

A BILL

**To establish a comprehensive set of binding controls on spending, and
for other purposes.**

*Be it enacted by the Senate and the House of Representatives of the United States of
America in Congress assembled,*

SECTION 1. – SHORT TITLE. This Act may be cited as the “Spending Control Act of 2004.”

TITLE I – AMENDMENTS TO THE BUDGET ENFORCEMENT ACT

SEC. 101.– EXTENSION OF THE DISCRETIONARY SPENDING LIMITS. All references in this title are to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(a) DISCRETIONARY SPENDING LIMITS.– Section 251(c) is amended to read as follows:

“(c) DISCRETIONARY SPENDING LIMIT. – As used in this part, and as adjusted in strict conformance with subsection (b), the term “discretionary spending limit” means –

“(1) FOR GENERAL DISCRETIONARY CATEGORY
BUDGET AUTHORITY AND OUTLAYS –

“(A) with respect to fiscal year 2004 –

(i) for the defense category: \$393,470,000,000 in new budget authority (excluding emergency budget authority from P.L. 108-106) and \$451,597,000,000 in outlays;

(ii) for the nondefense category: \$393,842,000,000 in new budget authority (including budget authority for mass transit and excluding emergency budget authority from P.L. 108-106) and \$417,712,000,000 in outlays;

“(B) with respect to fiscal year 2005 –

(i) for the defense category: \$420,676,000,000 in new budget authority and \$448,197,000,000 in outlays;

(ii) for the nondefense category: \$397,167,000,000 in new budget authority (including budget authority for mass transit) and \$424,569,000,000 in outlays;

“(C) with respect to fiscal year 2006, for the discretionary category: \$842,292,000,000 in new budget authority (including budget authority for mass transit) and \$850,875,000,000 in outlays;

“(D) with respect to fiscal year 2007, for the discretionary category: \$866,956,000,000 in new budget authority (including budget authority for mass transit) and \$863,034,000,000 in outlays;

“(E) with respect to fiscal year 2008, for the discretionary category: \$892,355,000,000 in new budget authority (including budget authority for mass transit) and \$881,527,000,000 in outlays;

“(F) with respect to fiscal year 2009, for the discretionary category: \$918,022,000,000 in new budget authority (including budget authority for mass transit) and \$900,549,000,000 in outlays; and

“(2) FOR TRANSPORTATION GUARANTEE ON USAGE OF DEDICATED REVENUE.— Outlays for highways and mass transit shall be guaranteed in the amounts specified below, as adjusted pursuant to subsection (b)(1)(B). This transportation guarantee shall be distinct from the discretionary category specified in the paragraph above. As used in this part, the term “transportation guarantee” means –

“(A) with respect to fiscal year 2004--

“(i) for the highway category: \$31,233,000,000 in outlays; and

“(ii) for the mass transit category: \$7,640,000,000 in outlays;

“(B) with respect to fiscal year 2005--

“(i) for the highway category: \$33,219,000,000 in outlays; and

“(ii) for the mass transit category: \$7,454,000,000 in outlays;

“(C) with respect to fiscal year 2006--

“(i) for the highway category: \$33,944,000,000 in outlays; and

“(ii) for the mass transit category: \$6,917,000,000 in outlays;

“(D) with respect to fiscal year 2007--

“(i) for the highway category: \$34,185,000,000 in outlays; and

“(ii) for the mass transit category: \$6,520,000,000 in outlays;

“(E) with respect to fiscal year 2008--

“(i) for the highway category: \$34,513,000,000 in outlays; and

“(ii) for the mass transit category: \$6,241,000,000 in outlays; and

“(F) with respect to fiscal year 2009--

“(i) for the highway category: \$34,776,000,000 in outlays; and

“(ii) for the mass transit category: \$6,358,000,000 in outlays.”.

