**—For purposes of this section, OMB shall treat the budgetary effects of PAYGO legislation enacted during a session of Congress that occur during the current year as though they occurred in the budget year.

(f) **AVERAGING USED TO MEASURE COMPLIANCE OVER 5-YEAR AND 10-YEAR PERIODS.**—OMB shall cumulate the budgetary effects of a PAYGO Act over the budget year (which includes any look-back effects under subsection (e)) and—

(1) for purposes of the 5-year scorecard referred to in subsection (d)(4), the four subsequent outyears, divide that cumulative total by five, and enter the quotient in the budget-year column and in each subsequent column of the 5-year PAYGO scorecard; and

(2) for purposes of the 10-year scorecard referred to in subsection (d)(5), the nine subsequent outyears, divide that cumulative total by ten, and enter the quotient in the budget-year column and in each subsequent column of the 10-year PAYGO scorecard.

(g) **EMERGENCY LEGISLATION.**—

(1) **DESIGNATION IN STATUTE.**—If a provision of direct spending or revenue legislation in a PAYGO Act is enacted as an emergency requirement that the Congress so designates in statute pursuant to this section, the amounts of new budget authority, outlays, and revenue in all

fiscal years resulting from that provision shall be treated as an emergency requirement for the purposes of this Act.

(2) **DESIGNATION IN THE HOUSE OF REPRESENTATIVES.**—If a PAYGO Act includes a provision expressly designated as an emergency for the purposes of this title, the Chair shall put the question of consideration with respect thereto.

(3) **POINT OF ORDER IN THE SENATE.**—

(A) **IN GENERAL.**—When the Senate is considering a PAYGO Act, if a point of order is made by a Senator against an emergency designation in that measure, that provision making such a designation shall be stricken from the measure and may not be offered as an amendment from the floor.

(B) **SUPERMAJORITY WAIVER AND APPEALS.**—

(i) **WAIVER.**—Subparagraph (A) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(ii) **APPEALS.**—Appeals in the Senate from the decisions of the Chair relating to any provision of this subsection shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this subsection.

(C) **DEFINITION OF AN EMERGENCY DESIGNATION.**—For purposes of subparagraph (A), a provision shall be considered an emergency designation if it designates any item as an emergency requirement pursuant to this subsection.

(D) **FORM OF THE POINT OF ORDER.**—A point of order under subparagraph (A) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

(E) **CONFERENCE REPORTS.**—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a PAYGO Act, upon a point of order being made by any Senator pursuant to this section, and such point of order being sustained, such material contained in such conference report shall be deemed stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.

(4) **EFFECT OF DESIGNATION ON SCORING.**—If a provision is designated as an emergency requirement under this Act, CBO or OMB, as applicable, shall not include the budgetary effects of such a provision in its estimate of the budgetary effects of that PAYGO legislation.

SEC. 5. ANNUAL REPORT AND SEQUESTRATION ORDER.

(a) **ANNUAL REPORT.**—Not later than 14 days (excluding weekends and holidays) after Congress adjourns to end a session, OMB shall make publicly available and cause to be printed in the Federal Register an annual PAYGO report. The report shall include an up-to-date document containing the PAYGO scorecards, a description of any current policy adjustments made under section 4(c), information about emergency legislation (if any) designated under section 4(g), information about any sequestration if required by subsection (b), and other data and explanations that enhance public understanding of this title and actions taken under it.

(b) **SEQUESTRATION ORDER.**—If the annual report issued at the end of a session of Congress

under subsection (a) shows a debit on either PAYGO scorecard for the budget year, OMB shall prepare and the President shall issue and include in that report a sequestration order that, upon issuance, shall reduce budgetary resources of direct spending programs by enough to offset that debit as prescribed in section 6. If there is a debit on both scorecards, the order shall fully offset the larger of the two debits. OMB shall transmit the order and the report to the House of Representatives and the Senate. If the President issues a sequestration order, the annual report shall contain, for each budget account to be sequestered, estimates of the baseline level of budgetary resources subject to sequestration, the amount of budgetary resources to be sequestered, and the outlay reductions that will occur in the budget year and the subsequent fiscal year because of that sequestration.

SEC. 6. CALCULATING A SEQUESTRATION.

(a) **REDUCING NONEXEMPT BUDGETARY RESOURCES BY A UNIFORM PERCENTAGE.**—

(1) **IN GENERAL.**—OMB shall calculate the uniform percentage by which the budgetary resources of nonexempt direct spending programs are to be sequestered such that the outlay savings resulting from that sequestration, as calculated under subsection (b), shall offset the budget-year debit, if any, on the applicable PAYGO scorecard. If the uniform percentage calculated under the prior sentence exceeds 4 percent, the Medicare programs described in section 256(d) of BBEDCA shall be reduced by 4 percent and the uniform percentage by which the budgetary resources of all other nonexempt direct spending programs are to be sequestered shall be increased, as necessary, so that the sequestration of Medicare and of all other nonexempt direct spending programs together produce the required outlay savings.

(2) **PROGRAMS AND ACTIVITIES IN UNIFIED BUDGET ONLY.**—Subject to the exemptions set forth in section 11, OMB shall determine the uniform percentage required under paragraph (1) with respect to programs and activities contained in the unified budget only.

(b) **OUTLAY SAVINGS.**—In determining the amount by which a sequestration offsets a budget-year debit, OMB shall count—

(1) the amount by which the sequestration in a crop year of crop support payments, pursuant to section 256(j) of BBEDCA, reduces outlays in the budget year and the subsequent fiscal year;

(2) the amount by which the sequestration of Medicare payments in the 12-month period following the sequestration order, pursuant to section 256(d) of BBEDCA, reduces outlays in the budget year and the subsequent fiscal year; and

(3) the amount by which the sequestration in the budget year of the budgetary resources of other nonexempt mandatory programs reduces outlays in the budget year and in the subsequent fiscal year.

SEC. 7. ADJUSTMENT FOR CURRENT POLICIES.

(a) **PURPOSE.**—The purpose of this section is to provide for adjustments of estimates of budgetary effects of PAYGO legislation for legislation affecting 4 areas of the budget—

(1) payments made under section 1848 of the Social Security Act (referred to in this section as “Payment for Physicians’ Services”);

(2) the Estate and Gift Tax under subtitle B of the Internal Revenue Code of 1986;

(3) the AMT; and

(4) provisions of EGTRRA or JGTRRA that amended the Internal Revenue Code of 1986 (or provisions in later statutes further amending the amendments made by EGTRRA or JGTRRA), other than—

(A) the provisions of those 2 Acts that were made permanent by the Pension Protection Act of 2006 (Public Law 109–280);

(B) amendments to the Estate and Gift Tax referred to in paragraph (2);

(C) the AMT referred to in paragraph (3); and

(D) the income tax rates on ordinary income that apply to individuals with adjusted gross in-

comes greater than \$200,000 for a single filer and \$250,000 for joint filers.

(b) **DURATION.**—This section shall remain in effect through December 31, 2011.

(c) **MEDICARE PAYMENTS TO PHYSICIANS.**—

(1) **CRITERIA.**—Legislation that includes provisions amending or superseding the system for updating payments under subsections (d) and (f) of section 1848 of the Social Security Act shall trigger the current policy adjustment required by this title.

(2) **ADJUSTMENT.**—The amount of the maximum current policy adjustment shall be the difference between—

(A) estimated net outlays attributable to the payment rates and related parameters in accordance with subsections (d) and (f) of section 1848 of the Social Security Act (as scheduled on December 31, 2009, to be in effect); and

(B) what those net outlays would have been if—

(i) the nominal payment rates and related parameters in effect for 2009 had been in effect through December 31, 2014, without change; and

(ii) thereafter, the nominal payment rates and related parameters described in subparagraph (A) had applied and the assumption described in clause (i) had never applied.

(3) **LIMITATION.**—If the provisions in the legislation that cause it to meet the criteria in paragraph (1) cover a time period that ends before December 31, 2014, subject to the maximum adjustment provided for under paragraph (2), the amount of each current policy adjustment made pursuant to this section shall be limited to the difference between—

(A) estimated net outlays attributable to the payment rates and related parameters specified in that section of the Social Security Act (as scheduled on December 31, 2009, to be in effect for the period of time covered by the relevant provisions of the eligible legislation); and

(B) what those net outlays would have been if the nominal payment rates and related parameters in effect for 2009 had been in effect, without change, for the same period of time covered by the relevant provisions of the eligible legislation as under subparagraph (A).

(d) **ESTATE AND GIFT TAX.**—

(1) **CRITERIA.**—Legislation that includes provisions amending the Estate and Gift Tax under subtitle B of the Internal Revenue Code of 1986 shall trigger the current policy adjustment required by this title.

(2) **ADJUSTMENT.**—The amount of the maximum current policy adjustment shall be the difference between—

(A) total revenues projected to be collected under the Internal Revenue Code of 1986 (as scheduled on December 31, 2009, to be in effect); and

(B) what those revenue collections would have been if, on the date of enactment of the legislation meeting the criteria in paragraph (1), estate and gift tax law had instead been amended so that the tax rates, nominal exemption amounts, and related parameters in effect for tax year 2009 had remained in effect through December 31, 2011, with nominal exemption amounts indexed for inflation after 2009 consistent with subsection (g).

(3) **LIMITATION.**—If the provisions in the legislation that cause it to meet the criteria in paragraph (1) cover a time period that ends before December 31, 2011, subject to the maximum adjustment provided for under paragraph (2), the amount of each current policy adjustment made pursuant to this section shall be limited to the difference between—

(A) total revenues projected to be collected under the Internal Revenue Code of 1986 (as scheduled on December 31, 2009, to be in effect for the period of time covered by the relevant provisions of the eligible legislation); and

(B) what those revenues would have been if the estate and gift tax law rates, nominal exemption amounts, and related parameters in effect for 2009, with nominal exemption amounts

indexed for inflation after 2009 consistent with subsection (g), had been in effect for the same period of time covered by the relevant provisions of the eligible legislation as under subparagraph (A).

(4) **DURATION OF POLICY ADJUSTMENT.**—Adjustments made pursuant to this subsection are available for policies affecting the estate and gift tax through only December 31, 2011. Any adjustments shall include budgetary effects in all years from these policy changes.

(e) **AMT RELIEF.**—

(1) **CRITERIA.**—Legislation that includes provisions extending AMT relief shall trigger the current policy adjustment required by this title.

(2) **ADJUSTMENT.**—The amount of the maximum current policy adjustment shall be the difference between—

(A) total revenues projected to be collected under the Internal Revenue Code of 1986 (as scheduled on December 31, 2009, to be in effect); and

(B) what those revenue collections would have been if, on the date of enactment of legislation meeting the criteria in paragraph (1), AMT law had instead been amended by making commensurate adjustments in the exemption amounts for joint and single filers in such a manner that the number of taxpayers with AMT liability or lost credits that occur as a result of the AMT would not be estimated to exceed the number of taxpayers affected by the AMT in tax year 2008 in any year for which relief is provided, through December 31, 2011.

(3) **LIMITATION.**—If the provisions in the legislation that cause it to meet the criteria in paragraph (1) cover a time period that ends before December 31, 2011, subject to the maximum adjustment provided for under paragraph (2), the amount of each current policy adjustment made pursuant to this section shall be limited to the difference between—

(A) total revenues projected to be collected under the Internal Revenue Code of 1986 (as scheduled on December 31, 2009, to be in effect for the period of time covered by the relevant provisions of the eligible legislation); and

(B) what those revenues would have been if, on the date of enactment of legislation meeting the criteria in paragraph (1), AMT law had instead been amended by making commensurate adjustments in the exemption amounts for joint and single filers in such a manner that the number of taxpayers with AMT liability or lost credits that occur as a result of the AMT would not be estimated to exceed the number of AMT taxpayers in tax year 2008 for the same period of time covered by the relevant provisions of the eligible legislation as under subparagraph (A).

(4) **DURATION OF POLICY ADJUSTMENT.**—Adjustments made pursuant to this subsection are available for policies affecting the AMT through only December 31, 2011. Any adjustments shall include budgetary effects in all years from these policy changes.

(f) **PERMANENT EXTENSION OF MIDDLE-CLASS TAX CUTS.**—

(1) **CRITERIA.**—Legislation that includes provisions extending middle-class tax cuts shall trigger the current policy adjustment required by this title if those provisions extend 1 or more of the following provisions:

(A) The 10 percent bracket as in effect for tax year 2010, as provided for under section 101(a) of EGTRRA and any later amendments through December 31, 2009.

(B) The child tax credit as in effect for tax year 2010, as provided for under section 201 of EGTRRA and any later amendments through December 31, 2009.

(C) Tax benefits for married couples as in effect for tax year 2010, as provided for under title III of EGTRRA and any later amendments through December 31, 2009.

(D) The adoption credit as in effect in tax year 2010, as provided for under section 202 of EGTRRA and any later amendments through December 31, 2009.

(E) The dependent care credit as in effect in tax year 2010, as provided for under section 204 of EGTRRA and any later amendments through December 31, 2009.

(F) The employer-provided child care credit as in effect in tax year 2010, as provided for under section 205 of EGTRRA and any later amendments through December 31, 2009.

(G) The education tax benefits as in effect in tax year 2010, as provided for under title IV of EGTRRA and any later amendments through December 31, 2009.

(H) The 25 and 28 percent brackets as in effect for tax year 2010, as provided for under section 101(a) of EGTRRA and any later amendments through December 31, 2009.

(I) The 33 percent bracket as in effect for tax year 2010, as provided for under section 101(a) of EGTRRA and any later amendment through December 31, 2009, affecting taxpayers with adjusted gross income of \$200,000 or less for single filers and \$250,000 or less for joint filers in tax year 2010, with these income levels indexed for inflation in each subsequent year consistent with subsection (g).

(J) The rates on income derived from capital gains and qualified dividends as in effect for tax year 2010, as provided for under sections 301 and 302 of JGTRRA and any later amendment through December 31, 2009, affecting taxpayers with adjusted gross income of \$200,000 or less for single filers and \$250,000 for joint filers with these income levels indexed for inflation in each subsequent year consistent with subsection (g).

(K) The phaseout of personal exemptions and the overall limitation on itemized deductions as in effect for tax year 2010, as provided for under sections 102 and 103 of EGTRRA of 2001, respectively, and any later amendment through December 31, 2009, affecting taxpayer with adjusted gross income of \$200,000 or less for single filers and \$250,000 for joint filers, with these income levels indexed for inflation in each subsequent year consistent with subsection (g).

(L) The increase in the limitations on expensing depreciable business assets for small businesses under section 179(b) of the Internal Revenue Code of 1986 as in effect in tax year 2010, as provided under section 202 of JGTRRA and any later amendment through December 31, 2009.

(2) **ADJUSTMENT.**—The amount of the maximum current policy adjustment shall be the difference between—

(A) total revenues projected to be collected and outlays to be paid under the Internal Revenue Code of 1986 (as scheduled on December 31, 2009, to be in effect); and

(B) what those revenue collections and outlay payments would have been if, on the date of enactment of legislation meeting the criteria in paragraph (1), the provisions identified in paragraph (1) were made permanent.

(3) **LIMITATION.**—If the provisions in the legislation that cause it to meet the criteria in paragraph (1) are not permanent, subject to the maximum adjustment provided for under paragraph (2), the amount of each current policy adjustment made pursuant to this section shall be limited to the difference between—

(A) total revenues projected to be collected and outlays to be paid under the Internal Revenue Code of 1986 (as scheduled on December 31, 2009, to be in effect for the period of time covered by the relevant provisions of the eligible legislation); and

(B) what those revenue collections and outlay payments would have been if, on the date of enactment of legislation meeting the criteria in paragraph (1), the provisions identified in paragraph (1) had been in effect, without change, for the same period of time covered by the relevant provisions of the eligible legislation as under subparagraph (A).

(g) **INDEXING FOR INFLATION.**—Indexed amounts are assumed to increase in each year by an amount equal to the cost-of-living adjustment determined under section 1(f)(3) of the In-

ternal Revenue Code of 1986 for the calendar year in which the taxable year begins, determined by substituting “calendar year 2008” for “calendar year 1992” in subparagraph (B) of such section.

(h) **GUIDANCE ON ESTIMATES AND CURRENT POLICY ADJUSTMENTS.**—

(1) **MIDDLE CLASS TAX CUTS.**—For purposes of estimates made pursuant to subsection (f)—

(A) each of the income tax provisions shall be estimated as though the AMT had remained at current law as scheduled on December 31, 2009 to be in effect; and

(B) if more than 1 of the income tax provisions is included in a single piece of legislation, those provisions shall be estimated in the order in which they appear.

(2) **AMT.**—For purposes of estimates made pursuant to subsection (e), changes to the AMT shall be estimated as if, on the date of enactment of legislation meeting the criteria in subsection (e)(1), all of the income tax provisions identified in subsection (f)(1) were made permanent.

SEC. 8. APPLICATION OF BBEDCA.

For purposes of this title—

(1) notwithstanding section 275 of BBEDCA, the provisions of sections 255, 256, 257, and 274 of BBEDCA, as amended by this title, shall apply to the provisions of this title;

(2) references in sections 255, 256, 257, and 274 to “this part” or “this title” shall be interpreted as applying to this title;

(3) references in sections 255, 256, 257, and 274 of BBEDCA to “section 254” shall be interpreted as referencing section 5 of this title;

(4) the reference in section 256(b) of BBEDCA to “section 252 or 253” shall be interpreted as referencing section 5 of this title;

(5) the reference in section 256(d)(1) of BBEDCA to “section 252 or 253” shall be interpreted as referencing section 6 of this title;

(6) the reference in section 256(d)(4) of BBEDCA to “section 252 or 253” shall be interpreted as referencing section 5 of this title;

(7) section 256(k) of BBEDCA shall apply to a sequestration, if any, under this title; and

(8) references in section 257(e) of BBEDCA to “section 251, 252, or 253” shall be interpreted as referencing section 4 of this title.

