

**PART C**  
**EMERGENCY POWERS**  
**TO ELIMINATE**  
**DEFICITS<sup>1131</sup> IN EXCESS**  
**OF MAXIMUM**  
**DEFICIT AMOUNT<sup>1132</sup>**

§ 250

**SEC. 250.<sup>1133</sup> TABLE OF CONTENTS; STATEMENT OF BUDGET ENFORCEMENT THROUGH SEQUESTRATION;<sup>1134</sup> DEFINITIONS.**

§ 250(a)

**(a) TABLE OF CONTENTS. —**

**Sec. 250.** Table of contents; budget enforcement statement; definitions.

**Sec. 251.** Enforcing discretionary spending limits.<sup>1135</sup>

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<sup>1131</sup> Section 250(c)(1) (*see infra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1132</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see infra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See infra* pp. 475-502, 523-533.

<sup>1133</sup> Section 250 is codified at 2 U.S.C. § 900 (Supp. IV 1992). Section 13101(a) of the Budget Enforcement Act added section 250 (*see infra* p. 701), with the exception of section 250(c)(21), which section 13101(b) of the Budget Enforcement Act transferred from section 257(12) of Gramm-Rudman-Hollings. *See infra* p. 701.

<sup>1134</sup> Section 250(c)(2) defines "sequestration." *See infra* p. 440.

<sup>1135</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see infra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See infra* pp. 475-502, 523-533.

**Sec. 252. Enforcing pay-as-you-go.**

**Sec. 253. Enforcing deficit<sup>1136</sup> targets.**

**Sec. 254. Reports and orders.**

**Sec. 255. Exempt programs and activities.**

**Sec. 256. Special rules.**

**Sec. 257. The baseline.<sup>1137</sup>**

**Sec. 258. Suspension in the event of war or low growth.**

**Sec. 258A. Modification of presidential order.**

**Sec. 258B. Alternative defense sequestration.<sup>1138</sup>**

**Sec. 258C. Special reconciliation process.**

§ 250(b)

**(b) GENERAL STATEMENT OF BUDGET ENFORCEMENT THROUGH SEQUESTRATION.<sup>1139</sup>** — This part provides for the enforcement of the deficit<sup>1140</sup> reduction assumed in House Concurrent Resolution 310 (101st Congress, second session)<sup>1141</sup> and the applicable deficit targets<sup>1142</sup> for fiscal years 1991 through 1995. Enforcement, as necessary, is to be implemented through sequestration —

§ 250(b)(1)

**(1) to enforce discretionary spending levels assumed in that resolution (with adjustments as provided herein-after);**

§ 250(b)(2)

**(2) to enforce the requirement that any legislation**

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<sup>1136</sup> Section 250(c)(1) (*see infra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1137</sup> Section 250(c) (*see infra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1138</sup> Section 250(c)(2) defines "sequestration." *See infra* p. 440.

<sup>1139</sup> Section 250(c)(2) defines "sequestration." *See infra* p. 440.

<sup>1140</sup> Section 250(c)(1) (*see infra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1141</sup> Concurrent Resolution on the Budget — Fiscal Year 1991, H. Con. Res. 310, 101st Cong., 2d Sess., 104 Stat. 5163 (1990) (implementing the bipartisan budget agreement between the President and the joint leadership of Congress).

<sup>1142</sup> Section 601(a)(1) of the Congressional Budget Act defines "maximum deficit amount." *See supra* pp. 299-300.

increasing direct spending<sup>1143</sup> or decreasing revenues be on a pay-as-you-go basis; and

§ 250(b)(3) (3) to enforce the deficit targets specifically set forth<sup>1144</sup> in the Congressional Budget and Impoundment Control Act of 1974 (with adjustments as provided herein-after);

applied in the order set forth above.<sup>1145</sup>

§ 250(c) (c) DEFINITIONS.<sup>1146</sup> —

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<sup>1143</sup> Section 250(c)(8) defines "direct spending." See *infra* p. 444.

<sup>1144</sup> Section 601(a)(1) of the Congressional Budget Act defines "maximum deficit amount." See *supra* pp. 299-300.

<sup>1145</sup> The statement of managers accompanying the conference report on the Budget Enforcement Act explains generally the sequestration mechanisms that the Act added:

#### TITLE XIII — BUDGET ENFORCEMENT

##### BUDGET ENFORCEMENT ACT OF 1990

The conference agreement adds new enforcement mechanisms for discretionary spending[,] entitlements, and rece[iv]e to preserve the deficit reduction achieved by this Act over the next five years. The conference agreement adds a pay-as-you-go mechanism to ensure that any new entitlement or receipt legislation will not increase the deficit. The conference agreement also sets forth limits (caps) on discretionary spending provided in the annual appropriations process for each of fiscal years 1991 through 1995, and enforces these through a mechanism to require across-the-board cuts within any category to make up for any overages. To enforce deficit targets in fiscal years 1994 and 1995, the conference agreement extends the existing Gramm-Rudman-Hollings mechanism through fiscal year 1995, but with new procedures to allow adjustment for revised economic and technical estimates, in 1994 and 1995 at the President's option.

H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1151 (1990), *reprinted in* 1990 U.S.C.A.N. 2374, 2856.

<sup>1146</sup> Section 13101(a) of the Budget Enforcement Act added section 250(c). See *infra* p. 701. For legislative history of section 250(c), see *infra* note 1197 (at the end of this section).

**As used in this part:**

- § 250(c)(1)            (1) The terms "budget authority", "new budget authority", "outlays", and "deficit" have the meanings given to such terms in section 3 of the Congressional Budget and Impoundment Control Act of 1974 (but including the treatment specified in section 257(b)(3) of the Hospital Insurance Trust Fund<sup>1147</sup>) and the terms "maximum deficit amount" and "discretionary spending limit" shall mean the amounts specified in section 601<sup>1148</sup> of that Act as adjusted under sections 251 and 253 of this Act.
- § 250(c)(2)            (2) The terms "sequester" and "sequestration" refer to or mean the cancellation of budgetary resources<sup>1149</sup> provided by discretionary appropriations<sup>1150</sup> or direct spending<sup>1151</sup> law.
- § 250(c)(3)            (3) The term "breach" means, for any fiscal year, the

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<sup>1147</sup> Section 257(b)(3) provides:

(3) HOSPITAL INSURANCE TRUST FUND. — Notwithstanding any other provision of law, the receipts and disbursements of the Hospital Insurance Trust Fund shall be included in all calculations required by this Act.

*See infra* p. 602. For a discussion of this language, see *infra* note 1651 (at section 257(b)(3)).

<sup>1148</sup> Section 601(a)(1) of the Congressional Budget Act defines "maximum deficit amount." *See supra* pp. 299-300. Section 601(a)(2) of the Congressional Budget Act defines "discretionary spending limit." *See supra* pp. 301-303.

<sup>1149</sup> Section 250(c)(6) defines "budgetary resources." *See infra* p. 443.

<sup>1150</sup> Section 250(c)(7) defines "discretionary appropriations." *See infra* p. 444.

<sup>1151</sup> Section 250(c)(8) defines "direct spending." *See infra* p. 444.



amount (if any) by which new budget authority<sup>1152</sup> or outlays<sup>1153</sup> for that year (within a category<sup>1154</sup> of discretionary appropriations<sup>1155</sup>) is above that category's discretionary spending limit<sup>1156</sup> for new budget authority or outlays for that year, as the case may be.

§ 250(c)(4)

(4) The term "category" means:

§ 250(c)(4)(A)

(A) For fiscal years 1991, 1992, and 1993, any of the following subsets of discretionary appropriations:<sup>1157</sup> defense,<sup>1158</sup> international,<sup>1159</sup> or domestic.<sup>1160</sup> Discretionary appropriations in each of the three categories shall be those so designated in the joint statement of managers accompanying the

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<sup>1152</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

This reference to "new budget authority" means new budget authority as measured pursuant to the baseline requirements of section 257. *See infra* pp. 600-617.

<sup>1153</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1154</sup> Section 250(c)(4) defines "category." *See infra* p. 441.

<sup>1155</sup> Section 250(c)(7) defines "discretionary appropriations." *See infra* p. 444.

<sup>1156</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See infra* pp. 475-502, 523-533.

<sup>1157</sup> Section 250(c)(7) defines "discretionary appropriations." *See infra* p. 444.

<sup>1158</sup> For the list of such accounts that appears in the joint statement of managers accompanying the Budget Enforcement Act, *see infra* pp. 454-456.

<sup>1159</sup> For the list of such accounts that appears in the joint statement of managers accompanying the Budget Enforcement Act, *see infra* pp. 456-458.

<sup>1160</sup> For the list of such accounts that appears in the joint statement of managers accompanying the Budget Enforcement Act, *see infra* pp. 458-474.

conference report on the Omnibus Budget Reconciliation Act of 1990.<sup>1161</sup> New accounts<sup>1162</sup> or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.

§ 250(c)(4)(B)

(B) For fiscal years 1994 and 1995,<sup>1163</sup> all discretionary appropriations,<sup>1164</sup>

Contributions to the United States to offset the cost of Operation Desert Shield<sup>1165</sup> shall not be counted within any category.

§ 250(c)(5)

(5) The term "baseline" means the projection (described in section 257<sup>1166</sup>) of current-year<sup>1167</sup> levels

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<sup>1161</sup> See *infra* pp. 454-474.

<sup>1162</sup> Section 250(c)(11) defines "account." See *infra* p. 445.

<sup>1163</sup> This should read "1994 through 1998." Section 14002(c)(3)(A) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(3)(A), 107 Stat. 312 (1993), extended sections 250-252 and 254-258C through fiscal year 1998, but the Act's drafters neglected to make the conforming change here. The joint statement of managers accompanying the Act states that the Act "extends the expiration date of sections 250 through 258C (except for section 253, which pertains to the enforcement of the deficit targets) from the end of fiscal year 1995 to the end of fiscal year 1998" H.R. CONF. REP. NO. 103-213, 103d Cong., 1st Sess. 961 (1993), reprinted in 139 CONG. REC. H5792, H6043 (daily ed. Aug. 4, 1993). The legislative intent to extend the system of one single category of appropriations is particularly clear. Section 14001 of the Act states that "[t]he Congress declares that it is essential to . . . extend the system of discretionary spending limits for the single discretionary category . . . ." Pub. L. No. 103-66, § 14001(2), 107 Stat. 312 (1993) (emphasis added). For additional legislative history explaining the extension, see *supra* notes 870 & 936 & *infra* note 1807.

<sup>1164</sup> Section 250(c)(7) defines "discretionary appropriations." See *infra* p. 444.

<sup>1165</sup> Section 251(b)(2)(D)(ii) defines "emergency Desert Shield costs." See *infra* p. 499.

<sup>1166</sup> See *infra* pp. 600-617.

<sup>1167</sup> Section 250(c)(13) defines "current year." See *infra* p. 446.

of new budget authority,<sup>1168</sup> outlays,<sup>1169</sup> receipts, and the surplus or deficit<sup>1170</sup> into the budget year<sup>1171</sup> and the outyears.<sup>1172</sup>

§ 250(c)(6) (6) The term "budgetary resources" means —

§ 250(c)(6)(A) (A) with respect to budget year<sup>1173</sup> 1991, new budget authority;<sup>1174</sup> unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; direct spending<sup>1175</sup> authority; and obligation limitations; or

§ 250(c)(6)(B) (B) with respect to budget year<sup>1176</sup> 1992, 1993, 1994, or 1995,<sup>1177</sup> new budget authority;<sup>1178</sup>

<sup>1168</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1169</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1170</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1171</sup> Section 250(c)(12) defines "budget year." *See infra* p. 446.

<sup>1172</sup> Section 250(c)(14) defines "outyear." *See infra* p. 446.

<sup>1173</sup> Section 250(c)(12) defines "budget year." *See infra* p. 446.

<sup>1174</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1175</sup> Section 250(c)(8) defines "direct spending." *See infra* p. 444.

<sup>1176</sup> Section 250(c)(12) defines "budget year." *See infra* p. 446.

<sup>1177</sup> This should read "1992 through 1998." Section 14002(c)(3)(A) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(3)(A), 107 Stat. 312 (1993), extended sections 250-252 and 254-258C through fiscal year 1998, but the Act's  
(continued...)

unobligated balances; direct spending<sup>1179</sup> authority; and obligation limitations.

§ 250(c)(7)

(7) The term "discretionary appropriations" means budgetary resources<sup>1180</sup> (except to fund direct-spending programs) provided in appropriation Acts.<sup>1181</sup>

§ 250(c)(8)

(8) The term "direct spending"<sup>1182</sup> means —

<sup>1177</sup>(...continued)

drafters neglected to make the conforming change here. The joint statement of managers accompanying the Act states that the Act "extends the expiration date of sections 250 through 258C (except for section 253, which pertains to the enforcement of the deficit targets) from the end of fiscal year 1995 to the end of fiscal year 1998" H.R. CONF. REP. NO. 103-213, 103d Cong., 1st Sess. 961 (1993), reprinted in 139 CONG. REC. H5792, H6043 (daily ed. Aug. 4, 1993).

<sup>1178</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1179</sup> Section 250(c)(8) defines "direct spending." *See infra* p. 444.

<sup>1180</sup> Section 250(c)(6) defines "budgetary resources." *See supra* p. 443.

<sup>1181</sup> Does the language of this definition mean that changes to entitlement law *provided by appropriations acts* (notwithstanding rules 15 and 16 of the Standing Rules of the Senate) will be credited against spending within the discretionary spending caps (under section 251, *see infra* pp. 475-502) and not against the pay-as-you-go ledger (under section 252, *see infra* pp. 509-517)? Scorekeeping guideline number 3 (*see infra* note 1245), referred to in sections 251(a)(7) (*see infra* pp. 480-482) and 252(d) (*see infra* pp. 515-516), and set forth in the joint statement of managers accompanying the conference report on the Budget Enforcement Act, supports that position, and the Office of Management and Budget has reportedly reached that conclusion. *But see* section 252(a) *infra* p. 509, which states that "[t]he purpose of this section is to assure that any legislation . . . affecting direct spending or receipts that increases the deficit . . . will trigger an offsetting sequestration." (emphasis added).

<sup>1182</sup> For a general discussion of direct spending programs, *see* KENNETH R. CAHILL, ENTITLEMENTS AND OTHER MANDATORY SPENDING (Apr. 6, 1993) (Cong. Res. Serv. rep. no. 93-391 EPW).

unobligated balances; direct spending<sup>1179</sup> authority; and obligation limitations.

§ 250(c)(7)

(7) The term "discretionary appropriations" means budgetary resources<sup>1180</sup> (except to fund direct-spending programs) provided in appropriation Acts.<sup>1181</sup>

§ 250(c)(8)

(8) The term "direct spending"<sup>1182</sup> means —

<sup>1177</sup>(...continued)

drafters neglected to make the conforming change here. The joint statement of managers accompanying the Act states that the Act "extends the expiration date of sections 250 through 258C (except for section 253, which pertains to the enforcement of the deficit targets) from the end of fiscal year 1995 to the end of fiscal year 1998" H.R. CONF. REP. NO. 103-213, 103d Cong., 1st Sess. 961 (1993), reprinted in 139 CONG. REC. H5792, H6043 (daily ed. Aug. 4, 1993).

<sup>1178</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1179</sup> Section 250(c)(8) defines "direct spending." *See infra* p. 444.

<sup>1180</sup> Section 250(c)(6) defines "budgetary resources." *See supra* p. 443.

<sup>1181</sup> Does the language of this definition mean that changes to entitlement law *provided by appropriations acts* (notwithstanding rules 15 and 16 of the Standing Rules of the Senate) will be credited against spending within the discretionary spending caps (under section 251, *see infra* pp. 475-502) and not against the pay-as-you-go ledger (under section 252, *see infra* pp. 509-517)? Scorekeeping guideline number 3 (*see infra* note 1245), referred to in sections 251(a)(7) (*see infra* pp. 480-482) and 252(d) (*see infra* pp. 515-516), and set forth in the joint statement of managers accompanying the conference report on the Budget Enforcement Act, supports that position, and the Office of Management and Budget has reportedly reached that conclusion. *But see* section 252(a) *infra* p. 509, which states that "[t]he purpose of this section is to assure that any legislation . . . affecting direct spending or receipts that increases the deficit . . . will trigger an offsetting sequestration." (emphasis added).

<sup>1182</sup> For a general discussion of direct spending programs, *see* KENNETH R. CAHILL, ENTITLEMENTS AND OTHER MANDATORY SPENDING (Apr. 6, 1993) (Cong. Res. Serv. rep. no. 93-391 EPW).

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§ 250(c)(8)(A) (A) budget authority<sup>1183</sup> provided by law other than appropriation Acts;

§ 250(c)(8)(B) (B) entitlement authority;<sup>1184</sup> and

§ 250(c)(8)(C) (C) the food stamp program.

§ 250(c)(9) (9) The term "current" means, with respect to OMB<sup>1185</sup> estimates included with a budget submission under section 1105(a) of title 31, United States Code, the estimates consistent with the economic and technical assumptions underlying that budget and with respect to estimates made after submission of the fiscal year 1992 budget that are not included with a budget submission, estimates consistent with the economic and technical assumptions underlying the most recently submitted President's budget.

§ 250(c)(10) (10) The term "real economic growth", with respect to any fiscal year, means the growth in the gross national product during such fiscal year, adjusted for inflation, consistent with Department of Commerce definitions.

§ 250(c)(11) (11) The term "account" means an item for which appropriations are made in any appropriation Act and, for items not provided for in appropriation Acts, such term means an item for which there is a designated budget

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<sup>1183</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" at least in part by reference to the definition of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1184</sup> Section 3(9) of the Congressional Budget Act (*see supra* p. 18) defines "entitlement authority" to mean (at least for purposes of that Act) the authority described in section 401(c)(2)(C) of that Act (*see supra* p. 252). Section 250(c)(18) (*see infra* p. 447) provides that all references to entitlement authority shall include the mandatory appropriations accounts listed *infra* note 1245.

<sup>1185</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See infra* p. 446.

account identification code number in the President's budget.

§ 250(c)(12) (12) The term "budget year" means, with respect to a session of Congress, the fiscal year of the Government that starts on October 1 of the calendar year in which that session begins.

§ 250(c)(13) (13) The term "current year" means, with respect to a budget year,<sup>1186</sup> the fiscal year that immediately precedes that budget year.<sup>1187</sup>

§ 250(c)(14) (14) The term "outyear" means, with respect to a budget year,<sup>1188</sup> any of the fiscal years that follow the budget year through fiscal year 1995.<sup>1189</sup>

§ 250(c)(15) (15) The term "OMB" means the Director of the Office of Management and Budget.

§ 250(c)(16) (16) The term "CBO" means the Director of the

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<sup>1186</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1187</sup> In other words, the "current year" is the fiscal year of the Government that ends on September 30 of the calendar year in which a session of Congress begins. See section 250(c)(12) *supra* p. 446.

<sup>1188</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1189</sup> In other words, an "outyear" is, with respect to a session of Congress, any fiscal year of the Government that starts on October 1 of a calendar year after the year in which the session begins. See section 250(c)(12) *supra* p. 446.