(b) ADVANCE APPROPRIATIONS.—Section 251 is amended by inserting the following subsection at the end:

“(d) ADVANCE APPROPRIATIONS.— In fiscal years 2005 through 2009, the total amount of discretionary advance appropriations provided in appropriations Acts shall not exceed \$23,158,000,000. Any amount enacted in excess of such amount will be counted against the discretionary spending limits for the fiscal year for which the appropriation Act containing the advance appropriation is enacted.”.

(c) ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.

(1) HIGHWAY FUNDING REVENUE ALIGNMENT.—Section 251(b)(1)(B) is amended--

(A) in clause (i),

(1) by inserting "for fiscal year 2006, 2007, 2008, or 2009" after "submits the budget";

(2) by inserting "the obligation limitation and outlay limit for" after "adjustments to";

(3) by striking "provided in clause (ii)(I)(cc)." and substituting "follows:"; and

(4) by inserting the following at the end of clause (i):

"(I) OMB shall calculate the change in the obligation limitation for the highway category for the budget year by taking the actual level of highway receipts for the year before the current year and subtracting the sum of the estimated level of highway receipts in clause (iii) plus any amount previously calculated under clause (ii) for

that year.

"(II) OMB shall take the amount calculated under subclause (I) and add that amount to the obligation limitation set forth in clause (v) for the highway category for the budget year, and calculate the outlay change resulting from that change in obligations relative to that amount for the budget year and each outyear using current estimates. After making the calculation under the preceding sentence, OMB shall adjust the obligation limitation set forth in that clause for the budget year by adding the amount calculated under subclause (I).";

(B) by striking clause (ii) and substituting the following:

"(ii) When the President submits the supplemental summary for fiscal year 2006, 2007, 2008, or 2009 under section 1106 of title 31, United States Code, such summary shall include adjustments to the obligation limitation and outlay limit for the highway category for the budget year and each outyear as follows:

"(I) OMB shall take the current estimate of highway receipts for the current year and subtract the estimated level of highway receipts in clause (iii) for that year.

"(II) OMB shall take the amount calculated under subclause (I) and add that amount to the amount of obligations set forth in clause (v) for the highway category for the budget year, and calculate the outlay change resulting from that change in obligations relative to that amount for the budget year and each outyear using current estimates. After making the calculation under the preceding sentence, OMB shall adjust the amount of obligations set forth in that clause for the budget year by adding the amount calculated under subclause (I)."; and

(C) by inserting the following at the end:

"(iii) The estimated level of highway receipts for the purposes of this subparagraph are--

- "(I) for fiscal year 2004, \$30,711,000,000;
- "(II) for fiscal year 2005, \$31,583,000,000;
- "(III) for fiscal year 2006, \$32,810,000,000;
- "(IV) for fiscal year 2007, \$33,661,000,000;
- "(V) for fiscal year 2008, \$34,448,000,000; and
- "(VI) for fiscal year 2009, \$35,241,000,000.

"(iv) In this subparagraph, the term "highway receipts" means the governmental receipts credited to the highway account of the Highway Trust Fund.

"(v) For the purposes of this subparagraph, the level of obligation limitations for the highway category is—

- "(1) for fiscal year 2004, \$34,306,000,000;
- "(2) for fiscal year 2005, \$34,648,000,000;
- "(3) for fiscal year 2006, \$34,669,000,000;
- "(4) for fiscal year 2007, \$34,693,000,000;
- "(5) for fiscal year 2008, \$34,718,000,000; and
- "(6) for fiscal year 2009, \$34,745,000,000."

(2) TRANSIT FUNDING REVENUE ALIGNMENT.--Section 251(b)(1)

(C) is amended to read as follows:

"(C) ADJUSTMENT TO ALIGN MASS TRANSIT SPENDING WITH REVENUES. (i) When the President submits the budget for fiscal year 2006, 2007, 2008, or 2009 under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall include adjustments to the obligation limitation and outlay limit for the mass transit category for the budget year and each outyear as follows:

"(I) OMB shall calculate the change in the obligation limitation for the mass transit category for the budget year by taking the actual level of mass transit

receipts for the year before the current year and subtracting the sum of the estimated level of mass transit receipts in clause (iii); plus any amount previously calculated under clause (ii) for that year.

