

paragraph (2). If the President chooses to make that full adjustment, then those procedures for adjusting discretionary spending limits described in sections 901(b)(1)(C)<sup>1</sup> and 901(b)(2)(E)<sup>1</sup> of this title, otherwise applicable through fiscal year 1993 or 1994 (as the case may be), shall be deemed to apply for fiscal year 1994 (and 1995 if applicable).

(C) When the budget for fiscal year 1994 or 1995 is submitted and the sequestration reports for those years under section 904 of this title are made (as applicable), if the President does not choose to make the adjustments set forth in subparagraph (B), the maximum deficit amount for that fiscal year shall be adjusted by the amount of the adjustment to discretionary spending limits first applicable for that year (if any) under section 901(b) of this title.

(D) For each fiscal year the adjustments required to be made with the submission of the President's budget for that year shall also be made when OMB submits the sequestration update report and the final sequestration report for that year, but OMB shall continue to use the economic and technical assumptions in the President's budget for that year.

Each adjustment shall be made by increasing or decreasing the maximum deficit amounts set forth in section 665<sup>1</sup> of this title.

**(2) Calculations of adjustments**

The required increase or decrease shall be calculated as follows:

(A) The baseline deficit or surplus shall be calculated using up-to-date economic and technical assumptions, using up-to-date concepts and definitions, and, in lieu of the baseline levels of discretionary appropriations, using the discretionary spending limits set forth in section 665<sup>1</sup> of this title as adjusted under section 901 of this title.

(B) The net deficit increase or decrease caused by all direct spending and receipts legislation enacted after November 5, 1990 (after adjusting for any sequestration of direct spending accounts) shall be calculated for each fiscal year by adding—

(i) the estimates of direct spending and receipts legislation transmitted under section 902(d) of this title applicable to each such fiscal year; and

(ii) the estimated amount of savings in direct spending programs applicable to each such fiscal year resulting from the prior year's sequestration under this section or section 902 of this title of direct spending, if any, as contained in OMB's final sequestration report for that year.

(C) The amount calculated under subparagraph (B) shall be subtracted from the amount calculated under subparagraph (A).

(D) The maximum deficit amount set forth in section 665<sup>1</sup> of this title shall be subtracted from the amount calculated under subparagraph (C).

(E) The amount calculated under subparagraph (D) shall be the amount of the adjustment required by paragraph (1).

**(h) Treatment of deposit insurance**

**(1) Initial estimates**

The initial estimates of the net costs of federal deposit insurance for fiscal year 1994 and fiscal year 1995 (assuming full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of the submission of the budget for fiscal year 1993) shall be set forth in that budget.

**(2) Reestimates**

For fiscal year 1994 and fiscal year 1995, the amount of the reestimate of deposit insurance costs shall be calculated by subtracting the amount set forth under paragraph (1) for that year from the current estimate of deposit insurance costs (but assuming full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of submission of the budget for fiscal year 1993).

(Pub. L. 99-177, title II, §253, Dec. 12, 1985, 99 Stat. 1078; Pub. L. 100-119, title I, §103, Sept. 29, 1987, 101 Stat. 775; Pub. L. 101-508, title XIII, §13101(a), Nov. 5, 1990, 104 Stat. 1388-583.)

**Editorial Notes**

REFERENCES IN TEXT

Section 906(a) of this title, referred to in subsec. (e)(1), was repealed by Pub. L. 111-139, title I, §10(a), Feb. 12, 2010, 124 Stat. 21.

Section 906(c) of this title, referred to in subsec. (e)(2), was repealed by Pub. L. 111-139, title I, §10(c), Feb. 12, 2010, 124 Stat. 22.

Section 901(b) of this title, referred to in subsec. (g)(1)(B), was amended by Pub. L. 105-33, title X, §10203(a)(4), Aug. 5, 1997, 111 Stat. 699; Pub. L. 105-178, title VIII, §8101(d), June 9, 1998, 112 Stat. 490; Pub. L. 109-59, title VIII, §8002, Aug. 10, 2005, 119 Stat. 1916; and Pub. L. 112-25, title I, §101, Aug. 2, 2011, 125 Stat. 241, and as so amended, no longer contains par. (1)(C) or (2)(E).

Section 665 of this title, referred to in subsec. (g)(1), (2)(A), (D), was repealed by Pub. L. 105-33, title X, §10118(a), Aug. 5, 1997, 111 Stat. 695.

