

BALANCED BUDGET AND
EMERGENCY DEFICIT CONTROL ACT OF 1985

Summary and Comparison of House and Senate
Amendments to House Joint Resolution 372



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BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

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MAXIMUM DEFICIT AMOUNTS (MDA) AND RECESSION PROVISIONS

HOUSE

SENATE

1. MDA

FY 86	\$161 billion	FY 86	\$180 billion
FY 87	\$110.2 billion	FY 87	\$144 billion
FY 88	\$ 57.2 billion	FY 88	\$108 billion
FY 89	\$ 4.2 billion	FY 89	\$ 72 billion
FY 90	\$ 0	FY 90	\$ 36 billion
FY 91	\$ 0	FY 91	\$ 0

2. MDA Adjustment

These numbers are subject to change under the following formula:

No similar provision

MDA = Deficit for preceding fiscal year
(as calculated by CBO)

—minus—

20 percent of FY 1985 deficit amount
(except that this percentage shall be increased by 1 percentage point for each 1/10 of a percentage point by which projected real GNP growth exceeds 3 percent and this percentage shall be reduced by 1 percentage point for each 1/10 of a percentage point by which projected real GNP growth is less than 3 percent)

MAXIMUM DEFICIT AMOUNTS (MDA) AND RECESSION PROVISIONS (CONTINUED)

HOUSE

SENATE

3. Margin of Error ("statistical significance")

FY 86 — 0
FY 87-91 — \$10 billion

Emergency powers not triggered unless projected deficit exceeds maximum deficit amount by more than 5 percent.

4. Recession provisions

When real GNP growth is projected to be 1 percent or less, there shall be no maximum deficit amount.

When real GNP growth has fallen below zero for each of any two consecutive quarters of the fiscal year or immediately preceding fiscal year, or is projected to fall below zero in CBO report, Budget Committees may report joint resolutions declaring the economy in recession and suspending or revising this law; no provision for expedited consideration.

If estimate of real GNP growth in Comptroller General's report is less than zero, or Department of Commerce's preliminary (or revised) reports indicate less than one percent growth for each of two consecutive quarters of fiscal year (including the two quarters immediately preceding the fiscal year), then Budget Committees may report joint resolutions declaring the economy in recession and suspending or revising this law; expedited consideration.

If average rate of unemployment for two consecutive months is 1 percent above the same two months for the previous year, points of order against legislation breaching MDA or budget resolution deficit would be removed.

No similar provision

BASILINE COMPUTATION AND REPORT TO PRESIDENT

HOUSE

SENATE

1. Baseline Computation

- o Assume current law for revenues, entitlements and other mandates.
- o Assume prior year's appropriations for discretionary expenditures unless a regular or full year continuing appropriation enacted.
- o Assume expirations will occur except for excise taxes dedicated to a trust fund and CCC price supports.
- o Assume that federal pay will be as recommended by President (but no decreases assumed).
- o Assume medicare spending levels to be in accord with regulations.

- o Assume current law for revenues and outlays.
- o Assume prior year's appropriations where a regular or full year continuing appropriation has not been enacted.
- o Assume expirations will occur except for excise taxes dedicated to a trust fund and CCC price supports.

2. Timetable

- Aug. 20: CBO report to President
- Sept. 1: Order issued
- Oct. 1: Order effective
- Oct. 5: CBO revised report
- Oct. 10: Final order issued
- Oct. 15: Final order effective

- Sept. 15: OMB and CBO report to Comptroller General; made public
- Sept. 25: Comptroller General report to President and Congress
- Reports by Comptroller General on budget legislation and regulations as enacted or promulgated
- Oct. 9: Order issued
(Oct. 25 if negative growth)
- Nov. 8: Order effective
(Nov. 24 if negative growth)

BASILINE COMPUTATION AND REPORT TO PRESIDENT (CONTINUED)

HOUSE

SENATE

3. Report Preparation

To be done by CBO
(in consultation with OMB)

To be done by GAO (with due regard for
estimates provided by CBO and OMB in a Sept. 15
report; FY 86—Dec. 10)

4. Contents of Report

No similar provision

Any differences between OMB and CBO are averaged.