This last reference should read "1998." Section 14002(c)(3)(A) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(3)(A), 107 Stat. 312 (1993), extended sections 250-252 and 254-258C through fiscal year 1998, but the Act's drafters neglected to make the conforming change here. The joint statement of managers accompanying the Act states that the Act "extends the expiration date of sections 250 through 258C (except for section 253, which pertains to the enforcement of the deficit targets) from the end of fiscal year 1995 to the end of fiscal year 1998" H.R. CONF. REP. NO. 103-213, 103d Cong., 1st Sess. 961 (1993), reprinted in 139 CONG. REC. H5792, H6043 (daily ed. Aug. 4, 1993).

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**Congressional Budget Office.**

§ 250(c)(17)

(17) For purposes of sections 252 and 253, legislation enacted during the second session of the One Hundred First Congress shall be deemed to have been enacted before the enactment of this Act.

§ 250(c)(18)

(18) As used in this part, all references to entitlement authority<sup>1190</sup> shall include the list of mandatory appropriations included in the joint explanatory statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990.<sup>1191</sup>

§ 250(c)(19)

(19) The term "deposit insurance" refers to the expenses of the Federal Deposit Insurance Corporation and the funds it incorporates, the Resolution Trust Corporation, the National Credit Union Administration and the funds it incorporates, the Office of Thrift Supervision, the Comptroller of the Currency Assessment Fund, and the RTC Office of Inspector General.

§ 250(c)(20)

(20) The term "composite outlay rate" means the percent of new budget authority<sup>1192</sup> that is converted to outlays<sup>1193</sup> in the fiscal year for which the budget authority is provided and subsequent fiscal years, as follows:

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<sup>1190</sup> Section 3(9) of the Congressional Budget Act (*see supra* p. 18) defines "entitlement authority" to mean (at least for purposes of that Act) the authority described in section 401(c)(2)(C) of that Act (*see supra* p. 252). Section 250(c)(18) of Gramm-Rudman-Hollings (*see supra* p. 447) provides that all references to entitlement authority shall include the mandatory appropriations accounts listed *infra* note 1245.

<sup>1191</sup> For the list, *see infra* note 1245.

<sup>1192</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1193</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.



§ 250(c)(20)(A)

(A) For the international category,<sup>1194</sup> 46 percent for the first year, 20 percent for the second year, 16 percent for the third year, and 8 percent for the fourth year.

§ 250(c)(20)(B)

(B) For the domestic category,<sup>1195</sup> 53 percent for the first year, 31 percent for the second year, 12 percent for the third year, and 2 percent for the fourth year.

§ 250(c)(21)

(21)<sup>1196</sup> The sale of an asset means the sale to the public of any asset, whether physical or financial, owned in whole or in part by the United States. The term "prepayment of a loan" means payments to the United States made in advance of the schedules set by law or contract when the financial asset is first acquired, such as the prepayment to the Federal Financing Bank of loans guaranteed by the Rural Electrification Administration. If a law or contract allows a flexible payment schedule, the term "in advance" shall mean in advance of the slowest payment schedule allowed under such law or contract.<sup>1197</sup>

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<sup>1194</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

<sup>1195</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

<sup>1196</sup> Section 13101(b) of the Budget Enforcement Act (*see infra* p. 701) transferred this definition without change from section 257(12) of Gramm-Rudman-Hollings as it existed immediately before enactment of the Budget Enforcement Act. This drafters of the Budget Enforcement Act used this circuitous route so as to assure certain Senators that the Act made no change in the treatment of asset sales; indeed, the Act does not use the term "asset sale."

<sup>1197</sup> Section 13101(a) of the Budget Enforcement Act added section 250(c). *See infra* p. 701.

The statement of managers accompanying the conference report on the Budget Enforcement Act briefly explains the changes made by this subsection:

#### X. DEFINITION

(continued...)

<sup>1197</sup>(...continued)  
*Current law*

Section 257 of Gramm-Rudman-Hollings defined the terms "automatic spending increase," "budget outlays," "budget authority," "concurrent resolution on the budget," "deficit," "maximum deficit amount," "real economic growth," "sequester," "sequestration," "account," "sequesterable resource," "margin," "prepayment of a loan," "outlay rate," and "combined outlay rate."

Specifically, section 257 defines "margin" to mean \$10 billion for fiscal years 1988 through 1992 and zero for fiscal year 1993. If the deficit exceeds the Gramm-Rudman-Hollings targets by less than the margin through fiscal year 1992, a sequester order is not triggered.

*House bill*

The House bill moves the definitions section to a new section 250 and retains or revises the definitions of "outlays," "budget authority," "maximum deficit amount," "real economic growth," "sequester," "sequestration," "account," and "prepayment of a loan." the House bill adds to the definitions section new definitions for "breach," ["]category," "baseline," "budgetary resources," "discretionary appropriations," "direct spending," "current," "sale of an asset," "budget year," "current year," "outyear," "OMB," and "CBO," but strikes definitions for "automatic spending increase," "concurrent resolution on the budget," "deficit," ["]sequesterable resources," "outlay rate," and "combined outlay rate." Finally, the House bill redefines "margin" to mean \$15 billion for fiscal year 1994 and 1995 (minus any authorized outlay adjustments).

*Senate amendment*

The Senate amendment redefines "margin" to mean zero for fiscal years 1991 through 1993 and \$15 billion for fiscal years 1994 and 1995. Other than in the definition of "Margin," the Senate amendment makes no changes in the Gramm-Rudman-Hollings definitions.

*Conference agreement*

The conference agreement accepts the definition changes proposed by the House, except that no definition of "sale of an asset" is provided. Additionally "margin" is redefined to mean zero for fiscal years 1992 and 1993 and \$15 billion for fiscal years 1994 1995.

H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1170-71 (1990), *reprinted in* 1990 U.S.C.A.N. 2374, 2875-76.

(continued...)

<sup>1197</sup>(...continued)

Before enactment of the Budget Enforcement Act, section 257 of Gramm-Rudman-Hollings dealt with definitions and read as follows:

**SEC. 257. DEFINITIONS**

For purposes of this title:

(1) The term "automatic spending increase" (except as otherwise provided in sections 255 and 256) means increases in budget outlays due to changes in indexes in the following Federal programs:

National Wool Act (12-4336-0-3-351);

Special milk program (12-3502-0-1-605); and

Vocational rehabilitation (91-0301-0-1-506).

For purposes of the preceding provisions of this paragraph, programs are identified by the designated budget account identification code numbers set forth in the Budget of the United States Government, 1986 — Appendix.

(2) The terms "budget outlays" and "budget authority" have the meaning given to such terms in sections 3(1) and 3(2), respectively, of the Congressional Budget and Impoundment Control Act of 1974.

(3) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the Congressional Budget and Impoundment Control Act of 1974.

(4) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(5) The term "maximum deficit amount", with respect to any fiscal year, means the maximum deficit amount for such fiscal year determined under section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

(6) The term "real economic growth", with respect to any fiscal year, means the growth in the gross national product during such fiscal year, adjusted for inflation, consistent with Department of Commerce definitions.

(continued...)

<sup>1197</sup>(...continued)

(7) The terms "sequester" and "sequestration" (subject to section 252(a)(4)) refer to or mean the cancellation of new budget authority, unobligated balances, obligated balances, new loan guarantee commitments, new direct loan obligations, and spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, and obligation limitations.

(8) The term "account" means an item for which appropriations are made in any appropriation Act used to determine the budget base, and, for items not provided for in appropriation Acts, such term means an item for which there is a designated budget account identification code number in the Appendix to the President's budget.

(9) The term "sequesterable resource" means 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; and obligation limitations for budget accounts, programs, projects, and activities that are not exempt from reduction or sequestration under this part.

(10) The term "margin" means \$10,000,000,000 with respect to each of fiscal years 1988 through 1992 and zero with respect to fiscal year 1993.

(11) As used in this part, all references to section 401(c)(2) of the Congressional Budget Act of 1974 shall include (but are not limited to) payments to any person or government under terms of law for the following programs:

(A) Claims, defense (97-0102-0-1-051).

(B) Veterans compensation (36-0153-0-1-701).

(C) Veterans pensions (36-0154-0-1-701).

(D) Burial benefits and miscellaneous assistance (36-0155-0-1-701).

(E) Readjustment benefits (36-0137-0-1-702).

(F) Loan guaranty revolving fund (36-4025-0-3-704).

(G) Guaranteed student loans (91-0230-0-1-502).

(continued...)

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<sup>1197</sup>(...continued)

(H) Social services block grant (75-1634-0-1-506).

(I) Family social services (75-1645-0-1-506).

(J) Rehabilitation services and handicapped research (91-0301-0-1-506).

(K) Grants to States for medicaid (75-0512-0-1-551).

(L) Special benefits for disabled coal miners (75-0409-0-1-601).

(M) Black lung disability trust fund (20-8144-0-7-601).

(N) Special benefits (16-1521-0-1-602).

(O) Federal unemployment benefits and allowances (16-0326-0-1-603).

(P) Supplemental security income program (75-0406-0-1-609).

(Q) Family support payments to States (75-1501-0-1-609).

(R) Food stamp program (12-3505-0-1-605).

(S) Child nutrition programs (12-3539-0-1-605).

(T) Retired pay, coast guard (69-0241-0-1-403).

(U) Government payment for annuitants, employees health benefits (24-0206-0-1-551).

(12) The sale of an asset means the sale to the public of any asset, whether physical or financial, owned in whole or in part by the United States. The term "prepayment of a loan" means payments to the United States made in advance of the schedules set by law or contract when the financial asset is first acquired, such as the prepayment to the Federal Financing Bank of loans guaranteed by the Rural Electrification Administration. If a law or contract allows a flexible payment schedule, the term "in advance" shall mean in advance of the slowest payment schedule allowed under such law or contract.

(continued...)

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<sup>1197</sup>(...continued)

(13) The term "outlay rate", with respect to any budget account, program, project, or activity, means —

(A) the ratio of outlays resulting in the fiscal year involved from new budgetary resources for such budget account, program, project, or activity to such new budgetary resources; or

(B) the ratio of outlays resulting in the fiscal year involved from unobligated balances for such budget account, program, project, or activity to such unobligated balances.

(14) The term "combined outlay rate", with respect to any budget account, program, project, or activity, means the weighted average (by budgetary resources) of the ratios determined under subparagraphs (A) and (B) of paragraph (13) for such budget account, program, project, or activity.

DISCRETIONARY APPROPRIATIONS CATEGORIES<sup>1198</sup>

The following is a list of discretionary accounts organized by three subsets of discretionary appropriations: defense, international, and domestic discretionary, pursuant to Section 250(c)(4)(A). New accounts or activities shall be categorized in consultation with the Committees on Appropriations and Budget of the House of Representatives and the Senate.

APPROPRIATED DEFENSE DISCRETIONARY  
ACCOUNTS FOR FISCAL 1991

COMMERCE, JUSTICE, STATE

Department of Transportation, Maritime  
Administration, Ready reserve force  
69-1710-0-1-054

DEFENSE

Department of Defense, Procurement,  
Coastal defense augmentation

17-0380-0-1-051

Military personnel, Marine Corps

17-1105-0-1-051

Operation and Maintenance, Marine Corps

17-1106-0-1-051

Operation and Maintenance, Marine Corps

Reserve

17-1107-0-1-051

Reserve personnel, Marine Corps

17-1108-0-1-051

Procurement, Marine Corps

17-1109-0-1-051

Research, development, test, and evaluation, Navy

17-1319-0-1-051

Reserve personnel, Navy

17-1405-0-1-051

Military personnel, Navy

17-1453-0-1-051

Aircraft procurement, Navy

17-1506-0-1-051

Weapons procurement, Navy

17-1507-0-1-051

Shipbuilding and conversion, Navy

17-1611-0-1-051

Operation and Maintenance, Navy

17-1804-0-1-051 -  
Operation and Maintenance, Navy

Reserve

17-1806-0-1-051

Other procurement, Navy

17-1810-0-1-051

Navy Stock Fund

17-4911-0-4-051

Navy Industrial Fund

17-4912-0-4-051

Marine Corps Industrial Fund

17-4914-0-4-051

Operation and Maintenance, National  
Board for the Promotion of Rifle Practice, Army

21-1705-0-1-051

Military Personnel, Army

21-2010-0-1-051

Operation and Maintenance, Army

21-2020-0-1-051

Aircraft procurement, Army

21-2031-0-1-051

Missile procurement, Army

21-2032-0-1-051

Procurement of weapons and tracked  
combat vehicles, Army

21-2033-0-1-051

Procurement of ammunition, Army

21-2034-0-1-051

Other procurement, Army

21-2035-0-1-051

Research, Development, test, and  
evaluation, Army

21-2040-0-1-051

Military Personnel, National Guard per-  
sonnel, Army

21-2060-0-1-051

Operation and Maintenance, Army  
National Guard

21-2065-0-1-051

Reserve personnel, Army

21-2070-0-1-051

Operation and Maintenance, Army

Reserve

21-2080-0-1-051

Revolving and management funds, Army  
stock fund

21-4991-0-4-051

Army Industrial Fund

21-4992-0-4-051

<sup>1198</sup> This list of "DISCRETIONARY APPROPRIATIONS CATEGORIES" on pp. 454-474 appears in the joint statement of managers accompanying the conference report on the Budget Enforcement Act. See H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1180-218 (1990), reprinted in 1990 U.S.C.A.N. 2374, 2885-923.

Aircraft procurement, Air Force	57-3010-0-1-051	Defense Stock Fund	97-4961-0-4-051
Missile procurement, Air Force	57-3020-0-1-051	Defense Industrial Fund	97-4962-0-4-051
Other procurement, Air Force	57-3080-0-1-051	Emergency Response fund	97-4965-0-4-051
Operation and Maintenance, Air Force	57-3400-0-1-051	Central Intelligence Agency, Enhanced security countermeasures capabilities	56-3401-0-1-054
Military personnel, Air Force	57-3500-0-1-051	Intelligence community staff	95-0400-0-1-054
Research, development, test, and evaluation, Air Force	57-3600-0-1-051		
Reserve personnel, Air Force	57-3700-0-1-051	ENERGY AND WATER	
Operation and Maintenance, Air Force Reserve	57-3740-0-1-051	Department of Energy, Atomic energy defense activities	89-0220-0-1-053
Operation and Maintenance, Air National Guard	57-3840-0-1-051	Defense Nuclear Facilities Safety Board, S&E	95-3900-0-1-053
National Guard personnel, Air Force	57-3850-0-1-051		
Air Force stock fund	57-4921-0-4-051	MILITARY CONSTRUCTION	
Air Force Industrial Fund	57-4922-0-4-051	Department of Defense, Family Housing, Navy and Marine Corps	17-0703-0-1-051
Operation and Maintenance, Defense agencies	97-0100-0-1-051	Military construction, Navy	17-1205-0-1-051
Court of Military Appeals, Defense	97-0104-0-1-051	Military construction, Naval Reserve	17-1235-0-1-051
Drug interdiction and counter-drug activities, Defense	97-0105-0-1-051	Family Housing, Army	21-0702-0-1-051
Goodwill Games	97-0106-0-1-051	Military construction, Army	21-2050-0-1-051
Office of the Inspector General	97-0107-0-1-051	Military construction, Army National Guard	21-2085-0-1-051
Procurement, Defense agencies	97-0300-0-1-051	Military construction, Army Reserve	21-2086-0-1-051
National guard and reserve equipment	97-0350-0-1-051	Family housing, Air Force	57-0704-0-1-051
Defense production act purchases	97-0360-0-1-051	Military construction, Air Force	57-3300-0-1-051
Chemical agents and munitions destruction, Defense	97-0390-0-1-051	Military construction, Air Force Reserve	57-3730-0-1-051
Research, development, test, and evaluation, Defense agencies	97-0400-0-1-051	Military construction, Air National Guard	57-3830-0-1-051
Developmental test and evaluation, Defense	97-0450-0-1-051	Base realignment and closure account	97-0103-0-1-051
Operational test and evaluation, Defense	97-0460-0-1-051	Military construction, defense agencies	97-0500-0-1-051
Environmental Restoration, Defense	97-0810-0-1-051	Family Housing, Defense agencies	97-0706-01-051
Humanitarian assistance	97-0819-0-1-051	North Atlantic Treaty Organization infrastructure	97-0804-0-1-051
		Family housing, Homeowners assistance fund, Defense <sup>1</sup>	97-4090-0-3-051



VETERANS', HOUSING AND URBAN DEVELOPMENT,  
AND INDEPENDENT AGENCIES

Federal Emergency Management Agency,  
S&E (Defense-related activities)

58-0100-0-1-054

Emergency management planning and  
assistance (defense-related)

58-0101-0-1-054

Selective Service System, S&E

90-0400-0-1-054

[Note for the list "APPROPRIATED DEFENSE DIS-  
CRETIONARY ACCOUNTS FOR FISCAL 1991" that  
appears at pp. 454-456:]

<sup>1</sup> Portion of account is non-appropriated  
mandatory.