CODIFICATION

November 5, 1990, referred to in subsec. (g)(2)(B), was in the original "the date of enactment of this section", which was translated as meaning the date of enactment of Pub. L. 101-508, which amended this section generally, to reflect the probable intent of Congress.

AMENDMENTS

1990—Pub. L. 101-508 amended section generally, substituting provisions relating to enforcement of deficit targets for provisions relating to compliance report by Comptroller General.

1987—Pub. L. 100-119 amended section generally, designating existing provisions as par. (1), substituting "(or December 15, 1987, in the case of the fiscal year 1988)" for "(or on or before April 1, 1986, in the case of the fiscal year 1986)", and adding pars. (2) and (3).

**§ 904. Reports and orders**

**(a) Timetable**

The timetable with respect to this subchapter for any budget year is as follows:

<b>Date:</b>	<b>Action to be completed:</b>
January 21 .....	Notification regarding optional adjustment of maximum deficit amount.

<b>Date:</b>	<b>Action to be completed:</b>
5 days before the President's budget submission.	CBO sequestration preview report.
The President's budget submission.	OMB sequestration preview report.
August 10 .....	Notification regarding military personnel.
August 15 .....	CBO sequestration update report.
August 20 .....	OMB sequestration update report.
10 days after end of session.	CBO final sequestration report.
15 days after end of session.	OMB final sequestration report; Presidential order.

**(b) Submission and availability of reports**

Each report required by this section shall be submitted, in the case of CBO, to the House of Representatives, the Senate and OMB and, in the case of OMB, to the House of Representatives, the Senate, and the President on the day it is issued. On the following day a notice of the report shall be printed in the Federal Register.

**(c) Sequestration preview reports**

**(1) Reporting requirement**

On the dates specified in subsection (a), OMB and CBO shall issue a preview report regarding discretionary, pay-as-you-go, and deficit sequestration based on laws enacted through those dates.

**(2) Discretionary sequestration report**

The preview reports shall set forth estimates for the current year and each subsequent year through 2025 of the applicable discretionary spending limits for each category and an explanation of any adjustments in such limits under section 901 of this title.

**(3) Pay-as-you-go sequestration reports**

The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

(A) The amount of net deficit increase or decrease, if any, calculated under section 902(b) of this title.

(B) A list identifying each law enacted and sequestration implemented after November 5, 1990, included in the calculation of the amount of deficit increase or decrease and specifying the budgetary effect of each such law.

(C) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate a deficit increase under section 902(c) of this title.

**(4) Deficit sequestration reports**

The preview reports shall set forth for the budget year estimates for each of the following:

(A) The maximum deficit amount, the estimated deficit calculated under section 903(b) of this title, the excess deficit, and the margin.

(B) The amount of reductions required under section 902 of this title, the excess deficit remaining after those reductions have

been made, and the amount of reductions required from defense accounts and the reductions required from non-defense accounts.

(C) The sequestration percentage necessary to achieve the required reduction in defense accounts under section 903(d) of this title.

(D) The reductions required under sections 903(e)(1) and 903(e)(2) of this title.

(E) The sequestration percentage necessary to achieve the required reduction in non-defense accounts under section 903(e)(3) of this title.

The CBO report need not set forth the items other than the maximum deficit amount for fiscal year 1992, 1993, or any fiscal year for which the President notifies the House of Representatives and the Senate that he will adjust the maximum deficit amount under the option under section 903(g)(1)(B) of this title.

**(5) Explanation of differences**

The OMB reports shall explain the differences between OMB and CBO estimates for each item set forth in this subsection.

**(d) Notification regarding military personnel**

On or before the date specified in subsection (a), the President shall notify the Congress of the manner in which he intends to exercise flexibility with respect to military personnel accounts under section 905(f) of this title.

**(e) Sequestration update reports**

On the dates specified in subsection (a), OMB and CBO shall issue a sequestration update report, reflecting laws enacted through those dates, containing all of the information required in the sequestration preview reports. This report shall also contain a preview estimate of the adjustment for disaster funding for the upcoming fiscal year.

**(f) Final sequestration reports**

**(1) Reporting requirement**

On the dates specified in subsection (a), OMB and CBO shall issue a final sequestration report, updated to reflect laws enacted through those dates.