SEC. 9. TECHNICAL CORRECTIONS.

(a) Section 250(c)(18) of BBEDCA is amended by striking “the expenses the Federal deposit insurance agencies” and inserting “the expenses of the Federal deposit insurance agencies”.

(b) Section 256(k)(1) of BBEDCA is amended by striking “in paragraph (5)” and inserting “in paragraph (6)”.

SEC. 10. CONFORMING AMENDMENTS.

(a) Section 256(a) of BBEDCA is repealed.

(b) Section 256(b) of BBEDCA is amended by striking “origination fees under sections 438(c)(2) and 455(c) of that Act shall each be increased by 0.50 percentage point.” and inserting in lieu thereof “origination fees under sections 438(c)(2) and (6) and 455(c) and loan processing and issuance fees under section 428(f)(1)(A)(ii) of that Act shall each be increased by the uniform percentage specified in that sequestration order, and, for student loans originated during the period of the sequestration, special allowance payments under section 438(b) of that Act accruing during the period of the sequestration shall be reduced by the uniform percentage specified in that sequestration order.”.

(c) Section 256(c) of BBEDCA is repealed.

(d) Section 256(d) of BBEDCA is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (5), and (6);

(2) by amending paragraph (1) to read as follows:

“(1) **CALCULATION OF REDUCTION IN PAYMENT AMOUNTS.**—To achieve the total percentage reduction in those programs required by section 252 or 253, subject to paragraph (2), and notwithstanding section 710 of the Social Security Act, OMB shall determine, and the applicable

Presidential order under section 254 shall implement, the percentage reduction that shall apply, with respect to the health insurance programs under title XVIII of the Social Security Act—

“(A) in the case of parts A and B of such title, to individual payments for services furnished during the one-year period beginning on the first day of the first month beginning after the date the order is issued (or, if later, the date specified in paragraph (4)); and

“(B) in the case of parts C and D, to monthly payments under contracts under such parts for the same one-year period;

such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that period.”

(3) by inserting after paragraph (1) the following:

“(2) UNIFORM REDUCTION RATE; MAXIMUM PERMISSIBLE REDUCTION.—Reductions in payments for programs and activities under such title XVIII pursuant to a sequestration order under section 254 shall be at a uniform rate, which shall not exceed 4 percent, across all such programs and activities subject to such order.”

(4) by inserting after paragraph (3), as redesignated, the following:

“(4) TIMING OF SUBSEQUENT SEQUESTRATION ORDER.—A sequestration order required by section 252 or 253 with respect to programs under such title XVIII shall not take effect until the first month beginning after the end of the effective period of any prior sequestration order with respect to such programs, as determined in accordance with paragraph (1).”

(5) in paragraph (6), as redesignated, to read as follows:

“(6) SEQUESTRATION DISREGARDED IN COMPUTING PAYMENT AMOUNTS.—The Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this part, for purposes of computing any adjustments to payment rates under such title XVIII, specifically including—

“(A) the part C growth percentage under section 1853(c)(6);

“(B) the part D annual growth rate under section 1860D-2(b)(6); and

“(C) application of risk corridors to part D payment rates under section 1860D-15(e).”

and (6) by adding after paragraph (6), as redesignated, the following:

“(7) EXEMPTIONS FROM SEQUESTRATION.—In addition to the programs and activities specified in section 255, the following shall be exempt from sequestration under this part:

“(A) PART D LOW-INCOME SUBSIDIES.—Premium and cost-sharing subsidies under section 1860D-14 of the Social Security Act.

“(B) PART D CATASTROPHIC SUBSIDY.—Payments under section 1860D-15(b) and (e)(2)(B) of the Social Security Act.

“(C) QUALIFIED INDIVIDUAL (QI) PREMIUMS.—Payments to States for coverage of Medicare cost-sharing for certain low-income Medicare beneficiaries under section 1933 of the Social Security Act.”

SEC. 11. EXEMPT PROGRAMS AND ACTIVITIES.

(a) DESIGNATIONS.—Section 255 of BBEDCA is amended by redesignating subsection (i) as (j) and striking “1998” and inserting in lieu thereof “2010”.

(b) SOCIAL SECURITY, VETERANS PROGRAMS, NET INTEREST, AND TAX CREDITS.—Subsections (a) through (d) of section 255 of BBEDCA are amended to read as follows:

“(a) SOCIAL SECURITY BENEFITS AND TIER I RAILROAD RETIREMENT BENEFITS.—Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act (42 U.S.C. 401 et seq.), and benefits payable under section 231b(a), 231b(f)(2), 231c(a), and 231c(f) of title 45 United States Code, shall be exempt from reduction under any order issued under this part.

“(b) VETERANS PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

“All programs administered by the Department of Veterans Affairs.

“Special Benefits for Certain World War II Veterans (28-0401-0-1-701).

“(c) NET INTEREST.—No reduction of payments for net interest (all of major functional category 900) shall be made under any order issued under this part.

“(d) REFUNDABLE INCOME TAX CREDITS.—Payments to individuals made pursuant to provisions of the Internal Revenue Code of 1986 establishing refundable tax credits shall be exempt from reduction under any order issued under this part.”

(e) OTHER PROGRAMS AND ACTIVITIES, LOW-INCOME PROGRAMS, AND ECONOMIC RECOVERY PROGRAMS.—Subsections (g) and (h) of section 255 of BBEDCA are amended to read as follows:

“(g) OTHER PROGRAMS AND ACTIVITIES.—

“(1)(A) The following budget accounts and activities shall be exempt from reduction under any order issued under this part:

“Activities resulting from private donations, bequests, or voluntary contributions to the Government.

“Activities financed by voluntary payments to the Government for goods or services to be provided for such payments.

“Administration of Territories, Northern Mariana Islands Covenant grants (14-0412-0-1-808).

“Advances to the Unemployment Trust Fund and Other Funds (16-0327-0-1-600).

“Black Lung Disability Trust Fund Refinancing (16-0329-0-1-601).

“Bonneville Power Administration Fund and borrowing authority established pursuant to section 13 of Public Law 93-454 (1974), as amended (89-4045-0-3-271).

“Claims, Judgments, and Relief Acts (20-1895-0-1-808).

“Compact of Free Association (14-0415-0-1-808).

“Compensation of the President (11-0209-01-1-802).

“Comptroller of the Currency, Assessment Funds (20-8413-0-8-373).

“Continuing Fund, Southeastern Power Administration (89-5653-0-2-271).

“Continuing Fund, Southwestern Power Administration (89-5649-0-2-271).

“Dual Benefits Payments Account (60-0111-0-1-601).

“Emergency Fund, Western Area Power Administration (89-5069-0-2-271).

“Exchange Stabilization Fund (20-4444-0-3-155).

“Farm Credit Administration Operating Expenses Fund (78-4131-0-3-351).

“Farm Credit System Insurance Corporation, Farm Credit Insurance Fund (78-4171-0-3-351).

“Federal Deposit Insurance Corporation, Deposit Insurance Fund (51-4596-0-4-373).

“Federal Deposit Insurance Corporation, FSLIC Resolution Fund (51-4065-0-3-373).

“Federal Deposit Insurance Corporation, Noninterest Bearing Transaction Account Guarantee (51-4458-0-3-373).

“Federal Deposit Insurance Corporation, Senior Unsecured Debt Guarantee (51-4457-0-3-373).

“Federal Home Loan Mortgage Corporation (Freddie Mac).

“Federal Housing Finance Agency, Administrative Expenses (95-5532-0-2-371).

“Federal National Mortgage Corporation (Fannie Mae).

“Federal Payment to the District of Columbia Judicial Retirement and Survivors Annuity Fund (20-1713-0-1-752).

“Federal Payment to the District of Columbia Pension Fund (20-1714-0-1-601).

“Federal Payments to the Railroad Retirement Accounts (60-0113-0-1-601).

“Federal Reserve Bank Reimbursement Fund (20-1884-0-1-803).

“Financial Agent Services (20-1802-0-1-803).

“Foreign Military Sales Trust Fund (11-8242-0-7-155).

“Hazardous Waste Management, Conservation Reserve Program (12-4336-0-3-999).

“Host Nation Support Fund for Relocation (97-8337-0-7-051).

“Internal Revenue Collections for Puerto Rico (20-5737-0-2-806).

“Intragovernmental funds, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are augmented by direct appropriations for the fiscal year during which an order is in effect.

“Medical Facilities Guarantee and Loan Fund (75-9931-0-3-551).

“National Credit Union Administration, Central Liquidity Facility (25-4470-0-3-373).

“National Credit Union Administration, Corporate Credit Union Share Guarantee Program (25-4476-0-3-376).

“National Credit Union Administration, Credit Union Homeowners Affordability Relief Program (25-4473-0-3-371).

“National Credit Union Administration, Credit Union Share Insurance Fund (25-4468-0-3-373).

“National Credit Union Administration, Credit Union System Investment Program (25-4474-0-3-376).

“National Credit Union Administration, Operating fund (25-4056-0-3-373).

“National Credit Union Administration, Share Insurance Fund Corporate Debt Guarantee Program (25-4469-0-3-376).

“National Credit Union Administration, U.S. Central Federal Credit Union Capital Program (25-4475-0-3-376).

“Office of Thrift Supervision (20-4108-0-3-373).

“Panama Canal Commission Compensation Fund (16-5155-0-2-602).

“Payment of Vietnam and USS Pueblo prisoner-of-war claims within the Salaries and Expenses, Foreign Claims Settlement account (15-0100-0-1-153).

“Payment to Civil Service Retirement and Disability Fund (24-0200-0-1-805).

“Payment to Department of Defense Medicare-Eligible Retiree Health Care Fund (97-0850-0-1-054).

“Payment to Judiciary Trust Funds (10-0941-0-1-752).

“Payment to Military Retirement Fund (97-0040-0-1-054).

“Payment to the Foreign Service Retirement and Disability Fund (19-0540-0-1-153).

“Payments to Copyright Owners (03-5175-0-2-376).

“Payments to Health Care Trust Funds (75-0580-0-1-571).

“Payment to Radiation Exposure Compensation Trust Fund (15-0333-0-1-054).

“Payments to Social Security Trust Funds (28-0404-0-1-651).

“Payments to the United States Territories, Fiscal Assistance (14-0418-0-1-806).

“Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds.

“Payments to widows and heirs of deceased Members of Congress (00-0215-0-1-801).

“Postal Service Fund (18-4020-0-3-372).

“Radiation Exposure Compensation Trust Fund (15-8116-0-1-054).

“Reimbursement to Federal Reserve Banks (20-0562-0-1-803).

“Salaries of Article III judges.

“Soldiers and Airmen’s Home, payment of claims (84-8930-0-7-705).

“Tennessee Valley Authority Fund, except nonpower programs and activities (64-4110-0-3-999).

“Tribal and Indian trust accounts within the Department of the Interior which fund prior legal obligations of the Government or which are established pursuant to Acts of Congress regarding Federal management of tribal real property or other fiduciary responsibilities, including

but not limited to Tribal Special Fund (14-5265-0-2-452), Tribal Trust Fund (14-8030-0-7-452), White Earth Settlement (14-2204-0-1-452), and Indian Water Rights and Habitat Acquisition (14-5505-0-2-303).

“United Mine Workers of America 1992 Benefit Plan (95-8260-0-7-551).

“United Mine Workers of America 1993 Benefit Plan (95-8535-0-7-551).

“United Mine Workers of America Combined Benefit Fund (95-8295-0-7-551).

“United States Enrichment Corporation Fund (95-4054-0-3-271).

“Universal Service Fund (27-5183-0-2-376).

“Vaccine Injury Compensation (75-0320-0-1-551).

“Vaccine Injury Compensation Program Trust Fund (20-8175-0-7-551).

“(B) The following Federal retirement and disability accounts and activities shall be exempt from reduction under any order issued under this part:

“Black Lung Disability Trust Fund (20-8144-0-7-601).

“Central Intelligence Agency Retirement and Disability System Fund (56-3400-0-1-054).

“Civil Service Retirement and Disability Fund (24-8135-0-7-602).

“Comptrollers general retirement system (05-0107-0-1-801).

“Contributions to U.S. Park Police annuity benefits, Other Permanent Appropriations (14-9924-0-2-303).

“Court of Appeals for Veterans Claims Retirement Fund (95-8290-0-7-705).

“Department of Defense Medicare-Eligible Retiree Health Care Fund (97-5472-0-2-551).

“District of Columbia Federal Pension Fund (20-5511-0-2-601).

“District of Columbia Judicial Retirement and Survivors Annuity Fund (20-8212-0-7-602).

“Energy Employees Occupational Illness Compensation Fund (16-1523-0-1-053).

“Foreign National Employees Separation Pay (97-8165-0-7-051).

“Foreign Service National Defined Contributions Retirement Fund (19-5497-0-2-602).

“Foreign Service National Separation Liability Trust Fund (19-8340-0-7-602).

“Foreign Service Retirement and Disability Fund (19-8186-0-7-602).

“Government Payment for Annuitants, Employees Health Benefits (24-0206-0-1-551).

“Government Payment for Annuitants, Employee Life Insurance (24-0500-0-1-602).

“Judicial Officers’ Retirement Fund (10-8122-0-7-602).

“Judicial Survivors’ Annuities Fund (10-8110-0-7-602).

“Military Retirement Fund (97-8097-0-7-602).

“National Railroad Retirement Investment Trust (60-8118-0-7-601).

“National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306).

“Pensions for former Presidents (47-0105-0-1-802).

“Postal Service Retiree Health Benefits Fund (24-5391-0-2-551).

“Public Safety Officer Benefits (15-0403-0-1-754).

“Rail Industry Pension Fund (60-8011-0-7-601).

“Retired Pay, Coast Guard (70-0602-0-1-403).

“Retirement Pay and Medical Benefits for Commissioned Officers, Public Health Service (75-0379-0-1-551).

“Special Benefits for Disabled Coal Miners (16-0169-0-1-601).

“Special Benefits, Federal Employees’ Compensation Act (16-1521-0-1-600).

“Special Workers Compensation Expenses (16-9971-0-7-601).

“Tax Court Judges Survivors Annuity Fund (23-8115-0-7-602).

“United States Court of Federal Claims Judges’ Retirement Fund (10-8124-0-7-602).

“United States Secret Service, DC Annuity (70-0400-0-1-751).

“Voluntary Separation Incentive Fund (97-8335-0-7-051).

“(2) Prior legal obligations of the Government in the following budget accounts and activities shall be exempt from any order issued under this part:

“Biomass Energy Development (20-0114-0-1-271).

“Check Forgery Insurance Fund (20-4109-0-3-803).

“Credit liquidating accounts.

“Credit reestimates.

“Employees Life Insurance Fund (24-8424-0-8-602).

“Federal Aviation Insurance Revolving Fund (69-4120-0-3-402).

“Federal Crop Insurance Corporation Fund (12-4085-0-3-351).

“Federal Emergency Management Agency, National Flood Insurance Fund (58-4236-0-3-453).

“Geothermal resources development fund (89-0206-0-1-271).

“Low-Rent Public Housing—Loans and Other Expenses (86-4098-0-3-604).

“Maritime Administration, War Risk Insurance Revolving Fund (69-4302-0-3-403).

“Natural Resource Damage Assessment Fund (14-1618-0-1-302).

“Overseas Private Investment Corporation, Noncredit Account (71-4184-0-3-151).

“Pension Benefit Guaranty Corporation Fund (16-4204-0-3-601).

“San Joaquin Restoration Fund (14-5537-0-2-301).

“Servicemembers’ Group Life Insurance Fund (36-4009-0-3-701).

“Terrorism Insurance Program (20-0123-0-1-376).

“(h) LOW-INCOME PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

“Academic Competitiveness/Smart Grant Program (91-0205-0-1-502).

“Child Care Entitlement to States (75-1550-0-1-609).

“Child Enrollment Contingency Fund (75-5551-0-2-551).

“Child Nutrition Programs (with the exception of special milk programs) (12-3539-0-1-605).

“Children’s Health Insurance Fund (75-0515-0-1-551).

“Commodity Supplemental Food Program (12-3507-0-1-605).

“Contingency Fund (75-1522-0-1-609).

“Family Support Programs (75-1501-0-1-609).

“Federal Pell Grants under section 401 Title IV of the Higher Education Act.

“Grants to States for Medicaid (75-0512-0-1-551).

“Payments for Foster Care and Permanency (75-1545-0-1-609).

“Supplemental Nutrition Assistance Program (12-3505-0-1-605).

“Supplemental Security Income Program (28-0406-0-1-609).

“Temporary Assistance for Needy Families (75-1552-0-1-609).”

(d) ADDITIONAL EXCLUDED PROGRAMS.—Section 255 of BBEDCA is amended by adding the following after subsection (h):

“(i) ECONOMIC RECOVERY PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

“GSE Preferred Stock Purchase Agreements (20-0125-0-1-371).

“Office of Financial Stability (20-0128-0-1-376).

“Special Inspector General for the Troubled Asset Relief Program (20-0133-0-1-376).

“(j) SPLIT TREATMENT PROGRAMS.—Each of the following programs shall be exempt from any order under this part to the extent that the budgetary resources of such programs are subject to obligation limitations in appropriations bills:

“Federal-Aid Highways (69-8083-0-7-401).