Report to President on August 20
(or 14 days after enactment for FY 86):

Report to President on Sept. 25
(Dec. 15 for FY 86):

- o determine whether deficit expected as of
Aug. 15 exceeds MDA by \$10 billion;
- o estimate GNP growth;
- o specifications of needed sequestering
percentages (outlays for direct spending
programs and BA for discretionary programs);

- o determine whether deficit will exceed MDA
by 5 percent;
- o estimate GNP growth;
- o specifications of needed sequestering
percentages (outlays only);

5. Revised Report

Revised estimates by CBO on October 5

Reports revised as legislation enacted or
regulations promulgated.

PRESIDENTIAL ORDER

HOUSE

SENATE

1. If CBO report indicates that congressional action by Aug. 15 on reconciliation and all 13 regular appropriation bills whether or not enacted has eliminated deficit excess, no order shall be issued.

If GAO updates indicate that intervening enactment of legislation or promulgation of regulations has eliminated entire deficit excess, the order shall so state, and no reductions shall take place.
2. To be issued September 1 (for FY 86, 14 days after report by CBO) if:
 - MDA exceeded by \$10 billion (for FY 86, if MDA exceeded by any amount).
To be issued not later than 14 days after Comptroller General's report if:
 - o real growth is zero or greater and
 - o deficit is 5 percent over MDA.To be issued 30 days after Comptroller General's report if:
 - o real growth is less than zero and
 - o deficit is 5 percent over MDA.
3. Order to be effective as of October 1 (for FY 86, 30 days after date of issuance).

Order to be effective 30 days after issuance.
4. Automatic spending increases: President not to withhold any portion which represents an automatic increase becoming effective on October 1 and with respect to which the adjustments required by the order cannot be accomplished prior to the end of that month; reductions to be made within 15 days, but recoupment not to occur if reduction does not begin within this period.

No similar provision.
5. Issuance of final order on Oct. 10 (for FY 86, Dec. 20) taking account of Oct. 5 revised report. Final order effective Oct. 15 (for FY 86, 30 days after issuance).

No similar provision.

PRESIDENTIAL ORDER (CONTINUED)

HOUSE

SENATE

6. Final order to become effective on Oct. 15 (for FY 86, 30 days after revised report).
No similar provision.
7. FY 86 order to be prorated as to number of full months remaining in fiscal year.
Similar provision.
8. For FY 86, Appropriations Committees may define "program, project, and activity".
No similar provision.
9. Similar provision.
BA withheld for 30 days following issuance of order.
10. Sequestered funds are permanently cancelled (except for amounts sequestered in trust funds).
If an alternative reconciliation bill becomes law during 30 day period, BA is released to extent permitted by law. If no reconciliation bill, BA is permanently cancelled at end of 30 days.
Similar provision.
11. Up to one-half of deficit coverage to be eliminated by reducing specified automatic spending increases (although not below zero).
Remainder to be eliminated by sequestering BA, obligation limitation, other budgetary resources, and loan limitation and by adjusting payments provided by the federal government, so as to reduce outlays from each affected program, project, or activity (as defined in appropriation acts and accompanying reports) by a uniform percentage.
12. The remainder to be eliminated by sequestering from each program, project, or activity (as defined in appropriation acts and accompanying reports) outlays for direct spending programs, and new BA, new direct loan obligations and obligation limitations for discretionary programs, except that the total amount eliminated from the accounts of the Department of Defense - Military is reallocated according to total outlays in each of its programs, projects, or activities, and enough new BA is sequestered to meet the corresponding outlay reductions.

PRESIDENTIAL ORDER (CONTINUED)

HOUSE

SENATE

- | | |
|---|------|
| 13. Sequester orders shall not have effect of eliminating any program, project, or activity. | Same |
| 14. Sequester order cannot alter the relative priorities in the budget. | Same |
| 15. Modification or suspension of automatic spending increases to apply for the one-year period beginning with the date the increase would have taken effect. | Same |
| 16. No similar provision | |

Alternative Congressional plan:

- o Not later than ten days after issuance of order, Budget Committees may report current resolution which affirms Presidential order and/or issues reconciliation instructions to achieve required deficit reduction. Debate in Senate: Ten hours.
- o Committees to respond to instructions within 10 days.
- o Budget Committees to package legislation without revision, except revisions may be made to bring committees into compliance with instructions.
- o Reconciliation bills and conference reports thereon in the Senate and only conference reports thereon in the House which would breach MDA not in order unless GAO report projects negative real GNP growth.

PRESIDENTIAL ORDER (CONTINUED)

HOUSE

SENATE

17. GAO certification report on Sept. 15 as to whether Presidential order adheres to CBO report.

No similar provision

18. If automatic increase is reduced, it shall be deemed to have taken effect for purposes of determining the amount of benefits during the succeeding fiscal year.