APPROPRIATED INTERNATIONAL DISCRETIONARY  
ACCOUNTS FOR FISCAL YEAR 1991

COMMERCE, JUSTICE, STATE

Foreign Claims Settlement Commission,  
S&E

15-0100-0-1-153

Payment of Vietnam and U.S.S. Pueblo  
prisoner of war claims

15-0104-0-1-153

Department of State, Administration of  
Foreign Affairs, S&E

19-0113-0-1-153

Soviet-East European research and  
training

19-0118-0-1-153

Administration of Foreign Affairs,  
Protection of foreign missions and officials

19-0520-0-1-153

Emergencies in the diplomatic and con-  
sular service

19-0522-0-1-153

Payment to the American Institute in  
Taiwan

19-0523-0-1-153

Office of the Inspector General

19-0529-0-1-153

Acquisition and maintenance of build-  
ings abroad

19-0535-0-1-153

Acquisition and maintenance of build-  
ings abroad (special foreign currency)

19-0538-0-1-153

Representation Allowances

19-0545-0-1-153

International Organizations and Confer-  
ences, contributions for international peacekeeping  
activities

19-1124-0-1-153

International conferences and contin-  
gencies

19-1125-0-1-153

Contributions to international organiza-  
tions

19-1126-0-1-153

U.S. bilateral science and technology  
agreements

19-1151-0-1-153

International Trade Commission, S&E

34-0100-0-1-153

Commission on the Ukraine Famine,  
S&E

48-0050-0-1-153

Commission for the Study of Intl.  
Migration and Coop., S&E

48-1400-0-1-153

Arms Control and Disarmament Agen-  
cy, activities

94-0100-0-1-153	11-0700-0-1-151
Commission for the Preservation of America's Heritage Abroad, S&B	Agency for Intl. Development, Operating expenses
95-3700-0-1-153	11-1000-0-1-151
Department of State, Payment to the Asia Foundation	Trade and Development Program
19-0525-0-1-154	11-1001-0-1-151
United States Information Agency, S&B	Multilateral assistance, Intl. organizations and programs
67-0201-0-1-154	11-1005-0-1-151
East West Center	AID, operating expenses
67-0202-0-1-154	11-1007-0-1-151
Radio construction	Sabel development program
67-0204-0-1-154	11-1012-0-1-151
Radio broadcasting to Cuba	American schools and hospitals abroad
67-0208-0-1-154	11-1013-0-1-151
Educational and cultural exchange programs	Sub-Saharan Africa development assistance
67-0209-0-1-154	11-1014-0-1-151
National Endowment for Democracy	Functional development assistance program
67-0210-0-1-154	11-1021-0-1-151
Office of the Inspector General	Department of State, International narcotics control
67-0300-0-1-154	11-1022-0-1-151
Board for International Broadcasting, Grants and expenses	AID, International disaster assistance
95-1145-0-1-154	11-1035-0-1-151
Israel relay station	Special assistance initiatives
95-1146-0-1-154	11-1042-0-1-151
Japan-United States Friendship Commission trust fund	Inter-American Foundation
95-8025-0-[7]-154	11-4031-0-3-151
FOREIGN OPERATIONS	Department of State, migration and refugee assistance
Department of State, U.S. emergency refugee and migration assistance	19-1143-0-1-151
11-0040-0-1-151	Overseas Private Investment Corporation
Multilateral assistance, Contribution to the Inter-American Dvlt. Bank	71-4030-0-3-151
11-0072-0-1-151	AID, Private sector revolving fund
Contribution to the International Development Association	72-4341-0-3-151
11-0073-0-1-151	International security assistance, peace-keeping operations
Contribution to the Asian Development Bank	11-1032-0-1-152
11-0076-0-1-151	Economic support fund
Contribution to the Intl. Bank for Reconstruction	11-1037-0-1-152
11-0077-0-1-151	Special assistance for Central America, reconciliation assistance
Contribution to the International Finance Corporation	11-1038-0-1-152
11-0078-0-1-151	International Security Assistance, Military assistance
Contribution to the African Development Fund	11-1080-0-1-152
11-0079-0-1-151	International military education and training
Contribution to the African Development Bank	11-1081-0-1-152
11-0082-0-1-151	Foreign military financing
Peace Corps	11-1082-0-1-152
11-0100-0-1-151	Department of State, FMS interest buy-down
African Development Foundation	11-8882-0-1-152
	Anti-terrorism assistance
	19-0114-0-1-152
	Intl. Monetary Programs, Contribution

to enhanced structural adjustments facility

11-0005-0-1-155

Military sales programs, special defense  
acquisition fund

11-4116-0-3-155

Export-Import Bank of the United States  
83-4027-0-3-155

#### LABOR, HHS

United States Institute of Peace, operating  
expenses

95-1300-0-1-153

#### AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES

Foreign assistance programs, Expenses,  
Public Law 480

12-2274-0-1-151

#### APPROPRIATED DOMESTIC DISCRETIONARY ACCOUNTS FOR FISCAL YEAR 1991

##### COMMERCE, JUSTICE, STATE

Department of State, International  
Commissions, S&E, IBWC

19-1069-0-1-301

Construction, IBWC

19-1078-0-1-301

American section, international commis-  
sions

19-1082-0-1-301

Conservation and land management,  
Intl. fisheries commissions

19-1087-0-1-302

Marine Mammal Commission, S&E

95-2200-0-1-302

National Oceanic and Atmospheric  
Administration, operations, research and facilities

13-1450-0-1-306

Aviation weather services program

13-8105-0-7-306

NOAA, Damage assessment and resto-  
ration revolving fund<sup>1</sup>

Commission on Agricultural Workers,  
S&E

48-0057-0-1-352

Department of Commerce, General  
Administration, S&E

13-0120-0-1-376

Minority Business Development Agency

13-0201-0-1-376

Export Administration, Operations and  
administration

13-0300-0-1-376

Bureau of the Census, S&E

13-0401-0-1-376

Periodic censuses and programs

13-0450-0-1-376

National Institute of Standards and  
Technology, scientific and technical research

13-0500-0-1-376

National Telecommunications and Infor-  
mation Administration, S&E

13-0550-0-1-376

United States Travel and Tourism  
Administration, S&E

13-0700-0-1-376

Patent and Trademark Office, S&E

13-1006-0-1-376

Technology Administration, S&E

13-1100-0-1-376

International Trade Administration,  
operations and administration

13-1250-0-1-376

Economic and Statistical Analysis, S&E

13-1500-0-1-376

NIST, working capital fund

13-4650-0-4-376	Grants and loans administration
NOAA, Fishing vessel and gear damage compensation fund	13-0125-0-1-452
13-5119-0-2-376	Office of the Inspector General
Fishermen's contingency fund	13-0126-0-1-452
13-5120-0-2-376	Economic Development assistance programs
Foreign fishing observer fund	13-2050-0-1-452
13-5122-0-2-376	<i>Guaranteed Loans</i>
Fisheries promotional fund	Regional development programs
13-5124-0-2-376	13-2100-0-1-452
Promote and develop fishery products and research pertaining <sup>2</sup>	NOAA, coastal energy impact fund
13-5139-0-2-376	13-4315-0-3-452
Economic Development Administration, miscellaneous appropriations	Economic development revolving fund
13-9911-0-1-376	13-4406-0-3-452
Department of State, fishermen's protective fund	Miscellaneous appropriations (area and regional divt.)
19-5116-0-2-376	13-9911-0-1-452
Federal Communications Commission, S&E	Small Business Administration, disaster relief and insurance, disaster loan fund
27-0100-0-1-376	73-4153-0-3-453
Federal Trade Commission, S&E	<i>Direct Loans</i>
29-0100-0-1-376	Department of Commerce, NTIA, Public telecommunications facilities, planning and construction
Securities and Exchange Commission, S&E	13-0551-0-1-503
50-0100-0-1-376	Department of Health and Human Services, vaccine improvement program trust fund
Small Business Administration, S&E	20-8175-0-7-551
73-0100-0-1-376	Department of Justice, federal law enforcement activities, General Admin., S&E
Office of the Inspector General	15-0129-0-1-751
73-0200-0-1-376	Department of Justice, working capital fund
Pollution control equipment contract guarantee revolving fund	15-4526-0-4-751
73-4147-0-3-376	Federal Bureau of Investigation, S&E
Business loan and investment fund	15-0200-0-1-751
73-4154-0-3-376	Interagency law enforcement, Organized crime drug enforcement
<i>Direct Loans</i>	15-0323-0-1-751
<i>Guaranteed Loans</i>	General Administration, Office of the Inspector General
Surety bond guarantees revolving fund	15-0328-0-1-751
73-4156-0-3-376	Emergency Drug funding
Christopher Columbus Quincentenary Jubilee Commission, S&E	15-0331-0-1-751
76-0800-0-1-376	United States Parole Commission, S&E
Competitiveness Policy Council	15-1061-0-1-751
95-3750-0-1-376	Drug Enforcement Administration, S&E
Advisory Commission on Conferences in Ocean Shipping, S&E	15-1100-0-1-751
48-2500-0-1-403	Immigration and Naturalization Service, S&E
Federal Maritime Commission, S&E	15-1217-0-1-751
65-0100-0-1-403	Immigration Emergency Fund
Maritime Administration, Ship construction	15-1218-0-1-751
69-1708-0-1-403	Equal Employment Opportunity Commission, S&E
Operating Differential subsidies	45-0100-0-1-751
69-1709-0-1-403	Commission on Civil Rights, S&E
Operations and Training	95-1900-0-1-751
69-1750-0-1-403	Supreme Court of the United States, S&E <sup>3</sup>
War risk insurance revolving fund	
69-4302-0-3-403	
Vessel operations revolving fund	
69-4303-0-3-403	
Economic Development Administration,	

	10-0100-0-1-752	National Institute of Corrections
	Care of the building and the grounds	15-1004-0-1-754
	10-0103-0-1-752	Commission on Security and Cooperation in Europe, S&E
Trade, S&E <sup>3</sup>	United States Court of International Trade, S&E <sup>3</sup>	09-0110-0-1-801
	10-0400-0-1-752	Dwight David Eisenhower Centennial Commission, expenses
	United States Court of Appeals for the Federal Circuit, S&E <sup>3</sup>	76-1700-0-1-801
	10-0510-0-1-752	Office of the United States Trade Representative, S&E
	Courts of Appeals, District Courts, and other judicial services, S&E <sup>3,3</sup>	11-0400-0-1-802
	[10-0920-0-1-752]	The Judiciary, Bicentennial activities
	Defender services	10-0933-0-1-808
	10-0923-0-1-752	Commission on the Bicentennial of the U.S. Constitution, S&E
	Fees of jurors and commissioners	76-0054-0-1-808
	10-0925-0-1-752	Martin Luther King, Jr. Federal Holiday Commission, S&E
	Administrative Office of the United States Courts, S&E	76-0600-0-1-808
	10-0927-0-1-752	Department of Justice, Working Capital Fund
	Federal judicial center, S&E	15-4526-0-4-751
	10-0928-0-1-752	DEFENSE
	Courts of Appeals, District Courts, and other judicial services, court security	Mildred and Claude Pepper Foundation
	10-0930-0-1-752	97-0826-0-1-552
	Furniture and furnishings	
	10-0932-0-1-752	DISTRICT OF COLUMBIA
	United States Sentencing Commission, S&E	Federal payment to the District of Columbia
	10-0938-0-1-752	20-1700-0-1-806
	Department of Justice, General Legal Activities, S&E	ENERGY AND WATER
	15-0128-0-1-752	Department of Energy, General science and research activities
	Antitrust division, S&E	89-0222-0-1-251
	15-0319-0-1-752	Office of the Nuclear Waste Negotiator, S&E
	United States Attorneys, S&E	48-0070-0-1-271
	15-0322-0-1-752	Nuclear Waste Technical Review Board, S&E
	United States Marshals Service, S&E	48-0500-0-1-271
	15-0324-0-1-752	Geothermal resources development fund
	Community Relations Service, S&E	89-0206-0-1-271
	15-0500-0-1-752	Energy supply, R&D activities
	Support of United States prisoners	89-0224-0-1-271
	15-1020-0-1-752	Uranium supply and enrichment activities
	Assets forfeiture fund <sup>2</sup>	89-0226-0-1-271
	15-5042-0-2-752	Environmental restoration and waste management
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	48-0052-0-1-752	
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	15-1003-0-1-753	
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	15-4500-0-4-753	
tance	Office of Justice Programs, Justice Assistance	
	15-0401-0-1-754	

89-0303-0-1-271  
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 89-0304-0-1-271  
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 89-4180-0-3-271  
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 89-4452-0-3-271  
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 89-5068-0-2-271  
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 89-5227-0-2-271  
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 31-0200-0-1-276  
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 89-0212-0-1-276  
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 89-0236-0-1-276  
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 14-0667-0-1-301  
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 14-0684-0-1-301  
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 Colorado River dam fund, Boulder Canyon project<sup>2</sup>  
 14-5656-0-2-301  
 Corps of Engineers, Inland waterways trust fund  
 20-8861-0-7-301  
 Delaware River Basin Commission, S&E  
 46-0100-0-1-301  
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 46-0102-0-1-301  
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 46-0500-0-1-301  
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 46-0501-0-1-301  
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 Corps of Engineers, operation and maintenance, general  
 96-3123-0-1-303  
 Contribution to Interstate Commission on the Potomac River Basin  
 46-0446-0-1-304  
 Appalachian Regional Commission, development programs  
 46-0200-0-1-452  
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 64-4110-0-3-452  
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 20-0112-0-1-271  
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 20-0114-0-1-271  
 Department of Energy, fossil energy research and development  
 89-0213-0-1-271  
 Naval petroleum and oil shale reserves  
 89-0219-0-1-271  
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 89-0235-0-1-271  
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 89-5180-0-2-271  
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 89-0215-0-1-272  
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 89-0233-0-1-274  
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	Energy Information Administration			14-1031-0-1-303
	89-0216-0-1-276			Department of the Interior, Operation
	Economic regulation			of the national park system
	89-0217-0-1-276			14-1036-0-1-303
	Department of Agriculture, Forest Service,			John F. Kennedy Center for the Per-
	Construction			forming Arts
	12-1103-0-1-302			14-1038-0-1-303
	Forest research			Construction
	12-1104-0-1-302			14-1039-0-1-303
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	12-1105-0-1-302			14-1042-0-1-303
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	12-1106-0-1-302			heritage-corridor Commission
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	12-1111-0-1-302			United States Fish and Wildlife Service,
	Range betterment fund			Resource management
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	special acts			14-1612-0-1-303
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	Acquisition of lands to complete land			14-1692-0-1-303
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	12-5216-0-2-302			14-5020-0-2-303
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	12-5220-0-1-302			14-5035-0-2-303
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	and rangeland research			14-5140-0-2-303
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	ment of lands and resources			14-5241-0-2-303
	14-1109-0-1-302			Advisory Council on Historic Preserva-
	Construction and access			tion, S&E
	14-1110-0-1-302			95-2300-0-1-303
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	14-1116-0-1-302			the Secretary, S&E
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	14-1119-0-1-302			Construction Management
	Office of Surface Mining Reclamation and			14-0103-0-1-306
	Enforcement, regulation and technology			Office of Inspector General
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	Minerals management service, leasing and			Office of the Solicitor
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	14-2100-0-1-302			tions and research <sup>2</sup>
	Bureau of Land Management, Working			14-0804-0-1-306
	capital fund			Bureau of Mines, mines and minerals
	14-4525-0-4-302			14-0959-0-1-306
	OSMRE, Abandoned mine reclamation			Soledad Canyon demonstration project <sup>1</sup>
	fund			National Park Service, ground transpor-
	14-5015-0-2-302			tation, Construction (trust fund)
	BLM, Service charges, deposits, and forfei-			14-8215-0-7-401
	tures			Pennsylvania Avenue Development
	14-5017-0-2-302			Corporation, S&E
	Land acquisition			42-0100-0-1-451
	14-5033-0-2-302			Public development
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42-0102-0-1-451  
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42-4084-0-3-451  
National Capital Planning Commission,  
S&B  
92-2500-0-1-451  
Commission of Fine Arts, S&B  
95-2600-0-1-451  
Bureau of Indian Affairs, Operation of  
Indian programs (Area and regional divt.)  
14-2100-0-1-452  
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14-2301-0-1-452  
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14-2303-0-1-452  
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14-2368-0-1-452  
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14-4409-0-3-452  
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Indian loan guaranty and insurance fund  
14-4410-0-3-452  
Guaranteed Loans  
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Indian Affairs, Operation of Indian programs  
(elementary, secondary, and vocational education)  
14-2100-0-1-501  
Department of Education, Office of Ele-  
mentary and Secondary Education, Indian Educa-  
tion  
91-0101-0-1-501  
Institute of American Indian and Alaska  
Native Culture, S&B  
95-2900-0-1-502  
Smithsonian Institution, S&B  
33-0100-0-1-503  
Museum programs and related research  
(special foreign)  
33-0102-0-1-503  
Construction and improvements, National  
Zoological Park  
33-0129-0-1-503  
Repair and restoration of buildings  
33-0132-0-1-503  
Construction  
33-0133-0-1-503  
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33-0200-0-1-503  
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buildings  
33-0201-0-1-503  
Woodrow Wilson International Center,  
S&B  
33-0400-0-1-503  
Payment to the endowment challenge fund  
33-0401-0-1-503  
National Endowment for the Arts, grants  
and administration  
59-0100-0-1-503

National Endowment for the Humani-  
ties, grants and administration  
59-0200-0-1-503  
Institute of Museum Services, grants and  
administration  
59-0300-0-1-503  
Commission of Fine Arts, National  
capital arts and cultural affairs  
95-2602-0-1-503  
Department of HHS, Indian Health Ser-  
vice, Tribal health admin.<sup>2</sup>  
73-0390-0-1-551  
Indian health facilities  
73-0391-0-1-551  
Federal Indian Health Administration  
73-0392-0-1-551  
Department of the Interior, National  
Indian Gaming Commission  
14-0118-0-1-806  
BLM, Payments in lieu of taxes  
14-1114-0-1-806  
U.S. Fish and Wildlife Service, National  
wildlife refuge fund<sup>2</sup>  
14-5091-0-2-806  
Territorial and Intl. Affairs, Admin. of  
territories<sup>3</sup>  
14-0412-0-1-808  
Trust Territory of the Pacific Islands  
14-0414-0-1-808  
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14-0415-0-1-808  
Office of Navajo and Hopi Indian  
Relocation, S&B  
48-1100-0-1-808  
Franklin Delano Roosevelt Memorial  
Commission, S&B  
76-0700-0-1-808  
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95-3300-0-1-808  
  
LABOR, HHS  
  
Department of Education, Office of  
Elementary and Secondary Education, Impact aid  
91-0102-0-1-501  
Chicago litigation settlement  
91-0220-0-1-501  
Office of Special Education and Reha-  
bilitative Services, Education for the handicapped  
91-0300-0-1-501  
Office of Vocational and Adult Educa-  
tion<sup>2</sup>  
91-0400-0-1-501  
OSERS, Payments to institutions for the  
handicapped (elementary, secondary, & voc.)  
91-0600-0-1-501  
OESE, Compensatory education for the  
disadvantaged  
91-0900-0-1-501



- School improvement program  
91-1000-0-1-501
- Office of Bilingual Education and Minority Languages Affairs, Bilingual and immigrant education  
91-1300-0-1-501
- National Commission on Migrant Education, S&E  
95-0600-0-1-501
- Higher Education, Natl. Commission on Responsibilities for Financing Post sec.  
48-0400-0-1-502
- Department of Education, Office of Post-secondary Educ., Student Financial Assistance  
91-0200-0-1-502
- Higher education  
91-0201-0-1-502
- College housing and academic facilities loans<sup>3</sup>  
91-0242-0-1-502
- Direct Loans  
OSERS, Payments to institutions for the handicapped (Higher education)  
91-0601-0-1-502
- Payments to institutions for the handicapped (Higher education)  
91-0602-0-1-502
- Office of Postsecondary Education, Howard University  
91-0603-0-1-502
- Corporation for Public Broadcasting fund  
20-0151-0-1-503
- Department of Education, Office of Educational Research and Improvement, Libraries  
91-0104-0-1-503
- Departmental Management, Program admin. (Research and general education aids)  
91-0800-0-1-503
- Office of Educational Research and Improvement, Research, Statistics, and improvement of practice  
91-1100-0-1-503
- Natl. Commission on Libraries and Information Science, S&E  
95-2700-0-1-503
- White House conference on library and information services  
95-2701-0-1-503
- Department of Labor, Employment and Training Administration, program admin.  
16-0172-0-1-504
- Training and employment services  
16-0174-0-1-504
- Community service employment for older Americans  
16-0175-0-1-504
- Worker Readjustment  
16-0176-0-1-504
- State unemployment insurance and employment service operations  
16-0179-0-1-504
- Unemployment Trust fund (Training and employment)<sup>2</sup>  
20-8042-0-7-504
- Department of Health and Human Services, Family Support Admin., Work Incentives  
75-1505-0-1-504
- Department of Labor, Labor-Management Services, S&E  
16-0104-0-1-505
- Employment Standards Administration, S&E  
16-0105-0-1-505
- Departmental Management, Office of the Inspector General  
16-0106-0-1-505
- Special foreign currency program  
16-0151-0-1-505
- Salaries and Expenses  
16-0165-0-1-505
- Bureau of Labor Statistics, S&E  
16-0200-0-1-505
- National Labor Relations Board, S&E  
63-0100-0-1-505
- Federal Mediation and Conciliation Service, S&E  
93-0100-0-1-505
- National Mediation board, S&E  
95-2400-0-1-505
- ACTION, Operating expenses  
44-0103-0-1-506
- Department of HHS, Family Support Admin., Grants to states for special services  
75-1504-0-1-506
- Human development services  
75-1636-0-1-506
- National Council on Disability, S&E  
95-3500-0-1-506
- Department of HHS, Health resources and services (health care services)  
75-0350-0-1-551
- Health Care Financing Administration, program management (Health care services)  
75-0511-0-1-551
- Centers for Disease Control, Disease control, research and training (Health care services)  
75-0943-0-1-551
- Assistant Secretary for Health, Public health service management (Health care services)  
75-1101-0-1-551
- Alcohol, Drug Abuse, and Mental Health Administration, Federal subsidy for Saint Elizabeths Hospital  
75-1300-0-1-551
- Alcohol, drug abuse, and mental health (Health care services)  
75-1361-0-1-551
- HCFA, Program management (Health research)