“Highway Traffic Safety Grants (69-8020-0-7-401).

“Operations and Research NHTSA and National Driver Register (69-8016-0-7-401).

“Motor Carrier Safety Operations and Programs (69-8159-0-7-401).

“Motor Carrier Safety Grants (69-8158-0-7-401).

“Formula and Bus Grants (69-8350-0-7-401).

“Grants-In-Aid for Airports (69-8106-0-7-402).”

SEC. 12. DETERMINATIONS AND POINTS OF ORDER.

Nothing in this title shall be construed as limiting the authority of the chairmen of the Committees on the Budget of the House and Senate under section 312 of the Congressional Budget Act of 1974. CBO may consult with the Chairmen of the House and Senate Budget Committees to resolve any ambiguities in this title.

SEC. 13. LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.

(a) LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.—Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any bill or resolution pursuant to any expedited procedure to consider the recommendations of a Task Force for Responsible Fiscal Action or other commission that contains recommendations with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act, or the taxes received under subchapter A of chapter 9; the taxes imposed by subchapter E of chapter 1; and the taxes collected under section 86 of part II of subchapter B of chapter 1 of the Internal Revenue Code.

(b) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(c) APPEALS.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

TITLE II—ELIMINATION OF DUPLICATIVE AND WASTEFUL SPENDING

SEC. 21. IDENTIFICATION, CONSOLIDATION, AND ELIMINATION OF DUPLICATIVE GOVERNMENT PROGRAMS.

The Comptroller General of the Government Accountability Office shall conduct routine investigations to identify programs, agencies, offices, and initiatives with duplicative goals and activities within Departments and government-wide and report annually to Congress on the findings, including the cost of such duplication and with recommendations for consolidation and elimination to reduce duplication identifying specific rescissions.

MOTION OFFERED BY MR. HOYER

Mr. HOYER. Madam Speaker, I have a motion at the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. Hoyer moves that the House concur in the Senate amendment to House Joint Resolution 45.

The SPEAKER pro tempore. Pursuant to House Resolution 1065, the motion shall be debatable for 1 hour equally divided and controlled by the majority leader and the minority leader or their designees.

The gentleman from Maryland (Mr. HOYER) will control 30 minutes. The gentleman from Michigan (Mr. CAMP) will control 15 minutes, and the gentleman from Wisconsin (Mr. RYAN) will control 15 minutes.

The Chair recognizes the gentleman from Maryland.

Mr. HOYER. I thank the Speaker, and I yield myself 1 minute.

Ladies and gentlemen of the House, as we have on numerous occasions, we just raised the liability, or the ability, of the United States to pay a substantial amount. What we are doing now that we have not done in the last decade is to adopt a fiscal constraint at the same time, a fiscal constraint to get us to wherever Americans want us to be, and that is to fiscal balance, to a fiscally responsible government and a fiscally responsible country to match the fiscal responsibility of most of our citizens.

The House has just voted that our country should pay the bills it already incurred. Those obligations, of course, come from actions America has already taken. Those actions cannot be changed, so it was necessary to pay the bill. But we can and must confront our record debt going forward. We can and must set a more responsible path fiscally for our country.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HOYER. I yield myself 3 additional minutes.

A New York Times analysis found that 90 percent of our deficit is due to the policies of the previous administration, the extension of those policies, and the economic downturn. However we believe America got into this mess, this Congress can begin getting America out of it. That is why Congress must pass one of the most proven deficit cutting tools we know, statutory pay-as-you-go legislation or, as it is affectionately known, PAYGO.

Now, let me point out this chart to my right, your left. The deficits are when we did not have statutory PAYGO in effect. Now, when statutory PAYGO was put into effect in 1990, we still had deficits, but you can see that we started reducing those deficits almost on a straight line. And then in 1997 we went into surplus, fiscal year 1998, and we went into surplus for the next 4 years under PAYGO. Unfortunately, you will see that in 2001 it was decided that we would waive PAYGO, and then in 2003 it was decided by the then majority party that we would eliminate statutory PAYGO. And you can see the result. We returned to deep deficits.

So what we are voting on on the floor has demonstrably made a difference, has demonstrably helped America discipline its finances and bring surpluses. As I said, when George Bush took office from President Clinton, he, his administration, based upon the past record of the Clinton administration, said we had a \$5.6 trillion surplus. Unfortunately, for the country, when President Bush left office we had an almost \$3 trillion deficit confronting us.

PAYGO compels Congress to find savings for the money it spends, so it keeps our deficit from increasing. Under PAYGO we'll be required to find savings to balance any new tax cuts or entitlement spending, which makes this law essential, essential to the wise prioritization that responsible bud-

geting demands and, indeed, that our fellow citizens expect. As the Concord Coalition, a bipartisan fiscal responsibility group, put it, and I quote, "PAYGO requires anyone proposing tax cuts or entitlement expansions to answer the question, How do you pay for it? Going through this process will force an explicit trade-off between spending, taxes and debt, which is exactly the priority-setting exercise that the budget process should and must facilitate." We all know that such deliberate priority-setting steps stops us from passing our bills on to our children.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. HOYER. I yield myself 2 additional minutes.

Under President Clinton, PAYGO helped turn record deficits into a \$5.6 trillion projected surplus. We also know that PAYGO was disregarded, waived and finally allowed to expire under the last administration. And as I have pointed out on this chart, our deficits exploded and, indeed, our economy was hurt as well as those deficits exploded. Some argue that the PAYGO legislation on the floor today is too weak. But I'd point out that it brings our country more fiscal discipline than it has seen in nearly a decade.

The perfect ought not to be the enemy of the good. PAYGO can't get us out of our fiscal hole, but it can keep us from digging it deeper. When my Republican colleagues raise their concerns about our growing debt, I absolutely agree with them. They're right. All of us understand this debt is not sustainable. But it's not enough to complain about the debt; we have to do something about it. If my colleagues are sincere in their concerns, I hope they'll work with us to pass PAYGO and contribute to the bipartisan fiscal commission announced by President Obama. I hope you'll participate in that commission, helping us get our country to fiscal balance.

America's dangerous fiscal condition threatens our prosperity and our place in the world. If my colleagues will forgive a Democrat for paraphrasing Ronald Reagan, there are no easy answers to this mess, but there is a simple answer. The answer lies in recommitting ourselves to the principle that has served our prosperity so well in the past, the principle of responsibility. Ronald Reagan was right. Let us pass this legislation.

In closing, let me say, Madam Speaker, that so many people are responsible for this day; the Blue Dogs, I want to congratulate them. In a minute I'm going to yield to ALLEN BOYD who has led this effort on behalf of the Blue Dogs for such a long and successful time.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. HOYER. I yield myself 30 additional seconds.

I also want to congratulate an extraordinary individual who worked for an individual who's not on this floor, Charlie Stenholm, who deserves a portion of the credit this day for this legislation. And he was assisted, as I am now assisted, as all of the House is assisted, by an extraordinary member of our staff, Ed Lorenzen. Ed, I want to thank you personally for the extraordinary efforts you have made to get us to this day.

Madam Speaker, I designate Mr. BOYD of Florida to control the remainder of the time.

The SPEAKER pro tempore. The gentleman will be recognized.

The Chair recognizes the gentleman from Michigan.

Mr. CAMP. Madam Speaker, I yield myself such time as I may consume.

If this so-called PAYGO legislation fails, there is no increase in the debt limit and you cannot separate the two concepts. If this legislation passes, the debt limit increases by an astounding \$1.9 trillion, the largest one-time increase in the debt limit ever. Since the majority came into control of Congress 3 years ago, the debt limit has been increased by over \$5.3 trillion, or by nearly 60 percent. Despite this massive heap of debt thrust on the American people, Democrats plan to pile on even more debt next year.

According to the President's newest budget proposal, the amount of debt subject to the limit will increase by nearly \$1.4 trillion from fiscal year 2010 to fiscal year 2011. A number that large is hard to put into perspective, but let me offer a few points of reference. The President intends to increase the debt in just 1 year by an amount equal to the entire GDP of Canada. This 1-year increase in the debt is larger than the GDP of India, Mexico, Australia, or South Korea. It is larger than the GDP of Ireland, Poland, and Belgium combined. We've heard a lot of talk recently from the President about the need to get America's fiscal house in order. However, according to the President's own budget, Congress will have to raise the debt limit again before 2011 is over.

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Even more disturbing is the fact that under the President's proposed budget, debts subject to this limit will exceed the size of the entire U.S. economy by 2013 and remain more than U.S. GDP through the next decade and presumably for years to come.

Experts on both sides of the political spectrum agree that this kind of runaway debt threatens the very foundation of America's economy. Yesterday, the market provided a stark warning as credit rating agency Moody's stated the U.S. AAA bond rating is threatened by deficits driving up this debt.

I hear a lot from the President, from my colleagues in the majority, about inherited deficits and debt, but let's be clear. According to the President's own budget, the largest deficit in U.S. history will be under a Democratic administration and a Democratic majority in

Congress. A Democratic President and a Democratic Congress plan a 1-year increase in the debt larger than the size of major economies around the world.

This isn't about what anyone inherited. It is about what this President and the Democrats in Congress planned for America: too much spending, too much taxing, and too much debt.

My friends on the other side are fond of the analogy that raising the debt limit is necessary in the same way that someone who has eaten in a restaurant must now pay the bill. That analogy is misleading. It is more accurate to say that having sat down at a restaurant with enough money for a decent meal, Democrats decided to go on an eating binge. It's simply irresponsible for Democrats to spend the American people's money in this fashion.

Rather than letting this massive debt increase pass, I urge Congress to examine its out-of-control spending habit this year rather than after the election, as the President suggests with his so-called deficit commission.

I urge this House to restore responsible spending. Vote "no" on the largest one-time increase in the debt limit ever.

I reserve the balance of my time.

Mr. BOYD. Madam Speaker, I yield myself 1 minute.

I rise in favor of this PAYGO legislation. This has been a priority of mine and my Blue Dog colleagues for many, many years, and I am proud to stand here today where we're on the brink of final passage of this very important legislation.

Madam Speaker, PAYGO was the very first bill that President Obama sent to Congress last year, and the progress we made in the last year would not be possible without his support. And I want to thank the President for weighing in and supporting fiscal responsibility.

I also want to take a moment to thank the leaders of the House who have been so important, particularly Speaker NANCY PELOSI, who has a commitment to fiscal responsibility, Majority Leader STENY HOYER, who you've already heard from, and also chairman of the Budget Committee, the gentleman from South Carolina, JOHN SPRATT.

My Blue Dog colleagues and I will continue to advocate for tools to bring our fiscal house in order because this is only the very first step. It is a small step, and it will not solve all of our problems that have been created over the last decade, but we will continue to advocate for tools that will pave the way for long-term economic stability.

I reserve the balance of my time.

Mr. CAMP. I yield 1½ minutes to the distinguished gentleman from Texas (Mr. BRADY), a distinguished member of the Ways and Means Committee.

Mr. BRADY of Texas. These congressional Democrats just aren't listening.

After Massachusetts, voters sent a signal on behalf of this country of no more spending, we are too deep in debt, a here-we-go-again. And when they sent the signal that government should be open and the people ought to have a say today, they snuck into this bill an increase in the debt limit to make sure there wouldn't be an embarrassing up-or-down vote on this bill the way the public demands it to be.

When they were in charge, it was a different story. As the majority leader, highly respected STENY HOYER, said, Democrats, raising the debt limit is immoral. This policy of borrow and spend is not only irresponsible, it's immoral and it must stop. He was exactly right.

When our Speaker—again, highly respected Speaker—took that gavel 3 years ago, the debt limit in America was \$29,000 for every man, woman, and child. Today, just 3 years later, it's \$45,000 for each one of you, and it's going up and up and up each year.

And I will tell you, when they say, No, no, the Republicans, Democrats share the blame, Democrats have incurred twice as much of that debt to date, and it's going to skyrocket under their control. And what's even more frustrating is, with the new President's budget, that deficit is going to triple over future years.

And I will finish with this. PAYGO. PAYGO is to fiscal responsibility what ethics is to the former Governor of Illinois, Mr. Blagojevich. PAYGO, since it's been put in place 3 years ago, our deficits have increased tenfold.

I urge defeat of this bill.

Mr. BOYD. Madam Speaker, it is my pleasure and privilege to yield 2½ minutes to the Budget Committee chairman, the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Madam Speaker, to supplement my remarks about statutory PAYGO, I would like to include in the RECORD the attached section of the bill.

Madam Speaker, at the outset of the 1990s, the Congress passed the Budget Enforcement Act for a simple purpose: to ensure that the Budget Summit Agreement we just passed was actually carried out. Among its provisions was a new rule called PAYGO, pay-as-you-go.

I can remember how our critics disdained our resort to budget process instead of making hard substantive decisions. They said we were dodging the hard choices, choices we had to make if we were going to wipe out the deficit. But by the end of the 1990s, the budget was in surplus for the first time in 30 years, and it was clear that for the budget process, rules we would put in place like PAYGO played a big part in our fiscal success.

Republicans were in the majority in 2002 when the Budget Enforcement Act expired, and they chose not to reinstate PAYGO because they knew it would impede passage of their tax-cut-

ting agenda. Without these process rules in place, the budget plunged from a surplus of \$236 billion to a deficit of \$413 billion in the year 2004. When Democrats took back the House, we made PAYGO a rule of the House the first day we convened the 110th Congress.

The Obama administration, the current Congress have inherited an economy in crisis and a colossal deficit, swollen by recession and recovery measures both. As these measures pull us out of recession, we should turn our attention on our longer-term fiscal fate.

Statutory PAYGO works. It's proven to work. It reins in new entitlement spending. It reins in tax cuts as well. Both tend to be long lasting, easy to pass, hard to repeal. By insisting on offsets and insisting on deficit neutrality, PAYGO buffers the bottom line, and Lord knows it needs it now. Its terms are complex, but at its core is a commonsense rule that everyone can understand: When you are in a hole, stop digging.

Statutory PAYGO was first put in place with bipartisan support, renewed on a bipartisan basis in 1997. When the House passed it in July, the rule PAYGO, two dozen Republicans joined 241 Democrats in voting for it.

We recall and invite you to cast another vote today for statutory for fiscal responsibility. Vote for statutory PAYGO. It will help us reduce the deficit, both short-term and long-term. And while it can't solve all of our problems—it's no panacea—it does represent one solid step forward towards getting things back on the path of fiscal sustainability and fiscal responsibility.

Madam Speaker, as Chairman of the Budget Committee I am submitting for the RECORD a section-by-section analysis of the Statutory Pay-As-You-Go Act of 2010 that the House is considering today as part of the Senate amendments to H.J. Res. 45. The Statutory Pay-As-You-Go Act of 2010 establishes points of order in the House of Representatives only to the extent that it does so explicitly.

SECTION-BY-SECTION ANALYSIS OF THE STATUTORY PAY-AS-YOU-GO ACT OF 2010

Section 1—Short Title: The title of this Act is the "Statutory Pay-As-You-Go Act of 2010."

Section 2—Purpose: The purpose of the Statutory Pay-As-You-Go Act (PAYGO) of 2010 is to reestablish a statutory procedure to enforce a rule of budget neutrality on new revenue and direct spending legislation.

Section 3—Definitions and Applications: Section 3 sets forth definitions of terms used in the PAYGO statute. Many terms are defined by cross-references to the standard definitions used in other budget laws, including the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act (BBEDCA) of 1985. Terms that are of particular importance include:

Budgetary effects. Budgetary effects are defined as the amount by which PAYGO legislation changes mandatory outlays or revenues relative to the baseline. The budgetary

effects of changes in tax or mandatory spending law are measured relative to what revenues or mandatory spending would otherwise have been if not for the legislation, as measured by the baseline (as defined in section 257 of BBEDCA). Off-budget effects (i.e., Social Security trust funds and the Postal Service fund) and debt service are not counted as budgetary effects. "Mandatory spending" and "direct spending" (the term used in the statutory language) are synonymous.

PAYGO legislation/PAYGO Act. Legislation, or provisions thereof, that increases or reduces revenues, or increases or reduces the cost of mandatory programs, is called PAYGO legislation or a PAYGO Act. In this Act, the terms are used interchangeably. PAYGO legislation is subject to statutory PAYGO.

Legislation subject to PAYGO also includes provisions in annual appropriations bills that change revenue or mandatory spending law in appropriations bills. Changes in mandatory spending law are considered discretionary in the current and budget years because the Appropriations Committees can offset the costs or use the savings by adjusting funding levels for discretionary programs in those years. But mandatory spending provisions in appropriations bills having outyear budget authority effects—that is, effects in those years after the budget year—are considered PAYGO legislation. This is generally consistent with the existing point of order in the Senate against ChIMPs (Changes in Mandatory Programs). However, such provisions for which the mandatory outlay effects net to zero over the period consisting of the current year, the budget year, and the four subsequent years shall not be counted as having budgetary effects.

Timing shift. A timing shift involves a shift of costs from within the PAYGO window, i.e., the ten-year period covered by the PAYGO scorecard, to outside the window (or savings from outside the window to within the window). More technically, the term is defined to refer to a delay of the date on which mandatory outlays would otherwise occur from the ninth outyear (the last year taken into account in the PAYGO calculation) to the tenth outyear (not taken into account in the PAYGO calculation) or an acceleration of the date on which revenues or offsetting receipts or collections would otherwise occur from the tenth outyear to the ninth outyear. Timing shifts are not counted for purposes of statutory PAYGO to prevent gaming the PAYGO scorecard.

Section 4—PAYGO Estimates and PAYGO Scorecards: Section 4 establishes procedures for determining the budgetary effects of legislation subject to PAYGO. These budgetary effects are entered by OMB in the PAYGO scorecards, as defined in section 4(d), and are used to determine whether a sequestration order must be issued.