Specifically provides for no restoration.

PROGRAMS TREATED THE SAME BY HOUSE AND SENATE

Totally Exempt

Bureau of Indian Affairs miscellaneous trust funds,
tribal funds

Claims, defense

Claims, judgments, and relief acts

Coinage profit fund

Compensation of the President

Eastern Indian land claims settlement fund

Exchange stabilization fund

Federal payment to the railroad retirement account

Foreign military sales trust fund

Net interest

Non-federal funds appropriated for the District of Columbia

Payment of Vietnam and USS Pueblo POW claims

Payment where credit exceeds liability for tax
(Earned income tax credit)

Payments to civil service retirement and disability fund

Payments to copyright owners

Payments to foreign service retirement and disability fund

Payments to health care trust funds

Payments to military retirement fund

PROGRAMS TREATED THE SAME BY HOUSE AND SENATE

Totally Exempt (Continued)

Payments to social security trust funds

Payments to state and local government fiscal assistance trust fund

Postal Service fund

Railroad retirement social security equivalent benefits in Tier I

Regular state unemployment benefits, the state-funded share of extended unemployment benefits, and loans to states from the federal unemployment account 1/

Social security (OASDI), except administrative expenses

Soldiers and airmen's Home, payment of claims

TVA power program borrowing authority

Only Automatic Spending Increases Included

Allowances and office staff for former Presidents

Black lung disability trust fund

CIA retirement and disability fund

Civil service retirement and disability fund

Comptrollers General retirement system

Federal Reserve Board employees retirement system

1/ See special provision, page 19.

PROGRAMS TREATED THE SAME BY HOUSE AND SENATE (CONTINUED)

Only Automatic Spending Increases Included (Continued)

Foreign Service retirement and disability fund
Judicial survivors' annuities fund
Military retirement fund
National Wool Act
Railroad retirement Tier II
Retired pay, Coast Guard
Retirement pay and medical benefits, PHS
Special benefits for disabled coal miners
Special benefits, Federal Employees' Compensation Act
TVA retirement system

Controllable Except for Outlays from Prior Legal Obligations

Agency for International Development, housing and
other credit guaranty programs
Agricultural credit insurance fund
Aviation insurance revolving fund
Check forgery insurance fund
Credit union share insurance fund
Economic development revolving fund
Energy security reserve (Synthetic Fuels Corporation)

PROGRAMS TREATED THE SAME BY HOUSE AND SENATE (CONTINUED)

Controllable Except for Outlays from Prior Legal Obligations (Continued)

Export-Import Bank of the United States, limitation
of program activity

FEMA, national flood insurance fund

FEMA, national insurance development fund

Federal Crop Insurance Corporation fund

Federal Deposit Insurance Corporation

Federal Housing Administration fund

Federal Savings and Loan Insurance Corporation fund

Federal ship financing fund

Federal ship financing fund, fishing vessels

Government National Mortgage Association,
guarantees of mortgage-backed securities

Indian loan guaranty and insurance fund

International Trade Administration operations
and administration

Low-rent public housing, loans and other expenses

Maritime Administration, war risk insurance fund

Nuclear Regulatory Commission, salaries and expenses

Office of Personnel Management, employees life
insurance fund

Overseas Private Investment Corporation

PROGRAMS TREATED THE SAME BY HOUSE AND SENATE (CONTINUED)

Controllable Except for Outlays from Prior Legal Obligations (Continued)

Pension Benefit Guaranty Corporation fund
Rail service assistance
Railroad rehabilitation and improvement financing fund
Rural development insurance fund
Rural housing insurance fund
SBA, business loan and investment fund
SBA, pollution control equipment contract guarantee revolving fund
SBA, lease guarantees revolving fund
SBA, surety bond guarantees revolving fund
Service-disabled veterans insurance fund
VA loan guaranty revolving fund
VA U.S. government life insurance fund
VA national service life insurance fund
VA servicemen's group life insurance fund
Veterans reopened insurance fund
Veterans special life insurance fund

PROGRAMS TREATED DIFFERENTLY BY HOUSE AND SENATE

PROGRAM	HOUSE			SENATE		
	Automatic Spending Increases Included	Totally Exempt	Controllable	Automatic Spending Increases Included	Totally Exempt	Controllable
Child nutrition programs		X		X		
Food stamp program		X		X		
Railroad retirement Tier I (except social security equivalent benefits)		X		X		
Supplemental security income		X		X		
Veterans compensation		X		X		
Veterans pensions		X		X		
Aid to families with dependent children (AFDC)		X				X
Community health centers		X				X
Health education loans		X				X
Health professions graduate student loan insurance fund		X				X
Migrant health		X				X
Women, infants, and children programs		X				X
Medicaid		X	X_1/			X_1/
Unemployment benefits for former federal employees and ex-servicemen		X				X

_1/ See special provision, page 23.