"(II) OMB shall take the amount calculated under subclause (I) and add that amount to the amount of obligation limitation set forth in clause (v) for the mass transit category for the budget year, and calculate the outlay change resulting from that change in obligations relative to that amount for the budget year and each outyear using current estimates. After making the calculation under the preceding sentence, OMB shall adjust the obligation limitation set forth in that section for the budget year by adding the amount calculated under subclause (I).

"(ii) When the President submits the supplemental summary estimates for fiscal year 2006, 2007, 2008, or 2009 under section 1106 of title 31, United States Code, such summary shall include adjustments to the obligation limitation and outlay limit for the mass transit category for the budget year and each outyear as follows:

"(I) OMB shall take the current estimate of mass transit receipts for the current year and subtract the estimated level of mass transit receipts in clause (iii) for that year.

"(II) OMB shall take the amount calculated under subclause (I) and add that amount to the obligation limitation set forth in clause (v) for the mass transit category for the budget year, and calculate the outlay change resulting from that change in obligations relative to that amount for the budget year and each outyear using current estimates. After making the calculation under the preceding sentence, OMB shall adjust the obligation limitation set forth in that section for the budget year by adding the amount calculated under subclause (I).

"(iii) The estimated level of mass transit receipts for the purposes of this subparagraph are—

"(I) for fiscal year 2004, \$4,801,000,000;

"(II) for fiscal year 2005, \$4,984,000,000;

"(III) for fiscal year 2006, \$5,125,000,000;

"(IV) for fiscal year 2007, \$5,239,000,000;

"(V) for fiscal year 2008, \$5,354,000,000; and

"(VI) for fiscal year 2009, \$5,468,000,000.

"(iv) In this subparagraph, the term “mass transit receipts” means the governmental receipts credited to the Mass Transit Account of the Highway Trust Fund.

"(v) For the purposes of this subparagraph, the level of obligation limitations for the mass transit category is—

“(1) for fiscal year 2004, \$5,813,000,000;

“(2) for fiscal year 2005, \$5,952,000,000;

“(3) for fiscal year 2006, \$5,952,000,000;

“(4) for fiscal year 2007, \$5,952,000,000;

“(5) for fiscal year 2008, \$5,952,000,000; and

“(6) for fiscal year 2009, \$5,952,000,000.”.

(3) ADDITIONAL ADJUSTMENTS.--Section 251(b)(1) is further amended--

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively;

(B) by amending subparagraph (i) of paragraph (E), as redesignated, to read:

“(E)(i) When OMB and CBO submit their final sequester report for fiscal year 2005, that report shall include an estimate of the outlays for each of the categories that would result in fiscal years 2006 through 2009 from obligations at the levels specified in section 251(b)(1)(B)(v) for the highway category and section

251(b)(1)(C)(v) for the mass transit category.”;

(C) in subparagraph (ii) of paragraph (E), as redesignated,

(1) by striking "2000, 2001, 2002, or 2003" and substituting "2006, 2007, 2008, and 2009”; and

(2) by striking "by subparagraphs (B) and (C)" and substituting "made by subparagraphs (B), (C), and (D)";

(D) in subparagraph (F) as redesignated, by striking "(B) and (C)" and substituting "(B), (C), and (D)"; and

(E) by inserting the following after subparagraph (C):

"(D) In addition to the adjustments required by subparagraphs (B) and (C), when the President submits the budget for fiscal year 2006, 2007, 2008, or 2009 under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall include for the budget year and each outyear an adjustment to the limits on outlays for the highway category and the mass transit category equal to--

"(i) the outlays for the applicable category calculated assuming obligation levels consistent with the estimates prepared pursuant to subparagraph (E), as adjusted, using current technical assumptions; minus

"(ii) the outlays for the applicable category set forth in the subparagraph (E) estimates, as adjusted."