**(2) Discretionary sequestration reports**

The final reports shall set forth estimates for each of the following:

(A) For the current year and each subsequent year through 2025 the applicable discretionary spending limits for each category and an explanation of any adjustments in such limits under section 901 of this title, including a final estimate of the adjustment for disaster funding.

(B) For the current year and the budget year the estimated new budget authority and outlays for each category and the breach, if any, in each category.

(C) For each category for which a sequestration is required, the sequestration percentages necessary to achieve the required reduction.

(D) For the budget year, for each account to be sequestered, estimates of the baseline level of sequestrable budgetary resources and resulting outlays and the amount of

budgetary resources to be sequestered and resulting outlay reductions.

**(3) Pay-as-you-go and deficit sequestration reports**

The final reports shall contain all the information required in the pay-as-you-go and deficit sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequestrable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions. The reports shall also contain estimates of the effects on outlays of the sequestration in each outyear for direct spending programs.

**(4) Explanation of differences**

The OMB report shall explain any differences between OMB and CBO estimates of the amount of any net deficit change calculated under section 902(b) of this title, any excess deficit, any breach, and any required sequestration percentage. The OMB report shall also explain differences in the amount of sequesterable<sup>1</sup> resources for any budget account to be reduced if such difference is greater than \$5,000,000.

**(5) Presidential order**

On the date specified in subsection (a), if in its final sequestration report OMB estimates that any sequestration is required, the President shall issue an order fully implementing without change all sequestrations required by the OMB calculations set forth in that report. This order shall be effective on issuance.

**(g) Within-session sequestration reports and order**

If an appropriation for a fiscal year in progress is enacted (after Congress adjourns to end the session for that budget year and before July 1 of that fiscal year) that causes a breach, 10 days later CBO shall issue a report containing the information required in paragraph (f)(2). Fifteen days after enactment, OMB shall issue a report containing the information required in paragraphs (f)(2) and (f)(4). On the same day as the OMB report, the President shall issue an order fully implementing without change all sequestrations required by the OMB calculations set forth in that report. This order shall be effective on issuance.

**(h) GAO compliance report**

Upon request of the Committee on the Budget of the House of Representatives or the Senate, the Comptroller General shall submit to the Congress and the President a report on—

(1) the extent to which each order issued by the President under this section complies with all of the requirements contained in this subchapter, either certifying that the order fully and accurately complies with such requirements or indicating the respects in which it does not; and

(2) the extent to which each report issued by OMB or CBO under this section complies with all of the requirements contained in this sub-

chapter, either certifying that the report fully and accurately complies with such requirements or indicating the respects in which it does not.

**(i) Low-growth report**

At any time, CBO shall notify the Congress if—

(1) during the period consisting of the quarter during which such notification is given, the quarter preceding such notification, and the 4 quarters following such notification, CBO or OMB has determined that real economic growth is projected or estimated to be less than zero with respect to each of any 2 consecutive quarters within such period; or

(2) the most recent of the Department of Commerce's advance preliminary or final reports of actual real economic growth indicate that the rate of real economic growth for each of the most recently reported quarter and the immediately preceding quarter is less than one percent.

**(j) Economic and technical assumptions**

In all reports required by this section, OMB 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.

(Pub. L. 99-177, title II, §254, Dec. 12, 1985, 99 Stat. 1078; Pub. L. 100-119, title I, §§102(b)(1), 106(e)(2), Sept. 29, 1987, 101 Stat. 773, 781; Pub. L. 101-508, title XIII, §13101(a), Nov. 5, 1990, 104 Stat. 1388-586; Pub. L. 103-66, title XIV, §§14002(c)(2), 14003(b), Aug. 10, 1993, 107 Stat. 684, 685; Pub. L. 103-322, title XXXI, §310001(g)(2), Sept. 13, 1994, 108 Stat. 2105; Pub. L. 104-316, title I, §102(d), Oct. 19, 1996, 110 Stat. 3828; Pub. L. 105-33, title X, §10206, Aug. 5, 1997, 111 Stat. 704; Pub. L. 112-25, title I, §103, Aug. 2, 2011, 125 Stat. 246; Pub. L. 113-67, div. A, title I, §121(3), (4), Dec. 26, 2013, 127 Stat. 1175; Pub. L. 118-5, div. A, title I, §101(c), June 3, 2023, 137 Stat. 13.)