PROGRAMS TREATED DIFFERENTLY BY HOUSE AND SENATE (CONTINUED)

PROGRAM	HOUSE			SENATE		
	Only Automatic Spending Increases Included	Totally Exempt	Controllable	Only Automatic Spending Increases Included	Totally Exempt	Controllable
Community development grant loan guarantee			X _2/			X
Export-Import Bank			X _2/			X
Geothermal resources development fund			X _2/			X
Rural electric and telephone revolving fund			X _2/			X
Longshoremen's and harbor worker's compensation benefits	X					X
Special milk	X					X
Vocational rehabilitation	X					X
Foster care and adoption assistance			X _3/			X _3/
Expenditures from the Bonneville Power Administration fund and borrowing authority established pursuant to section 13 of PL 93-454 (1974), as amended			X		X	
TVA -- Seven States Energy Corporation			X _2/		X	

2/ Controllable except for outlays from prior legal obligations.
3/ See special provision, page 17.

PROGRAMS TREATED DIFFERENTLY BY HOUSE AND SENATE (CONTINUED)

	HOUSE			SENATE		
	Automatic Spending Increases Included	Totally Exempt	Controllable	Automatic Spending Increases Included	Totally Exempt	Controllable
Salaries of Judges		X_4/			X	
Veterans insurance and indemnities			X			
Tax Court judges survivors annuity fund			X			X_5/
Medicare payments for clinical diagnostic laboratory tests to which section 1833(h) of the Social Security Act applies		X_6/		X_6/		
Medicare payments for in-patient hospital care and physician services	X_6/					X_6/
Medicare payments for all other services		X_6/				X_6/

4/ Exemption does not include increases in compensation above the levels in effect immediately prior to date of enactment.
 5/ Controllable except for outlays from prior legal obligations.
 6/ See special provision, page 22.

SPECIAL PROVISIONS

PROGRAMS

HOUSE

SENATE

Federal Pay

Federal pay under a statutory pay system (within the meaning of section 5301(c) of title 5 USC) shall be treated as constituting a controllable expenditure and shall be subject to reduction under the order in the same manner as other administrative expense components of the Federal budget; except that no such order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any such statutory pay system. Program managers should implement methods of realizing the savings required under a sequestration order other than furloughing personnel, which should only be implemented if the other methods are insufficient.

Federal pay under statutory pay systems (within the meaning of section 5301(c) of title 5, USC) and military pay (as defined in section 101(3) of title 37, USC) shall be treated as controllable expenditures and shall be subject to the uniform percentage reduction; except that (i) no order may reduce the rate of civilian pay or military basic pay to which any individual is entitled on the effective date of the order, and (ii) any increase in rates of civilian pay or rates of military basic pay which are scheduled to take effect may be reduced under such order only by the uniform percentage reduction.

Mineworkers Benefits

Black lung and coalminers benefit increases are treated the same as other automatically indexed programs.

Same, except for technical differences.

Foster Care, Adoption Assistance Programs, and AFDC

Increases in foster care and adoption assistance payment rates are subject to sequestration by reducing federal matching payments. AFDC is exempted.

Total expenditures for AFDC, foster care maintenance payments, adoption assistance payments, and administrative expenses, are subject to sequestration by reducing federal matching payments. No state may alter its payment timetables so as to change the fiscal year against which expenditures for these programs are charged.

SPECIAL PROVISIONS (CONTINUED)

<u>PROGRAMS</u>	<u>HOUSR</u>	<u>SENATE</u>
Outlays for Prior Year Obligations	Exempted	Excluded except for outlays from those contracts already signed which may be reduced or terminated without, in the case of multiyear contracts, a net loss to the government in the year of reduction or termination due to specified penalties, or without violating legal obligations of the government.
Offsetting Collections	Exempted	Receipts credited to an account shall not be deducted from outlays for the purpose of determining the amount to be sequestered pursuant to subsection (b)(1)(A)(ii).
Outlays resulting from private donations, bequests, or voluntary contributions	Exempted	Same
Intragovernmental Funds	Exempted, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are covered by direct appropriations for the fiscal year during which an order is in effect.	Exempt to the extent that outlays are derived from other federal government accounts.
Offsetting Receipts	Exempted	Same
Outlays due to certain increases in programs	Exemption applies to changes in program participation rates.	Exemption applies to outlays due to increases in number of program participants.