(4) SEQUESTRATION REPORTS--Section 251(b)(2) is amended as follows:

(A) by deleting "2002" and inserting "2009";

(B) in subsection (A), by –

(i) inserting "(i)" after "EMERGENCY APPROPRIATIONS.—"; and

(ii) adding the following new clause:

“(ii) If an appropriation bill or joint resolution is enacted that makes the President’s authority to designate a provision as an emergency requirement contingent upon his designation of one or more other provisions as emergency requirements, then none of such provisions shall be considered an emergency requirement.”; and

(c) by deleting the heading of subparagraph (C) and deleting clauses (i) and (ii) thereof, and by inserting the following:

“(C) SOCIAL SECURITY ADMINISTRATION CONTINUING DISABILITY REVIEWS.—If an Act making appropriations for a fiscal year is enacted that specifies an amount for continuing disability reviews, as defined under titles II and XVI of the Social Security Act for 2005 through 2009, under the heading “Limitation on Administrative Expenses” for the Social Security Administration, the adjustments for that fiscal year shall be the new budget authority provided in that Act for such activities for that fiscal year and the outlays flowing therefrom in all years, and shall not exceed--

“(i) for fiscal year 2005, \$561,000,000 in new budget authority and \$561,000,000 in outlays;

“(ii) for fiscal year 2006, \$604,000,000 in new budget authority and \$604,000,000 in outlays;

“(iii) for fiscal year 2007, \$662,000,000 in new budget authority and \$662,000,000 in outlays;

“(iv) for fiscal year 2008, \$662,000,000 in new budget authority and \$662,000,000 in outlays; and

“(v) for fiscal year 2009, \$662,000,000 in new budget authority and \$662,000,000 in outlays.”.

(d) ESTIMATES.— Section 251(a)(7) is amended by inserting the following at the end:

“(E) SCORING OF BUDGET AUTHORITY FOR FEDERAL PELL GRANTS. — For purposes of this paragraph, if appropriations of discretionary new budget authority enacted for the Federal Pell Grant program are insufficient to cover the full cost of Pell Grants in the upcoming award year, adjusted for any cumulative funding surplus or shortfall from prior years, the CBO and OMB estimates shall each be equal to the adjusted full cost. This provision shall apply only to new Pell Grant awards approved in legislation for award year 2005-2006 and subsequent award years and shall not apply to

the cumulative shortfall through award year 2004-2005. The CBO and OMB estimates of the full cost of Pell Grants shall each be based on the maximum award and any changes in eligibility requirements, using current economic and technical assumptions and as determined pursuant to scorekeeping guidelines, if any.”

“(F) SCORING OF MILITARY AND CIVILIAN PAY RAISES. – For any bill containing either a military or civilian pay raise in excess of that contained in the President’s Budget, CBO and OMB shall estimate the additional discretionary new budget authority necessary to allow for such excess amount.”

“(G) SCORING OF BIOSHIELD. – Provisions contained in any bill that change the availability of any amounts appropriated for Project BioShield shall not be scored with respect to the level of budget authority or outlays contained in such bill.”

SEC. 102. EXTENSION OF PAY-AS-YOU-GO REQUIREMENT.–Section 252 is amended as follows:

(a) subsection (a) is amended to read as follows:

“(a) PURPOSE.–The purpose of this section is to assure that any legislation that is enacted during the effective dates of this Act as amended that causes a net increase in direct spending will trigger an offsetting sequestration.”;

(b) subsection (b)(1) is amended to read as follows:

“(b)(1) TIMING.–Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 251 or 253, there shall be a sequestration to offset the amount of any net increase in direct spending enacted before October 1, 2009, as calculated under paragraph (2).”;

(c) subsection (b)(2) is amended to read as follows:

“(2) CALCULATION OF INCREASE IN DIRECT SPENDING. –OMB shall calculate the amount of a net increase in direct spending by adding—