**Editorial Notes**

**CODIFICATION**

November 5, 1990, referred to in subsec. (c)(3)(B), was in the original "the date of enactment of this section", which was translated as meaning the date of enactment of Pub. L. 101-508, which amended this section generally, to reflect the probable intent of Congress.

**AMENDMENTS**

2023—Subsec. (c)(2). Pub. L. 118-5, §101(c)(1), substituted "2025" for "2021".

Subsec. (f)(2)(A). Pub. L. 118-5, §101(c)(2), substituted "2025" for "2021".

2013—Subsec. (c)(3)(A). Pub. L. 113-67, §121(3), substituted "section 902(b)" for "subsection 902(b)".

Subsec. (f)(4). Pub. L. 113-67, §121(4), substituted "section 902(b)" for "subsection 902(b)".

2011—Subsec. (c)(2). Pub. L. 112-25, §103(1), substituted "2021" for "2002".

Subsec. (e). Pub. L. 112-25, §103(2), added "This report shall also contain a preview estimate of the adjustment for disaster funding for the upcoming fiscal year." at end.

Subsec. (f)(2)(A). Pub. L. 112-25, §103(3), substituted "2021" for "2002" and inserted ", including a final estimate of the adjustment for disaster funding" before period at end.

1997—Subsec. (c). Pub. L. 105-33, §10206(1), (2), redesignated subsec. (d) as (c), substituted "2002" for "1998" in

<sup>1</sup> So in original. Probably should be "sequestrable".

par. (2), and struck out heading and text of former subsec. (c). Text read as follows: "With respect to budget year 1994 or 1995, on the date specified in subsection (a) of this section the President shall notify the House of Representatives and the Senate of his decision regarding the optional adjustment of the maximum deficit amount (as allowed under section 903(g)(1)(B) of this title)."

Subsec. (d). Pub. L. 105-33, §10206(1), (3), redesignated subsec. (e) as (d) and substituted "section 905(f)" for "section 905(h)". Former subsec. (d) redesignated (c).

Subsec. (e). Pub. L. 105-33, §10206(1), redesignated subsec. (f) as (e). Former subsec. (e) redesignated (d).

Subsec. (f). Pub. L. 105-33, §10206(1), redesignated subsec. (g) as (f). Former subsec. (f) redesignated (e).

Subsec. (f)(2)(A). Pub. L. 105-33, §10206(4)(A), substituted "2002" for "1998".

Subsec. (f)(3). Pub. L. 105-33, §10206(4)(B), struck out "through 1998" after "each outyear".

Subsec. (f)(4) to (6). Pub. L. 105-33, §10206(4)(C), redesignated pars. (5) and (6) as (4) and (5), respectively, and struck out heading and text of former par. (4). Text read as follows: "The final reports shall set forth for the budget year estimates for each of the following:

"(A) The amount of budget authority appropriated from the Violent Crime Reduction Trust Fund and outlays resulting from those appropriations.

"(B) The sequestration percentage and reductions, if any, required under section 901a of this title."

Subsec. (g). Pub. L. 105-33, §10206(1), (5), redesignated subsec. (h) as (g) and substituted "paragraph (f)(2)" for "paragraph (g)(2)" and "paragraphs (f)(2) and (f)(4)" for "paragraphs (g)(2) and (g)(4)". Former subsec. (g) redesignated (f).

Subsecs. (h) to (k). Pub. L. 105-33, §10206(1), redesignated subsecs. (i) to (k) as (h) to (j), respectively. Former subsec. (h) redesignated (g).

1996—Subsec. (a). Pub. L. 104-316, §102(d)(1), struck out item at end of timetable relating to GAO compliance report.

Subsec. (i). Pub. L. 104-316, §102(d)(2), in introductory provisions substituted "Upon request of the Committee on the Budget of the House of Representatives or the Senate" for "On the date specified in subsection (a) of this section".

1994—Subsec. (g)(4) to (6). Pub. L. 103-322 added par. (4) and redesignated former pars. (4) and (5) as (5) and (6), respectively.

1993—Subsecs. (d)(2), (g)(2)(A), (3). Pub. L. 103-66 substituted "1998" for "1995".

1990—Pub. L. 101-508 amended section generally, substituting provisions setting out timetable and requisite content of reports and orders developed as part of sequestration process for former provisions relating to special Congressional procedures in the event of recession, Congressional responses to Presidential orders, and treatment of certain resolutions as reconciliation bills.

1987—Subsec. (b)(1)(A). Pub. L. 100-119, §102(b)(1), substituted "the Director of OMB" for "the Comptroller General".