SPECIAL PROVISIONS (CONTINUED)

PROGRAMS

HOUSE

SENATE

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

Exempted

No similar provision

Unemployment Compensation

Regular and extended state unemployment benefits, including benefits paid to former federal employees and ex-servicemen, and loans to the state and federal unemployment accounts are exempt from sequestration. Other federal benefits (and the federal contribution to extended benefits) and administrative expenses are subject to sequestration.

Same, except that benefits for former federal employees and ex-servicemen are exempt.

Guaranteed Student Loans

o Allows reductions only in loans made after a sequester order is issued. GSIs entered into prior to a sequester order would not be affected.

o Same.

o Limits sequestration reductions to two options, with reductions coming equally from both:
--The special allowance for lenders could be reduced up to 0.4 percentage points, but not below 3.0 percentage points, in the year of the sequester order.
--A student's origination fee could be increased by up to 0.5 percentage points.

o Describes similar two options, but does not limit savings to these two options.

Child Support Enforcement

Account sequesterable, but entire reduction taken from federal matching rates for state costs.

Same

SPECIAL PROVISIONS (CONTINUED)

PROGRAMS

HOUSE

SENATE

Contracts

Outlays from prior year obligations are exempt.

o The Senate bill could sequester outlays from budgetary resources which include new BA, unobligated balances and outlays from certain existing contracts (see page 18).

No similar provision.

o Any contract entered into or modified after enactment of this law must contain provisions permitting modification by sequester order without penalty.

Dept. of
Defense -
Military

o Requires proportional sequestration of all programs, projects, and activities whether or not they are identified in a committee report or bill (see page 6).

o General sequestering language would sequester at the lowest level of detail identified in the most recently enacted relevant appropriation acts and accompanying reports.

Commodity
Credit
Corporation

o Does not restrict the CCC from carrying out its responsibilities for the purposes it was created.

o No similar provision.

o For CCC payments and loans made under a contract entered into prior to the issuance of a sequestration order, such payments and loans could not be reduced by a sequestration order.

o Similar provision.

o CCC payments and loans made as a result of contracts entered into following the issuance of a sequestration order for a fiscal year shall be deemed to be controllable expenditures and, therefore, subject to reductions under the order.

o Same.

o No similar provision.

o The reduction would be made for the entire period for which the contract is in effect.

SPECIAL PROVISIONS (CONTINUED)

PROGRAMS

HOUSE

SENATE

Commodity
Credit
Corporation
(continued)

- o No similar provision.
- o The reduction would be administered in such a manner as to assure that loans for the same commodity produced in the same crop-year (the calendar year in which the crop is harvested) shall be subject to the same terms and conditions of the sequester order.
- o CCC non-contract price support programs would be defined as controllable expenditures.
- o The Secretary of Agriculture is authorized to adjust both target prices and loan rates in such a manner as needed to achieve the required percentage reduction of a sequestration order.
- o Reductions must be made in a uniform percentage for all programs.
- o CCC operating and administrative expenses are defined as controllable expenditures.
- o No similar provision.
- o No similar provision, except that reductions in price support programs must be uniform.
- o No similar provision.
- o No provision for CCC administrative and operating expenses.

SPECIAL PROVISIONS (CONTINUED)

PROGRAMS

HOUSE

SENATE

Medicare

Considered to be an automatic spending increase program; only the following provisions are subject to sequestration:

Considered controllable:

o The provisions of section 1886(b)(3)(B), 1886(d)(3)(A), and 1886(e)(4) of such title (relating to increases in payment amounts for inpatient hospital services), to the extent that regulations issued pursuant to those provisions permit any percentage increase.

o Reductions shall apply to payments under Title XVIII of the Social Security Act so as to reduce all payments under such title for items or services furnished during the period of the order by the specified uniform percentage reduction.

o The provisions of section 1842(b) of such title (relating to payment for physicians' services), to the extent they permit an annual increase in the medical economic index (referred to in the fourth sentence of such section).

No specific provision, however, same policy is implied.