Estimates of budgetary effects are made either by Congress or OMB. Subsection (a) establishes the procedures Congress must follow in order for its estimate of budgetary effects of legislation to be used for PAYGO enforcement. If Congress follows these procedures, the Congressional estimate of budgetary effects shall be used by OMB. If Congress does not follow these procedures, the budgetary effects of legislation subject to PAYGO shall be estimated by OMB. Subsection (b) establishes the procedures by which the House and Senate Budget Committees obtain estimates from CBO, and the procedures to be used by CBO for making estimates. Subsection (c) outlines the additional procedures to be followed by CBO or OMB, as applicable, when adjusting the estimates of budgetary effects for legislation that qualifies for a "current policy" adjustment under section 7 of this Act. Subsections (d)–(f) re-

late to procedures used by OMB for PAYGO estimates and enforcement. Subsection (g) addresses procedures for legislation designated as an emergency for the purpose of statutory PAYGO.

The Chairmen of the Budget Committees in each House are authorized to submit estimates of budgetary effects for printing in the Congressional Record. If such estimates are submitted, they shall establish the budgetary effects of the legislation as described below. Printing the statement in the Congressional Record ensures that the estimate of budgetary effects is, at the time of the vote on the bill that is enacted into law, unambiguous, fixed, and knowable, for Members, for OMB, and for the public.

(a) PAYGO Estimates. Congress can establish the budgetary effects of PAYGO legislation by following a two-step process. First, the text of PAYGO legislation must include one of the statements prescribed in paragraphs (1)(A), (B), or (C). Second, the Chairman of the relevant Budget Committee must submit for printing in the Congressional Record a statement of the budgetary effects of the legislation, also referred to as the "cost estimate" or "score." A Congressional estimate must satisfy both of these requirements to be valid. If Congress fails to follow this procedure for legislation that is subsequently enrolled and signed by the President, or chooses not to provide an estimate of budgetary effects, the OMB estimate of a PAYGO Act's budgetary effects is used for PAYGO enforcement.

The statements prescribed in paragraphs (1)(A), (B), or (C) establish a reference in the legislative text of PAYGO legislation to an estimate of budgetary effects to be submitted for printing in the Congressional Report before a vote on passage. The statement may be included in the original text of the legislation, or by amendment as may be allowed under the regular procedures in either House. The estimate need only be submitted for printing in the Congressional Record before a vote on passage. The actual estimate of budgetary effects is never inserted into the legislative text of PAYGO legislation. This process avoids the need to amend PAYGO legislation to include an updated estimate of budgetary effects if amendments are adopted.

This two-step process avoids the Constitutional concerns identified in *Bowsher v. Synar*, 479 U.S. 714 (1986) and *Immigration and Naturalization Service v. Chadha*, 462 U.S. 919 (1983) because Congress will establish the budgetary effects of the PAYGO Act through the legislative process, not after enactment. An unambiguous and fixed estimate available prior to a vote is incorporated by reference in the PAYGO legislation. Matters incorporated by reference are binding on the executive branch. See *Hershey Foods v. USDA*, 158 F. Supp. 2d 37, 41 (D.D.C. 2001), *aff'd on other grounds*, 293 F.3d 520 (D.C. Cir. 2002); see also *United States v. Sharpnack*, 355 U.S. 286, 293 (1958).

1. Required Designation in PAYGO Acts: One of three statements must be included in legislation subject to PAYGO for the Congressional estimate to be entered by OMB on the PAYGO scorecard. The statements provide the basis in the legislative text for incorporating the Congressional estimate by reference into the PAYGO Act.

The three statements address three possible scenarios under which a PAYGO Act may be signed by the President: (1) legislation is originated by the House and passed without amendment by the Senate; (2) legislation is originated by the Senate and passed without amendment by the House; and (3) legislation is agreed upon by both Houses after differences are resolved by a conference committee or by amendments between the Houses.

Statement (1)(A) refers to an estimate provided by the House Budget Committee Chairman. This statement would be included in legislation originated in the House of Representatives. If the House Budget Committee Chairman submits a statement of budgetary effects for printing in the Congressional Record before the vote on passage in the House, the budgetary effects of that legislation will have been set by the House. If the Senate then passes the House bill without amendment, the House PAYGO estimate will be placed on the PAYGO scorecard by OMB. Similarly, if the Senate originates and passes PAYGO legislation with the statement prescribed 3 in (1)(B), and the Chairman of the Senate Budget Committee submits a statement of budgetary effects for printing in the Congressional Record before the Senate votes, the House of Representatives will have accepted the Senate estimate as controlling if it passes the Senate bill without amendment.

One House may strike the statement inserted in the legislative text by the other House and replace it with the statement referring to the estimate submitted by the Chairman of its Budget Committee. In doing so, the second House has rejected the first House's estimate. A disagreement between the Houses on the estimate of budgetary effects becomes a matter in dispute between the Houses to be resolved by the House and Senate Budget Committees.

The statement in (1)(C) refers to an estimate of budgetary effects jointly submitted to the Congressional Record by the Chairman of the House and Senate Budget Committees. This statement must be included in a conference report, or amendments between the Houses, when the Houses resolve the differences in their budgetary estimates. Where differences between the Houses are to be resolved in a process of amendments between the Houses, the requirement of a joint statement prevents the House acting first from having an advantage in negotiations. The joint statement also underscores that different estimates of the budgetary effects of legislation must be resolved to the satisfaction of the Chairmen of both Budget Committees if Congress wants a Congressional estimate to be placed on the PAYGO scorecard.

Presumably not all PAYGO legislation will contain a Congressional estimate of budgetary effects. For example, the budgetary effects of a particular PAYGO Act may be so small that Congress chooses not to complete an estimate. It is also possible that the Houses cannot come to an agreement on an estimate of budgetary effects. Absent a designation pursuant to section 4(a)(1) and estimate submitted pursuant to section 4(a)(2), the estimate made by OMB post-enactment will be entered on the PAYGO scorecards.

In some cases, one piece of PAYGO legislation could have multiple designations and estimates throughout the legislative process—the first by the originating House, the second by the second House acting upon the legislation, and a third by the conference committee. For the purpose of directing OMB as to what amounts are to be entered on the PAYGO scorecards, the only estimate that matters is the one contained in the version of the legislation passed by both Houses and presented to the President for signature. Conversely, the omission by one or both Houses of a designation and estimate earlier in the legislative process, for whatever reason, has no bearing on the validity of an otherwise valid estimate appropriately referenced in a PAYGO Act signed by the President.

2. Determination of Budgetary Effects of PAYGO Acts: In order for Congress's estimate of budgetary effects to bind OMB, a

valid statement must be submitted for printing in the Congressional Record by a Chairman of the Budget Committee, or by the Chairmen jointly, as applicable. However, the Chairmen are not obligated to submit a statement. The statement, if submitted, must be titled "Budgetary Effects of PAYGO Legislation."

The Chairmen of the Budget Committees retain full discretion over the Congressional estimate of budgetary effects for the purposes of enforcing this Act, consistent with Section 312 of the Congressional Budget Act. The Congressional Budget Office will continue to provide estimates to the Budget Committees.

It is the responsibility of the Budget Committee Chairmen to ensure that statements of budgetary effects are submitted for the Congressional Record in a timely manner, and that they identify with specificity any previously submitted statement for the same legislation that it supersedes. A previous statement is no longer valid and is superseded when that House adopts an amendment to a PAYGO Act after the statement has been submitted. Any subsequent amendment, regardless of its budgetary effects, will invalidate a previously submitted estimate.

In the case of a conference report, a statement of budgetary effects is not valid if it is first submitted for printing in the Congressional Record after one House passes the report. It is incumbent on both Houses to ensure that prior to a vote in either House on PAYGO legislation leading to enrollment and presentation to the President, there is an unambiguous, fixed, and knowable statement of budgetary effects.

3. Procedure in the Senate: It is in order in the Senate for the Legislative Clerk to read the statement of budgetary effects into the record of proceedings once it has been submitted by the Chairman of the Senate Budget Committee. This reading provides an added assurance that all Senators have been given notice of the Congressional estimate of the budgetary effects prior to a vote on passage of legislation. Notice to Senators will also be provided by printing the estimate in the Congressional Record. As a practical matter, votes on some legislation subject to PAYGO may be taken after the statement has been submitted for the Congressional Record, but before it has been printed. If the vote will be taken after the statement has been printed, the Senate may waive the reading of the estimate by unanimous consent.

4. Jurisdiction of the Budget Committees: When Congress follows the procedure set forth in this section, the designated legislation is not subject to a point of order under section 306 of the Congressional Budget Act. (Section 306 generally bars the consideration of legislation dealing with matters within the jurisdiction of the Budget Committee unless it has been reported by the committee, or the committee has been discharged from further consideration.) The inclusion of the statements specified in (1)(A), (B), and (C)—without modification—in legislation subject to PAYGO avoids a point of order under section 306. If different language is used, for example, or if an authorizing committee includes some other budgetary provision, a point of order under section 306 would be in order. This is consistent with Senate precedent that "directed scoring" language in legislation is within the jurisdiction of the Budget Committees.

(b) CBO PAYGO Estimates. Subsection (b) amends Section 308 of the Congressional Budget Act of 1974 to establish a procedure by which Congress may request that CBO estimate the budgetary effects of PAYGO legislation. Consistent with section 312 of the Congressional Budget Act, and existing Congressional practice and procedure, the Chair-

men of the Budget Committees are responsible for requesting estimates from the Congressional Budget Office. CBO shall prepare its estimates consistent with section 257 of BBEDCA, but shall not count timing shifts as those are defined in section 3(8) of this Act. CBO estimates shall also be scored in accordance with the scorekeeping guidelines determined under section 252(d)(5) of BBEDCA.

(c) Current Policy Adjustments for Certain Legislation. Section 4(c) establishes procedures for making adjustments to the estimates of budgetary effects for legislation in four policy areas: (1) physician payments under section 1848 of the Social Security Act; (2) the Estate and Gift Tax; (3) the Alternative Minimum Tax; and (4) certain middle class tax cuts provided in EGTRRA and JGTRRA. The criteria for determining whether legislation, or provisions of legislation, qualify for current policy adjustments are set forth in section 7.

1. In General: If the Chairman of either Budget Committee determines that legislation meets the criteria set forth in section 7 of this Act, that Chairman shall request that CBO adjust its estimate of budgetary effects. If OMB estimates the budgetary effects of legislation that meets the criteria of section 7 because Congress has not provided a valid estimate, then OMB shall adjust its estimate of budgetary effects.

2. Adjustments: For qualifying legislation or provisions of legislation, CBO or OMB, as applicable, shall exclude from the estimate of budgetary effects no more than the amount of the budgetary effects of that legislation or provision as allowed in the applicable part of section 7. The amount that may be excluded is determined with reference to the amounts previously excluded pursuant to the same subsection of section 7. In other words, if the cost of a particular provision, when added to the costs or savings of all other provisions that previously qualified for an adjustment under that subsection of section 7 exceeds the maximum amount allowable for the subsection, the excess costs shall not be excluded from the estimate of budgetary effects. In implementing these adjustments, CBO shall use CBO's baseline estimates; this requirement is not intended to apply to estimates prepared by OMB. If CBO makes an adjustment, its estimate shall state the unadjusted and adjusted costs, and an updated total of all costs previously excluded under the same provisions of section 7.

3. Limitation on Availability of Excess Savings: The intent of the current policy adjustment is to give Congress flexibility to extend certain current policies with budgetary effects over specified periods of time. Savings from the extension of current policies with budgetary effects less than allowed under section 7—in other words extensions that generate savings in comparison with the extension of current policy—cannot be used to offset costs of other legislation. This paragraph establishes two rules that reinforce the prohibition on the fungibility of savings relative to the current policy extensions.

A. Excess savings cannot be used to offset the budgetary effects of PAYGO legislation that would not otherwise qualify for a current policy exemption under section 7. For example, if Congress were to enact only a one-year fix for the Alternative Minimum Tax, the difference in revenue generated by a two-year and one-year fix of the AMT cannot be used to offset the cost of a new entitlement program.

B. Excess savings in one of the policy areas specified in section 7 cannot be used to offset the budgetary effects of a more expensive policy extension in another policy area. For

example, if Congress were to enact only a one-year fix for the Alternative Minimum Tax, the difference in revenue generated by a two-year and one-year fix of the AMT cannot be used to offset a reduction in the estate and gift tax that costs more than is otherwise provided in section 7. In other words, savings among the policies in sections 7(c), (d), (e), and (f), and among the subparagraphs of section 7(f)(1), are not fungible.

4. Further Guidance on Estimating Budgetary Effects: To determine adjustments for the budgetary effects for qualifying legislation, CBO or OMB, as applicable, shall use the conventions concerning the stacking order of estimates of the interactive effects of AMT relief and extension of the middle class tax cuts set forth section 7(h).

5. Inclusion of Statement: Any adjustments for current policy legislation shall be explained by the appropriate Chairman of the Budget Committee in the statement "Budgetary Effects of PAYGO Legislation" submitted for printing in the Congressional Record.

(d) OMB PAYGO Scorecards. The subsection outlines OMB's responsibilities under statutory PAYGO. OMB will maintain two "PAYGO scorecards," available to the public, that maintain a running tally of the budgetary effects of enacted legislation subject to PAYGO. In making entries onto the scorecards, OMB will use the "look-back" and "averaging" rules discussed below.

OMB will use the Congressional estimate of the budgetary effects of a PAYGO Act if one was incorporated pursuant to section (4)(a). If not, OMB will enter its own estimates on the scorecards.

The scorekeeping and baseline rules for current policy adjustments are the same as those that apply to CBO and OMB for estimating all legislation subject to PAYGO. OMB estimates must be consistent with the scorekeeping approaches described in section 308 of the Congressional Budget Act, as amended by section 4(b) of this Act, and the current policy adjustments in section 7. In other words, OMB and CBO estimates should be made using the same rules and scorekeeping conventions. However, CBO will use the baseline as defined by section 257 of the Congressional Budget Act, while OMB will use the economic and technical assumptions included in the latest budget submitted by the President.

OMB will maintain two PAYGO scorecards, one covering a five-year period and the other covering a ten-year period beginning in the budget year.

OMB shall not include on either PAYGO scorecard any net savings generated by subsequently enacted legislation titled "Community Living Assistance Services and Supports Act" (CLASS Act). The CLASS Act was included in the Senate- and House-passed health care reform bills and would establish a federal insurance program for long-term care. OMB shall also not include any net savings generated by subsequent amendments to that Act, if enacted.

(e) Look-Back to Capture Current Year Effects. To take into account any budgetary effects of PAYGO legislation in the current year (i.e., the year of enactment if before October 1st), a "look-back" rule is included. The rule provides that budgetary effects in the current year are to be treated as if they were budgetary effects in the budget year (which is the year subsequent to the current year). This is why the averaging provision described below actually sums eleven years of costs (the current year, the budget year, and the nine outyears) and divides the sum by ten. This look-back provision similarly applies to the five-year scorecard.

(f) Averaging Used to Measure Compliance Over 5-Year and 10-Year Periods. For the

budget year and the applicable four or nine outyears, OMB is to enter the annual average budgetary effect associated with PAYGO legislation. For instance, a bill that pays for itself over ten years will have a total, and thus average, score of zero, so zero would be entered in each column of the ten-year PAYGO scorecard. If a bill enacted in FY10 costs a net of \$10 billion over FY2010–FY2020, OMB would insert +\$1 billion in each of the ten columns on the PAYGO ledger (FY11 through FY20). The same PAYGO legislation could well have different averages over five years and over ten. For example, if a bill enacted this session costs \$2 billion through 2015 and \$10 billion through 2020, the five-year scorecard would record entries of \$0.4 billion for each of 2011 through 2015, while the ten-year scorecard would record entries of \$1 billion for each of 2011 through 2020.

(g) Emergency Legislation. If legislation subject to PAYGO contains an emergency designation, the budgetary effects of provisions that are designated as emergencies shall not be placed on the PAYGO scorecards by OMB. The designation should refer to subsection (g)(1) of this Act. The procedure for challenging a statutory emergency designation for PAYGO enforcement reflects the current practices for challenging emergency designations under Congressional budget rules. In the Senate, an emergency designation is subject to a point of order that may be waived upon a vote of 3/5 of the members duly chosen and sworn. If the Senate does not waive this point of order, the emergency designation is struck from the legislation. Both this section of this Act and clause 10 of rule XXI of the Rules of the House of Representatives require the Chair to put the question of consideration with respect to a measure containing a provision expressly designated as an emergency for the purposes of pay-as-you-go requirements. As a result of this duplication of nearly identical requirements, the two should be interpreted to merge and thereby require the Chair to put just one question of consideration in satisfaction of both requirements.

Section 5—Annual Report and Sequestration Order: Section 5 defines the timing of the annual PAYGO report and, if one is needed, the sequestration order. OMB is to produce an annual PAYGO report, which shall include up-to-date PAYGO scorecards and a description of any sequestration if required. The report is to be released no more than 14 days (excluding weekends and legal holidays) after Congress adjourns to end a session.

If the annual report shows a debit (i.e., net budgetary cost) on either PAYGO scorecard for the budget year, the President is required to issue an order sequestering budgetary resources from non-exempt mandatory programs sufficient to fully pay off that debit. If it shows a debit on both the five-year and ten-year scorecards, the sequestration must pay off the larger debit. If the President issues this order, then the PAYGO annual report must contain its details, including such information as the outlay reductions that would occur in the budget year and the subsequent fiscal year for each affected account.