“(A) all OMB estimates for the budget year of direct spending transmitted under subsection (d);

“(B) the estimated amount of savings in direct spending programs applicable to the budget year resulting from the prior year’s sequestration under this section or section 253, if any, as published in OMB’s final sequestration report for that prior year;

“(C) the estimated amount of net savings in direct spending programs applicable to the current year that were not used to offset increases in direct spending during the prior year’s sequestration under this section or section 253, if any, as published in OMB’s final sequestration report for that prior year; and

“(D) any net increase or decrease in direct spending in the current year resulting from all OMB estimates for the current year of direct spending and

receipts legislation transmitted under subsection (d) that were not reflected in the final OMB sequestration report for the current year.”;

(d) the heading of subsection (c) is amended to read as follows:

“(c) ELIMINATING A DIRECT SPENDING INCREASE. –”.

(e) subsection (d)(4) is amended by striking “and” at the end of subparagraph (A), by striking the period and inserting “; and” at the end of subparagraph (B), and by adding at the end the following new subparagraph:

“(C) extending provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 or provisions in sections 101 through 104, section 202, or sections 301 and 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003.”.

SEC. 103. – DEFINITIONS.--Section 250(c) is amended:

(a) in paragraph (4)(B) by striking “set forth in the Transportation Equity Act for the 21st Century”; and adding after item (iv) the following new clauses:

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

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

(b) by striking paragraph 4(C) and inserting the following:

“(C) The term 'mass transit category' refers to the following budget accounts or portions thereof that are subject to the obligation limitations on contract authority and to outlays from general fund appropriations made in fiscal years prior to fiscal year 2005:

“(i) 69-1120-0-1-401 (Administrative Expenses);

“(ii) 69-1134-0-1-401 (Capital Investment Grants);

“(iii) 69-8191-0-7-401 (Discretionary Grants);

“(iv) 69-1129-0-1-401 (Formula Grants);

“(v) 69-8303-0-7-401 (Formula Grants and Research);

“(vi) 69-1127-0-1-401 (Interstate Transfer Grants--Transit);

“(vii) 69-1125-0-1-401 (Job Access and Reverse Commute);

“(viii) 69-1122-0-1-401 (Miscellaneous Expired Accounts);

“(ix) 69-1139-0-1-401 (Major Capital Investment Grants);

“(x) 69-1121-0-1-401 (Research, Training and Human Resources);

- "(xi) 69-8350-0-7-401 (Trust Fund Share of Expenses);
- "(xii) 69-1137-0-1-401 (Transit Planning and Research);
- "(xiii) 69-1136-0-1-401 (University Transportation Research);
- "(xiv) 69-1128-0-1-401 (Washington Metropolitan Area Transit Authority).";

(c) in paragraph (4) by deleting subparagraphs (D) through (K);

(d) by striking paragraph (7) and inserting the following:

“(7) The term “discretionary appropriations” means budgetary resources (except to fund direct-spending programs and budget authority for Project BioShield) provided in appropriation Acts.”;

(e) by inserting the following after paragraph (19):

“(20) The term “emergency requirement” means a provision that affects budget authority or outlays and meets the following requirements:

“(i) either –

“(A) is essential or vital, not merely useful or beneficial;

“(B) the event comes into being quickly, it does not build up over time;

“(C) the need is pressing and compelling, requiring immediate action;

“(D) the event is not predictable or seen beforehand as a coming need, and is not part of an aggregate level of anticipated emergencies;

“(E) the need is temporary in nature; and

“(F) the President in a separate message to Congress and the Congress in statute both concur that the provision should be designated as an emergency; or

“(ii) is for contingency operations that are national security related that both the President in a separate message to Congress and the Congress in statute both concur should be designated as an emergency.

“(21) The term “Project BioShield” refers to budget authority under the head, “Biodefense countermeasures” (70-0174-0-1-551).