The President may not increase any deductible, coinsurance amount, or premium amount under such title.

No similar provision.

Payments for clinical diagnostic laboratory tests are considered automatic spending increases.

Sequesterable like other controllable expenditures.

Same.

Social Security
and Medicare
Administrative
Expenses

SPECIAL PROVISIONS (CONTINUED)

PROGRAMS

HOUSE

SENATE

Medicaid

Considered to be an automatic spending increase program.

Considered controllable.

The only provisions of such title which are considered to require an automatic spending increase are the provisions of sections 1902(a)(13)(A) and 1903(a)(1) of such title, and only to the extent that an increase in Federal payments to a State would otherwise occur under section 1903(a)(1) of such title as a result of an increase in payment rates established by a State with respect to the rate established for the previous fiscal year for inpatient hospital services or as a result of an increase in an index used by the State which applies to the rate of increase in payment for physicians' services over the previous fiscal year.

Reductions shall apply to payments under title XIX of the Social Security Act so as to reduce all payments to States under such title for State expenditures for medical assistance furnished, and administrative expenses incurred, during the period of the order by the uniform percentage reduction specified in the order as it applies to all other controllable expenditures. No state may alter its payment timetables so as to change the fiscal year against which expenditures for this program are charged.

**Supplemental
Security Income**

No similar provision.

Social security COLAs not to count as income for purposes of determining SSI payments or any other payments offset by social security COLAs.

JUDICIAL REVIEW AND SEVERABILITY

HOUSE

SENATE

1. Severability

If after all appeals are exhausted, any provision is found to be unconstitutional, then all provisions of this law automatically expire and all spending shall exist as if this law had not operated.

If any provision of this title is held invalid, the remainder of such provisions shall not be affected.

2. Expedited Review

At any time within 60 days after this law takes effect, any member of Congress or other person may sue under expedited procedure in D.C. Federal District Court for declaratory and injunctive relief on the grounds that the CBO reporting provision is unconstitutional.

Any member of Congress may sue for an injunction or declaratory order on the constitutionality of this law in D.C. Circuit Court of Appeals with review by Supreme Court; expedited procedure in both courts.

No similar provision

After an order is issued by the President, any Member of Congress or adversely affected person may sue under expedited procedures on the grounds that the order violates the Constitution. The Court may issue an injunction suspending the order.

JUDICIAL REVIEW AND SEVERABILITY (CONTINUED)

HOUSE

SENATE

3. Presidential Non-compliance

Any member of Congress may sue on grounds that the President's order has not complied with this law.

No similar provision

No single Supreme Court Justice may enjoin a presidential order.

No similar provision

No similar provision

If the President does not sequester certain budgetary resources as required by this law, on a claim of constitutional powers, and if the Supreme Court upholds such a claim as valid, then the entire presidential order at issue shall be cancelled.

4. Failure of Reporting Procedure

No similar provision

If the reporting procedure by CBO, OMB, and the Comptroller General is held unconstitutional, then the OMB/CBO report shall be transmitted to a Temporary Joint Committee on Deficit Reduction composed of the members of the Budget Committee. The Joint Committee shall report a joint resolution which could then trigger sequestering if enacted; expedited consideration.

BUDGET PROCESS TIMETABLE CHANGES

HOUSE

SENATE

1. President's budget: 1st Monday after Jan. 3. Same
2. CBO report: Feb. 15. Same
3. Views and estimates: Feb. 25. Same
4. Completion of action on budget resolution: April 15. Same
5. May 15 authorization reporting deadline: Eliminated. No similar provision
6. Appropriation bills may be considered in the House: May 15. No similar provision
7. House Appropriations Committee reports last bill: June 10. Same
8. Congress completes action on reconciliation: June 15. Same
9. House completes action on regular appropriation bills: June 30. Same
10. In the House, not in order to consider a July adjournment of more than three days until appropriations and reconciliation work complete. Same

BUDGET RESOLUTION

HOUSE

SENATE

1. Extends current law (BA, outlays) so that budget resolution will also include entitlement authority, direct loan obligations, primary loan guarantee commitments.
No similar provision
2. Point of order against budget resolution (301 or 304), or amendments thereto, or conference reports thereon, which exceeds MDA.
Same
3. No similar provision
Point of order in the Senate against amendments to budget resolution which would increase the amount of the deficit for any fiscal year set forth in the resolution.
No similar provision
4. Budget resolution report to contain a comparison of federal priorities by functional category.
No similar provision
5. Consideration of procedures or matters which have the effect of changing rules of the House of Representatives.
No similar provision

COMMITTEE ALLOCATION

HOUSE

1. Contents of Allocation

Allocations to apply to "discretionary action".