Because the PAYGO statute creates a permanent law, the two scorecards are permanent. In effect, they will record all PAYGO legislation enacted from the date the bill becomes law. The cost estimates of individual PAYGO bills, however, will eventually slide off the scorecards since only the five-year or ten-year costs are recorded on those scorecards. For example, a PAYGO bill enacted later this year will show cost or savings entries of the same size (the average amount through 2015) for each fiscal year 2011 through 2015 on the five-year scorecard. Next year, new PAYGO legislation will add entries

to the five-year scorecard covering years 2012–2016. The entries made this year in the 2012–2015 columns of that scorecard will remain on that scorecard, however. If those entries are net savings, the savings will be available to cover costs in new legislation, but if they are net debits, avoiding a sequestration at the end of each of the next four sessions of Congress will require that the net debits be worked off by the enactment of new offsetting savings. The same approach applies to the ten-year scorecard.

Section 6—Calculating a Sequestration: Section 6 describes how sequestration is to be implemented if triggered. Many mandatory programs, such as Social Security, veterans' disability and other benefits, and major low-income entitlements, such as Supplemental Security Income and Medicaid, are totally exempt from sequestration. Only programs in the unified budget are subject to sequestration.

With the exception of Medicare, non-exempt mandatory programs would be cut by a uniform percent, such that the outlay savings produced in the budget year and the subsequent fiscal year would be sufficient to fully offset the budget-year debit on the PAYGO ledger. Medicare can be cut by no more than four percent. If a larger cut is needed to offset the debit on the PAYGO ledger, the uniform percentage cut to the other non-exempt mandatory programs would be increased so that the sequester of Medicare and the other non-exempt programs would together produce sufficient savings to offset the budget-year debit. Sequestrations are temporary, not permanent, and with a few exceptions occur only in the budget year.

For most non-exempt mandatory programs, the uniform sequestration percentage reduces budgetary resources by a specified percent over the course of the entire fiscal year. If a sequestration starts a month or more into the fiscal year because Congress adjourns in November or December, then the reduction during the remaining 9, 10, or 11 months of the fiscal year will be larger than the uniform percentage so that the average sequestration over the year equals the required uniform percentage.

In the case of Medicare, the sequestration lasts for a full 12 months even if it takes effect after the beginning of the fiscal year, in which case it will run into the start of the next fiscal year. This means the uniform percentage cut in payments to providers or insurance plans will not be higher at any time than the four-percent limit (or the calculated uniform percentage, if lower).

In the case of price support payments for crops, the sequestration for any given crop will start at the beginning of the next crop year. As a consequence, sequestrations for crops will not all be running concurrently, and some sequestrations may occur partly in the following fiscal year.

Section 7—Adjustments for Certain Current Policies:

(a) Purpose. Section 7 establishes a temporary rule to adjust the estimates of the budgetary effects of PAYGO legislation in four policy areas: Medicare physician payments, the estate tax, the Alternative Minimum Tax, and the 2001 and 2003 income tax cuts for the middle class. In each of these areas, current policies have either expired at the end of 2009 or will expire by the end of 2010. This section allows for an adjustment so that the cost of extending specified individual policies for a defined period (two years for estate tax and AMT, five years for Medicare physician payments, and permanently for the middle-class tax cuts) is not counted for statutory PAYGO purposes.

This scoring rule applies only for the purposes of statutory PAYGO. For other pur-

poses, including the Congressional Budget Act and the congressional PAYGO rules, existing scoring rules and points of order apply.

General approach. The statute authorizes a maximum adjustment to the estimate of budgetary effects of PAYGO legislation in the four specified policy areas equal to the difference between:

The cost of continuing a specified policy under current law as of December 31, 2009, consistent with baseline calculations under section 257 of BBEDCA, which, for each of the four policy areas, would assume that the specified policy has expired (AMT and estate tax), or will expire by the end of 2010 (all other policies); and

The projected cost of the specified policy assuming the policy continues beyond its scheduled expiration date.

The cost of continuing these policies over the specified period is larger than the cost of letting them expire, as would happen under current law. The adjustment allows Congress to address these policies without having the cost added to the PAYGO scorecard. The difference between these two estimated costs is the maximum adjustment that may be used to offset the cost of legislation addressing each specified policy for the purposes of PAYGO enforcement. If the estimate of the legislation has a greater budgetary effect than the maximum amount of the adjustment, then the adjustment can be used to offset a portion of its cost. The additional cost would be counted for statutory PAYGO purposes. If a less costly policy is enacted, any remaining amount in the adjustment cannot be used to offset the cost of policies in other areas (as specified in Section 4(c)(3) of the PAYGO statute).

In addition, the adjustments in each policy area are further limited to prevent using the full amount of the available adjustment to offset the cost of a more generous policy for a shorter period. Under this limitation, the amount of the adjustment is estimated consistent with the time period covered by the eligible policy action.

Duration. This section expires on December 31, 2011, so any policies eligible for an adjustment must be enacted by that time in order to receive the adjustment.

(c)-(f) Policy areas eligible for adjustment. For statutory PAYGO purposes, legislation addressing four policy areas qualifies for a current policy adjustment to the estimate of that legislation's budgetary effects.

(c) Medicare Physician Payments. Under current law, the Sustainable Growth Rate (SGR) formula requires physician payments under Medicare part B to be cut automatically by over 21 percent after February 28, 2010. Section 7(c) provides a maximum adjustment equal to the difference between the cost of freezing through December 31, 2014, the Medicare Part B payment rates to physicians at the 2009 rate, and the cost of allowing the automatic cuts to occur after February 28, 2010. Legislation providing relief from the scheduled SGR cut—including legislation that reforms or supersedes the SGR formula—would only be scored for PAYGO purposes to the extent that it costs more than this five-year freeze at 2009 levels. If legislation to reform or supersede the SGR formula through or beyond 2014 is enacted that costs less than a five-year freeze in the years through 2014, any remaining amount in the adjustment could be used to offset costs of that policy after 2014, but the total adjustment cannot exceed the maximum adjustment amount of a five-year SGR freeze.

Estate and gift tax. Under EGTRRA, the estate tax exemption was gradually increased and the tax rate gradually lowered so that by 2009, the exemption level was \$3.5 million for an individual, with amounts

above the exemption level taxed at a 45 percent rate. In 2010, the estate tax is repealed, replaced with a new tax on inherited assets with unrealized capital gains. In 2011, with the expiration of EGTRRA, the estate tax will return, with the pre-2001 law parameters of a \$1 million exemption for an individual and a top rate of 55 percent.

The maximum adjustment in section 7(d) is equal to the difference between the revenues expected from continuing the 2009 estate tax policy, with the nominal exemption level indexed for inflation, through December 31, 2011, and the revenues expected under the 2010 repeal and 2011 return to pre-2001 law. In other words, legislation restoring the estate tax would be scored for PAYGO purposes only to the extent that it costs more than implementing the 2009 policy (indexed) in 2010 and 2011. Because the cost of estate tax policy through 2011 will have budgetary effects beyond 2011, this section clarifies that the adjustment is intended to capture the full budgetary effects in all years resulting from the two-year policy change.

Alternative Minimum Tax. A “patch” for the AMT was provided in the Recovery Act, increasing the 2009 AMT exemption to \$70,950 for couples and \$46,700 for singles in order to prevent the number of taxpayers affected by the AMT from exploding from about four million to about 30 million. This patch expired at the end of 2009.

Section 7(e) provides a maximum adjustment equal to the difference between the revenues expected from adjusting the the AMT exemption levels through 2011 in order to hold the number of taxpayers affected by the AMT at 2008 levels (about 4.2 million), and the revenues expected assuming the expiration of the 2009 AMT patch. Because the cost of AMT relief through 2011 will have budgetary effects beyond 2011, this section clarifies that the adjustment is intended to capture the full budgetary effects in all years resulting from the two-year policy change.

(f) 2001 and 2003 middle-class tax cuts. The 2001 and 2003 income tax reductions enacted under EGTRRA and JGTRRA, as subsequently amended through December 31, 2009, are scheduled to expire at the end of 2010. Section 7(f) provides 12 adjustments for policies benefiting the middle class as they are in effect in 2010. The specific middle-class policies are:

- 10 percent bracket;
- Child Tax Credit, including the expansion in the Recovery Act;
- Marriage penalty relief, including the relevant EITC expansion in the Recovery Act;
- Adoption credit;
- Dependent care credit;
- Employer-provided child care credit;
- Education tax benefits;
- 25 percent and 28 percent brackets;
- 33 percent bracket, but only for individuals with incomes of \$200,000 or less, and couples with incomes of \$250,000 or less;

Reduced rates on capital gains and dividends, but only for individuals with incomes of \$200,000 or less, and couples with incomes of \$250,000 or less;

Repeal of the personal exemption phase-out and the limitation on itemized deductions, but only for individuals with incomes of \$200,000 or less, and couples with incomes of \$250,000 or less; and

Section 179 expensing for small businesses, allowing up to \$125,000 of qualified property to be expensed, phasing out for property over \$500,000.

The maximum adjustment for the policies in section 7(f) is equal to the difference between the revenues expected if the specified policy were in place after 2010 and the revenues expected if the related provisions expired as scheduled.

(g) Indexing for Inflation. Amounts indexed for inflation are done in accordance with the cost-of-living adjustment rules in section 1(f)(3) of the Internal Revenue Code of 1986. That provision in the Code designates the Department of Labor’s Consumer Price Index for all-urban consumers (usually expressed as CPI-U) as the measuring standard. Amounts indexed for inflation in this Act are the nominal exemption amount under the estate tax, as well as the income thresholds for income tax brackets, the rates for capital gains and dividends, the personal exemption phase-out, and the limitation on itemized deductions.

(h) Guidance on Estimates and Current Policy Adjustments. Estimates of budgetary effects of certain tax policies can vary depending on the order in which those policies are enacted into law. The PAYGO statute lays out three rules for addressing costs associated with the interaction of these various provisions.

I. For the interaction between AMT relief and the middle-class tax cuts, all interaction costs are scored as part of AMT relief. Specifically, estimates for determining the AMT adjustment must assume that all of the middle-class tax cuts eligible for a PAYGO adjustment have been enacted, even if these tax cuts have not yet been enacted.

II. Estimates for determining the adjustment for the middle-class tax cuts must assume that AMT relief follows current law as of the end of 2009—that is, they must assume that the 2009 AMT patch expired at the end of 2009, even if AMT relief beyond 2009 has already been enacted.

III. To address the interaction between individual middle-class tax provisions included in the same piece of legislation, provisions must be scored in the order in which they appear in the legislation.

Section 8—Application of BBEDCA: Section 8 specifies how various provisions of BBEDCA, including the special sequestration rules in section 256 of BBEDCA and the baseline rules in section 257 of BBEDCA, apply to this new PAYGO statute.

Section 9—Technical Corrections: Section 9 corrects typographical errors in the text of BBEDCA.

Section 10—Conforming Amendments: Section 10 makes conforming amendments to section 256 of BBEDCA. This section establishes special rules for sequestration for certain mandatory programs or updates the special rules to reflect programs as they now exist.

Section 11—Exempt Programs and Activities: Section 11 lists mandatory programs and activities that are exempt from sequestration. Exemptions under this Act are consistent with the exemption list that was first created in 1990.

That said, the exemption list has been updated to address accounts that have had their account names or numbers changed since 1990, or have been merged or divided. Further, new accounts (since 1990) have been treated the same way that analogous accounts were treated. For example, in the 1990 law the major low-income programs such as Medicaid were exempted from sequestration. The Children’s Health Insurance Program (CHIP), new since 1990, is in the same category as Medicaid and also exempt.

The list has been expanded to clarify the treatment of certain transportation programs, notably federal-aid highways and grants-in-aid for airports. The budgetary treatment of these programs is split. They receive mandatory contract authority through authorization bills, but are treated as discretionary programs because their annual spending is controlled by obligation limitations in appropriations bills. These programs are exempt from sequestration to

the extent they are controlled by obligation limitations. Remaining mandatory resources in these programs are subject to sequestration.

Finally, as noted in Section 6, non-exempt accounts are subject to a single, uniform percentage cut if a sequestration is required (except Medicare, where the cut is limited to four percent). Under the 1990 law, if a small sequestration was needed, four programs would have been the first ones sequestered: special milk, vocational rehabilitation state grants, student loans, and foster care/adoption assistance. Because this PAYGO statute eliminated this rule, the first three of those programs are treated as any non-exempt account would be treated. But the foster care account is included in the exempt list on the grounds that it is like other low-income programs that were exempted from sequestration in the 1990 law.

Section 12—Determinations and Points of Order: Section 12 affirms that nothing in this Act is intended to limit the authority of the Budget Committee Chairmen to make determinations and estimates of the costs or savings of legislation. In addition, the section authorizes CBO to consult with the Budget Committees to resolve any ambiguities in the interpretation of the Act.

Mr. CAMP. At this time, Madam Speaker, I yield 1½ minutes to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE), a distinguished member of the Ways and Means Committee.

Ms. GINNY BROWN-WAITE of Florida. Madam Speaker, as Yogi Berra once said, It’s déjà vu all over again. No way. It is déjà vu all over again.

Just a few months ago, the Democrats marched us down here to the House floor to raise the debt ceiling by over a quarter of a trillion dollars. But that wasn’t enough. Here we are again, 90 days later, this time for a whopping \$1.9 trillion debt limit increase.

For the uninitiated, a century ago Congress very wisely instituted a statutory cap on the amount that the Federal Government could borrow. Unfortunately, Congress being Congress, this body raised that cap dozens of times during the 20th century and has apparently carried that tradition into this new decade with spectacular new fashion.

As my colleagues on the other side of the aisle are no doubt clamoring over themselves to point out, both parties have done it in times of war and times of crisis, and more recently, this Democrat majority has made spending more of a priority than saving. In short, Madam Speaker, excuses don’t make it right.

I wanted to mention PAYGO. I actually voted for PAYGO. I was one of 18 Republicans who, when the Democrats took over, I voted for PAYGO. Unfortunately, this Democrat leadership has waived it so often it has become very ineffective. They waive it more than they implement it.

So I ask my colleagues, don’t be misled by so-called PAYGO language, because it simply isn’t real.

Mr. BOYD. Madam Speaker, I yield 1½ minutes to the gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. I thank my colleague.

We're all entitled to our own opinions but not to our own facts, and it is a fact that the day President Obama put his hand on the Bible to be sworn in as President of the United States, he inherited a \$1.3 trillion deficit, a record deficit in this country.

This is an opportunity for all of us to stop just talking about the deficit and debts and actually do something about it. For the first time since 2002, Congress will bring, as a matter of law, the commonsense proposition that the Federal Government should pay for what it buys. And the history of success on this is clear. When the Congress lived under the PAYGO rules in the 1990s, we did turn deficits into record surpluses. After PAYGO was abandoned, deficits skyrocketed, our national debt clearly doubled.

Much has been made by the other side of the aisle about the deficit in the first year of the Obama administration. The Congressional Budget Office analysis is pretty clear that the contributors to that were two wars, unpaid for; a record mandatory prescription drug bill, unpaid for; and, of course, two tax cuts that disproportionately benefited the wealthiest Americans, all on our national credit card, all running us deeper into the red.

This legislation says enough is enough, and it says that virtually any new policy that reduces revenue or increases mandatory spending will have to be offset elsewhere in the budget. That is just common sense to every American family. And it says that if for some reason we don't abide by that discipline, you're going to have an across-the-board enforcement mechanism that will sequester the funds.

It's time to do what every family has to do and pay as we go.

Mr. CAMP. Madam Speaker, I yield to the gentleman from North Carolina (Mr. COBLE) for purposes of a unanimous consent request.

(Mr. COBLE asked and was given permission to revise and extend his remarks.)

Mr. COBLE. I thank the gentleman from Michigan, and I rise in opposition to this reckless spending proposal.

We simply cannot afford to continue on the same course.

Our current debt is \$12.36 trillion. I have opposed past efforts to increase the debt limit, and again today I will vote against raising the limit.

The amount is staggering, \$1.9 trillion.

It will raise the limit to \$14.294 trillion—an incomprehensible figure.

Our economy is out of sync—currently we have no comprehensive plan for energy, the federal budget or making our manufacturing base competitive in the global market.

In addition Madame Speaker, I am mystified by the attempt today to force members to simultaneously vote on the debt limit increase and the proposed pay-go rules.

These types of shenanigans—particularly on something as significant as a \$1.9 trillion debt ceiling increase—are exactly why Americans have lost faith in their government.

Now is not the time to increase our debt ceiling—vote “no” on H.J. Res. 45. It will force

the government to focus on the economy and it will start restoring some faith in the Congress.

Mr. CAMP. I yield 2 minutes to the gentleman from the Ways and Means Committee from Kentucky (Mr. DAVIS).

Mr. DAVIS of Kentucky. In this time of record debt, high unemployment, and uncertain economic conditions, a focus on fiscal responsibility is critical—real fiscal responsibility, not words like “commonsense” but applying it in a real policy.

For months, President Obama and the majority have talked about the importance of this responsibility, responsibility by tripling Federal spending and then saying we're going to have a freeze. The President has suggested a spending freeze, and we've heard a lot about bending the cost curve with health care reform. But, Madam Speaker, I think we all know that actions speak louder than words.

The fine print in this so-called PAYGO bill is a \$2 trillion increase in the national debt. Just read the bill and you see the truth. It's very different from the rhetoric that we hear. Instead of being true to their word, the majority has increased spending by an unprecedented 66 percent over the last year and pushed the deficit to \$1.4 trillion in 2009, an 800 percent increase over the last administration.