Subsec. (b)(1)(E). Pub. L. 100-119, §106(e)(2), inserted provisions relating to maximum deficit amount for fiscal year 1988 or 1989.

#### Statutory Notes and Related Subsidiaries

##### CONGRESSIONAL BUDGET OFFICE EXCEPTED FROM CERTAIN REQUIREMENTS

Subsections (c), (f)(3), and (i) of this section inapplicable to the Congressional Budget Office, see section 104(b) of Pub. L. 112-25, set out as a note under section 902 of this title.

##### FISCAL YEAR DEFICIT CONTROL MEASURES

1991—Pub. L. 102-27, title IV, §401(b), Apr. 10, 1991, 105 Stat. 154, provided that: "Upon the enactment of this Act [Apr. 10, 1991], the order issued by the President on November 9, 1990 [set out below], pursuant to sections

251 and 254 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, [2 U.S.C. 901, 904] is hereby rescinded. Any action taken to implement this order shall be reversed, and any sequestrable resource that has been reduced or sequestered by such order is hereby restored, revived, or released and shall be available to the same extent and for the same purpose as if the order had not been issued."

Pub. L. 101-508, title XIII, §13401, Nov. 5, 1990, 104 Stat. 1388-628, provided that:

"(a) ORDER RESCINDED.—Upon the enactment of this Act [Nov. 5, 1990], the orders issued by the President on August 25, 1990, and October 15, 1990 [set out below], pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] are hereby rescinded.

"(b) AMOUNTS RESTORED.—Any action taken to implement the orders referred to in subsection (a) shall be reversed, and any sequestrable resource that has been reduced or sequestered by such orders is hereby restored, revived, or released and shall be available to the same extent and for the same purpose as if the orders had not been issued.

"(c) FURLOUGHED EMPLOYEES.—(1) Federal employees furloughed as a result of the lapse in appropriations from midnight October 5, 1990, until the enactment of House Joint Resolution 666 [Pub. L. 101-412, which was approved Oct. 9, 1990] shall be compensated at their standard rate of compensation for the period during which there was a lapse in appropriations.

"(2) All obligations incurred in anticipation of the appropriations made and authority granted by House Joint Resolution 666 for the purposes of maintaining the essential level of activity to protect life and property and bringing about orderly termination of government functions are hereby ratified and approved if otherwise in accord with the provisions of that Act [Pub. L. 101-412, Oct. 9, 1990, 104 Stat. 894]."

Pub. L. 101-467, §105, Oct. 28, 1990, 104 Stat. 1087, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 28, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 101(b)(B) [Nov. 5, 1990]."

Pub. L. 101-461, §113, Oct. 25, 1990, 104 Stat. 1078, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 25, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 27, 1990]."

Pub. L. 101-444, §113, Oct. 19, 1990, 104 Stat. 1033, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 19, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 24, 1990]."

Pub. L. 101-412, §113, Oct. 9, 1990, 104 Stat. 897, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 9, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 19, 1990]."

Pub. L. 101-403, title I, §113, Oct. 1, 1990, 104 Stat. 870, provided that:

“(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 1, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

“(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 5, 1990].”

Final Order of the President of the United States, Nov. 9, 1990, 26 Weekly Compilation of Presidential Documents 1797, Nov. 12, 1990, provided:

By the authority vested in me as President by the statutes of the United States of America, including section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) [2 U.S.C. 904], as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and Title XIII of the Omnibus Reconciliation Act of 1990 (Public Law 101-508) (hereafter referred to as “the Act”), I hereby order that the following actions be taken immediately to implement the sequestrations and reductions determined by the Director of the Office of Management and Budget as set forth in his report dated November 9, 1990, under sections 251 and 254 of the Act [2 U.S.C. 901, 904]:

(1) Budgetary resources for each non-exempt account within the international category of discretionary spending shall be reduced as specified by the Director of the Office of Management and Budget in his report of November 9, 1990.

(2) Pursuant to sections 250(c)(6) and 251 [former 2 U.S.C. 900(c)(6), 2 U.S.C. 901], budgetary resources subject to sequestration shall be new budget authority; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; and obligation limitations.

(3) For accounts making commitments for guaranteed loans as authorized by substantive law, the head of each Department or agency is directed to reduce the level of such commitments or obligations to the extent necessary to conform to the limitations established by the Act [Pub. L. 99-177, title II, see Short Title note set out under 2 U.S.C. 900] and specified by the Director of the Office of Management and Budget in his report of November 9, 1990.