Allocations can be for one, two, or three fiscal years.

Current law extended to include allocations of:

- o new entitlement authority,
- o new direct loan obligations,
- o new primary loan guarantees
- o new spending authority (includes borrowing authority, contract authority, monetary credits, and other federal payments),
- o outlays will not be allocated; only divided among committees for informational purposes.

2. Allocation Enforcement

Point of order against legislation which would breach 302(a) allocations for discretionary action.

No similar provision

SENATE

No similar provision

No similar provision (Current law: Only upcoming fiscal year.)

No similar provision (Current law: Allocations of new BA and outlays.)

Point of order against legislation which would breach 302(b) suballocations for BA and outlays.

Exception in Senate for entitlement authority exceeding 302(b) if Appropriations Committee reports with certification.

COMMITTEE ALLOCATION (CONTINUED)

HOUSE

SENATE

3. Filing of Suballocations

Same (but includes credit, entitlement authority, borrowing and contract authority, etc.)

Not in order to consider a committee's spending bills until 302(b) suballocations are filed.

No similar provision (Current law: Report suballocations promptly.)

Committees to report 302(b) suballocations within ten days.

4. Allocations Shown in Committee Reports

Allocations to appear in budget resolution report.

No similar provision

5. Alteration of Allocations

Same

Committee allocations can be altered.

SECTION 303 POINT OF ORDER

HOUSE

SENATE

- | | |
|--|----------------------|
| 1. Made applicable to new credit authority. | Same |
| 2. Re-write of subsection (b) exception language which alters operation of the exception to apply to second fiscal year following the budget year. | No similar provision |
| 3. Point of order in House lapses May 15 for regular appropriation bills. | No similar provision |

RECONCILIATION

HOUSE

SENATE

1. Instructions would apply to total savings for one, two, or three years.
2. House Rules Committee may make in order amendments to bring committees into compliance with instructions.
3. No similar provision
4. Point of order against amendments to reconciliation which would increase the amount of the deficit for any fiscal year set forth in the most recently agreed to budget resolution (except motions to strike are in order).
5. Reconciliation of credit authority and other spending authority.

No similar provision (Current precedents: Instructions apply to amounts for each of the three fiscal years.)

No similar provision

In the House, reconciliation provisions must be related to the purposes of the instructions.

Point of order applied to Senate only.

No similar provision

SECTION 311 POINT OF ORDER

HOUSE

SENATE

1. Would cover bills providing new credit authority and other new spending authority. No similar provision
2. Extends current law to create separate ceilings for:
 - o total entitlement authority,
 - o total direct loan obligations,
 - o total primary loan guarantees.No similar provision (Current law: Total new BA, total outlays.)
3. Committees held harmless if within 302(a) allocations for discretionary action. No similar provision
4. No similar provision No similar provision

Point of order in the Senate against any spending or revenue bill which would result in a deficit that exceeds the MDA.

CHANGES AND ADDITIONS TO TITLE IV OF THE BUDGET ACT; OFF-BUDGET; CREDIT

HOUSE

SENATE

1. Section 401(b)(1) point of order eliminated. No similar provision
2. Two new types of "backdoor authority" made subject to appropriations:
 - o authority to forego collection of proprietary offsetting receipts;
 - o authority to make payments (including loans, grants, and payments from revolving funds) other than those covered by other types of spending authority.No similar provision
3. Point of order against new credit authority (authority to incur direct loan obligations or to incur primary loan guarantee commitments) unless subject to appropriations No similar provision
4. GAO study of forms of federal financing. Same
5. All programs presently off-budget brought on-budget. For purposes of this law, off-budget programs to be included in budget totals and functional amounts, and to be subject to sequestering; amounts paid by FFB for purchase of loans to be treated as outlays of applicable agency.
6. "Member User Group" in House to review scorekeeping practices. No similar provision

SOCIAL SECURITY

HOUSE

SENATE

1. Reissue of obligations to social security and other retirement funds, as if debt limit increase had been enacted August 1, 1985. No similar provision
2. Appropriation to social security and other retirement funds lost interest as if debt limit enacted on August 1, 1985:
 - o OASI,
 - o DI,
 - o HI,
 - o SMI,
 - o Railroad retirement,
 - o Civil service retirement and disability,
 - o DOD military retirement.Same provision, as if debt limit enacted on Sept. 30, 1985.
3. Social Security is moved off-budget and excluded from Presidential and Congressional budgets. Same
4. Receipts and disbursements of OASDI to be included in budget totals for purposes of this law. Same
5. Same, except covers accelerated reconciliation following sequester. Point of order against reconciliation bill containing social security provisions.