- 75-0511-0-1-552  
National Institutes of Health, Natl. Library of Medicine (Health research)
- 75-0807-0-1-552  
John E. Fogarty International Center
- 75-0819-0-1-552  
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- 75-0838-0-1-552  
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- 75-0843-0-1-552  
Natl. Institute of Child Health and Human Development
- 75-0844-0-1-552  
Office of the Director (Health Research)
- 75-0846-0-1-552  
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- 75-0848-0-1-552  
National Cancer Institute (Health research)
- 75-0849-0-1-552  
National Institute of General Medical Science (Health Research)
- 75-0851-0-1-552  
National Institute of Environmental Health Sciences (Health research)
- 75-0862-0-1-552  
National Heart, Lung and Blood Institute (Health research)
- 75-0872-0-1-552  
National Institute of Dental Research (Health Research)
- 75-0873-0-1-552  
National Institute of Diabetes and Digestive and Kidney Disease
- 75-0884-0-1-552  
National Institute of Allergy and Infectious Diseases (Health Research)
- 75-0885-0-1-552  
National Institute of Neurological Disorders and Stroke (Health Research)
- 75-0886-0-1-552  
National Eye Institute (Health research)
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- 75-0888-0-1-552  
National Center for Nursing Research (Health Research)
- 75-0889-0-1-552  
National Institute on Deafness and other Communicative Disorders
- 75-0890-0-1-552  
National center for human genome research (Health research)
- 75-0891-0-1-552  
Centers for Disease Control, Disease control, research, and training (Health Research)
- 75-0943-0-1-552  
Assistant Secretary for Health, Public health management (Health Research)
- 75-1101-0-1-552  
Scientific activities overseas (special foreign currency program)
- 75-1102-0-1-552  
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- 75-1105-0-1-552  
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- 75-1361-0-1-552  
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- 75-1700-0-1-552  
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- 75-0350-0-1-553  
National Library of Medicine (Education and training of health workers)
- 75-0807-0-1-553  
National Institute on Aging (Educ. and training of health care workers)
- 75-0843-0-1-553  
National Institute of Child Health & Human Dvlt. (Educ. and training of health workers)
- 75-0844-0-1-553  
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- 75-0846-0-1-553  
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- 75-0848-0-1-553  
National Cancer Institute (Education and training of health care workers)
- 75-0849-0-1-553  
National Institute of General Medical Sciences (Educ., etc.)
- 75-0851-0-1-553  
National Institute of Environmental Health Sciences (Educ., etc.)
- 75-0862-0-1-553  
National Heart, Lung and Blood Institute (educ., etc.)
- 75-0872-0-1-553  
National Institute of Dental Research (Educ., etc.)
- 75-0873-0-1-553  
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- 75-0884-0-1-553  
National Institute of Allergy and Infectious Diseases (Educ., etc.)
- 75-0885-0-1-553  
National Institute of Neurological Disorders and Stroke (Educ., etc.)
- 75-0886-0-1-553  
National Eye Institute (Educ., etc.)
- 75-0887-0-1-553  
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- 75-0888-0-1-553

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National Institute on Deafness and other Communicative Disorders	Social Security Administration, Supplemental security income program <sup>3</sup>
75-0890-0-1-553	75-0406-0-1-609
National center for human genome research (Educ., etc.)	Family Support Administration, Program administration
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75-1361-0-1-553	75-1502-0-1-609
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75-4306-0-3-553	75-1503-0-1-609
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75-4307-0-3-553	20-8006-0-7-651
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16-0400-0-1-554	20-8007-0-1-651
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95-2100-0-1-554	84-8932-0-7-705
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95-2800-0-1-554	75-0135-0-1-751
Medicare, HCFA, Federal supplementary medical insurance trust fund <sup>2</sup>	Department of Education, Departmental Management, Office for Civil Rights
20-8004-0-7-571	91-0700-0-1-751
Medicare, HCFA, Federal hospital insurance trust fund <sup>2</sup>	Office of the Inspector General
20-8005-0-7-571	91-1400-0-1-751
Department of Labor, Pension Benefit Guaranty Corporation fund <sup>2</sup>	Legislative Branch, National Commission on Children
16-4204-0-3-601	09-1050-0-1-801
Employment Standards Adm, Special workers' compensation expenses <sup>2</sup>	United States Bipartisan Commission on Comprehensive Health
16-9971-0-7-601	09-1100-0-1-801
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60-0111-0-1-601	09-1300-0-1-801
Railroad social security equivalent benefit account <sup>2</sup>	National Commission to Prevent Infant Mortality
60-8010-0-7-601	48-1500-0-1-808
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60-8011-0-7-601	Library of Congress, Copyright Office, S&E
Supplemental Annuity Pension Fund <sup>2</sup>	03-0102-0-1-376
60-8012-0-7-601	Copyright Royalty Tribunal: S&E
Department of Labor, Employment and Training Administration, unemployment trust fund (unemployment compensation) <sup>2</sup>	09-0310-0-1-376
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75-0122-0-1-609	Books for the blind and physically handicapped, S&E
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Conservation and land management,  
Conservation operations  
12-1000-0-1-302  
Resource conservation and development  
12-1010-0-1-302  
Great plains conservation program  
12-2268-0-1-302  
Agricultural Stabilization and Conservation  
Service, Agricultural conservation program  
12-3315-0-1-302  
Water Bank program  
12-3320-0-1-302  
Forestry incentives program  
12-3336-0-1-302  
Pollution control and abatement, Depart-  
mental Admin., Hazardous waste management  
12-0500-0-1-304  
ASCS, Colorado river basin salinity control  
program  
12-3318-0-1-304  
Rural clean water program  
12-3337-0-1-304  
Farm income stabilization, Federal Crop  
Insurance Corporation, Administrative and operat-  
ing expenses  
12-2707-0-1-351  
ASCS, S&B  
12-3300-0-1-351  
Food and Nutrition Service, Temporary  
emergency food assistance program<sup>3</sup>  
12-3635-0-1-351  
Farmers Home Administration, Agricul-  
tural credit insurance fund<sup>2,3</sup>  
12-4140-0-3-351  
*Direct Loans*  
*Guaranteed Loans*  
Farm Credit Administration, Revolving  
fund for administrative expenses<sup>2</sup>  
78-4131-0-3-351  
Department of Agriculture, Office of the  
Secretary  
12-0115-0-1-352  
Departmental Administration, Rental pay-  
ments and building operations and maintenance  
12-0117-0-1-352  
Advisory committees  
12-0118-0-1-352  
Departmental Administration  
12-0120-0-1-352  
Office of public affairs  
12-0130-0-1-352  
National Agricultural Library  
12-0300-0-1-352  
Extension Service  
12-0502-0-1-352  
Departmental Administration, Office of  
budget and program analysis

12-0503-0-1-352  
Office of the Inspector General  
12-0900-0-1-352  
Agricultural Research Service  
12-1400-0-1-352  
Buildings and facilities  
12-1401-0-1-352  
Office on International Cooperation and  
Development, Scientific activities overseas (foreign  
currency program)  
12-1404-0-1-352  
Cooperative State Research Service<sup>2</sup>  
12-1500-0-1-352  
Animal and Plant Health Inspection  
Service, S&B  
12-1600-0-1-352  
Buildings and facilities  
12-1601-0-1-352  
Economic Research Service  
12-1701-0-1-352  
National Agricultural Statistics Service  
12-1801-0-1-352  
World Agricultural Outlook Board  
12-2100-0-1-352  
Office of the General Counsel  
12-2300-0-1-352  
Federal Grain Inspection Service, S&B  
12-2400-0-1-352  
Agricultural Marketing Services  
12-2500-0-1-352  
Payments to states and possessions  
12-2501-0-1-352  
Packers and Stockyards Administration  
12-2600-0-1-352  
Office of Transportation  
12-2800-0-1-352  
Foreign Agricultural Service  
12-2900-0-1-352  
Agricultural Cooperative Service  
12-3000-0-1-352  
Office of International Cooperation and  
Development  
12-3200-0-1-352  
Human Nutrition Information Service  
12-3501-0-1-352  
Departmental Administration, working  
capital fund  
12-4609-0-4-352  
Ameriflora Conference<sup>1</sup>  
12-8880-0-1-352  
Farmers Home Administration, Com-  
pensation for construction defects  
12-2071-0-1-371  
Rural housing insurance fund<sup>2,3</sup>  
12-4141-0-3-371  
*Direct Loans*  
*Guaranteed Loans*  
Commodity Futures Trading Commis-  
sion  
95-1400-0-1-376

Department of Agriculture, FHA, S&B 12-2001-0-1-452	69-0320-01-304
Rural development grants 12-2065-0-1-452	Offshore and pollution compensation fund
Rural water and waste disposal grants 12-2066-0-1-452	69-5167-0-2-304
Rural community fire protection grants 12-2067-0-1-452	Deepwater port liability fund 69-5170-0-2-304
REA, Purchase of rural telephone bank capital stock	Interstate Commerce Commission, S&B 30-0100-0-1-401
12-3102-0-1-452	Dept. of Transportation, Federal Rail- road Administration, Northeast corridor improve- ment program
FHA, rural development insurance fund <sup>2,3</sup> 12-4155-0-3-452	69-0123-0-1-401
<i>Direct Loans</i>	Federal Highway Administration, Motor carrier safety
<i>Guaranteed Loans</i>	69-0552-0-1-401
REA, rural telephone bank <sup>2</sup> 12-4231-0-3-452	Railroad-highway crossings demonstra- tion projects
<i>Direct Loans</i>	69-0557-0-1-401
FHA, rural development loan fund 12-4233-0-3-452	National Highway Traffic Safety Admin- istration, Operations and research
<i>Direct Loans</i>	69-0650-0-1-401
Pollution abatement grant <sup>1</sup>	Miscellaneous safety programs 69-0651-0-1-401
Emergency community water assistance <sup>1</sup>	Federal Railroad Administration, Office of the Administrator
ASCS, Emergency conservation program 12-3316-0-1-453	69-0700-0-1-401
Food Safety and Inspection Service, S&B 12-3700-0-1-554	Railroad safety 69-0702-0-1-401
Food and Drug Administration, Program expenses	Grants to National Railroad Passenger Corporation
75-0600-0-1-554	69-0704-0-1-401
Buildings and Facilities 75-0603-0-1-554	Amtrak corridor improvement loans 69-0720-0-1-401
Department of Agriculture, FHA, Rural housing voucher program	<i>Direct Loans</i>
12-2002-0-1-604	Railroad research and development 69-0745-0-1-401
Rural housing for domestic farm labor 12-2004-0-1-604	Conrail commuter transition assistance 69-0747-0-1-401
Mutual and self-help housing 12-2006-0-1-604	Urban Mass Transportation Administra- tion, Administrative expenses
Very low income housing repair grants 12-2064-0-1-604	69-1120-0-1-401
Rural housing preservation grants 12-2070-0-1-604	Research, training, and human resources 69-1121-0-1-401
FNS, Food donations programs for selected groups <sup>3</sup>	Interstate transfer grants-transit 69-1127-0-1-401
12-3503-0-1-605	Washington Metro 69-1128-0-1-401
Food program administration 12-3508-0-1-605	Formula grants 69-1129-0-1-401
Special supplemental food program for women, infants, and children 12-3510-0-1-605	Federal Railroad Administration, Re- gional rail reorganization program 69-4100-0-3-401
Commodity supplemental food program 12-3512-0-1-605	Railroad rehabilitation and improvement financing funds <sup>2</sup>
TRANSPORTATION SUBCOMMITTEE	69-4411-0-3-401
Department of Transportation, Coast Guard, Offshore oil pollution compensation fund 69-5167-0-2-304	Federal Highway Administration, Trust fund share of other highway programs 69-8009-0-7-401
Environmental compliance and restoration	Baltimore-Washington Parkway 69-8014-0-7-401

National Highway Traffic Safety Admin., Operations and research (trust fund share)	69-8016-0-7-401	Reserve training	69-0242-0-1-403
Federal Highway Administration, Highway safety research and development	69-8017-0-7-401	Research, development, test, and evaluation	69-0243-0-1-403
Highway-related safety grants <sup>2</sup>	69-8019-0-7-401	Alteration of bridges	69-0244-0-1-403
National Highway Traffic Safety Administration, Highway traffic safety grants <sup>2</sup>	69-8020-0-7-401	Coast Guard supply fund	69-4535-0-4-403
Federal Highway Administration, Motor carrier safety grants <sup>2</sup>	69-8048-0-7-401	Coast Guard yard fund	69-4743-0-4-403
University transportation centers	69-8065-0-7-401	Saint Lawrence Seaway Development Corporation, Operations and maintenance	69-8003-0-7-403
Federal-aid highways <sup>2</sup>	69-8083-0-7-401	Coast Guard, Boat Safety	69-8149-0-7-403
Urban Mass Transportation Administration, Discretionary grants <sup>2</sup>	69-8191-0-7-401	Panama Canal Commission, Panama Canal revolving fund	95-4061-0-3-403
Federal Highway Administration, Right-of-way revolving fund (trust revolving fund)	69-8402-0-8-401	Department of Transportation, Office of the Sec., S&E	69-0102-0-1-407
Trust fund		Research and Special Programs Administration, Research and Special programs	69-0104-0-1-407
Direct Loans		Office of Commercial Space Transportation, Operations and Research	69-0108-0-1-407
Local rail service assistance <sup>1</sup>		Office of the Inspector General, S&E	69-0130-0-1-407
Miscellaneous appropriations	69-9911-0-1-401	Office of the Secretary, Transportation, planning, research and development	69-0142-0-1-407
Urban Mass Transportation and Administration, Miscellaneous expired accounts	69-9913-0-1-401	Commission on aviation security and terrorism	69-1850-0-1-407
Federal Highway Administration, Miscellaneous highway trust funds	69-9972-0-7-401	Working capital fund	69-4520-0-4-407
Air transportation, Office of the Secretary, Payments to air carriers, DoT	69-0150-0-1-402	Research and Special Programs Administration, Pipeline safety	69-5172-0-2-407
Federal Aviation Administration, Operations		National Transportation Safety Board, S&E	95-0310-0-1-407
Aviation insurance revolving fund	69-4120-0-3-402	Architectural and Transportation Barriers Compliance Board, S&E	95-3200-0-1-751
Trust fund share of FAA operations	69-8104-0-7-402	Financial Management Service, St Lawrence Seaway toll rebate program	20-8865-0-7-808
Grants-in-aid for airports (Airport and airway trust fund) <sup>2</sup>	69-8106-0-7-402		
Facilities and equipment (Airport and airway trust fund)	69-8107-0-7-402	TREASURY-POSTAL SERVICE	
Research, engineering and development (Airport and airway trust fund)	69-8108-0-7-402	Payments to the Postal Service, Payment to the Postal Service fund	18-1001-0-1-372
Water transportation, Coast Guard, Operating expenses	69-0201-0-1-403	Disaster relief and insurance, Funds Appropriated to the President, Unanticipated Needs, natural disasters	11-0033-0-1-453
Acquisition, construction, and improvements	69-0240-0-1-403		

Committee for Purchase from the Blind and other Severely Handicapped, S&B 95-2000-0-1-505	Special Assistance to the President, S&B 11-1454-0-1-802
Health care services, Executive Office of the President, White House Conference for a Drug Free America, S&B 11-0212-0-1-551	Office of National Drug Control Policy, S&B 11-1457-0-1-802
Office of Personnel Management, Civil service retirement and disability fund <sup>2</sup> 24-8135-0-7-602	Council of Economic Advisers, S&B 11-1900-0-1-802
Department of the Treasury, Federal Law Enforcement Training Center, S&B 20-0104-0-1-751	National Security Council, S&B 11-2000-0-1-802
Acquisitions, construction, improvements, and related expense 20-0105-0-1-751	Office of Policy Development, S&B 11-2200-0-1-802
United States Customs Service, S&B <sup>2</sup> 20-0602-0-1-751	Office of National Drug Control Policy, Special forfeiture fund 11-5001-0-2-802
U. S. Customs, Financial crimes enforcement <sup>1</sup> Operation and maintenance, air interdiction program 20-0604-0-1-751	General Services Administration, Allowances and office staff for former Presidents 47-0105-0-1-802
Bureau of Alcohol, Tobacco, and Firearms, S&B 20-1000-0-1-751	Department of the Treasury, Departmental Offices, S&B 20-0101-0-1-803
United States Secret Service, S&B 20-1408-0-1-751	Office of the Inspector General 20-0106-0-1-803
Administrative Conference of the United States, S&B 95-1700-0-1-751	International affairs 20-0171-0-1-803
Federal litigative and judicial activities, U.S. Tax Court, S&B 23-0100-0-1-752	Bureau of the Public Debt, Administering the public debt 20-0560-0-1-803
Executive direction and management, Funds Appropriated to the President, Unanticipated needs 11-0037-0-1-802	Internal Revenue Service, Administration and management 20-0911-0-1-803
Executive Office of the President, Office of Administration, S&B 11-0038-0-1-802	Processing tax returns and assistance 20-0912-0-1-803
Funds Appropriated to the President, Investment in Management Improvement 11-0061-0-1-802	Tax law enforcement 20-0913-0-1-803
Executive Office of the president, The White House Office, S&B 11-0110-0-1-802	IRS, information system 20-0919-0-1-803
National Critical Materials Council, S&B 11-0111-0-1-802	United States Mint, S&B 20-1616-0-1-803
Office of Management and Budget, Office of Federal Procurement Policy, S&B 11-0201-0-1-802	Financial Management Service, S&B 20-1801-0-1-803
Executive Residence at the White House, Operating expenses 11-0210-0-1-802	Departmental Offices, Working capital fund 20-4501-0-4-803
Official Residence of the Vice President, Operating expenses 11-0211-0-1-802	Bureau of Engraving and Printing Fund 20-4502-0-4-803
OMB, S&B 11-0300-0-1-802	United States Customs Service, Customs forfeiture fund 20-5693-0-2-803
	United States Mint, Expansion and improvements 20-9911-0-1-803
	General Services Administration, General Activities, Office of Inspector General 47-0108-0-1-804
	General management and administration, salaries and expenses 47-0110-0-1-804
	Personal Property Activities, Federal supply service 47-0116-0-1-804