Instead of listening to the American people's pleas that Congress focus on the economy and jobs, they spent the last year pushing an unpopular, ineffective, and wildly expensive government takeover of health care. Instead of taking action on steps that would halt unsustainable spending in Washington, majority leaders are about to vote to increase our debt limit by \$1.9 trillion, the largest one-time increase of the debt in the history of the United States of America.

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Madam Speaker, the American people are tired of tightening their budget and counting pennies while the Federal Government continues along a path of irresponsible spending, risky borrowing, and staggering debt.

Washington has a spending problem. It's time to end it. And these days, it seems more like an addiction. Instead of more broken promises to cut spending and reduce the deficit, it's past time for President Obama and Democratic leaders to respond to the American people to end this tyranny of runaway spending in Washington.

Mr. BOYD. Madam Speaker, I yield myself 30 seconds.

Madam Speaker, you hear a lot about when the debt was incurred. I think it's important that we all understand that the policies that were put in place that caused that debt to be incurred started in 2001 with the economic package. Subsequently, we had the war, and then we had a recession. All that came from 2001 to 2007. That was under the policies of the previous administration and the previous Congress. So I want the Members to keep that in mind.

GENERAL LEAVE

Mr. BOYD. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this motion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BOYD. Madam Speaker, I would like to yield 1 minute now to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Madam Speaker, I thank Mr. BOYD for yielding. Let me start by commending our leadership for calling this legislation to the floor to restore the same budget enforcement rules that led to the record budget surpluses that we enjoyed in the 1990s.

While I commend the Senate for finally approving PAYGO, following our lead in passing it at the beginning of the last Congress, I am deeply disappointed that the Senate could not summon the support to add the national deficit reduction commission to this bill.

The fact that several Senate Republicans who cosponsored the deficit commission, including the minority leader, voted against their own legislation illustrates the deficit of trust mentioned by the President in his State of the Union and is yet another example of the corrosive forces that fuel growing public cynicism about our political process.

Following the Senate's inaction on this issue, I applaud the President's intent to issue by Executive Order a commission to attack the bipartisan deficit, and I am encouraged by reports that the Speaker of the House and the Senate majority leader will call the commission's recommendations to a vote.

Madam Speaker, only strong leadership will propel us to overcome the challenges we face. I urge my colleagues to support this legislation.

Mr. CAMP. Madam Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. ROSKAM), a distinguished member of the Ways and Means Committee.

Mr. ROSKAM. Madam Speaker, I thank the gentleman.

The scene and the content of this debate is really like a bad movie in a lot of ways. You rewind the tape and we have ultimately had this conversation about a year ago when the Democratic majority, Madam Speaker, said to the American public, look, we want to borrow \$1 trillion, and with that trillion, trust us, it's going to be great. Jobs are going to be created. The sun is going to come out. The tulips are going to be there, and it's all going to be fabulous.

It didn't work out that way. Eleven percent unemployment in the State of Illinois, the difference between the promise of the borrowing, 8 percent unemployment, has now eclipsed to 11 percent in Illinois. And in my home

State, Madam Speaker, that means 200,000 people have taken on debt and haven't been rescued. They weren't rescued in December when the majority said we're going to raise the debt limit again, and they're going to be rescued by this. This is a classic underperformance.

And the majority, with all due respect, hasn't recognized the failure of the stimulus. In fact, they don't even like to use the word "stimulus," Madam Speaker.

So in this context, I say let's stop this madness. Let's get back to our first priorities. Our first priorities are to be a nation of disciplined spenders, and we ought not to empower folks to borrow and create more and more debt into the future.

Mr. BOYD. Madam Speaker, I yield 1 minute to the gentleman from Vermont (Mr. WELCH) who is also a cosponsor of the original PAYGO legislation.

Mr. WELCH. Two points. Number one, my question is, what is the other side afraid of? There are certain caricatures that they just want tax cuts, we just want spending. The bottom line is that whatever your intention, no matter how good and noble you think it is, you have to pay for it. The two wars, two tax cuts, and \$2.3 trillion in deficits that we inherited and a \$750 billion bailout of Wall Street requested by President George Bush and Henry Paulson have to be paid for. The stimulus that's being ridiculed is the only thing that conservative and liberal economists have acknowledged has diminished the decline in the economy.

Good intentions are not a substitute for fiscal responsibility. We are acknowledging that. We have different goals. We have to fight those out. But why, despite whether your goal is a tax cut or a spending program, won't you agree to pay for it? That's what this legislation is about.

Mr. CAMP. At this time, I yield 1 minute to the distinguished gentleman from New Jersey (Mr. LANCE).

Mr. LANCE. Madam Speaker, I rise today in strong opposition to this bill, a \$2 trillion increase of our debt limit to more than \$14 trillion. Over the past 3 years, it is the Democratic Party that has controlled both Houses of Congress, and we have seen the debt limit increased dramatically, six times, totaling \$5.3 trillion, an increase of 60 percent in only 3 years.

In fiscal year 2007, the Federal Government spent approximately \$2.7 trillion; in 2009, \$3.5 trillion, and last week we were sent a new budget proposal by the President that would even break that record. We must take concrete action to get our spending under control and get our economy moving again.

I fear that unless we take such action, the government's bond rating will be reduced, an event that could have catastrophic results for our markets.

Mr. BOYD. Madam Speaker, it is my privilege to yield 1 minute to the gentleman from Indiana (Mr. HILL), a real

leader on this issue for all of his years in Congress.

Mr. HILL. I thank my friend for yielding the time.

Madam Speaker, I rise in strong support of this legislation. This is legislation that we Blue Dogs have been fighting for for many, many years. And it's very satisfying that it is coming to fruition today.

I'm not here to play the blame game. There's a lot of blame to go around about our Nation's budget deficit. What we need is an instrument that gets us back on a pathway of fiscal responsibility. And we know that PAYGO works. It worked in the 1990s. And I should also say that it was a Republican President who proposed it. President Bush, Senior, was the one that thought this was a good idea. President Clinton thought it was a good idea. And it resulted in budget surpluses.

Now we've got problems with our Nation's budget deficit. There's no question about that. This is the instrument that gets us back on track to fiscal responsibility. And so I join my colleagues on this side of the aisle, and I would hope a few others on that side of the aisle, to get us back on that path.

This is the right thing to do, and after many years, it's finally a reality.

Mr. CAMP. At this time, Madam Speaker, I yield 4 minutes to the distinguished gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. It's time for a little bit of truth-telling about their side and about our side.

Truth-telling about our side is that back when we were in charge, we didn't do so well on controlling runaway Federal spending. My colleagues who know me well know that I many times found myself at cross purposes in fighting the President of my own party and some leadership in my own party in some of those big spending fights. But under the last administration, we doubled the national debt. I want to stipulate that.

But frankly, that's no excuse for what's happening today, Madam Speaker. Over the last 3 years, the Democratic majority has literally broken the ceiling on fiscal responsibility, and, as I just admitted, that ceiling was pretty high.

Since Democrats took control of Congress in January 2007, the national debt has increased by \$3.96 trillion, a 42 percent increase in 3 years. To keep up with this spending binge, Congress has increased the debt limit five times over the last 3 years, three times since the current administration took office 1 year ago.

The statutory debt increase that comes before us today, \$1.9 trillion, is the largest one-time debt increase in U.S. history. This is the fifth increase, as I mentioned, in the last 19 months. This one-time increase in the debt limit of \$1.9 trillion is actually larger than the entire GDP of almost every

country in the world. It's larger than the GDP of Canada, Russia, Spain or Brazil, and it's larger than the GDP of Australia and Poland combined.

The American people are looking at this extraordinary gusher of spending and debt, and they're asking the question, When will it stop? And the answer, as we look at the budget that the administration submitted earlier this week, is no time soon. I hasten to add the administration just this week announced plans for a budget, \$3.8 trillion in scope with a \$1.6 trillion deficit, \$2 trillion in higher taxes.

And let me say with respect, the American people looking in ought not to be deceived by the promises of fiscal discipline known as PAYGO. The truth is the bill before us today is about 58 pages long, and 32 of those pages are all the programs that are exempted from the PAYGO requirements. Forty percent of Federal spending is exempted from the fiscal discipline fix that we are being told is encompassed in PAYGO. The truth is what "PAYGO" really means here in Washington is that you pay and they go on spending.

The fact is what we see here is a failure of leadership. President Obama, as a United States Senator, said in March of 2006 when he came out against raising the debt limit in a vote, The fact that we are here today to debate raising America's debt limit is a sign of leadership failure. It is a sign that the U.S. Government can't pay its own bills. It is a sign that we now depend on ongoing financial assistance from foreign countries to finance our Government's recklessness. America has a debt problem and a failure of leadership.

So said then-Senator Barack Obama in March 2006.

Let me suggest he was right then, and his words are equally true today.

The American people long for us to put our fiscal house in order. They long for us to embrace true fiscal discipline and reform. They long for this administration and this Congress to lead us away from the brink of fiscal disaster. This PAYGO, this debt ceiling vote is no solution, and I urge its opposition.

Mr. BOYD. Madam Speaker, I yield myself 1 minute.

Madam Speaker, PAYGO, when it was put in place in the past in the 1990s, was put in place with bipartisan votes. It is my hope that the gentleman from Indiana will work with us in a bipartisan way.

The first thing we must do is understand exactly what PAYGO does. He said, for example, that PAYGO has a list of exemptions which wouldn't affect current spending programs. Well, PAYGO has nothing to do with current spending. It speaks to additional and new entitlement, mandatory spending programs and-or tax reductions, changes in law.

So the first thing we should do, Madam Speaker, is get a good understanding about exactly what PAYGO does do—stop digging the hole, and

then we can begin to fill in the hole and reach fiscal responsibility, reach a balanced budget like we did back in the 1990s.

Madam Speaker, with that, I yield 1 minute to the gentleman from Illinois (Mr. QUIGLEY).

Mr. QUIGLEY. Madam Speaker, every day families across the country make sacrifices to stay within their household budgets. They know you can't spend what you haven't saved. But for the past decade, Congress has failed to grasp that simple premise. That failure has led to what the President has aptly described as a deficit of trust. It's hard to govern when you don't have the public trust, and it's hard to borrow when you have lost the trust of world markets.

During the 1990s, PAYGO forced Members to make hard decisions. However, PAYGO rules were waived in 2001 on the theory that we could pay for two wars with two tax cuts. Today, thanks to years of hard work by the Blue Dogs, we're taking the first step to win back the public trust.

Madam Speaker, today I am a Blue Dog.

Mr. CAMP. Madam Speaker, I yield the balance of my time to Mr. RYAN to control.

The SPEAKER pro tempore. Without objection, the gentleman from Wisconsin will control the time.

There was no objection.

Mr. RYAN of Wisconsin. Madam Speaker, may I inquire as to how much time remains?

The SPEAKER pro tempore. Thirty seconds were remaining, so you have 15 minutes and 30 seconds that you control.

□ 1445

Mr. RYAN of Wisconsin. Madam Speaker, I yield myself 3 minutes.

Madam Speaker, the vote we are having here today is not a vote for PAYGO, or whatever we want to call it. It is a vote to raise the debt ceiling. It is a vote to raise the debt ceiling by \$1.9 trillion. The majority might argue this isn't about the debt, but let's not be fooled. This is about a debt ceiling. Treasury has to raise it because we have had this incredible spending spree, and we are on an unsustainable trajectory of more debt.

Now, let's take a look at where we are right now. Right now, the burden of the debt on our economy is 60 percent. That is worse than what is required in Europe, because under this budget that is passing, it goes up to 77 percent of our economy by the end of the President's budget. Now, already, foreigners hold about half of our debt, and China lends us the most. The problem we have, Madam Speaker, is that the Chinese aren't going to keep lending us all their money.

Let me tell you a little bit about what will happen to America. The debt trajectory we are on will weaken America. The debt goes to catastrophic levels in this country which will de-

stroy our economy—that is a tough word—and for sure give the next generation an inferior standard of living. These are facts. They are not opinions.

Now, one thing that I find interesting about PAYGO is the budget that we are living under right now doubles and triples our debt in 10 years, and it is all PAYGO compliant. The debt skyrockets under the current budget, and it all does so within PAYGO. And if you actually look at the President's budget, it says: with this PAYGO rule, not only will the debt triple in 10 years, but we will have another \$473 billion under PAYGO to spend on top of that. That is what PAYGO does, Madam Speaker.

PAYGO has been in place before. We have seen it. It started in 2007 when the Democrats took over Congress. At that time, when PAYGO was put in place, we had a \$161 billion deficit. We have a \$1.6 trillion deficit now. Forty percent of the entire budget is exempt from PAYGO. It does not do a thing at all to reduce the deficits. In fact, what PAYGO does is it locks in the deficits at its current levels, and it doesn't address the spending crisis.

Not only is spending growing at an unsustainable rate, not only are entitlements growing themselves right into bankruptcy, not only are we looking at bankruptcy of Medicare, Society Security, and Medicaid right around the corner. PAYGO is ripe with loopholes. It exempts 40 percent of spending, as I mentioned. It exempts mandatory spending on appropriation bills. It exempts all spending designed as emergencies, and more than 160 programs are exempt from its enforcement.

The point is this, Madam Speaker: my greatest concern is that if we pass this illusion of fiscal control, that will replace any real fiscal spending control whatsoever. It is good talk. It sounds good. When you look at the details, it accomplishes nothing. And when it is ever applied, it is only to chase higher spending with higher taxes. We should reject this and start over.

I reserve the balance of my time.

Mr. BOYD. Madam Speaker, it is my privilege to yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Madam Speaker, the American public must be baffled by the charges and countercharges going back and forth. I would just invite, Madam Speaker, those listening to make their own decision based on two facts.

First is that the gentleman from Kentucky said a few minutes ago that the present administration had tripled the Federal spending. I would invite people to go look at the record, which says that the 2008 budget was \$2.9 trillion. The proposed budget for this year is \$3.7 trillion. That is not tripling.

Second, in the years in which we have had the PAYGO rule in effect, we have accumulated 30 percent of the

Federal debt. In the years we have not had it in effect, we have accumulated 70 percent of the Federal debt.

Choose based upon the record and I think people will see that voting "yes" on this commonsense legislation is the right path.

Mr. BOYD. Madam Speaker, may I inquire how much time each side has.

The SPEAKER pro tempore. The gentleman from Florida controls 12 minutes. The gentleman from Wisconsin controls 12½ minutes.

Mr. BOYD. I reserve the balance of my time.

Mr. RYAN of Wisconsin. At this time, I yield 2 minutes to the gentleman from Wyoming, a distinguished member of the Budget Committee, Mrs. LUMMIS.

Mrs. LUMMIS. Madam Speaker, two points I would like to make. One is this is not the same statutory pay-as-you-go as was in effect in the 1990s. During the years that President Clinton was working with a Republican Congress, they did balance the budget and they did create a surplus, but they did it using a statutory pay-as-you-go mechanism, or perhaps it was a nonstatutory pay-as-you-go mechanism, that actually didn't have as many exemptions as this one does. The fact that we are using a statutory pay-as-you-go terminology that really doesn't limit in any way spending to be paid for is simply disingenuous.

The other point I would like to make is about our debt limit. We don't have to raise the debt limit today, the debt ceiling. What we would have to do is put strict spending caps on ourselves, roll back the budget to fiscal year 2008 levels; we would have to pull in stimulus money, TARP money, and other expenditures that have either been returned to the government or not yet made. And we wouldn't even have to raise this debt ceiling.

So this is an issue of lacking fiscal responsibility. We are in a situation of borrow-as-you-go, not pay-as-you-go.

Mr. BOYD. Madam Speaker, I yield myself 15 seconds.

I would like to remind the gentlelady from Wyoming that we did borrow-as-you-go since 2001, and we want to do pay-as-you-go starting now.

It is my privilege to yield 1 minute to the gentlewoman from Pennsylvania, the vice chair of the Budget Committee, Ms. SCHWARTZ.

Ms. SCHWARTZ. Today, the House will take a major step in efforts to balance the Federal budget. Like American families and businesses, Congress must be fiscally responsible and pay for what we spend.

Our focus this year is twofold: restoring our economy and reducing the deficit. PAYGO legislation is an essential step in the process of cutting the deficit. Growing jobs and restoring fiscal discipline is not easy or quick, particularly given the financial situation we inherited.

In 2002, Republicans allowed PAYGO to expire and turned budget surpluses

into a deficit for 2009 of \$1.3 trillion. How did this happen? They grew annual spending by over 8 percent. They passed the largest expansion of entitlements without paying for it. They started and didn't pay for two wars. And they gave and did not pay for tax cuts for the wealthiest 1 percent of Americans. Collectively, these actions added \$8 trillion to the national debt.

We must agree, and we should, as Republicans and Democrats, agree to pay for what we spend as an important step in putting our Nation back on track towards fiscal discipline and responsible budgeting. I would say vote "yes" for PAYGO legislation.

Mr. RYAN of Wisconsin. Madam Speaker, at this time I yield 2½ minutes to the distinguished gentleman from Texas (Mr. HENSARLING), the vice ranking member of the Budget Committee.

Mr. HENSARLING. Madam Speaker, already in just 2 years, an 84 percent increase in enacted spending, 84 percent, a \$1.2 trillion stimulus bill that has us mired in 10 percent unemployment, a \$450 billion omnibus bill, another \$400 billion omnibus bill. The explosion of spending is unprecedented in our Nation's history. And that leads us to the vote that is before us today. Increase the debt limit for the third time in 12 months; increase it another \$1.9 trillion, our Democratic colleagues say, so that we can increase the burden per household \$16,214. Where will it all end?