COMMITTEE JURISDICTIONS

HOUSE

SENATE

1. In the House, if Budget Committee reports a budget resolution with provisions which have the effect of changing House rules, then the resolution is referred to Rules which can report an amendment.

Same

2. Budget Committees to consult with spending committees during preparation of budget resolutions.

Same

3. Referral procedure to House Government Operations and Senate Governmental Affairs Committees if attempt is made to move programs off-budget.

No similar provision

ECONOMIC ASSUMPTIONS AND REVENUE ESTIMATES

HOUSE

SENATE

1. Joint explanatory statement accompanying a budget resolution conference report to set forth the ~~common~~ economic assumptions.
2. For the purposes of this Act and the Congressional Budget Act, estimates of the effects of legislation on any and all revenue sources to be made by JCT and transmitted to CBO.

No similar provision

Same

CONGRESSIONAL BUDGET OFFICE

HOUSE

SENATE

1. Recommendations on appointment of Director to come from all committees, not just Budget Committees.
No similar provision
2. Similar provision, and expands current requirements of report and requires committees to include CBO cost estimate.
CBO cost estimate for conference reports.
3. Scorekeeping reports to be monthly.
No similar provision (Current law: Periodic.)
4. By first Monday after Jan. 3, CBO to provide list of programs currently funded without authorization and authorizations which will expire before new fiscal year.
Same report by Jan. 15.
5. CBO cost estimates to include comparisons with President's request.
No similar provision
6. Feb. 15 report to include inventory of tax expenditures.
No similar provision, but section 202(f) of Budget Act currently requires the annual report to include levels of tax expenditures.
7. Stipulates rules for the preparation of baseline projections for the CBO annual report to the Budget Committees and other CBO reports to the Congress (except any report under this Act).
No similar provision

PRESIDENT'S BUDGET

HOUSE

SENATE

1. President's budget to adhere to maximum deficit amounts, and to be submitted by first Monday after Jan. 3.
2. Implementing legislation to be submitted two weeks after budget.
3. No similar provision

Same

No similar provision

President's budget may not propose a debt limit increase which exceeds the MDA.

WAIVER PROVISIONS

HOUSE

SENATE

1. Three-fifths duly chosen and sworn waiver in Senate for sections 305(b)(2) and 306. Three-fifths duly chosen and sworn waiver in Senate for sections 301(c), 304(b)(2), 305(b)(2), 306, 310(c), and 311 of Budget Act.
2. Three-fifths duly chosen and sworn waiver in Senate for provisions of this law. Same
3. No similar provision Three-fifths of quorum in House to waive point of order with respect to consideration of a conference report on a budget resolution which exceeds MDA or consideration of a motion to concur in a Senate amendment which exceeds MDA. Same
4. Declaration of war: Automatic waiver of point of order and Presidential order. Same
5. No similar provision Three-fifths of quorum in House to waive 302(b) point of order.

EFFECTIVE DATE

HOUSE

SENATE

1. **Changes to congressional budget process effective immediately and permanently.**
However, all the provisions relating to maximum deficit amounts would, in effect, lapse since there is no MDA for fiscal years beyond FY 91.

Changes to budget process expire at end of FY 91.
2. **Emergency presidential powers apply only with reference to FY 86-91.**

Same
3. **Provisions with reference to transfers between the general fund and OASDI trust funds are permanent.**

Same

MISCELLANEOUS PROVISIONS

HOUSE

SENATE

- | | |
|---|--|
| 1. No similar provision | Annual report on tax collection by OMB, CBO, and Treasury. |
| 2. No similar provision | Presidential report by Nov. 8, 1985 on implications for DOD obligations if deficit reduction is achieved entirely by sequestering. |
| 3. Provisions relating to Congressional rules enacted as an exercise of Congressional power. | Same |
| 4. Budget Act definition of BA to include collection of offsetting receipts. | No similar provision |
| 5. Budget Act definitions included for new entitlement authority, credit authority, off-budget, and maximum deficit amount. | No similar provision |