Operating expenses, federal property resources service	Office of the Inspector General
47-0533-0-1-804	49-0300-0-1-251
Real property relocation	Space Flight, National Aeronautics and Space Administration, Research and program management (Space Flight)
47-0535-0-1-804	80-0103-0-1-253
Operating expenses, information resources management service	Space flight, control, and data communications (Space Flight)
47-0900-0-1-804	80-0105-0-1-253
Real Property Activities, Federal buildings fund	Construction of facilities (Space Flight)
47-4542-0-4-804	80-0107-0-1-253
Information Resources Management Service, Information technology fund	Research and development (Space Flight)
47-4548-0-4-804	80-0108-0-1-253
National Archives and Records Administration, operating expenses	Space, science, applications, and technology, Research and program management (Space science, applications)
88-0300-0-1-804	80-0103-0-1-254
Central personnel management, OPM, S&E	Construction of facilities (Space, science, applications)
24-0100-0-1-805	80-0107-0-1-254
Office of the Inspector General	Research and development (Space, science, applications)
24-0400-0-1-805	80-0108-0-1-254
Revolving fund	Supporting space activities, Research and program management (Supporting space activities)
24-4571-0-4-805	80-0103-0-1-255
Merit Systems Protection Board, S&E	Space flight, control, and data communications (supporting space activities) <sup>2</sup>
41-0100-0-1-805	80-0105-0-1-255
Federal Labor Relations Authority, S&E	Construction of facilities (Supporting space activities)
54-0100-0-1-805	80-0107-0-1-255
Office of Government Ethics, S&E	Research and development (Supporting space activities)
95-1100-0-1-805	80-0108-0-1-255
Advisory Committee on Federal Pay, S&E	Office of the Inspector General
95-1800-0-1-805	80-0109-0-1-255
Department of the Treasury, United States Customs Service, customs services at small airports	Environmental Protection Agency, Research and development (Energy supply)
20-5694-0-2-808	68-0107-0-1-271
Advisory Commission on Intergovernmental Relations, S&E	Pollution control and abatement, Hazardous substance superfund
55-0100-0-1-808	20-8145-0-7-304
Office of Special Counsel, S&E	Leaking underground storage tank trust fund
62-0100-0-1-808	20-8153-0-7-304
Federal Election Commission, S&E	Operations, research, and facilities
95-1600-0-1-808	68-0100-0-1-304
VETERAN'S, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES	Construction grants
National Science Foundation, Research and related activities	68-0103-0-1-304
49-0100-0-1-251	Scientific activities overseas (Special foreign currency program)
Scientific activities overseas (special foreign currency program)	68-0104-0-1-304
49-0102-0-1-251	Research and development (Pollution control and abatement)
Science and engineering education activities	68-0107-0-1-304
49-0106-0-1-251	Abatement, control, and compliance
Academic research facilities	68-0108-0-1-304
49-0150-0-1-251	
U.S. Antarctic program activities	
49-0200-0-1-251	
U.S. Antarctic logistical support activities	
49-0202-0-1-251	

<i>Direct loans</i>	86-0162-0-1-451
Buildings and facilities	<i>Guaranteed Loans</i>
68-0110-0-1-304	Subsidized Housing programs (commu-
Office of the Inspector General	nity development)
68-0112-0-1-304	86-0164-0-1-451
Salaries and expenses	Urban Development action grants
68-0200-0-1-304	86-0170-0-1-451
Resolution Trust Corporation, OIG	Urban homesteading
22-1500-0-1-371	86-0171-0-1-451
Mortgage credit and deposit insurance,	Rental rehabilitation grants
National Credit Union Administration, Central	86-0182-0-1-451
liquidity facility	Rental housing assistance for the home-
25-4470-0-3-371	less
<i>Direct Loans</i>	86-0187-0-1-451
Department of Housing and Urban Devel-	Management and Administration, Office
opment, FHA mutual mortgage and cooperative	of the Inspector General
housing insurance funds <sup>2,3</sup>	86-0189-0-1-451
86-4070-0-3-371	Community Planning and Development,
<i>Direct Loans</i>	Rehabilitation loan fund
<i>Guaranteed Loans</i>	86-4036-0-3-451
FHA general and special risk insurance	<i>Direct Loans</i>
funds <sup>2,3</sup>	Urban Renewal Project Proceeds <sup>1</sup>
86-4072-0-3-371	Federal Emergency Management
<i>Direct Loans</i>	Agency, S&E (disaster relief and insurance)
<i>Guaranteed Loans</i>	58-0100-0-1-453
Housing for the elderly or handicapped	Emergency management planning and
fund	assistance
86-4115-0-3-371	58-0101-0-1-453
<i>Direct Loans</i>	Disaster relief
GNMA, Guarantees of mortgage-backed	58-0104-0-1-453
securities <sup>2</sup>	Office of the Inspector General
86-4238-0-3-371	58-0300-0-1-453
<i>Secondary Loan Guarantees</i>	Points of Light Foundation
General Services Administration, General	11-0055-0-1-506
Activities, Consumer information center fund	National Service Agency <sup>1</sup>
47-4549-0-3-376	Department of Health and Human Ser-
Payment to the National Institute of Build-	vices, Office of the Secretary, Office of Consumer
ing Sciences	Affairs
95-3601-0-1-376	75-0137-0-1-506
National Aeronautics and Space Adminis-	Department of HUD, Housing counsel-
tration (research and program management - Air	ing assistance
transportation)	86-0156-0-1-506
80-0103-0-1-402	Consumer Product Safety Commission,
Construction of facilities (air transporta-	S&E
tion)	61-0100-0-1-554
80-0107-0-1-402	Interagency Council on the Homeless
Research and development (air transporta-	48-1300-0-1-604
tion)	Department of HUD, Management and
80-0108-0-1-402	Administration, S&E
—	86-0143-0-1-604
Payment to the Neighborhood Reinvest-	Public and Indian Housing Programs,
ment Corporation	payments for operation of low income housing
82-1300-0-1-451	projects
Department of Housing and Urban Devel-	86-0163-0-1-604
opment, Policy Development and Research, Re-	Subsidized housing programs (housing
search and technology	assistance)
86-0108-0-1-451	86-0164-0-1-604
Management and Administration, S&E	Congregate services program
86-0143-0-1-451	86-0178-0-1-604
Community development grants	Community Planning and Development,

Emergency shelter grants program  
86-0181-0-1-604  
Transitional housing program  
86-0188-0-1-604  
Section 8 moderate rehabilitation, single  
room occupancy  
86-0195-0-1-604  
Home ownership and opportunity for  
people everywhere  
86-0196-0-1-604  
Drug elimination grants, low income  
housing  
86-0197-0-1-604  
Nonprofit sponsor assistance  
86-4042-0-3-604  
*Direct Loans*  
Flexible subsidy fund  
86-4044-0-3-604  
*Direct Loans*  
Nehemiah housing opportunity fund  
86-4071-0-1-604  
*Direct Loans*  
Public Housing Commission  
86-788[0]-0-1-604  
Native American Housing Commission  
86-788[8]-0-1-604  
FEMA, emergency food and shelter pro-  
gram  
58-0103-0-1-605  
Department of Veterans Affairs, veterans  
job training  
36-0103-0-1-702  
Vocational rehabilitation revolving fund  
36-4114-0-3-702  
Education loan fund  
36-4118-0-3-702  
Construction, major projects  
36-0110-0-1-703  
Construction, minor projects  
36-0111-0-1-703  
Grants to the Republic of the Philippines  
36-0144-0-1-703  
Medical administration and miscellaneous  
operating expenses  
36-0152-0-1-703  
Medical care  
36-0160-0-1-703  
Medical and prosthetic research  
36-0161-0-1-703  
Grants for construction of state extended  
care facilities  
36-0181-0-1-703  
Nursing home revolving fund  
36-4013-0-3-703  
Parking garage revolving fund  
36-4538-0-3-703  
Veterans housing, direct loan revolving  
fund  
36-4024-0-3-704  
*Direct Loans*

Cemeterial expenses, Army, S&E  
21-1805-0-1-705  
Departmental Administration, General  
operating expenses  
36-0151-0-1-705  
Office of the Inspector General  
36-0170-0-1-705  
Grants for the construction of State  
veterans cemeteries  
36-0183-0-1-705  
American Battle Monuments Commis-  
sion, S&E  
74-0100-0-1-705  
Court of Veterans Appeals, S&E  
95-0300-0-1-705  
Department of HUD, Management and  
Administration, S&E  
86-0143-0-1-751  
Fair Housing activities  
86-0144-0-1-751  
Executive Office of the President,  
National Space Council, S&E  
11-0020-0-1-802  
Council on Environmental Quality and  
Office of Environmental  
11-1453-0-1-802  
Office of Science and Space Technology  
Policy, S&E  
11-2600-0-1-802  
Department of the Treasury, Office of  
Revenue Sharing, S&E  
20-0107-0-1-806

[Notes for the list "APPROPRIATED DOMESTIC  
DISCRETIONARY ACCOUNTS FOR FISCAL YEAR  
1991" that appears at pp. 458-474:]

<sup>1</sup> Treasury identification number not yet  
assigned.

<sup>2</sup> Portion of account is non-appropriated  
permanent.

<sup>3</sup> Portion of account is mandatory.

This list of "DISCRETIONARY APPROPRIATIONS  
CATEGORIES" on pp. 454-474 appears in the joint  
statement of managers accompanying the confer-  
ence report on the Budget Enforcement Act. See  
H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess.  
1180-218 (1990), reprinted in 1990 U.S.C.C.A.N.  
2374, 2885-923.

§ 251

**SEC. 251.<sup>1199</sup> ENFORCING DISCRETIONARY SPENDING LIMITS.<sup>1200</sup>**

§ 251(a)

**(a) FISCAL YEARS 1991-1998<sup>1201</sup> ENFORCEMENT. —**

§ 251(a)(1)

**(1) SEQUESTRATION.<sup>1202</sup> — Within 15 calendar days after Congress adjourns<sup>1203</sup> to end a session and on the same day as a sequestration (if any) under section 252 and section 253, there shall be a sequestration to eliminate a budget-year breach,<sup>1204</sup> if any, within any category.<sup>1205</sup>**

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<sup>1199</sup> Section 251 is codified as amended at 2 U.S.C. § 901 (Supp. IV 1992), *amended* by the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c), 107 Stat. 312 (1993). Section 13101(a) of the Budget Enforcement Act amended section 251 to read substantially as it does now. *See infra* p. 701. For excerpts from the statement of managers accompanying the conference report on the Budget Enforcement Act explaining section 251, *see infra* note 1302 (at the end of this section).

<sup>1200</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See infra* pp. 475-502, 523-533.

<sup>1201</sup> Section 14002(c)(1)(A) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(1)(A), 107 Stat. 312 (1993), changed this reference to "1998" from "1995." Section 14001 of that Act states that "[t]he Congress declares that it is essential to . . . extend the system of discretionary spending limits for the single discretionary category . . . ." *Id.* § 14001. For legislative history of the extension, *see supra* notes 870 & 936 & *infra* note 1807.

<sup>1202</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1203</sup> What happens if the Congress recesses to end the first session of a Congress? Congress plainly intended to require annual review of legislation. This language should be read as "adjourns or recesses to end a session."

<sup>1204</sup> Section 250(c)(3) defines "breach." *See supra* p. 440.

<sup>1205</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

For an example of an end-of-year sequester under this paragraph, *see, e.g.,* OFFICE OF MANAGEMENT AND BUDGET, FINAL OMB SEQUESTER REPORT TO THE PRESIDENT (continued...)

§ 251(a)(2)

(2) **ELIMINATING A BREACH.**<sup>1206</sup> — Each non-exempt account<sup>1207</sup> within a category<sup>1208</sup> shall be reduced by a dollar amount calculated by multiplying the baseline<sup>1209</sup> level of sequestrable budgetary resources<sup>1210</sup> in that account at that time by the uniform percentage necessary to eliminate a breach within that category; except that the health programs set forth in section 256(e) shall not be reduced by more than 2 percent and the uniform percent applicable to all other programs under this paragraph shall be increased (if necessary) to a level sufficient to eliminate that breach. If, within a category, the discretionary spending limits<sup>1211</sup> for both new budget authority<sup>1212</sup> and outlays<sup>1213</sup> are breached,

<sup>1206</sup>(...continued)

AND CONGRESS FOR FISCAL YEAR 1991, H.R. DOC. NO. 102-11, 102d Cong., 1st Sess. (Nov. 9, 1990) (\$395 million, 1.9% sequester in international discretionary budget authority as a result of a drafting error in the H.R. 5114, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, Pub. L. No. 101-513, 104 Stat. 1979); PRESIDENT OF THE U.S., FINAL SEQUESTER ORDER, FISCAL YEAR 1991, H.R. DOC. NO. 102-10, 102d Cong., 1st Sess. (Nov. 9, 1990) (same).

<sup>1206</sup> Section 250(c)(3) defines "breach." *See supra* p. 440.

<sup>1207</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1208</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

<sup>1209</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1210</sup> Section 250(c)(6) defines "budgetary resources." *See supra* p. 443.

<sup>1211</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1212</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1213</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

the uniform percentage shall be calculated by —

§ 251(a)(2)(A)

(A) first, calculating the uniform percentage necessary to eliminate the breach<sup>1214</sup> in new budget authority,<sup>1215</sup> and

§ 251(a)(2)(B)

(B) second, if any breach<sup>1216</sup> in outlays<sup>1217</sup> remains, increasing the uniform percentage to a level sufficient to eliminate that breach.

§ 251(a)(3)

(3) **MILITARY PERSONNEL.** — If the President uses the authority to exempt any military personnel from sequestration<sup>1218</sup> under section 255(h),<sup>1219</sup> each account<sup>1220</sup> within subfunctional category 051 (other than

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<sup>1214</sup> Section 250(c)(3) defines "breach." *See supra* p. 440.

<sup>1215</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1216</sup> Section 250(c)(3) defines "breach." *See supra* p. 440.

<sup>1217</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1218</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1219</sup> *See infra* p. 576. This reference refers to the section 255(h) at the end of section 255, dealing with "OPTIONAL EXEMPTION OF MILITARY PERSONNEL," not the section 255(h) that preexisted the Budget Enforcement Act, dealing with "LOW-INCOME PROGRAMS." *See infra* p. 576. Section 13101(c)(4) of the Budget Enforcement Act added the subsection (h) dealing with "OPTIONAL EXEMPTION OF MILITARY PERSONNEL" "at the end" of section 255. *See infra* p. 703. As section 13101(c)(4) of the Budget Enforcement Act simply added the new subsection (h) at the end of section 255 and did not amend the existing subsection (h) to read as the new subsection (h), Congress evidently wanted to add another subsection and not to repeal the existing subsection (h). As subsections (h) and (i) already existed, however, the Budget Enforcement Act should have added a new subsection (j) at the end of section 255, or perhaps have inserted the new subsection (h) in place of the existing subsection (f), which at least some drafters of the Budget Enforcement Act intended to repeal. The reference here then should have been to subsection (j) or subsection (f), as the case may have been.

<sup>1220</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

those military personnel accounts for which the authority provided under section 255(h)<sup>1221</sup> has been exercised) shall be further reduced by a dollar amount calculated by multiplying the enacted level of non-exempt budgetary resources<sup>1222</sup> in that account at that time by the uniform percentage necessary to offset the total dollar amount by which outlays<sup>1223</sup> are not reduced in military personnel accounts by reason of the use of such authority.

§ 251(a)(4) (4) PART-YEAR APPROPRIATIONS. — If, on the date specified in paragraph (1), there is in effect an Act making or continuing appropriations for part of a fiscal year for any budget account,<sup>1224</sup> then the dollar sequestration<sup>1225</sup> calculated for that account under paragraphs (2) and (3) shall be subtracted from —

§ 251(a)(4)(A) (A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and

§ 251(a)(4)(B) (B) when a full-year appropriation for that account is enacted, from the amount otherwise provided by the full-year appropriation.

§ 251(a)(5) (5) LOOK-BACK. — If, after June 30, an appropriation for the fiscal year in progress is enacted that causes a

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<sup>1221</sup> See *infra* p. 576. This reference refers to the section 255(h) at the end of section 255, dealing with "OPTIONAL EXEMPTION OF MILITARY PERSONNEL," not the section 255(h) that preexisted the Budget Enforcement Act, dealing with "LOW-INCOME PROGRAMS." See *infra* p. 576. See the discussion *supra* note 1219.

<sup>1222</sup> Section 250(c)(6) defines "budgetary resources." See *supra* p. 443.

<sup>1223</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1224</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1225</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

breach<sup>1226</sup> within a category<sup>1227</sup> for that year (after taking into account any sequestration<sup>1228</sup> of amounts within that category), the discretionary spending limits<sup>1229</sup> for that category for the next fiscal year shall be reduced by the amount or amounts of that breach.

§ 251(a)(6)

(6) WITHIN-SESSION SEQUESTRATION.<sup>1230</sup> — If an appropriation for a fiscal year in progress is enacted (after Congress adjourns<sup>1231</sup> to end the session for that budget year<sup>1232</sup> and before July 1 of that fiscal year) that causes a breach<sup>1233</sup> within a category<sup>1234</sup> for that year (after taking into account any prior sequestration of amounts within that category), 15 days later there shall be a sequestration to eliminate that breach within that category following the procedures set forth in paragraphs (2)

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<sup>1226</sup> Section 250(c)(3) defines "breach." See *supra* p. 440.

<sup>1227</sup> Section 250(c)(4) defines "category." See *supra* p. 441.

<sup>1228</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1229</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (see *supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (see *supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. See pp. 475-502, 523-533.

<sup>1230</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1231</sup> What happens if the Congress recesses to end the first session of a Congress? Congress plainly intended to require annual review of legislation. (For example, the language later in this sentence refers to "that budget year.") This language should be read as "adjourns or recesses to end a session."

<sup>1232</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1233</sup> Section 250(c)(3) defines "breach." See *supra* p. 440.

<sup>1234</sup> Section 250(c)(4) defines "category." See *supra* p. 441.



through (4).<sup>1235</sup>

§ 251(a)(7)

**(7) OMB<sup>1236</sup> ESTIMATES.** — As soon as practicable after Congress completes action on any discretionary appropriation,<sup>1237</sup> CBO,<sup>1238</sup> after consultation with the Committees on the Budget of the House of Representatives

<sup>1235</sup> See, e.g., OFFICE OF MANAGEMENT AND BUDGET, WITHIN-SESSION OMB SEQUESTER REPORT TO THE PRESIDENT AND CONGRESS FOR FISCAL YEAR 1991, H.R. DOC. NO. 102-70, 102d Cong., 1st Sess. (Apr. 25, 1991) (\$1.4 million, 0.0013% sequester in domestic discretionary budget authority after enactment of H.R. 1281, the Dire Emergency Supplemental Appropriations Act, 1991, Pub. L. No. 102-27 (Apr. 10, 1991)). In the case of this mid-session sequester, the General Accounting Office found that the Office of Management and Budget had called for the sequester erroneously. Commenting on the rescission request that the President sent up to remedy the supposed overage, the Special Assistant to the Comptroller General, writing for the Comptroller General, wrote as follows:

As you know, the President's justification for the proposed rescission is that its approval would eliminate the need for a sequester of domestic discretionary resources in fiscal year 1991 (calculated by OMB to be .0013 percent of sequesterable domestic budget authority). In the Administration's opinion, the sequester action was necessary because the Dire Emergency Supplemental Appropriation for fiscal year 1991, Pub. L. No. 102-27, \_\_\_\_ Stat. \_\_\_\_ (1991), exceeded by \$2.4 million the domestic discretionary spending cap established by the 1991 Budget Reconciliation Act. On April 25, 1991, OMB issued a within-session sequester report and the President ordered a sequester of budgetary resources in domestic discretionary accounts of .0013 percent. See OMB Bulletin No. 91-11, April 25, 1991.