And now, just this week, we hear from the President of the United States: we haven't spent enough. Let's spend some more. Let's propose a budget that will simply triple—triple—the national debt over 10 years.

Madam Speaker, the American people are tired of the spending, tired of the debt, tired of the deficits, and certainly tired of the bailouts.

And don't take my word for it, Madam Speaker. Let's hear what CNBC had to say about the matter of the President's budget: "part of a record \$3.8 trillion budget that would boost the deficit beyond any in the Nation's history."

The New York Times: "The budget projects that the deficit will peak at nearly \$1.6 trillion." It goes on to say: "and remain at economically troublesome levels over the remainder of the decade."

Wall Street Journal: "All of this spending must be financed, and so deficits and taxes are both scheduled to rise to record levels."

And so what do we hear? We hear from our Democratic friends, well, let's have PAYGO.

Well, what did we learn about PAYGO? Number one, they have already had a House rule for 2 years. And at least as practiced in the last fiscal year, 98 percent, Madam Speaker, 98 percent of all spending was either waived or it was exempt. PAYGO is a budget fig leaf.

Well, what does the President suggest? He says let's freeze spending. But

what we discover when we run the numbers is that he doesn't turn on the freezer for a year. He turns it off quite soon after that. And when you plug in the numbers, it is a difference between growing government 49.27 percent versus 49.01. They are bankrupting America. Reject this vote and reject this debt limit.

Mr. BOYD. Madam Speaker, it is my privilege to yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Madam Speaker, the elements of this bill are critically important. Pay-as-you-go is essential. It is critically essential at this point in the issues being dealt with by this country.

If you look back over the course of the last several years, you will see how this huge deficit has gone up over and over again.

Let me just give a couple of examples of the way in which the huge debt that we have now has increased under the leadership of the opposition on the other side of the aisle here, and the previous President.

One of those was the military invasion of Iraq, which was completely unjustified. There was no justification for it whatsoever. The price of that is approaching now \$1 trillion.

Another issue that was dealt with in the context when they were in the majority was the tax cuts for the wealthiest people in America. Those tax cuts have now created the greatest concentration of wealth in the hands of the wealthiest 1 percent of Americans that this country has ever experienced since 1929, 1930. Now, we know what brought that about, and we know the same kind of circumstances that we are dealing with now.

Let me just give another example. They are not very much in favor of things like health care. Take, for example, what they tried to do with Medicare back in 2003 and how the price of that has gone up so much. They introduced prescription drug provisions in the Medicare program, but they would not allow for the negotiation of any price. They would just say that whatever the drug companies want to charge you, that is what you are going to have to pay. And that price is now going up to somewhere in the neighborhood of \$700 billion.

All of that has created the huge deficit that we have; and if you look at the way in which that deficit has adversely affected this economy, you see it over and over again. In housing, for example: over the course of the last 1½ years, the housing situation in this country has gone desperate. All of these things need to be changed. This bill will deal with it constructively and effectively, and it should be passed unanimously.

Mr. RYAN of Wisconsin. Madam Speaker, at this time I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. I thank the gentleman for yielding, and I want to say

the concept of PAYGO sounds great, but it is an absolute fig leaf when you look at the practicality of it only applying to 2 percent of the budget. It's just not a genuine proposal.

But I want to say this: I think it is good to have this discussion. But both parties have been spending too much money, and not just Congress, but the Federal Reserve. Just think about 2008. Bear Stearns bailout, \$29 billion. A Bush stimulus bill in May of 2008, \$168 billion. The Fannie Mae bailout, \$200 billion. The AIG bailout, \$85 billion, going now to \$140 billion. And that was under the Democrat majority in the House, and President Bush signed it into law. So both parties have been in this mix.

And then comes President Obama. A \$787 billion stimulus bill that brought our unemployment from 8 percent to 10 percent. An omnibus spending bill, \$410 billion. A health care proposal that costs over \$1 trillion. Cap-and-trade that will cost American households \$1,500 per house. And another stimulus bill that the Democrats, under Speaker PELOSI, just passed in December of about \$60 billion.

□ 1500

Ladies and gentlemen, both parties are guilty, but this is the essence of it. It is a tripling of the national debt. Therefore, we have a debt ceiling. The debt ceiling is a mechanism, an outside trigger to force Democrats and Republicans to come together and cut spending. But instead what do we do? We move the trigger. And the result is this. And guess who inherits it. The children. And Gen X and Gen Y, who will already not get Social Security because it is going broke, and Medicare that has \$39 billion in unobligated debt right now. We are not facing what we need to do.

Instead of moving the debt ceiling, we need to be going back into our spending and cutting spending, not kicking the can down the road for another Congress, another election, and another generation. Vote "no" on this. Let's stay over the weekend and start coming together to cut the budget.

Mr. BOYD. Madam Speaker, I yield 1 minute to the gentleman from North Dakota, a fellow Blue Dog, Mr. POMEROY.

Mr. POMEROY. I thank the gentleman for yielding and commend him so much for the leadership he has shown on budget matters. Receiving fiscal lectures from this crowd is a little bit like getting investment advice from Bernie Madoff. You know, when George Bush took the Presidency, the debt was \$5.6 trillion. And under majorities in the House and Senate, with a Republican President, the debt doubled. Part of the reason is the expiration of pay-as-you-go budgeting principles. Don't take my word for it. The record is clear.

When we adhered, on a bipartisan basis, with the Bush I agreement, the budget '97 agreement, and the Democrat-passed '93 agreement to pay-as-

you-go, we set the path towards surplus. When pay-as-you-go expired, Katy bar the door, and the deficits exploded.

Now, as we get our hands around this fiscal situation, my friend Mr. RYAN is in part right when he says that this is not a full measured response. You know, we have got a long journey. We have got to begin with a solid step. Restoring pay-as-you-go budget principles is that step.

Mr. RYAN of Wisconsin. I yield myself 2 minutes.

Madam Speaker, we need to step up to the plate. Look at what is happening with the current government right now. I have three children. They are 5 years old, 6 years old, and our oldest just turned 8. For the last 40 years, the size of our government has been remarkably consistent, about 20 percent of the economy. Meaning we have taken 20 cents out of every dollar made in America to go to the Federal Government. When my three children are my age, the current government we have right now, this is before you would even pass the President's budget, that current government goes to 40 percent of our economy. You will have to take 40 cents out of every dollar made in America just to keep the government we have now in place at that time, doubling the taxes on the next generation.

I asked the Congressional Budget Office what would the income tax rates have to be to support all of this when my kids are my age? The lowest tax bracket, which is now at 10 percent, they said that would have to go to 25 percent. The middle income tax brackets for middle income families go up to 66 percent. Top tax bracket on small businesses, 88 percent.

Madam Speaker, we know we are crashing our economy with this borrow-and-spend mentality. And all of that is PAYGO compliant. This is not budget discipline, it is an illusion. Let's come together and fix this problem.

With that, I reserve the balance of my time.

Mr. BOYD. Madam Speaker, it is my privilege to yield 1½ minutes to the gentleman from Tennessee, a great leader on this issue for many, many, many years, leader of the Blue Dogs, Mr. TANNER.

Mr. TANNER. You know, if we accept that everything that everybody has said on both sides of the aisle is true, that is still not, in my view, a good financial reason to vote against this bill. It may be a good political reason, but it is not a good financial reason.

Yes, this bill is imperfect, but it is a first step. PAYGO only applies to those laws that are enacted that either demand by the law itself that Federal revenues be altered or that spending be changed. It does not affect discretionary spending and so forth. It is a first step. This bill is not perfect. But whatever your reason is is not a good reason, financially speaking, to vote against something that is good. Per-

fect? No. But the perfect is always the enemy of the good in a legislative body.

And so unless one wants to talk politics, if one wants to talk finances, I cannot think of a good financial reason to say, "Well, let's just do this if this is all we can do." It is a good first step, and it ought to be taken.

Mr. RYAN of Wisconsin. Madam Speaker, may I inquire as to how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Wisconsin controls 5 minutes, and the gentleman from Florida controls 6½ minutes.

Mr. RYAN of Wisconsin. I reserve the balance of my time.

Mr. BOYD. Madam Speaker, it is my privilege now to recognize the Speaker of the House, and yield 1 minute to the gentlelady from California (Ms. PELOSI).

Ms. PELOSI. I thank the gentleman for yielding. I thank him for his extraordinary leadership on this important issue, an issue of importance to our country, to our economic stability, to our fiscal soundness, and to our children and our grandchildren.

This is an issue, pay-as-you-go, who could oppose this great idea? It has a provenance in the Democratic Party that goes back over 30 years, but it has been in practice in a bipartisan way over time. To my progressive friends, I say that Congressman GEORGE MILLER of California introduced a resolution in 1982 at the Democratic convention, mid term convention in Philadelphia, calling for pay-as-you-go. It was passed and adopted as part of the Democratic platform, a measure for fiscal soundness, recognizing that even those of us who see a role in government, a limited role in government and investments in our children's future know that it must be paid for or else we are heaping debt onto our children. That was in '82.

It wasn't until later, with a Republican President, President Bush, and a Democratic Congress, that PAYGO was implemented. Then later, under a Democratic President, President Clinton, and a Republican Congress, PAYGO was implemented. All of those times it brought down the deficit and, in the case of President Clinton, it led to a path, a trajectory of \$5.6 trillion in surplus.

It hit, I wouldn't say a bump in the road, I would say a giant mogul when President Bush came in with a Republican Congress and the Republican President abandoned PAYGO. And now for the past 8 years, up until 2009, January, we have had these growing deficits. Here we are again sweeping up behind to get rid of the trajectory that we are on of increasing the deficit.

So here it is. It is an historic day. I am so very happy. When I became Speaker of the House, the very first day we passed legislation that made PAYGO the rule of the House. Today we will make it the law of the land. I talked about the progressive provenance of this idea, but because of the

extraordinary leadership of the Blue Dog coalition in the Congress, this pay-as-you-go is part of a blueprint for fiscal responsibility that has been their mantra and which they have made the mantra of the House Democrats, and I hope today in a bipartisan way of the House of Representatives.

I commend Mr. BOYD for his relentless leadership on this subject; BARON HILL, author of the legislation; JIM MATHESON, STEPHANIE HERSETH SANDLIN, the leadership of the Blue Dog coalition; and a person who has been a relentless and articulate spokesperson on this issue, JOHN TANNER, whom I had the honor of following in this debate. As I say, the Blue Dogs have made this a priority.

But it is out there also with subjecting spending to the harshest scrutiny. Every Federal dollar that is spent must be subjected to scrutiny to make sure the taxpayer gets his or her money's worth. Subject the spending to scrutiny. And that is what President Obama is proposing with his freeze and cuts.

Pay-as-you-go. This largely applies to the entitlements, which are the largest part, biggest increases in the deficit. And third, the commission to review the entitlements and how we can control cost. This is an obligation that we have to our children. It is an important part of the work that we do, to be able to make difficult, difficult choices on how we make investments, understanding that they must be paid for.

So the luxury of just heaping bills with projects or whatever, or in terms of new entitlements especially in terms of PAYGO, that day is over unless it is paid for. So how is it a reflection of the values of our country; how important it is to meeting the needs of the American people. Would we put it before something else? That is what this is about, about prioritizing so that we can get on a path of deficit reduction, reducing the national debt, reducing the debt service, hundreds of billions of dollars of interest on the debt, which gets us really nothing in return.

So the time is long overdue for this to be taken for granted that the Federal Government will pay as it goes, that we will be on a path of deficit reduction, and that every action that we take in any bill that we take will have to meet the test. Does this reduce the deficit? Does this create jobs? Does this grow our economy? Does this stabilize our economy well into the future? Central to all of that, and a very strong pillar of fiscal responsibility, is this PAYGO legislation that we have here today.

I couldn't be more thrilled for what this means about the fundamentals of how we govern, how we choose, and how we honor our responsibility to future generations to reduce the deficit. With all the respect and admiration and gratitude to our Blue Dog coalition for being so persistent in passing this, and my congratulations, if I may, to

the Senate for passing the bill. It has taken a while, but they are there, and now after this and it goes to the President, it will be the law of the land. I think this is cause for celebration.

Mr. RYAN of Wisconsin. At this time, Madam Speaker, I would like to yield 3 minutes to the distinguished minority whip, the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. I thank the gentleman from Wisconsin, the ranking member, for yielding.

Madam Speaker, it would be recklessly naive to go about our business in Washington pretending there won't be severe consequences for the mountains of debt we are piling up. Yet today it is evident that this kind of willful ignorance is sweeping across Washington. We are set to lift our Nation's debt burden to \$14 trillion.

Madam Speaker, I would ask my colleagues in this chamber if they know how many zeroes 14 trillion has. I would ask the American people if they know how many zeroes are in 14 trillion. It is 14 trillion. It is beyond comprehension to be talking about numbers this big. More precisely, the limit is 1, 4, 2, 9, 4, 0, 0, 0, 0, 0, 0, 0, 0.

It is a travesty. The writing is on the wall. Congress needs to wake up and realize that the future of American prosperity is in dire straits, mortal danger. As Americans hunker down to weather the economic storm, Democrats in Congress boosted Federal spending by 12 percent. Madam Speaker, we have heard a lot about the majority's PAYGO scheme, but this will not affect any spending that has already happened.

□ 1515

In fact, it will perpetuate the problem by locking in that spending going forward. And the majority's solution to offset all of their spending is more tax increases, which will kill jobs at the time we need them most. Supporters of this legislation will pull the wool over the American people's eyes and claim the mantle of fiscal responsibility, but the American people aren't buying it. By voting in favor of this PAYGO bill, the majority will be increasing the debt burden on our children and grandchildren by \$1.9 trillion. Strip away the sweet-sounding rhetoric, and that's what this bill is all about.

Madam Speaker, I just end with this rhetorical question: How effective can this so-called panacea really be when the debt has risen by \$5.4 trillion since the majority imposed PAYGO in this very House over 3 years ago?

Mr. BOYD. Madam Speaker, it is my privilege to yield 1 minute to the gentlewoman from Pennsylvania (Mrs. DAHLKEMPER).

Mrs. DAHLKEMPER. Madam Speaker, as a member of the Blue Dog Coalition, I'm proud to stand in support of statutory PAYGO. Pay-as-you-go legislation was a key factor, as we have heard, in delivering the budget surpluses of the 1990s. The Republican-

controlled Congress allowed pay-as-you-go to expire in 2002, contributing to the dramatic turnaround from a projected surplus of \$5.6 trillion when President Clinton left office to a projected deficit of more than \$11 trillion at the end of the last administration.

Restoring statutory PAYGO will help bring our country out of the red and back into the black. As the saying goes, a journey begins with the first step. I'm proud to cast this vote as Washington takes the first step back to fiscal responsibility and sensible spending. Our path to fiscal responsibility starts today. Restoring PAYGO is the first step to enforcing fiscal discipline and removing the burden of Federal debt from the American people. It's my hope this will be the first of many steps that both Democrats and Republicans take to balance our budget and be good stewards of taxpayer funds.

Mr. RYAN of Wisconsin. Madam Speaker, I reserve the balance of my time.

Mr. BOYD. Madam Speaker, it is my privilege now to yield 1 minute to the gentleman from Rhode Island (Mr. LANGEVIN).

(Mr. LANGEVIN asked and was given permission to revise and extend his remarks.)

Mr. LANGEVIN. Madam Speaker, I rise in support of the statutory PAYGO act. This bill, which I'm proud to co-sponsor, will help restore fiscal discipline by enacting into law the most basic principle of responsible accounting, that every dollar spent must be offset by a dollar earned or saved. This is the way that American families balance their finances, and this same principle should apply to the Federal budget.

This legislation is particularly important at a time when Congress also faces the troubling task of raising the statutory debt limit. I am truly dismayed by the need to raise the ceiling of our national debt, which already exceeds \$12 trillion. We simply cannot keep borrowing our way to a better future. It is time that we take decisive action to reduce our Federal deficit while continuing to invest in our economy and combat unemployment.

In Rhode Island, the unemployment is now 12.9 percent, the third highest in the country. Put simply, Rhode Islanders are still looking for jobs, but they are also looking for a government they can trust to live within its fiscal means. This is going to require the will and cooperation of Democrats, Republicans, and Independents alike to solve our budgetary challenges. Today, it begins by passing the statutory pay-as-you-go act.

I urge my colleagues to support this measure and send a strong message to the American people that the days of fiscal irresponsibility are over.

Mr. RYAN of Wisconsin. Madam Speaker, I yield myself the balance of my time.

The Speaker of the House came and just said something to the effect that

this was a proud moment, a happy occasion, a bill she's really excited about. The bill we're about to vote on, Madam Speaker, raises the national debt ceiling by \$1.9 trillion. Even if I were a supporter of this bill, I wouldn't be proud of it.

I'm taking a look at the President's budget. On page 172, table S-9, the President's PAYGO proposal says that at the end of the budget window we can spend another \$473 billion. So we're saying all the debt that's going up, the tripling of the national debt that we're giving to our kids and grandkids, not only does that comply with PAYGO, we can go ahead and spend another \$473 billion on top of it.

This, Madam Speaker, is a fiscal charade. Real people from both parties need to step up and solve this problem. I have thrown out a few ideas of my own. I hope other Republicans and Democrats do the same. Because, Madam Speaker, if we don't tackle this problem, it's going to tackle us.