All sequestrations shall be made in strict accordance with the specifications of the November 9th report of the Director of the Office of Management and Budget and the requirements of sections 251 and 254.

GEORGE BUSH.

Final Order of the President of the United States, Oct. 15, 1990, 55 F.R. 41977, provided:

By the authority vested in me as President by the statutes of the United States of America, including section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) [2 U.S.C. 902], as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) (hereafter referred to as “the Act”), I hereby order that the following actions shall be taken to implement the sequestrations and reductions determined by the Director of the Office of Management and Budget as set forth in his report dated October 15, 1990, under section 251 of the Act [2 U.S.C. 901]:

(1) Each automatic spending increase that would, but for the provisions of the Act, take effect during fiscal year 1991 is permanently sequestered or reduced as provided in section 252.

(2) The following are sequestered as provided in section 252: new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, as amended [2 U.S.C. 651(c)(2)]; and obligation limitations.

(3) For accounts making payments otherwise required by substantive law, the head of each Department or agency is directed to modify the calculation of each such payment to the extent necessary to reduce the es-

timate of total required payments for the fiscal year by the amount specified by the Director of the Office of Management and Budget in his report of October 15, 1990.

(4) For accounts making commitments for guaranteed loans as authorized by substantive law, the head of each Department or agency is directed to reduce the level of such commitments or obligations to the extent necessary to conform to the limitations established by the Act and specified by the Director of the Office of Management and Budget in his report of October 15, 1990.

All reductions and sequestrations shall be made in strict accordance with the specifications of the October 15th report of the Director of the Office of Management and Budget and the requirements of section 252(b).

This order supersedes the Initial Order issued on August 25, 1990 [see above].

This order shall be published in the Federal Register.

GEORGE BUSH.

Initial Order of the President of the United States, Aug. 25, 1990, 55 F.R. 35133, which provided emergency deficit control measures for fiscal year 1991, was superseded by Final Order of the President, Oct. 15, 1990, 55 F.R. 41977, set out above.

1990—Pub. L. 101-239, title VI, §6001, Dec. 19, 1989, 103 Stat. 2139, provided that: “Notwithstanding any other provision of law (including section 11002 [set out below] or any other provision of this Act, other than section 6201 [set out below]), the reductions in the amount of payments required under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] made by the final sequester order issued by the President on October 16, 1989 [set out below], pursuant to section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(b)] shall continue to be effective (as provided by sections 252(a)(4)(B) and 256(d)(2) of such Act [2 U.S.C. 902(a)(4)(B), 906(d)(2)]) through December 31, 1989, with respect to payments for items and services under part A of such title [42 U.S.C. 1395c et seq.] (including payments under section 1886 of such title [42 U.S.C. 1395www] attributable or allocated to such part). Each such payment made for items and services provided during fiscal year 1990 after such date shall be increased by 1.42 percent above what it would otherwise be under this Act.”

Pub. L. 101-239, title VI, §6101, Dec. 19, 1989, 103 Stat. 2168, provided that: “Notwithstanding any other provision of law (including any other provision of this Act, other than section 6201 [set out below]), the reductions in the amount of payments required under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] made by the final sequester order issued by the President on October 16, 1989, pursuant to section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(b)] shall continue to be effective (as provided by sections 252(a)(4)(B) and 256(d)(2) of such Act [2 U.S.C. 902(a)(4)(B), 906(d)(2)]) through March 31, 1990, with respect to payments for items and services under part B of such title [42 U.S.C. 1395j et seq.]”

Pub. L. 101-239, title VI, §6201, Dec. 19, 1989, 103 Stat. 2225, provided that: “Notwithstanding any other provision of law (including section 11002 [set out below] or any other provision of this Act), the reductions in the amount of payments required under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] made by the final sequester order issued by the President on October 16, 1989 [set out below], pursuant to section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(b)] shall continue to be effective (as provided by sections 252(a)(4)(B) and 256(d)(2) of such Act [2 U.S.C. 902(a)(4)(B), 906(d)(2)]) through December 31, 1989, with respect to payments under section 1833(a)(1)(A) or 1876 of the Social Security Act [42 U.S.C. 1395(a)(1)(A), 1395mm], section 402 of the Social Security Amendments of 1967 [section 402 of Pub. L. 90-248, enacting 42 U.S.C. 1395b-1, and amending 42 U.S.C. 1395ll], or section 222 of the Social Security Amendments of 1972 [section 222 of Pub. L. 92-603,

amending 42 U.S.C. 1395b-1 and enacting provisions set out as a note under 42 U.S.C. 1395b-1]. Each such payment made during fiscal year 1990 after such date shall be increased by 1.42 percent above what it would otherwise be under this Act.”