In our view, OMB's scoring of two provisions in the Dire Emergency Supplemental as new budget authority was erroneous. B-243744, Apr. 24, 1991. Since, in our opinion, the language of the two provisions did not create any new budget authority, the discretionary spending cap was not breached. Accordingly, no mid-session sequester was necessary, and the proposed rescission was not needed.

Letter from Milton J. Socolar to the President of the Senate and the Speaker of the House of Representatives (June 11, 1991) (GAO file no. B-241514.8)

<sup>1236</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

<sup>1237</sup> Section 250(c)(7) defines "discretionary appropriations." See *supra* p. 444.

<sup>1238</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." See *supra* p. 446.

and the Senate, shall provide OMB with an estimate of the amount of discretionary new budget authority<sup>1239</sup> and outlays<sup>1240</sup> for the current year<sup>1241</sup> (if any) and the budget year<sup>1242</sup> provided by that legislation. Within 5 calendar days after the enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing the CBO estimate of that legislation, an OMB estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by that legislation, and an explanation of any difference between the two estimates. For purposes of this paragraph, amounts provided by annual appropriations shall include any new budget authority and outlays for those years in accounts<sup>1243</sup> for which funding is provided in that legislation that result from previously enacted legislation. Those OMB estimates shall be made using current<sup>1244</sup> economic and technical assumptions. OMB shall use the OMB estimates transmitted to the Congress under this paragraph for the purposes of this subsection. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the House and Senate Committees on

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<sup>1239</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1240</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1241</sup> Section 250(c)(13) defines "current year." *See supra* p. 446.

<sup>1242</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1243</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1244</sup> Section 250(c)(9) defines "current." *See supra* p. 445.

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**the Budget, CBO, and OMB.<sup>1245</sup>**

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<sup>1245</sup> The statement of managers accompanying the conference report on the Budget Enforcement Act expressed concern regarding the powers conferred by this paragraph and set forth the scorekeeping guidelines to which this paragraph refers:

**XII. SCOREKEEPING**

The conferees recognize that, because of the constraints imposed by the Supreme Court's decision in *Bowsher v. Synar*, the conference agreement vests substantial power to estimate the costs of legislation with the Office of Management and Budget. The conferees are concerned that the Office of Management and Budget has not always shown complete objectivity in its estimates. The conferees urge the Congress to scrutinize the scorekeeping of the Office of Management and Budget as that Office implements the procedures under this conference agreement. The conferees considered procedures under which Congress would enact into law Congressional Budget Office cost estimates as part of any spending legislation. Should the Office of Management and Budget abuse its scorekeeping power, the conferees believe that the Congress should adopt such procedures at that time.

Section 251(a)(7) and 252(d) of Gramm-Rudman-Hollings as amended by this conference agreement provide that the Office of Management and Budget must make its estimates in conformance with scorekeeping guidelines determined for consultation among the Senate and House Committees on the Budget, the Congressional Budget Office, and the Office of Management and Budget. These provisions carry on and codify the existing consultative process that has led to these parties developing the following scorekeeping guidelines:

**SCOREKEEPING GUIDELINES FOR [FISCAL YEAR] 1991**

The guideline[s] listed below reflect general budget scorekeeping conventions that will be used by the House and Senate Budget Committees and the Office of Management and Budget in measuring compliance with Congressional budget targets and the Budget Summit Agreement.

To the extent possible under the Budget Enforcement Act of 1990, the Gramm-Rudman-Hollings statute, the Congressional Budget Office and the Office of Management and Budget will follow these guidelines in calculating deficit estimates and making projections for Gramm-Rudman-Hollings and the Budget Enforcement Act 1990.

For both budget scorekeeping and Gramm-Rudman-Hollings, final scoring will necessarily depend on the review of legislation by the scorekeepers, as provided in the Budget Enforcement Act of 1990, the Congressio-  
(continued...)

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<sup>1245</sup>(...continued)

nal Budget Act and Gramm-Rudman-Hollings. These rules will be reviewed on an annual basis.

*1. Mandatory spending*

The list of accounts that are considered mandatory for purposes of scoring appropriations bills follows.

*2. Outlays prior*

Outlays from prior-year appropriations will be classified consistent with the discretionary/mandatory classification of the account from which the outlays occur.

*3. Direct spending programs*

Entitlements and other mandatory programs (including offsetting receipts) will be scored at current law levels, unless congressional action modifies the authorizing legislation. Substantive changes to or restrictions on entitlement law or other mandatory spending law in appropriations bills will be scored against the Appropriations Committee section 302(b) allocations in the House and the Senate except for those savings provisions that are to be enacted by an authorizing committee pursuant to the Budget Summit Agreement.

*4. Transfer of budget authority from a mandatory account to a discretionary account*

The transfer of budget authority to a discretionary account will be scored as an increase in discretionary budget authority and outlays in the gaining account. The losing account will not show an offsetting reduction if the account is an entitlement or mandatory.

*5. Permissive transfer authority*

Permissive transfers will be assumed to occur (in full or in part) unless sufficient evidence exists to the contrary. Outlays from such transfers will be estimated based on the best information available, primarily historical experience and, where applicable, indications of Executive or Congressional intent.

This guideline will apply to specific transfers (transfers where the gaining and losing accounts and the amounts subject to transfer can be ascertained) for [Fiscal Year] 1991 and to both specific and general transfer authority thereafter.

(continued...)

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<sup>1245</sup>(...continued)**6. Reappropriations**

Reappropriations of expiring balances of budget authority will be scored as new budget authority in the fiscal year in which the balances become newly available.

**7. Advance appropriations**

Advance appropriations of budget authority will be scored as new budget authority in the fiscal year in which the funds become newly available for obligation, not when the appropriations are enacted.

Advance appropriations will be classified as mandatory or discretionary consistent with the mandatory list below.

**8. Rescissions and transfers of unobligated balances**

Rescissions of unobligated balances will be scored as reductions in current budget authority and outlays in the year the money is rescinded.

Transfers of unobligated balances will be scored as reductions in current budget authority and outlays in the amount from which the funds are being transferred, and as increases in budget authority and outlays in the account to which these funds are being transferred.

In certain instances, these transactions will result in a net negative budget authority amounts in the source accounts. Such amounts of budget authority will be projected at zero. Outlay estimates for both the transferring and receiving accounts will be based on the spending patterns appropriate to the respective accounts.

**9. Delay of obligations**

Appropriations bills specify a date when funds will become available for obligation. It is this date that determines the year for which new budget authority is scored. In the absence of such a date, the bill is assumed to be effective upon enactment.

If a new appropriation provides that a portion of the budget authority shall not be available for obligation until a future fiscal year, that portion shall be treated as an advance appropriation of budget authority. If a law defers existing budget authority (or unobligated balances) from a year in which it was available for obligation to a year in which it was not available for obligation, that law shall be scored as a rescission in the current year and a reappropriation in the year in which obligational authority is extended. If the authority to obligate is contingent upon the enactment of a subsequent appropriation,

(continued...)

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<sup>1245</sup>(...continued)

new budget authority and outlays will be scored with the subsequent appropriation. If an appropriation is contingent on enactment of a subsequent authorization, new budget authority and outlays will be scored with the appropriation. If an appropriation is contingent on the fulfillment of some action by the Executive branch or some other event normally estimated, new budget authority will be scored with the appropriation and outlays will be estimated based on the best information about when (or if) the contingency will be met. Non-lawmaking contingencies within the control of the Congress are not scoreable events.

#### *10. Absorption*

Appropriations bills or reports should contain language that clearly specifies the extent to which funds for pay raises are either provided or absorbed within the levels appropriated in the bill, or remain to be provided.

#### *11. Scoring purchases, lease-purchases and leases*

*General Rule.* — When a bill provides the authority for an agency to enter into a contract for the purchase, lease-purchase, or lease of a capital asset, budget authority will be scored in the year in which the budget authority is first made available in the amount of the government's total estimated legal obligations.

Outlays for a purchase or for a lease-purchase in which the Federal government assumes substantial risk — for example, through an explicit government guarantee of third-party financing — will be spread across the period during which the contractor constructs, manufactures, or purchases the asset. Outlays for a lease, or for a lease-purchase in which the private sector retains substantial risk, will be spread across the lease period. In all cases, the total amount of outlays scored over time against a bill will equal the amount of budget authority scored against that bill.

*Implementation of the Rule.* — Contracts under existing authority will not be rescored. Purchases and lease-purchases will be scored on the basis of this rule starting in [Fiscal Year] 1991. Multi-year leases will be scored consistent with current practice, rather than this rule, in [Fiscal Year] 1991.

*Further details.* — See "Addendum: Details on scoring purchases, lease-purchases, and leases".

#### *12. Write-offs of uncashed checks, unredeemed food stamps, and similar instruments*

Exceptional write-offs of uncashed checks, unredeemed food stamps, and similar instruments (i.e., write-offs of cumulative balances that have build

-(continued...)

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<sup>1245</sup>(...continued)

up over several years or have been on the books for several years) shall be scored as an adjustment to the means of financing the deficit rather than as an offset. An estimate of write-offs or similar adjustments that are part of a continuing routine process shall be netted against outlays in the year in which the write-off will occur. Such write-offs shall be recorded in the account in which the outlay was originally recorded.

### *13. Reclassification after an agreement*

Except to the extent assumed in a budget agreement, a law that has the effect of altering the classification of spending and revenues (e.g. from discretionary to mandatory, special fund to revolving fund, on-budget to off-budget, revenue to offsetting receipt), will not be scored as reclassified for the purpose of enforcing a budget agreement.

#### **ADDENDUM: DETAILS ON SCORING PURCHASES, LEASE-PURCHASE, AND LEASES**

*Budget Authority.* — Budget authority scored against a bill will include all costs of the project except for imputed interest costs calculated at Treasury rates. Imputed interest costs will not be scored against a bill or for current level but will count for other purposes.

*Criteria for Defining a Lease.* — Under a lease arrangement, ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease period. In addition, the Government should enter into the contract for limited use of an asset and not consume a substantial portion (75 percent) of its economic value. All risks of ownership of the asset (e.g. financial responsibility for destruction or loss of the asset) should remain with the lessor.

*Illustrative Criteria Determining Private Risk.* — Legislation and lease-purchase contracts will be considered against the following type of illustrative criteria to evaluate the level of private-sector risk in a project.

There should be no explicit government guarantee of third party financing.

All risks to ownership of the asset (e.g. financial responsibility for destruction or loss of the asset, etc.) should remain with the lessor unless the Government was at fault for such losses.

The asset should be a general purpose asset rather than for a special purpose of the Government and should not be built to unique specification for the Government as lessee. There should be a private-sector market for the asset.

(continued...)

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<sup>1245</sup>(...continued)

The project should not be constructed on Government land.

**Directed Scorekeeping.** — Language that attempts to waive the Anti-Deficiency Act, or to limit the amount of timing of obligations recorded, does not change the government's obligations or obligation authority, and so will not affect the scoring of budget authority or outlays.

**Authority to Obligate.** — Unless bill language that authorizes a project clearly states that *no* obligations are allowed unless budget authority is provided specifically for that project in an Appropriations bill in advance of the obligation, the bill will be interpreted as providing obligation authority, in an amount to be estimated by the Congressional Budget Office (for the Congress) and the Office of Management and Budget (for the Executive).

APPROPRIATED ENTITLEMENTS AND MANDATORIES  
FOR FISCAL YEAR 1991

*Commerce-Justice-State*

Payment to the Foreign Service retirement and disability fund  
19-0540-0-1-153

Fishermen's guaranty fund  
19-5121-0-2-376

Salaries of judges:

Supreme Court, S&E<sup>1</sup>  
10-0100-0-1-752

U.S. Court of International Trade<sup>1</sup>  
10-0400-0-1-752

U.S. Court of Appeals<sup>1</sup>  
10-0510-0-1-752

Courts of Appeals, District Courts, etc.<sup>1</sup>  
10-0920-0-1-752

Payment to judicial officers' retirement fund  
10-0941-0-1-752

Fees and expenses of witnesses  
15-0311-0-1-752

Independent counsel  
15-0327-0-1-752

Public Safety Officers benefits  
15-0403-0-1-754

Civil liberties public education fund  
15-0329-0-1-808

(continued...)



**1245 (...continued)**

***Defense***

**Payment to the Central Intelligence Agency retirement fund  
56-3400-0-1-054**

***District of Columbia***

**No mandatory accounts.**

***Energy-Water***

**No mandatory accounts.**

***Foreign Operations***

**Housing and other credit guaranty programs**

**72-4340-0-3-151**

**Guarantee reserve fund**

**11-4121-0-3-152**

**Payment to the Foreign Service retirement and disability fund**

**11-1036-0-1-153**

***Interior***

**Miscellaneous trust funds**

**14-9971-0-7-302**

**Range improvements**

**14-5132-0-2-302**

**Administration of territories<sup>2</sup>**

**14-0412-0-1-808**

**Compact of free association<sup>3</sup>**

**14-0415-0-1-808**

***Labor-HHS-Education***

**Guaranteed student loans**

**91-0230-0-1-502**

**Higher education facilities loans**

**91-0240-0-1-502**

**College housing and academic facilities loans<sup>4</sup>**

**91-0242-0-1-502**

**Federal unemployment benefits and allowances (FUBA)**

**16-0326-0-1-504**

**16-0326-0-1-603**

**Social services block grant**

**75-1634-0-1-506**

**(continued...)**

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<sup>1245</sup>(...continued)

Payments to States for foster care and adoption assistance  
75-1645-0-1-506  
Rehabilitation services and handicapped research  
91-0301-0-1-506  
Vaccine [injury] program trust fund  
20-8175-0-7-551<sup>5</sup>  
Retirement pay and medical benefits for commissioned officers  
75-0379-0-1-551  
Medicaid  
75-0512-0-1-551  
Medical facilities guarantee and loan fund  
75-4430-0-3-551  
HMO loan and loan guarantee fund  
75-4420-0-3-551  
Health professions graduate student loan insurance fund  
75-4305-0-3-553  
Payments to health care trust funds  
75-0580-0-1-571  
Advances to the unemployment trust fund  
16-0327-0-1-601  
Special benefits  
16-1521-0-1-601  
16-1521-0-1-602  
Black lung disability trust fund  
20-8144-0-7-601  
Federal payments to the railroad retirement accounts  
60-0113-0-1-601  
Special benefits for disabled coal miners  
75-0409-0-1-601  
Supplemental security income program<sup>6</sup>  
75-0406-0-1-609  
Family support payments to States  
75-1501-0-1-609  
Payments to States for family support activities  
75-1509-0-1-609  
Payments to social security trust funds  
75-0404-0-1-651

*Legislative Branch*

Compensation of members, Senate  
00-0100-0-1-801  
Compensation of members, House  
00-0200-0-1-801  
Payments to widows and heirs of deceased members of Congress  
00-0215-0-1-801

(continued...)

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<sup>1245</sup>(...continued)Payments to widows and heirs of deceased members of Congress -  
Senate

00-0115-0-1-801

*Military Construction*

No mandatory accounts.

*Rural Development-Agriculture*

Reimbursement to the rural electrification and telephone fund

12-3101-0-1-271

Conservation reserve program<sup>7</sup>

12-3319-0-1-302

Dairy indemnity program

12-3314-0-1-351

Temporary emergency food assistance program (TEFAP)<sup>8</sup>

12-3635-0-1-351

Federal Crop Insurance Corporation fund

12-4085-0-3-351

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12-4140-0-3-351

Commodity Credit Corporation fund

12-4336-0-3-351

Payments to the farm credit system financial assistance corp.

20-1850-0-1-351

Rural housing insurance fund<sup>9</sup>

12-4141-0-3-371

Rural communication development fund

12-4142-0-3-452

Rural development insurance fund<sup>9</sup>

12-4155-0-3-452

Special milk program

12-3502-0-1-605

Food donations programs for selected groups<sup>10</sup>

12-3503-0-1-605

Food stamp program

12-3505-0-1-605

Child nutrition programs

12-3539-0-1-605

Nutrition assistance for Puerto Rico

12-3550-0-1-605

Funds for strengthening markets (section 32)<sup>11</sup>

12-5209-0-2-605

(continued...)

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<sup>1245</sup>(...continued)***Transportation*****WMATA, interest payments****46-0300-0-1-401****FAA, aircraft purchase loan guarantee program****69-1399-0-1-402****Coast Guard, retired pay****69-0241-01-403*****Treasury-Postal Service*****Payment to the Postal Service fund for non-funded liabilities****18-1004-0-1-372****Government payment for annuitants, employees health benefits****24-0206-0-1-551****Government payment for annuitants, employees life insurance****24-0500-0-1-602****Compensation of the President****11-0001-0-1-802****Payment of government losses in shipment****20-1710-0-1-803****Payment to civil service retirement and disability fund****24-0200-0-1-805*****Veterans-HUD*****FSLIC resolution fund****51-4065-0-3-371****Federal Housing Administration fund<sup>12</sup>****86-4070-0-3-371****Veterans Benefits Administration:****Insurance and indemnities****36-0120-0-1-701****Compensation****36-0153-0-1-701****Pensions****36-0154-0-1-701****Burial benefits****36-0155-0-1-701****Readjustment benefits****36-0137-0-1-702****Guaranty and indemnity fund****36-4023-0-3-704****Loan guaranty revolving fund****36-4025-0-3-704****(continued...)**

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**the Budget, CBO, and OMB.<sup>1245</sup>**

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<sup>1245</sup> The statement of managers accompanying the conference report on the Budget Enforcement Act expressed concern regarding the powers conferred by this paragraph and set forth the scorekeeping guidelines to which this paragraph refers:

**XII. SCOREKEEPING**

The conferees recognize that, because of the constraints imposed by the Supreme Court's decision in *Bowsher v. Synar*, the conference agreement vests substantial power to estimate the costs of legislation with the Office of Management and Budget. The conferees are concerned that the Office of Management and Budget has not always shown complete objectivity in its estimates. The conferees urge the Congress to scrutinize the scorekeeping of the Office of Management and Budget as that Office implements the procedures under this conference agreement. The conferees considered procedures under which Congress would enact into law Congressional Budget Office cost estimates as part of any spending legislation. Should the Office of Management and Budget abuse its scorekeeping power, the conferees believe that the Congress should adopt such procedures at that time.

Section 251(a)(7) and 252(d) of Gramm-Rudman-Hollings as amended by this conference agreement provide that the Office of Management and Budget must make its estimates in conformance with scorekeeping guidelines determined for consultation among the Senate and House Committees on the Budget, the Congressional Budget Office, and the Office of Management and Budget. These provisions carry on and codify the existing consultative process that has led to these parties developing the following scorekeeping guidelines:

**SCOREKEEPING GUIDELINES FOR [FISCAL YEAR] 1991**

The guideline[s] listed below reflect general budget scorekeeping conventions that will be used by the House and Senate Budget Committees and the Office of Management and Budget in measuring compliance with Congressional budget targets and the Budget Summit Agreement.

To the extent possible under the Budget Enforcement Act of 1990, the Gramm-Rudman-Hollings statute, the Congressional Budget Office and the Office of Management and Budget will follow these guidelines in calculating deficit estimates and making projections for Gramm-Rudman-Hollings and the Budget Enforcement Act 1990.

For both budget scorekeeping and Gramm-Rudman-Hollings, final scoring will necessarily depend on the review of legislation by the scorekeepers, as provided in the Budget Enforcement Act of 1990, the Congressio-

(continued...)