Our constituents sent us here to be a part of a solution and not a part of the problem. We know irrefutably we're going to bequeath this mountain of deficit and debt onto the next generation. Both of our parties share the blame. No one party corners the virtue on fiscal responsibility. But we're going to, together, have to come down here and fix this problem once and for all. And doing this doesn't do it. Doing this is a cop-out. Doing this raises the debt limit \$1.9 trillion and gives us a fiscal cop-out so we can go talk tough in the election about how we did this and that while we bequeath the next generation an inferior standard of living.

I didn't come here to make sure that my three kids are going to have a life that's worse off than ours. Nobody here wants that. So let's get this fixed, defeat this bill, come together, and do real fiscal discipline. The American people are under attack. We overspend.

Mr. BOYD. Madam Speaker, may I inquire how much time I have left?

The SPEAKER pro tempore. The gentleman controls 3½ minutes.

Mr. BOYD. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, it's been a good debate, and I join my colleague and friend Mr. RYAN of Wisconsin in a call for working together in a bipartisan way to solve these problems. Madam Speaker, that's the only way that we will solve this massive problem that we have. I don't think any of us take pleasure—I know Mr. RYAN doesn't and I don't—in being here and talking about having to raise the debt ceiling because of policies we have put in place in the past that have incurred a tremendous deficit and mounting debt in this country. I would be less pleased if I had voted for those policies, and I would be embarrassed.

I can give you an example: the economic package of 2001 that carried us down this trail; subsequently, 9/11; subsequently, Medicare prescription drug

programs unpaid for; wars that we continued to cut taxes while we were committing our troops overseas and hundreds of billions of dollars to prosecute those wars.

Madam Speaker, we have to stop this foolish policy of spending more than we take in. Congress has consistently shown that we don't have the will to discipline ourselves when it comes to spending the revenue. Pay-as-you-go legislation is a tool that will put us back on the right path to fiscal responsibility. It worked in the past, as others have said, put in place first by George W. Bush, Sr., along with the Democratic Congress, and then later on by President Clinton with the Republican Congress. We can do it again if we work in a bipartisan way. This is a great first step, though.

For those who criticize the legislation as having too many exemptions, I'm very pleased to hear Mr. RYAN and others say they've changed their tune about exemptions, because I've got some vote sheets here that show that they voted to enact spending programs or mandatory programs that we had paid for, but they voted against the bill when it's paid for and then voted for it when it's not paid for. So I assume that means that they have taken a different approach into how we're going to do business in the future. This pay-as-you-go legislation not only will encourage that, but will require it statutorily.

Mr. GENE GREEN of Texas. Madam Speaker, I rise today in strong support of this resolution. Not because it is good practice for us to continue increasing the national debt limit, but because for the first time since it expired under the previous administration, we are making PAYGO a statutory requirement.

In addition to other efforts by the Obama administration and Congress, PAYGO requirements will help us get our financial house back in order from the mess that was handed to us by the previous administration.

After two wars, and tax cuts that were not paid for, the \$5.6 trillion dollar surplus we experienced in 2000 turned into a \$1.3 trillion deficit.

In the 1990s, the Clinton administration turned the deficits accumulated in the two previous presidencies into record surpluses. One of the key tools in this transformation was the PAYGO rule, which required Congress to find savings for the dollars it spent.

Unfortunately, after President Clinton left office, the next administration and Congress regularly waived PAYGO rules and ultimately allow them to expire in 2002.

After waiving and allowing these rules to expire, we saw the surplus built by the Clinton administration vanish, and deficit spending resume—spending that will have to be repaid by our children and grandchildren.

A New York Times analysis attributes 90% of that deficit to the economic downturn, Bush administration policies, and the extension of those policies. According to that analysis, only 7% of the deficit is attributable to the Economic Recovery Act passed early last year, which economists largely agree was a necessary emergency response to this recession.

Madam Speaker, this is just good policy. For eight years, under the previous adminis-

tration, we saw deficit spending spiral out of control. Now many of those responsible for that spending are criticizing the majority and the current administration for its spending policies, complaining that it is piling up debt for the next generation.

Today those individuals have a chance to vote for legislation that ensures any future programs are paid for, and reestablish the rules that led to control in government spending and budget surpluses in the 1990s.

I am an original cosponsor of the PAYGO legislation that passed the House last July, and I urge all my colleagues to join me in supporting this bill to set our nation back on a path to sustainable spending policies that will ensure we do not have to continue increasing the debt limit indefinitely.

Mr. LEVIN. Madam Speaker, I rise in strong support of the provisions in the bill before the House that restore the pay-as-you-go budget rules.

The PAYGO rules simply require that new entitlement spending and new tax cut proposals be fully paid for with offsetting savings. Failure to do so would result in mandatory spending cuts. These rules were instrumental to the successful effort to rein in soaring deficits in the 1990s and resulted in balanced budgets during the final years of the Clinton administration. Unfortunately, the pay-as-you-go rules expired in 2002 and the Bush administration and the then Republican majority in Congress refused to renew them. Our nation's fiscal health has paid a heavy price for that refusal.

Yesterday, the House Ways and Means Committee heard testimony from the Director of the Office of Management and Budget. Specifically, Dr. Orszag testified that the large deficits we confront today in large measure reflect the failure to pay for policies in the past. Dr. Orszag said, "More than half of these deficits can be linked to the previous administration's failure to pay for the 2001/2003 tax cuts and the prescription drug bill. Over the next ten years, these two unpaid-for policies are slated to add \$5.8 trillion to the deficit, including interest expense on the additional associated debt."

Returning to the budget discipline of the pay-as-you-go rules is common sense and will help ensure that we don't repeat the reckless tax and spending mistakes of the past.

Mr. HOLT. Madam Speaker, I rise today to discuss our national debt.

Let's look at the facts of how we got here. Just 10 years ago, the National Debt clock was turned off and we were having serious conversations about what would happen after we paid down the debt. Our nation was running a budget surplus in 1998, starting a stretch of surpluses that lasted through 2001. Our nation's fiscal house was in order. How then, have we gone from surpluses to significant deficits?

Some would have us believe that the national debt suddenly appeared in the past year. If only it was that easy. The national debt level we see today is the result of 8 years of poor decisions. Earlier this decade, the Republican-controlled Congress voted to slash taxes for the wealthy and charge it to the national debt. The same party voted to create a prescription drug benefit and charge the entire cost to the national debt. I voted against both of these laws because they were fiscally irresponsible. The previous President

decided to pursue two wars on borrowed money and charge it to the national debt. In contrast, the policies that we have adopted this Congress to pull our economy out of the recession are responsible for less than 16 percent of this and last years' deficit.

Because of the irresponsible decisions of the recent past, we entered this recession with our fiscal house not in order. With our economy nearing collapse, our government had a choice to make. Facing the worst economic crisis in 75 years, we could have done nothing. Yet, this was not a responsible option. During times of great hardship, our government cannot shrink away from helping our citizens and helping our economy recover. This required federal investment. Leading economists have made clear that these investments were vital and that the best way to reduce the deficit in the long-term is through a strong economy.

One major reason for the debt we see today is because President Bush and the Republican-controlled Congress allowed the "pay-as-you-go" law to expire. Every family understands this principle—you must pay for what buy. I am saddened that Congress forgot this simple lesson earlier this decade. This is only one tool, but it is a strong one to return our nation back to fiscal stability. It forces Congress to identify inefficient or ineffective programs whose funding can be cut to fund higher priorities, such as health care, education, and clean energy.

The bill we consider today restores this budgetary safeguard and makes the "pay-as-you-go" principle law. In the 1990s, the last time that "pay-as-you-go" was the law, we turned the massive deficits of the 1980s into record surpluses. In 2007, I was pleased that the House of Representatives restored this principle in the House rules when Democrats regained control of the House. While this rule was a good first step, today's legislation goes further by applying automatically to legislation and will cut spending if Congress does not do so.

In addition, this bill would require the Government Accountability Office, GAO, to review all programs and initiatives to find any duplicative or wasteful programs. The GAO would report what they find to Congress so that we can eliminate the wasteful programs and merge any duplicative ones.

I will continue to work to ensure taxpayer money is well spent. I helped write the Student Aid and Fiscal Responsibility Act, which will reduce our debt by \$10 billion by eliminating wasteful subsidies for banks to offer student loans. I am pleased that many other major bills being considered, including health reform and climate legislation, have been paid for and would reduce the debt as well. I have fought every year to cut billions from the flawed missile defense program, which never produced a reliable technology; I have supported reducing agricultural subsidies that too often go to the wealthiest producers instead of small family farmers; and I have advocated for eliminating subsidies to private insurance companies for providing the same services that Medicare already provides to seniors. These are all common-sense steps to reduce wasteful government spending.

This legislation sends a message to the American people that the government is committed to putting the country back on stable economic footing. I will vote for this bill and

will work for our government to regain its fiscal discipline.

Mr. ETHERIDGE. Madam Speaker, I rise in support of H.J. Res. 45, the Statutory Pay-As-You-Go Act, PAYGO.

As a former small business owner, I know the importance of keeping your books balanced and your budget in order. The PAYGO Act's concept is simple, if you propose new spending or reduced revenues it must be paid for by reducing spending in other areas.

Today's vote in favor of Statutory PAYGO is one of the most important actions Congress has taken towards ensuring economic discipline and restoring a balanced federal budget. PAYGO does not solve all of our budget problems overnight, but it has a history of bipartisan support and proven results dating back to the 1990s. During my first term, PAYGO helped right the ship and put our nation on a path toward replacing deficits with surpluses.

PAYGO has a proven track record of success, turning deficits in record surpluses under President Clinton. As we work to address the deficits we have inherited from the last administration, PAYGO is a key part of our effort to restore balance.

As a member of the House Budget Committee, I support Statutory PAYGO, and I urge my colleagues to join me in voting for the passage of H.J. Res. 45.

Mr. BOYD. I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 1065, the previous question is ordered.

The question of adoption of the motion is divided. The first portion of the divided question is on concurring in the matter preceding title 1 of the Senate amendment.

Pursuant to House Resolution 1065, the first portion of the divided question is adopted.

The second portion of the divided question is: Will the House concur in the matter comprising titles 1 and 2 of the Senate amendment?

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RYAN of Wisconsin. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adoption of the second portion of the divided question will be followed by a 5-minute vote on the motion to suspend the rules on House Resolution 960.

The vote was taken by electronic device, and there were—yeas 233, nays 187, not voting 14, as follows:

[Roll No. 48]

YEAS—233

Abercrombie	Bean	Boswell
Ackerman	Becerra	Boucher
Adler (NJ)	Berkley	Boyd
Altmire	Berman	Brady (PA)
Andrews	Berry	Braley (IA)
Arcuri	Bishop (GA)	Brown, Corrine
Baca	Bishop (NY)	Butterfield
Baird	Blumenauer	Capps
Baldwin	Boccheri	Capuano
Barrow	Boren	Cardoza

Carnahan	Holt	Perlmutter
Carney	Honda	Perriello
Carson (IN)	Hoyer	Peterson
Castor (FL)	Inslee	Pingree (ME)
Chandler	Israel	Polis (CO)
Childers	Jackson (IL)	Pomeroy
Chu	Jackson Lee	Price (NC)
Clarke	(TX)	Quigley
Cleaver	Johnson (GA)	Rahall
Clyburn	Johnson, E. B.	Rangel
Cohen	Kagen	Reyes
Connelly (VA)	Kanjorski	Richardson
Conyers	Kaptur	Rodriguez
Cooper	Kennedy	Ross
Costa	Kildee	Rothman (NJ)
Costello	Kilpatrick (MI)	Roybal-Allard
Courtney	Kilroy	Ruppersberger
Crowley	Kind	Rush
Cuellar	Kirkpatrick (AZ)	Ryan (OH)
Cummings	Kissell	Salazar
Dahlkemper	Klein (FL)	Sánchez, Linda
Davis (AL)	Kratovil	T.
Davis (CA)	Langevin	Sanchez, Loretta
Davis (IL)	Larsen (WA)	Sarbanes
DeFazio	Larson (CT)	Schakowsky
DeGette	Lee (CA)	Schauer
DeLahunt	Levin	Schiff
DeLauro	Lewis (GA)	Schrader
Dicks	Lipinski	Schwartz
Dingell	Loeb	Scott (GA)
Doggett	Loeb sack	Scott (VA)
Donnelly (IN)	Lofgren, Zoe	Serrano
Doyle	Lujan	Sestak
Driehaus	Lynch	Shea-Porter
Edwards (MD)	Maloney	Sherman
Edwards (TX)	Markey (CO)	Shuler
Ellison	Markey (MA)	Sires
Ellsworth	Marshall	Skelton
Engel	Massa	Slaughter
Eshoo	Matheson	Smith (WA)
Etheridge	Matsui	Snyder
Farr	McCarthy (NY)	Space
Fattah	McCollum	Speier
Foster	McDermott	Spratt
Frank (MA)	McGovern	Sutton
Fudge	McMahon	Tanner
Garamendi	Meeke (FL)	Teague
Giffords	Melancon	Thompson (CA)
Gonzalez	Michaud	Thompson (MS)
Gordon (TN)	Miller (NC)	Tierney
Grayson	Miller, George	Titus
Green, Al	Mollohan	Tonko
Green, Gene	Moore (KS)	Towns
Grijalva	Moran (VA)	Tsongas
Hall (NY)	Murphy (CT)	Van Hollen
Halvorson	Murphy (NY)	Velázquez
Hare	Murphy, Patrick	Visclosky
Harman	Nadler (NY)	Walz
Hastings (FL)	Napolitano	Wasserman
Heinrich	Neal (MA)	Schultz
Herseth Sandlin	Oberstar	Watson
Higgins	Obey	Watt
Hill	Oliver	Waxman
Himes	Ortiz	Welch
Hincheey	Owens	Wilson (OH)
Hinojosa	Pallone	Woolsey
Hirono	Pascrell	Wu
Hodes	Payne	Yarmuth
Holden	Pelosi	

NAYS—187

Aderholt	Burton (IN)	Fleming
Akin	Buyer	Forbes
Alexander	Calvert	Fortenberry
Austria	Camp	Fox
Bachmann	Campbell	Franks (AZ)
Bachus	Cantor	Frelinghuysen
Barrett (SC)	Cao	Gallely
Bartlett	Capito	Garrett (NJ)
Barton (TX)	Carter	Gerlach
Biggett	Castle	Gingrey (GA)
Bilbray	Chaffetz	Gohmert
Bilirakis	Coble	Goodlatte
Bishop (UT)	Coffman (CO)	Granger
Blackburn	Cole	Graves
Blunt	Conaway	Griffith
Boehner	Crenshaw	Guthrie
Bonner	Culberson	Hall (TX)
Bono Mack	Davis (KY)	Harper
Boozman	Deal (GA)	Hastings (WA)
Boustany	Dent	Heller
Brady (TX)	Diaz-Balart, L.	Hensarling
Bright	Diaz-Balart, M.	Herger
Brown (GA)	Dreier	Hoekstra
Brown (SC)	Duncan	Hunter
Brown-Waite,	Emerson	Inglis
	Fallon	Issa
	Ginny	Jenkins
	Buchanan	Johnson (IL)
	Burgess	
	Flake	

Johnson, Sam	McNerney	Royce
Jones	Mica	Ryan (WI)
Jordan (OH)	Miller (FL)	Scalise
King (IA)	Miller (MI)	Schmidt
King (NY)	Miller, Gary	Shock
Kingston	Minnick	Sensenbrenner
Kirk	Mitchell	Sessions
Kline (MN)	Moran (KS)	Shadegg
Latta	Murphy, Tim	Shimkus
Kosmas	Myrick	Shuster
Kucinich	Neugebauer	Simpson
Lamborn	Nunes	Smith (NE)
Lance	Nye	Smith (NJ)
Latham	Olson	Smith (TX)
LaTourette	Pastor (AZ)	Souder
Latta	Paul	Stearns
Lee (NY)	Paulsen	Sullivan
Lewis (CA)	Pence	Taylor
LoBiondo	Peters	Terry
Lucas	Petri	Thornberry
Luetkemeyer	Pitts	Tiahrt
Lummis	Platts	Tiberi
Lungren, Daniel	Poe (TX)	Turner
E.	Posey	Upton
Mack	Price (GA)	Walden
Maffei	Putnam	Wamp
Manzullo	Rehberg	Waters
Marchant	Reichert	Weimer
McCarthy (CA)	Roe (TN)	Westmoreland
McCaul	Rogers (AL)	Whitfield
McClintock	Rogers (KY)	Wilson (SC)
McCotter	Rogers (MI)	Wittman
McHenry	Rohrabacher	Wolf
McIntyre	Rooney	Young (AK)
McKeon	Ros-Lehtinen	
McMorris	Roskam	
Rodgers		

NOT VOTING—14

Cassidy	Linder	Stark
Clay	Meeks (NY)	Stupak
Davis (TN)	Moore (WI)	Thompson (PA)
Ehlers	Murtha	Young (FL)
Gutierrez	Radanovich	

□ 1549

Messrs. TAYLOR, SMITH of Nebraska and MCINTYRE changed their vote from "yea" to "nay."

Ms. EDDIE BERNICE JOHNSON of Texas changed her vote from "nay" to "yea."

So the second portion of the divided question was adopted.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. MOORE of Wisconsin. Mr. Speaker, on rollcall No. 48, had I been present, I would have voted "yea."

Stated against:

Mr. CASSIDY. Mr. Speaker, on rollcall No. 48, I was unavoidably detained. Had I been present, I would have voted "nay."

NATIONAL STALKING AWARENESS MONTH

The SPEAKER pro tempore (Mr. CARSON of Indiana). The unfinished business is the question on suspending the rules and agreeing to the resolution, H. Res. 960.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. JOHNSON) that the House suspend the rules and agree to the resolution, H. Res. 960.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.