“(22) The term “Federal Pell Grant program” means the grant aid for postsecondary education authorized under subpart 1 of part A of title IV of the Higher Education Act of 1965.

“(23) The term “civilian pay raise” means the adjustment in rates of basic pay for employees under the statutory pay systems that takes effect under sections 5303 and 5304 of title 5, United States Code, or under any other similar authority.

“(24) The term “military pay raise” means the adjustment in the rates of monthly basic pay authorized members of the uniformed services by section 1009 of title 37, United States Code.

“(25) The term “advance appropriation” refers to the following budget accounts or portions thereof that become available one fiscal year or more beyond the fiscal year for which the appropriation Act making such funds available is enacted:

- “(i) 89-5428-0-2-0271 (Elk Hills);
- “(ii) 16-0174-1-504 (Training and Employment Services);
- “(iii) 91-0900-01-501 (Education for the Disadvantaged);
- “(iv) 91-1000-01-501 (School Improvement);
- “(v) 75-1536-0-1-506 (Children and Family Services (Head Start));
- “(vi) 91-0300-0-1-501 (Special Education);
- “(vii) 91-0400-0-1-501 (Vocational and Adult Education);
- “(viii) 18-1001-0-1-372 (Payment to the Postal Service Fund); or
- “(ix) 86-0319-0-1-604 (Housing Certificate Fund (Section 8 Renewal)).”.

SEC. 104. REPORTS AND ORDERS. – Section 254(c)(3) is amended as follows:

(a) in subparagraph (A) by striking “net deficit increase or decrease” and by inserting “net increase or decrease in direct spending”;

(b) in subparagraph (B) by striking “amount of deficit increase of decrease” and by inserting “increase or decrease in direct spending”; and

(c) in subparagraph (C) by striking “a deficit increase” and by inserting “an increase in direct spending”.

SEC. 105. THE BASELINE.– Section 257 is amended as follows:

(a) In subsection (b)(2), by adding the following new subparagraphs at the end:

“(E) None of the provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be assumed to expire in the budget year or the outyears.

“(F) None of the provisions in sections 101 through 104, section 202, and sections 301 and 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 shall be assumed to expire in the budget year or the outyears.”.

(b) In subsection (c):

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

“(1) INFLATION OF PREVIOUS-YEAR APPROPRIATIONS.— For each fiscal year, budgetary resources other than unobligated balances shall be at the level provided for that year in full-year appropriation Acts. For any year in which a full-year appropriation for an account has not yet been enacted, budgetary resources other than unobligated balances shall be at the level available in the previous year, adjusted sequentially and cumulatively for pay annualization as specified in paragraph (2), for inflation as specified in paragraph (3), to account for changes required by law in the level of agency payments for personnel benefits other than pay, and to exclude from new budget authority funding for emergency requirements enacted in previous years as specified in paragraph (5).”;

(2) by striking paragraphs (2) through (5), and by inserting the following new paragraphs:

“(2) PAY ANNUALIZATION. – New budget authority for Federal employees in the budget year and each outyear shall be adjusted to reflect the full 12-month costs of any pay adjustment that occurred or is assumed to occur in the previous fiscal year.

“(3) INFLATORS.— The inflator used in paragraph (1) to adjust budgetary resources relating to personnel shall be the percent by which the average of the Bureau of Labor Statistics Employment Cost Index (wages and salaries, private industry workers) for that fiscal year differs from the average of such index for the previous fiscal year, multiplied by the number of months in which the pay raise for that fiscal year is or is assumed to be in effect, and then divided by twelve. The inflator used in paragraph (1) to adjust all other budgetary resources shall be the percent by which the average of the estimated gross domestic product chain-type price index for that fiscal year differs from the average of such estimated index for the previous fiscal year.”;

(3) by renumbering paragraph (6) as paragraph (4); and

(4) by inserting the following after paragraph (4), as so renumbered:

“(5) Emergencies.— New budgetary resources for emergency requirements shall not be assumed beyond the fiscal year for which they have been enacted.”.