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<sup>1245</sup>(...continued)

nal Budget Act and Gramm-Rudman-Hollings. These rules will be reviewed on an annual basis.

*1. Mandatory spending*

The list of accounts that are considered mandatory for purposes of scoring appropriations bills follows.

*2. Outlays prior*

Outlays from prior-year appropriations will be classified consistent with the discretionary/mandatory classification of the account from which the outlays occur.

*3. Direct spending programs*

Entitlements and other mandatory programs (including offsetting receipts) will be scored at current law levels, unless congressional action modifies the authorizing legislation. Substantive changes to or restrictions on entitlement law or other mandatory spending law in appropriations bills will be scored against the Appropriations Committee section 302(b) allocations in the House and the Senate except for those savings provisions that are to be enacted by an authorizing committee pursuant to the Budget Summit Agreement.

*4. Transfer of budget authority from a mandatory account to a discretionary account*

The transfer of budget authority to a discretionary account will be scored as an increase in discretionary budget authority and outlays in the gaining account. The losing account will not show an offsetting reduction if the account is an entitlement or mandatory.

*5. Permissive transfer authority*

Permissive transfers will be assumed to occur (in full or in part) unless sufficient evidence exists to the contrary. Outlays from such transfers will be estimated based on the best information available, primarily historical experience and, where applicable, indications of Executive or Congressional intent.

This guideline will apply to specific transfers (transfers where the gaining and losing accounts and the amounts subject to transfer can be ascertained) for [Fiscal Year] 1991 and to both specific and general transfer authority thereafter.

(continued...)



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<sup>1245</sup>(...continued)**6. Reappropriations**

Reappropriations of expiring balances of budget authority will be scored as new budget authority in the fiscal year in which the balances become newly available.

**7. Advance appropriations**

Advance appropriations of budget authority will be scored as new budget authority in the fiscal year in which the funds become newly available for obligation, not when the appropriations are enacted.

Advance appropriations will be classified as mandatory or discretionary consistent with the mandatory list below.

**8. Rescissions and transfers of unobligated balances**

Rescissions of unobligated balances will be scored as reductions in current budget authority and outlays in the year the money is rescinded.

Transfers of unobligated balances will be scored as reductions in current budget authority and outlays in the amount from which the funds are being transferred, and as increases in budget authority and outlays in the account to which these funds are being transferred.

In certain instances, these transactions will result in a net negative budget authority amounts in the source accounts. Such amounts of budget authority will be projected at zero. Outlay estimates for both the transferring and receiving accounts will be based on the spending patterns appropriate to the respective accounts.

**9. Delay of obligations**

Appropriations bills specify a date when funds will become available for obligation. It is this date that determines the year for which new budget authority is scored. In the absence of such a date, the bill is assumed to be effective upon enactment.

If a new appropriation provides that a portion of the budget authority shall not be available for obligation until a future fiscal year, that portion shall be treated as an advance appropriation of budget authority. If a law defers existing budget authority (or unobligated balances) from a year in which it was available for obligation to a year in which it was not available for obligation, that law shall be scored as a rescission in the current year and a reappropriation in the year in which obligational authority is extended. If the authority to obligate is contingent upon the enactment of a subsequent appropriation,

(continued...)

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<sup>1245</sup>(...continued)

new budget authority and outlays will be scored with the subsequent appropriation. If an appropriation is contingent on enactment of a subsequent authorization, new budget authority and outlays will be scored with the appropriation. If an appropriation is contingent on the fulfillment of some action by the Executive branch or some other event normally estimated, new budget authority will be scored with the appropriation and outlays will be estimated based on the best information about when (or if) the contingency will be met. Non-lawmaking contingencies within the control of the Congress are not scoreable events.

#### *10. Absorption*

Appropriations bills or reports should contain language that clearly specifies the extent to which funds for pay raises are either provided or absorbed within the levels appropriated in the bill, or remain to be provided.

#### *11. Scoring purchases, lease-purchases and leases*

*General Rule.* — When a bill provides the authority for an agency to enter into a contract for the purchase, lease-purchase, or lease of a capital asset, budget authority will be scored in the year in which the budget authority is first made available in the amount of the government's total estimated legal obligations.

Outlays for a purchase or for a lease-purchase in which the Federal government assumes substantial risk — for example, through an explicit government guarantee of third-party financing — will be spread across the period during which the contractor constructs, manufactures, or purchases the asset. Outlays for a lease, or for a lease-purchase in which the private sector retains substantial risk, will be spread across the lease period. In all cases, the total amount of outlays scored over time against a bill will equal the amount of budget authority scored against that bill.

*Implementation of the Rule.* — Contracts under existing authority will not be rescored. Purchases and lease-purchases will be scored on the basis of this rule starting in [Fiscal Year] 1991. Multi-year leases will be scored consistent with current practice, rather than this rule, in [Fiscal Year] 1991.

*Further details.* — See "Addendum: Details on scoring purchases, lease-purchases, and leases".

#### *12. Write-offs of uncashed checks, unredeemed food stamps, and similar instruments*

Exceptional write-offs of uncashed checks, unredeemed food stamps, and similar instruments (i.e., write-offs of cumulative balances that have build

-(continued...)

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<sup>1245</sup>(...continued)

up over several years or have been on the books for several years) shall be scored as an adjustment to the means of financing the deficit rather than as an offset. An estimate of write-offs or similar adjustments that are part of a continuing routine process shall be netted against outlays in the year in which the write-off will occur. Such write-offs shall be recorded in the account in which the outlay was originally recorded.

### **13. *Reclassification after an agreement***

Except to the extent assumed in a budget agreement, a law that has the effect of altering the classification of spending and revenues (e.g. from discretionary to mandatory, special fund to revolving fund, on-budget to off-budget, revenue to offsetting receipt), will not be scored as reclassified for the purpose of enforcing a budget agreement.

#### **ADDENDUM: DETAILS ON SCORING PURCHASES, LEASE-PURCHASE, AND LEASES**

***Budget Authority.*** — Budget authority scored against a bill will include all costs of the project except for imputed interest costs calculated at Treasury rates. Imputed interest costs will not be scored against a bill or for current level but will count for other purposes.

***Criteria for Defining a Lease.*** — Under a lease arrangement, ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease period. In addition, the Government should enter into the contract for limited use of an asset and not consume a substantial portion (75 percent) of its economic value. All risks of ownership of the asset (e.g. financial responsibility for destruction or loss of the asset) should remain with the lessor.

***Illustrative Criteria Determining Private Risk.*** — Legislation and lease-purchase contracts will be considered against the following type of illustrative criteria to evaluate the level of private-sector risk in a project.

There should be no explicit government guarantee of third party financing.

All risks to ownership of the asset (e.g. financial responsibility for destruction or loss of the asset, etc.) should remain with the lessor unless the Government was at fault for such losses.

The asset should be a general purpose asset rather than for a special purpose of the Government and should not be built to unique specification for the Government as lessee. There should be a private-sector market for the asset.

(continued...)

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<sup>1245</sup>(...continued)

The project should not be constructed on Government land.

**Directed Scorekeeping.** — Language that attempts to waive the Anti-Deficiency Act, or to limit the amount of timing of obligations recorded, does not change the government's obligations or obligation authority, and so will not affect the scoring of budget authority or outlays.

**Authority to Obligate.** — Unless bill language that authorizes a project clearly states that *no* obligations are allowed unless budget authority is provided specifically for that project in an Appropriations bill in advance of the obligation, the bill will be interpreted as providing obligation authority, in an amount to be estimated by the Congressional Budget Office (for the Congress) and the Office of Management and Budget (for the Executive).

APPROPRIATED ENTITLEMENTS AND MANDATORIES  
FOR FISCAL YEAR 1991

*Commerce-Justice-State*

Payment to the Foreign Service retirement and disability fund  
19-0540-0-1-153

Fishermen's guaranty fund  
19-5121-0-2-376

Salaries of judges:

Supreme Court, S&E<sup>1</sup>  
10-0100-0-1-752

U.S. Court of International Trade<sup>1</sup>  
10-0400-0-1-752

U.S. Court of Appeals<sup>1</sup>  
10-0510-0-1-752

Courts of Appeals, District Courts, etc.<sup>1</sup>  
10-0920-0-1-752

Payment to judicial officers' retirement fund  
10-0941-0-1-752

Fees and expenses of witnesses  
15-0311-0-1-752

Independent counsel  
15-0327-0-1-752

Public Safety Officers benefits  
15-0403-0-1-754

Civil liberties public education fund  
15-0329-0-1-808

(continued...)

**1245 (...continued)**

***Defense***

**Payment to the Central Intelligence Agency retirement fund  
56-3400-0-1-054**

***District of Columbia***

**No mandatory accounts.**

***Energy-Water***

**No mandatory accounts.**

***Foreign Operations***

**Housing and other credit guaranty programs**

**72-4340-0-3-151**

**Guarantee reserve fund**

**11-4121-0-3-152**

**Payment to the Foreign Service retirement and disability fund**

**11-1036-0-1-153**

***Interior***

**Miscellaneous trust funds**

**14-9971-0-7-302**

**Range improvements**

**14-5132-0-2-302**

**Administration of territories<sup>2</sup>**

**14-0412-0-1-808**

**Compact of free association<sup>3</sup>**

**14-0415-0-1-808**

***Labor-HHS-Education***

**Guaranteed student loans**

**91-0230-0-1-502**

**Higher education facilities loans**

**91-0240-0-1-502**

**College housing and academic facilities loans<sup>4</sup>**

**91-0242-0-1-502**

**Federal unemployment benefits and allowances (FUBA)**

**16-0326-0-1-504**

**16-0326-0-1-603**

**Social services block grant**

**75-1634-0-1-506**

**(continued...)**

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<sup>1245</sup>(...continued)

Payments to States for foster care and adoption assistance  
75-1645-0-1-506  
Rehabilitation services and handicapped research  
91-0301-0-1-506  
Vaccine [injury] program trust fund  
20-8175-0-7-551<sup>5</sup>  
Retirement pay and medical benefits for commissioned officers  
75-0379-0-1-551  
Medicaid  
75-0512-0-1-551  
Medical facilities guarantee and loan fund  
75-4430-0-3-551  
HMO loan and loan guarantee fund  
75-4420-0-3-551  
Health professions graduate student loan insurance fund  
75-4305-0-3-553  
Payments to health care trust funds  
75-0580-0-1-571  
Advances to the unemployment trust fund  
16-0327-0-1-601  
Special benefits  
16-1521-0-1-601  
16-1521-0-1-602  
Black lung disability trust fund  
20-8144-0-7-601  
Federal payments to the railroad retirement accounts  
60-0113-0-1-601  
Special benefits for disabled coal miners  
75-0409-0-1-601  
Supplemental security income program<sup>6</sup>  
75-0406-0-1-609  
Family support payments to States  
75-1501-0-1-609  
Payments to States for family support activities  
75-1509-0-1-609  
Payments to social security trust funds  
75-0404-0-1-651

*Legislative Branch*

Compensation of members, Senate  
00-0100-0-1-801  
Compensation of members, House  
00-0200-0-1-801  
Payments to widows and heirs of deceased members of Congress  
00-0215-0-1-801

(continued...)

<sup>1245</sup>(...continued)

Payments to widows and heirs of deceased members of Congress -  
Senate

00-0115-0-1-801

*Military Construction*

No mandatory accounts.

*Rural Development-Agriculture*

Reimbursement to the rural electrification and telephone fund

12-3101-0-1-271

Conservation reserve program<sup>7</sup>

12-3319-0-1-302

Dairy indemnity program

12-3314-0-1-351

Temporary emergency food assistance program (TEFAP)<sup>8</sup>

12-3635-0-1-351

Federal Crop Insurance Corporation fund

12-4085-0-3-351

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**XIII of the Omnibus Budget Reconciliation Act of 1990 or by any other changes in concepts and definitions shall equal the baseline<sup>1252</sup> levels of new budget authority<sup>1253</sup> and outlays<sup>1254</sup> using up-to-date concepts and definitions minus those levels using the concepts and definitions in effect before such changes. Such other changes in concepts and definitions may only be made in consultation with the Committees on Appropriations, the Budget, Government Operations, and Governmental Affairs of the House of Representatives and Senate.**

§ 251(b)(1)(B)(i)

**(B) CHANGES IN INFLATION. — (i) For a budget submitted for budget year<sup>1255</sup> 1992, 1993, 1994, or 1995, the adjustments produced by changes in inflation shall equal the levels of discretionary new budget authority<sup>1256</sup> and outlays<sup>1257</sup> in the baseline<sup>1258</sup> (calculated using current<sup>1259</sup> estimates) subtracted from those levels in that baseline recalculated with the baseline inflators for the**

<sup>1252</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1253</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1254</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1255</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1256</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1257</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1258</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1259</sup> Section 250(c)(9) defines "current." *See supra* p. 445.

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budget year only, multiplied by the inflation adjustment factor computed under clause (ii).

§ 251(b)(1)(B)(ii) (ii) For a budget year<sup>1260</sup> the inflation adjustment factor shall equal the ratio between the level of year-over-year inflation measured for the fiscal year most recently completed and the applicable estimated level for that year set forth below:

For 1990, 1.041

For 1991, 1.052

For 1992, 1.041

For 1993, 1.033

Inflation shall be measured by the average of the estimated gross national product implicit price deflator index for a fiscal year divided by the average index for the prior fiscal year.

§ 251(b)(1)(B)(iii) (iii) For a budget submitted for budget year 1996, 1997, or 1998, the adjustments shall be those necessary to reflect changes in inflation estimates since those of March 31, 1993, set forth on page 46 of House Conference Report 103-48.<sup>1261</sup>

§ 251(b)(1)(C) (C) CREDIT REESTIMATES. — For a budget submitted for fiscal year 1993 or 1994, the adjustments produced by

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<sup>1260</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1261</sup> Section 14002(c)(1)(B)(ii) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(1)(E)(ii), 107 Stat. 312 (1993), added this clause, providing for fiscal years 1996 through 1998. For legislative history of the extension, see *supra* notes 870 & 936 & *infra* note 1807. For the inflation assumptions to which the clause refers, see H.R. CONF. REP. NO. 103-48, 103d Cong., 1st Sess. 46 (1993), reprinted in 139 CONG. REC. H1747, H1760 (daily ed. Mar. 31, 1993).

reestimates to costs of Federal credit programs shall be, for any such program, a current<sup>1262</sup> estimate of new budget authority<sup>1263</sup> and outlays<sup>1264</sup> associated with a baseline<sup>1265</sup> projection of the prior year's gross loan level for that program minus the baseline projection of the prior year's new budget authority and associated outlays for that program.

§ 251(b)(2) (2) When OMB<sup>1266</sup> submits a sequestration<sup>1267</sup> report under section 254(g) or (h) for fiscal year 1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998<sup>1268</sup> (except as otherwise indicated), OMB shall calculate (in the order set forth below), and the sequestration report, and subsequent budgets submitted by the President under section 1105(a) of title 31, United States Code, shall include, adjustments to discretionary spending limits<sup>1269</sup> (and those limits as adjusted) for the fiscal year

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<sup>1262</sup> Section 250(c)(9) defines "current." See *supra* p. 445.

<sup>1263</sup> Section 250(c)(1) (see *supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. See *supra* pp. 11-13.

<sup>1264</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1265</sup> Section 250(c) (see *supra* p. 442) defines "baseline" in substantial part by reference to section 257. See *infra* pp. 600-617.

<sup>1266</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

<sup>1267</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1268</sup> Section 14002(c)(1)(B)(iii)(I) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(1)(B)(iii)(I), 107 Stat. 312 (1993), extended this reference to fiscal years 1996, 1997, and 1998. For legislative history of the extension, see *supra* notes 870 & 936 & *infra* note 1807.

<sup>1269</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (see *supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (see *supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. See pp. 475-502, 523-533.

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and each succeeding year through 1998,<sup>1270</sup> as follows:

§ 251(b)(2)(A)            **(A) IRS FUNDING.** — To the extent that appropriations are enacted that provide additional new budget authority<sup>1271</sup> or result in additional outlays<sup>1272</sup> (as compared with the CBO<sup>1273</sup> baseline<sup>1274</sup> constructed in June 1990) for the Internal Revenue Service compliance initiative in any fiscal year, the adjustments for that year shall be those amounts, but shall not exceed the amounts set forth below—

§ 251(b)(2)(A)(i)            (i) for fiscal year 1991, \$191,000,000 in new budget authority and \$183,000,000 in outlays;

§ 251(b)(2)(A)(ii)            (ii) for fiscal year 1992, \$172,000,000 in new budget authority and \$169,000,000 in outlays;

§ 251(b)(2)(A)(iii)            (iii) for fiscal year 1993, \$183,000,000 in new budget authority and \$179,000,000 in outlays;

§ 251(b)(2)(A)(iv)            (iv) for fiscal year 1994, \$187,000,000 in new budget authority and \$183,000,000 in outlays; and

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<sup>1270</sup> Section 14002(c)(1)(B)(iii)(II) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(1)(B)(iii)(II), 107 Stat. 312 (1993), changed this reference from "1995" to "1998." For legislative history of the extension, see *supra* notes 870 & 936 & *infra* note 1807.

<sup>1271</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1272</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1273</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1274</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

§ 251(b)(2)(A)(v)

(v) for fiscal year 1995, \$188,000,000 in new budget authority and \$184,000,000 in outlays; and

the prior-year outlays resulting from these appropriations of budget authority.

§ 251(b)(2)(B)

**(B) DEBT FORGIVENESS.** — If, in calendar year 1990 or 1991, an appropriation is enacted that forgives the Arab Republic of Egypt's foreign military sales indebtedness to the United States and any part of the Government of Poland's indebtedness to the United States, the adjustment shall be the estimated costs (in new budget authority<sup>1275</sup> and outlays,<sup>1276</sup> in all years) of that forgiveness.<sup>1277</sup>

§ 251(b)(2)(C)

**(C) IMF FUNDING.** — If, in fiscal year 1991, 1992, 1993, 1994, or 1995 an appropriation is enacted to provide to the International Monetary Fund the dollar equivalent, in terms of Special Drawing Rights, of the increase in the United States quota as part of the International Monetary Fund Ninth General Review of Quotas, the adjustment shall be the amount provided by that appropriation.

§ 251(b)(2)(D)(i)

**(D) EMERGENCY APPROPRIATIONS.** — (i) If, for any fiscal year,<sup>1278</sup> appropriations for discretionary

<sup>1275</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1276</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1277</sup> For a discussion of the motivation for forgiving Egypt's debt, *see, e.g.*, Clyde H. Farnsworth, *Egypt's Reward: Forgiven Debt*, N.Y. TIMES, Apr. 10, 1991.

<sup>1278</sup> Section 14002(c)(1)(B)(iv) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(1)(B)(iv), 107 Stat. 312 (1993), changed this reference from "fiscal year 1991, 1992, 1993, 1994, or 1995" to "any fiscal year." For legislative history of the extension, *see supra* notes 870 & 936 & *infra* note 1807.

accounts<sup>1279</sup> are enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays<sup>1280</sup> flowing in all years from such appropriations.<sup>1281</sup>

§ 251 (b) (2) (D) (H)

(ii) The costs for operation Desert Shield are to be treated as emergency funding requirements not subject to the defense spending limits. Funding for Desert Shield will be provided through the normal legislative process. Desert Shield costs should be accommodated through Allied burden-sharing, subsequent appropriation Acts, and if the President so chooses, through offsets within other defense accounts.<sup>1282</sup> Emergency Desert Shield costs mean those incremental costs associated with the increase in operations in the Middle East and do not include costs that would be experienced by the Department of Defense as part of its normal operations absent Operation Desert Shield.