Pub. L. 101-239, title XI, § 11002, Dec. 19, 1989, 103 Stat. 2490, provided that:

“(a) ORDER RESCINDED.—(1) Upon the issuance of a new final order by the President under subsection (b)(4) [set out below], the order issued by the President on October 16, 1989 [set out below], pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is rescinded.

“(2) Except as otherwise provided in sections 6001, 6101, and 6201 [set out above], and subject to subsection (b), any action taken to implement the order issued by the President on October 16, 1989, shall be reversed, and any sequesterable budgetary resource that has been reduced or sequestered by such order is restored, revived, or released and shall be available to the same extent and for the same purposes as if an order had not been issued.

“(3) For purposes of section[s] 702(d) and 1101(c) of the Ethics Reform Act of 1989 [Pub. L. 101-194, 5 U.S.C. 5305 note, 2 U.S.C. 31-1 note], the order issued by the President on October 16, 1989, pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is deemed to be rescinded on January 31, 1990.

“(b) ADJUSTED REDUCTION.—

“(1) Before the close of the fifteenth calendar day beginning after the date of enactment of this Act [Dec. 19, 1989], the Director of OMB shall issue a revised report using the exact budget baseline set forth in the report of October 16, 1989 [set out below], and following the requirements, specifications, definitions, and calculations required by the Balanced Budget and Emergency Deficit Control Act of 1985 [Pub. L. 99-177, title II, see Short Title note set out under 2 U.S.C. 900] for the final report issued under section 251(c)(2) [former 2 U.S.C. 901(c)(2)] for fiscal year 1990, except that the aggregate outlay reduction to be achieved shall be an amount equal to \$16.1 billion multiplied by 130 divided by 365. Calculations made to carry out the preceding sentence shall take into account the reductions and cancellations achieved by paragraphs (2) and (3) and shall not be affected by subsection (d).

“(2) Notwithstanding any provision of law other than this paragraph, the reductions and cancellations in the student loan programs described in section 256(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 906(c)] achieved by the order issued by the President on October 16, 1989, shall remain in effect through December 31, 1989, and no reductions or cancellations in such programs shall be made by the order issued under paragraph (4).

“(3) Notwithstanding any provision of law other than this paragraph, any automatic spending increase suspended or cancelled by the order issued by the President on October 16, 1989, shall be paid at a rate that is 130/365ths less than the rate that would have been paid under the laws providing for such automatic spending increase.

“(4) On the date that the Director submits a revised report to the President under paragraph (1) for fiscal year 1990, the President shall issue a new final order to make all of the reductions and cancellations specified in such report in conformity with section 252(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(a)(2)]. Such order shall be deemed to have become effective on October 16, 1989.

“(c) COMPLIANCE REPORT BY COMPTROLLER GENERAL.— Before the close of the thirtieth day beginning after the date the President issues a new final order under subsection (b)(4), the Comptroller General shall submit to the Congress and the President a compliance report setting forth the information required under section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 903] with respect to such order.

“(d) NO DOUBLE REDUCTION IN MEDICARE.—With respect to items and services described in section 6001, 6101, or 6201 [set out above] for periods for which reductions are made pursuant to the respective sections, no reduction shall be made under subsection (b).”

New Final Order of the President of the United States, Dec. 27, 1989, 54 F.R. 53469, provided:

By the authority vested in me as President by the statutes of the United States of America, including section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) [2 U.S.C. 902], as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) (hereafter referred to as “the Act”), and section 11002 of the Omnibus [Budget] Reconciliation Act of 1989 (Public Law 101-239) (“OBRA”) [set out above], I hereby order that the following actions be taken to implement the sequestrations and reductions determined by the Director of the Office of Management and Budget as set forth in his report dated December 27, 1989, under section 251 of the Act [2 U.S.C. 901] and section 11002 of the OBRA:

(1) Each automatic spending increase that would, but for the provisions of the Act, take effect during fiscal year 1990 is permanently sequestered or reduced as provided in section 252 of the Act and section 11002 of OBRA.