SEC. 106. REPORTS. – Section 254(c)(2) and (f)(2)(A) are amended by striking “2002” and inserting “2009” in its place.

Sec. 107. EXPIRATION.--Section 275(b) is amended by striking “September 30, 2002” and inserting “September 30, 2009”, and by striking “September 30, 2006” and inserting “September 30, 2013”.

TITLE II – LONG-TERM UNFUNDED OBLIGATIONS AND OTHER
AMENDMENTS

SEC 201. LONG-TERM UNFUNDED OBLIGATIONS. – Title IV of the Congressional Budget and Impoundment Control Act of 1974, as amended, is amended by inserting the following at the end:

“Part C – LONG-TERM UNFUNDED OBLIGATIONS.

“SEC. 441. – ANALYSIS OF LONG-TERM UNFUNDED
OBLIGATIONS. –

“PRESIDENT’S BUDGET. – Beginning in fiscal year 2006, the President’s Budget shall include an analysis of long-term unfunded obligations. This analysis shall include:

“(a) an analysis of the impact of long-term unfunded obligations in applicable entitlement programs on the long-term level of unified budget outlays and the unified budget surplus or deficit, in relation to the projected level of the Gross Domestic Product;

“(b) a report on the impact of legislation enacted during the previous session of Congress that increases the long-term unfunded obligation in any applicable group of entitlement programs; and

“(c) an analysis of the impact of legislation proposed in the President’s budget on the long-term unfunded obligation in any applicable entitlement program.

“SEC 442. POINT OF ORDER IN THE HOUSE OF
REPRESENTATIVES AND THE SENATE.--

“POINT OF ORDER AGAINST LEGISLATION INCREASING
LONG-TERM UNFUNDED OBLIGATIONS.--It shall not be in order in the House of Representatives or in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that would increase the long-term unfunded obligation in any applicable group of entitlement programs.

“SEC. 443. – STANDARD FOR DETERMINING INCREASE IN
LONG-TERM UNFUNDED OBLIGATION. --

“For the purpose of this title, legislation shall be considered to increase the long-term unfunded obligation of an applicable group of entitlement programs if it either –

“(1) increases the excess of the discounted present value of the expenditures of programs in the group above the discounted present value of the dedicated receipts of programs in the group

over a long-term estimating period by more than an applicable threshold; or

“(2) increases the dollar level of the expenditures of programs in the group above the dedicated receipts of programs in the group in the last year of the estimating period by more than an applicable threshold.

“SEC. 444. – DEFINITIONS.

“As used in this section:

“(1) The term “applicable entitlement program” shall be defined as any one of the following programs:

“(A) Old Age, Survivors, and Disability Insurance;

“(B) Medicare (combined Hospital Insurance and Supplementary Medical Insurance);

“(C) Civilian retirement and disability (combined Civil Service Retirement System and Federal Employees Retirement System);

“(D) Foreign service retirement and disability (combined Foreign Service Retirement and Disability System and Foreign Service Pension System);

“(E) Retired Employees Health Benefits;

“(F) Military Retirement System;

“(G) Uniformed Services Retiree Health Care System;

“(H) Railroad retirement system (combined Rail Industry Pension Fund, Social Security Equivalent Benefit Account, and National Railroad Retirement Investment Trust);

“(I) Supplemental Security Income (SSI);

“(J) For estimates made on or after January 1, 2006, veterans disability compensation;

“(K) Any other entitlement program with regularly available long-term estimates.

“(2) The term “entitlement program with regularly available long-term estimates” means a program for which the Director of Office of Management and Budget, in consultation with the Committees on the Budget of the House of Representatives and the Senate and CBO, has determined that it is feasible to make long-term estimates of expenditures and dedicated receipts based on explicit demographic, economic, and other estimating assumptions. The Director shall notify the House and Senate Committees on the Budget in writing whenever he or she makes such a determination.

“(3) The term “applicable group of entitlement programs” shall be defined as any of the following:

“(A) Old Age, Survivors, and Disability Insurance;
or*

“(B) All applicable entitlement programs except Old Age, Survivors, and Disability Insurance.

“(4) The term “long-term estimating period” shall be defined as 75 years, starting with the current year, for all applicable entitlement programs except for Old Age, Survivors, and Disability Insurance. For Old Age, Survivors, and Disability Insurance, the term shall be defined as the infinite period of years utilized in the most recent annual report of the Board of Trustees provided pursuant to section 201(c)(2) of the Social Security Act.

“(5) The term “last year of the estimating period” shall be defined as the 75th year of the long-term estimating period.

“(6) The term “dedicated receipts” shall be defined, for all applicable entitlement programs other than Medicare, as taxes and fees received from the public, payments received from Federal agencies on behalf of Federal agency employees who are participants in the program, transfers received by the program under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 USC 231f(c)(2)), and transfers from the general fund of amounts equivalent to income tax receipts under section 86 of the Internal Revenue Code. Dedicated receipts shall not include payments from the general fund to amortize a program’s unfunded liability or payments of interest on a program’s trust fund holdings. For Medicare, “dedicated receipts” shall be defined according to section 801(c)(3) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

“(7) The term “expenditures” shall be defined, for all applicable entitlement programs other than Medicare, to include benefit payments, administrative expenses to the extent paid from a dedicated fund, and transfers to other programs made under section 7(c)(2) of the Railroad Retirement Act of 1974 (45 USC 231f(c)(2)). For Medicare, “expenditures” shall be defined according to section 801(c)(4) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

“(8) The term “applicable threshold” shall be defined as:

“(A) For a group of applicable entitlement programs over a long-term estimating period:

“(i) 0.02 percent of the present value of the taxable payroll of the group of programs over the

estimating period, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare;

“(ii) 0.01 percent of the present value of Gross Domestic Product over the estimating period; or

“(iii) 1 percent of the present value of the expenditures over the estimating period of the programs in the group that are affected by the legislation.

“(B) For a group of applicable entitlement programs in the last year of the estimating period:

“(i) 0.02 percent of the taxable payroll of the group of programs in that year, for legislation affecting Old Age, Survivors, and Disability Insurance or Medicare;

“(ii) 0.01 percent of Gross Domestic Product in that year; or

“(iii) 1 percent of the expenditures in that year of the programs in the group that are affected by the legislation.”.

SEC 202. POINTS OF ORDER IN THE SENATE. – Section 904 of Title IX of the Congressional Budget and Impoundment Control Act of 1974, as amended, is amended as follows:

(1) subsection (c)(1) is amended by adding “442(a), 442(b),” after the phrase, “310(d)(2), 313,”;

(2) subsection (d)(2) is amended by adding “442(a), 442(b),” after the phrase, “310(d)(2), 313,”;

(3) strike subsection (c)(2) and insert:

“(2) TEMPORARY. —Section 312(b) of this Act may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.”;

(4) strike subsection (d)(3) and insert:

“(3) TEMPORARY. — An affirmative vote of three-fifths of the Members, 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 section 312(b) of this Act.”;

(5) subsection (e) is amended by striking "September 30, 2002" and inserting "September 30, 2009".

SEC 203. SOCIAL SECURITY. Sec. 13302 of Subtitle C of the Budget Enforcement Act of 1990 is amended to read as follows:

“(a) IN GENERAL – It shall not be in order in the House of Representatives to consider any bill or joint resolution, as reported, or any amendment thereto or conference report thereon, if, upon enactment, such legislation under consideration would increase the long-term unfunded obligation of the OASDI program, as defined in section 443 of the Congressional Budget and Impoundment Control Act of 1974, as added by the Spending Control Act of 2004.”.

SEC 204. EXERCISE OF RULEMAKING POWERS.

The provisions of sections 201, 202 and 203 are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of such House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of each House.