(2) The following are sequestered as provided in section 252 of the Act and section 11002 of OBRA: new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, as amended [2 U.S.C. 651(c)(2)]; and obligation limitations.

(3) For accounts making payments otherwise required by substantive law, the head of each department or agency is directed to modify the calculation of each such payment to the extent necessary to reduce the estimate of total required payments for the fiscal year by the amount specified by the Director of the Office of Management and Budget in his report of December 27, 1989.

(4) For accounts making commitments for guaranteed loans or obligations for direct loans as authorized by substantive law, the head of each department or agency is directed to reduce the level of such commitments or obligations to the extent necessary to conform to the limitations established by the Act and by OBRA and specified by the Director of the Office of Management and Budget in his report of December 27, 1989.

All reductions and sequestrations shall be made in strict accordance with the specifications of the December 27th report of the Director of the Office of Management and Budget and the requirements of section 252(b) of the Act and section 11002 of OBRA.

This order shall be deemed to have become effective on October 16, 1989, as provided in section 11002 of OBRA.

This order shall be published [in the] Federal Register.

GEORGE BUSH.

Final Order of the President of the United States, Oct. 16, 1989, 54 F.R. 42795, which provided emergency deficit control measures for fiscal year 1990, was rescinded by section 11002(a) of Pub. L. 101-239, set out above, upon issuance of New Final Order of the President of the United States, Dec. 27, 1989, 54 F.R. 53469, set out above.

Initial Order of the President of the United States, Aug. 25, 1989, 54 F.R. 35627, which provided emergency deficit control measures for fiscal year 1990, was superseded by Final Order of the President, Oct. 16, 1989, 54 F.R. 42795.

1989—Final Order of the President of the United States, Oct. 15, 1988, 53 F.R. 40696.

Initial Order of the President of the United States, Aug. 25, 1988, 53 F.R. 32881.

1988—Pub. L. 100-203, title IV, §§ 4001, 4041(b), 4061, title VIII, § 8002, Dec. 22, 1987, 101 Stat. 1330-42, 1330-84, 1330-100, 1330-281.

Pub. L. 100-202, § 1, Dec. 22, 1987, 101 Stat. 1329.

Order of the President of the United States, Nov. 20, 1987, 52 F.R. 44960.

Order of the President of the United States, Oct. 20, 1987, 52 F.R. 39205.

1986—Pub. L. 99-366, July 31, 1986, 100 Stat. 773.

Pub. L. 99-349, title II, § 202, July 2, 1986, 100 Stat. 748.

Pub. L. 99-255, Mar. 7, 1986, 100 Stat. 39, as amended by Pub. L. 99-322, § 1, May 23, 1986, 100 Stat. 494.

Order of the President of the United States, Feb. 1, 1986, 51 F.R. 4291.

## § 905. Exempt programs and activities

### (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 sections 231b and 231c<sup>1</sup> of title 45, shall be exempt from reduction under any order issued under this subchapter.

### (b) Veterans programs

The following programs shall be exempt from reduction under any order issued under this subchapter:

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 subchapter.

### (d) Refundable income tax credits and certain elective payments

#### (1) Refundable income tax credits

Payments to individuals made pursuant to provisions of title 26 establishing refundable tax credits shall be exempt from reduction under any order issued under this subchapter.

#### (2) Certain elective payments

Payments made to taxpayers pursuant to elections under subsection (d) of section 48D of title 26, or amounts treated as payments which are made by taxpayers under paragraph (1) of such subsection, shall be exempt from reduction under any order issued under this subchapter.

### (e) Non-defense unobligated balances

Unobligated balances of budget authority carried over from prior fiscal years, except balances in the defense category, shall be exempt from reduction under any order issued under this subchapter.

### (f) Optional exemption of military personnel

#### (1) In general

The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

### (2) Limitation

The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 904(a) of this title for the budget year.

### (g) Other programs and activities

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

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 [16 U.S.C. 838k] (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).

Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Fund.

Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Defense Fund.

Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America International Technology Security and Innovation Fund.

Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Workforce and Education Fund<sup>2</sup>

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, Non-interest Bearing Transaction Account Guarantee (51-4458-0-3-373).

<sup>1</sup> See References in Text note below.

<sup>2</sup> So in original. Probably should be followed by a period.