§ 251 (b) (2) (E) (I)

(E) SPECIAL ALLOWANCE FOR DISCRETIONARY NEW BUDGET AUTHORITY.<sup>1283</sup> — (i) For each of fiscal years

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<sup>1279</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1280</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1281</sup> Compare the parallel provisions for emergencies for direct spending in section 252(e). See *infra* p. 517. For discussions of these emergency provisions, see William G. Dauster, *Budget Emergencies*, 18 J. LEGIS. 249 (1992); ROBERT KEITH, EMERGENCY LEGISLATION UNDER THE GRAMM-RUDMAN-HOLLINGS ACT: 101ST-102ND CONGRESSES (Dec. 8, 1992) (Cong. Res. Serv. rep. no. 92-917 GOV).

<sup>1282</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1283</sup> Section 250(c)(1) (see *supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. See *supra* pp. 11-13.



1992 and 1993, the adjustment for the domestic category<sup>1284</sup> in each year shall be an amount equal to 0.1 percent of the sum of the adjusted discretionary spending limits<sup>1285</sup> on new budget authority for all categories for fiscal years 1991, 1992, and 1993 (cumulatively), together with outlays<sup>1286</sup> associated therewith (calculated at the composite outlay rate<sup>1287</sup> for the domestic category);

§ 251(b)(2)(E)(ii)

(ii) for each of fiscal years 1992 and 1993, the adjustment for the international category<sup>1288</sup> in each year shall be an amount equal to 0.079 percent of the sum of the adjusted discretionary spending limits<sup>1289</sup> on new budget authority<sup>1290</sup> for all categories for fiscal years 1991, 1992, and 1993 (cumulatively), together with outlays<sup>1291</sup> associated therewith (calculated at the composite outlay

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<sup>1284</sup> Section 250(c)(4) defines "category." See *supra* p. 441.

<sup>1285</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (see *supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (see *supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. See pp. 475-502, 523-533.

<sup>1286</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1287</sup> Section 250(c)(20) defines "composite outlay rate." See *supra* p. 447.

<sup>1288</sup> Section 250(c)(4) defines "category." See *supra* p. 441.

<sup>1289</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (see *supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (see *supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. See pp. 475-502, 523-533.

<sup>1290</sup> Section 250(c)(1) (see *supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. See *supra* pp. 11-13.

<sup>1291</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

rate<sup>1292</sup> for the international category);

§ 251(b)(2)(E)(iii)

(iii) if, for fiscal years 1992 and 1993, the amount of new budget authority<sup>1293</sup> provided in appropriation Acts exceeds the discretionary spending limit<sup>1294</sup> on new budget authority for any category<sup>1295</sup> due to technical estimates made by the Director of the Office of Management and Budget, the adjustment is the amount of the excess, but not to exceed an amount (for 1992 and 1993 together) equal to 0.042 percent of the sum of the adjusted discretionary limits on new budget authority for all categories for fiscal years 1991, 1992, and 1993 (cumulatively); and

§ 251(b)(2)(E)(iv)

(iv) if, for fiscal years 1994, 1995, 1996, 1997, and 1998, the amount of new budget authority provided in appropriation Acts exceeds the discretionary spending limit on new budget authority due to technical estimates made by the director of the Office of Management and Budget, the adjustment is the amount of the excess, but not to exceed an amount (for any one fiscal year) equal to 0.1 percent of the adjusted discretionary spending limit on new budget authority for that fiscal year.<sup>1296</sup>

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<sup>1292</sup> Section 250(c)(20) defines "composite outlay rate." *See supra* p. 447.

<sup>1293</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1294</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1295</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

<sup>1296</sup> Section 14002(c)(1)(B)(v)(II) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(1)(B)(v)(II), 107 Stat. 312 (1993), added this clause, providing for fiscal years 1996 through 1998. For legislative history of the extension, *see supra* notes 870 & 936 & *infra* note 1807. The drafters of this clause relied on historical experience of technical differences to formulate the adjustment percentage.

§ 251(b)(2)(F)

**(F) SPECIAL OUTLAY ALLOWANCE.** — If in any fiscal year outlays<sup>1297</sup> for a category<sup>1298</sup> exceed the discretionary spending limit<sup>1299</sup> for that category but new budget authority<sup>1300</sup> does not exceed its limit for that category (after application of the first step of a sequestration<sup>1301</sup> described in subsection (a)(2), if necessary), the adjustment in outlays is the amount of the excess, but not to exceed \$2,500,000,000 in the defense category, \$1,500,000,000 in the international category, or \$2,500,000,000 in the domestic category (as applicable) in fiscal year 1991, 1992, or 1993, and not to exceed \$6,500,000,000 in fiscal year 1994 or 1995 less any of the outlay adjustments made under subparagraph (E) for a category for a fiscal year, and not to exceed 0.5 percent of the adjusted discretionary spending limit on outlays for the fiscal year in fiscal year 1996, 1997, or 1998.<sup>1302</sup>

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<sup>1297</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1298</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

<sup>1299</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1300</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1301</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1302</sup> Section 14002(c)(1)(B)(vi) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(1)(B)(vi), 107 Stat. 312 (1993), added ", and not to exceed 0.5 percent of the adjusted discretionary spending limit on outlays for the fiscal year in fiscal year 1996, 1997, or 1998" at this point, providing for fiscal years 1996 through 1998. For legislative history of the extension, *see supra* notes 870 & 936 & *infra* note 1807. The drafters of this clause relied on historical experience of technical differences to formulate the adjustment percentage.

The drafters of the Budget Enforcement Act added this subparagraph to protect  
(continued...)

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<sup>1302</sup>(...continued)

against estimating differences between the Congressional Budget Office and the Office of Management and Budget. Even so, the acting general counsel of the Office of Management and Budget has issued an opinion that the President may take advantage of this outlay allowance in requests for supplemental appropriations, notwithstanding its original purpose:

**MEMORANDUM FOR THE DIRECTOR**

**FROM:** Robert G. Damus  
Acting General Counsel

**SUBJECT:** Scoring Supplementals Under the  
Special Outlay Allowance

This addresses the issue of whether the Administration's proposed 1991 supplementals are consistent with application of the "special outlay allowance" provision of the Budget Enforcement Act of 1990 (BEA).

**Background**

At the conclusion of appropriations action on the 13 regular appropriations bills for fiscal year 1991, OMB and CBO issued their reports scoring the bills and making their sequester calculations as required by section 254 of the Gramm-Rudman-Hollings Act (GRH), as amended by the BEA. Within the domestic discretionary category defined by the BEA, OMB scored budget authority (BA) of \$182,381 million, and outlays of \$199,863 million; CBO scored BA of \$182,192 million and outlays of \$197,814 million. The domestic discretionary limit under the BEA for 1991 is BA of \$182,891 million and outlays of \$198,283 million.

The BEA provides for a number of adjustments to the cap. One adjustment is provided by section 251(b)(2)(F), which states:

" . . . "

This adjustment is explained in the Joint Explanatory Statement of Managers accompanying the conference report on the BEA (as enacted in Title XII of the Omnibus Budget Reconciliation Act of 1990): "Outlay limits for categories of discretionary spending also shall be increased by specified dollar amounts so long as the budget authority limits for the applicable categories are not breached; this special outlay allowance insulates the legislative process from estimating differences." (H.Rep. No.101-964 p. 1153).

As stated by the conferees, the purpose of the provision is to allow an adjustment for outlays estimating differences between CBO and OMB. Under the rule, CBO can score appropriations as meeting the BA and outlay

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<sup>1302</sup>(...continued)

caps, and OMB can score appropriation as just meeting the BA cap by up to \$2.5 billion without triggering a sequester of the OMB-scored outlay excess. If this rule did not exist, and OMB scored outlays as just meeting the cap, the full amount of the cap could not be used by Congress, which must use lower CBO scoring. The maximum adjustment for these CBO-OMB scorekeeping differences is equal to \$2.5 billion plus the amount by which CBO-scored outlays fall short of the cap.

#### Discussion

The adjustment allowed under section 251(b)(2)(F) has been applied in 1991. OMB scored outlays as exceeding the cap (unadjusted for this item) by \$1,580 million, with BA under the cap by \$510 million. CBO scored BA as \$699 million under the cap and outlays as \$469 million under the cap. Due to the adjustment provision, no sequester was triggered despite the unadjusted cap having been exceeded on OMB scoring.

The President's budget for a fiscal year must be "prepared in a manner consistent with the requirements" of GRH "that apply to that and subsequent fiscal years." 31 U.S.C. 1105(f) (as amended by the BEA). The budget will propose 1991 supplementals (and rescissions) with net BA of \$304 million and net outlays of \$247 million within the domestic discretionary category.

The supplementals are consistent with the caps on domestic discretionary spending. The supplementals fit within the room left under the caps as scored by CBO and so will not trigger any point of order during Congressional consideration. The BA will fit within the cap as scored by OMB when OMB prepares its sequester report. The outlays will also fit within the unadjusted cap, not counting the estimating differences for which the adjustment is provided, and fit within the adjusted cap counting such differences. Thus, no sequester will be triggered.

This analysis is consistent with the purpose of the adjustment: to ensure that estimating differences permit the cap to be met by Congress under CBO scoring without triggering a sequester under OMB scoring. Despite the estimating difference, the cap is met under CBO scoring (without the adjustment), and under OMB scoring (with the adjustment). The amount of the estimating difference is the adjustment to the cap (less the amount by which CBO-scored outlays fall below the cap). Not counting the amount provided by the adjustment — the estimating difference between CBO and OMB on 1991 appropriations — the Administration proposals are below the unadjusted 1991 caps.

#### Conclusion

(continued...)

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<sup>1302</sup>(...continued)

Supplementals are consistent with the BEA, and trigger no enforcement procedure applied in Congress or sequester applied by the Executive, so long as the resulting BA and outlays are under the BA and outlay caps as scored by CBO, and under the BA cap as scored by OMB, and the CBO-OMB outlay estimating difference is less than \$2.5 billion plus the amount of the CBO-scored shortfall below the outlay cap. These conditions apply to the proposed supplementals for both domestic and international spending, given 1991 appropriations action to date. The proposed supplementals are therefore consistent with the BEA.

Memorandum from Robert G. Damus to Director Richard G. Darman (Jan. 17, 1991).

Section 13101(a) of the Budget Enforcement Act amended section 251 to read substantially as it does now. *See infra* p. 701. The statement of managers accompanying the conference report on the Budget Enforcement Act explains section 251 generally:

I. ENFORCING DISCRETIONARY SPENDING LIMITS

*Current law*

Under the Congressional Budget Act of 1974, the Senate and the House of Representatives limit discretionary spending primarily through overall allocations to their respective Appropriations Committees in the joint statement of the managers accompanying the concurrent resolution on the budget. These allocations, made pursuant to section 302(a) of the Congressional Budget Act of 1974, are sometimes called "302(a)s" or "crosswalks." All committees must then divide these allocations among their subcommittees or programs. The Committees on Appropriations — which have jurisdiction over discretionary spending — must divide the allocations among their 13 subcommittees (including their Subcommittees on Defense and on Foreign Operations) under section 302(b) of the Congressional Budget Act. A point of order (requiring 60 votes to waive in the Senate and a simple majority to waive in the House) lies against any legislation that would cause spending to exceed these subdivided limits.

*House bill*

The House bill sets forth, in a new section of the Congressio[n]al Budget Act, limits for discretionary spending in three categories — defense, international, and domestic — for fiscal years 1991 through 1993, and in one category — discretionary spending — for fiscal years 1994 and 1995. The House bill creates a new mechanism for across-the-board cuts — called "sequestration" — within a category if discretionary spending for a fiscal year exceeds spending in that category. The President orders these cuts for that fiscal year within 15 days after the end of a session. Under a "look-back" procedure, if legislation is enacted for that fiscal year in the next session that causes

(continued...)

<sup>1302</sup>(...continued)

spending to exceed a category's limit, then the applicable spending limits for the next fiscal year are reduced accordingly, and a further sequestration occurs unless appropriations legislation adjusts spending downward.

The initial limits proposed by the House include separate amounts of new budget authority and outlays by category (for fiscal years 1991 through 1993) and by total (for fiscal years 1994 and 1995).

The House bill provides that the President shall adjust the spending limits in the annual budget submission for changes in concepts and definitions, inflation, credit reestimates, Internal Revenue Service compliance funding, debt forgiveness, International Monetary Fund funding, Presidentially-determined emergencies, and for limited defined special allowances.

#### *Senate amendment*

The Senate amendment sets forth as a freestanding part of the Omnibus Budget Reconciliation Act of 1990 limits for discretionary spending in the same categories and for the same years as in the House bill. The Senate amendment also creates a new mechanism for across-the-board cuts — called "sequestration" — within a category if discretionary spending exceeds spending for that category. In the Senate amendment, however, the President orders these cuts on November 15 for appropriations bills enacted before November 1 or after June 30 of a fiscal year, or 15 days after enactment for bills enacted between October 31 and July 1.

The initial limits on discretionary spending proposed by the Senate are the same as those proposed by the House. As does the House bill, the Senate amendment provides that the President may adjust the spending limits in the annual budget submission for changes in inflation, credit reestimates, Internal Revenue Service compliance funding, International Monetary Fund funding, Presidentially-determined emergencies, and for limited defined special allowances.

The Senate amendment allows for changes in the definition of "budget authority" (which it changes elsewhere) — but not changes in other concepts and definitions, and allows for adjustment for debt forgiveness for the Arab Republic of Egypt and the Polish government — but not other debts.

#### *Conference agreement*

The conference agreement establishes the limits on discretionary spending by category, as proposed by the House and Senate, as a new title VI of the Congressional Budget Act of 1974.

The initial limits on discretionary spending are as follows (in billions  
(continued...))

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<sup>1302</sup>(...continued)  
of dollars):

	Fiscal year —				
	1991	1992	1993	1994	1995
<b>Defense:</b>					
Budget Authority .....	288.918	291.643	291.785	.....	.....
Outlays .....	297.660	295.744	292.686	.....	.....
<b>International:</b>					
Budget Authority .....	20.100	20.500	21.400	.....	.....
Outlays .....	18.600	19.100	19.600	.....	.....
<b>Domestic:</b>					
Budget Authority .....	182.700	191.300	198.300	.....	.....
Outlays .....	198.100	210.100	221.700	.....	.....
<b>Total Discretionary:</b>					
Budget Authority .....				510.800	517.700
Outlays .....				534.800	540.800

The President shall adjust the spending limits according to the method proposed by the House, except with regard to limited defined special allowances. The conference agreement accepts the Senate approach for adjustments for the International Monetary Fund and debt forgiveness. The special allowances authorize the President to adjust the spending limits for new budget authority and associated outlays by specified percentages, depending on the spending category and the fiscal year. Outlay limits for categories of discretionary spending also shall be increased by specified dollar amounts so long as the budget authority limits for the applicable categories are not breached; this special outlay allowance insulates the legislative process from estimating differences.

The conference agreement accepts a compromise mechanism for initiating across-the-board spending cuts if discretionary spending limits are breached. During the session in which the fiscal year begins, the enactment of legislation causing a breach in the spending limits of any category would trigger a presidential sequestration order that would impose across-the-board cuts in that category bringing spending down to the established limits. This presidential sequestration order would be issued within 15 days after the end of a session of Congress. During the following session, the enactment of legislation causing a breach in the spending limits would trigger sequestration 15 days after enactment if the legislation were enacted before July 1, or would reduce the applicable spending limits for the next fiscal year by the amount of the breach if the legislation were enacted on or after July 1.

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<sup>1302</sup>(...continued)

**H.R. CONF. REP. NO. 101-964, 101st Cong., 2d Sess. 1151-53 (1990), *reprinted in* 1990  
U.S.C.C.A.N. 2374, 2856-58.**

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<sup>1302</sup>(...continued)

against estimating differences between the Congressional Budget Office and the Office of Management and Budget. Even so, the acting general counsel of the Office of Management and Budget has issued an opinion that the President may take advantage of this outlay allowance in requests for supplemental appropriations, notwithstanding its original purpose:

**MEMORANDUM FOR THE DIRECTOR**

**FROM:** Robert G. Damus  
Acting General Counsel

**SUBJECT:** Scoring Supplementals Under the  
Special Outlay Allowance

This addresses the issue of whether the Administration's proposed 1991 supplementals are consistent with application of the "special outlay allowance" provision of the Budget Enforcement Act of 1990 (BEA).

**Background**

At the conclusion of appropriations action on the 13 regular appropriations bills for fiscal year 1991, OMB and CBO issued their reports scoring the bills and making their sequester calculations as required by section 254 of the Gramm-Rudman-Hollings Act (GRH), as amended by the BEA. Within the domestic discretionary category defined by the BEA, OMB scored budget authority (BA) of \$182,381 million, and outlays of \$199,863 million; CBO scored BA of \$182,192 million and outlays of \$197,814 million. The domestic discretionary limit under the BEA for 1991 is BA of \$182,891 million and outlays of \$198,283 million.

The BEA provides for a number of adjustments to the cap. One adjustment is provided by section 251(b)(2)(F), which states:

" . . . "

This adjustment is explained in the Joint Explanatory Statement of Managers accompanying the conference report on the BEA (as enacted in Title XII of the Omnibus Budget Reconciliation Act of 1990): "Outlay limits for categories of discretionary spending also shall be increased by specified dollar amounts so long as the budget authority limits for the applicable categories are not breached; this special outlay allowance insulates the legislative process from estimating differences." (H.Rep. No.101-964 p. 1153).

As stated by the conferees, the purpose of the provision is to allow an adjustment for outlays estimating differences between CBO and OMB. Under the rule, CBO can score appropriations as meeting the BA and outlay

(continued...)

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<sup>1302</sup>(...continued)

caps, and OMB can score appropriation as just meeting the BA cap by up to \$2.5 billion without triggering a sequester of the OMB-scored outlay excess. If this rule did not exist, and OMB scored outlays as just meeting the cap, the full amount of the cap could not be used by Congress, which must use lower CBO scoring. The maximum adjustment for these CBO-OMB scorekeeping differences is equal to \$2.5 billion plus the amount by which CBO-scored outlays fall short of the cap.

#### Discussion

The adjustment allowed under section 251(b)(2)(F) has been applied in 1991. OMB scored outlays as exceeding the cap (unadjusted for this item) by \$1,580 million, with BA under the cap by \$510 million. CBO scored BA as \$699 million under the cap and outlays as \$469 million under the cap. Due to the adjustment provision, no sequester was triggered despite the unadjusted cap having been exceeded on OMB scoring.

The President's budget for a fiscal year must be "prepared in a manner consistent with the requirements" of GRH "that apply to that and subsequent fiscal years." 31 U.S.C. 1105(f) (as amended by the BEA). The budget will propose 1991 supplementals (and rescissions) with net BA of \$304 million and net outlays of \$247 million within the domestic discretionary category.

The supplementals are consistent with the caps on domestic discretionary spending. The supplementals fit within the room left under the caps as scored by CBO and so will not trigger any point of order during Congressional consideration. The BA will fit within the cap as scored by OMB when OMB prepares its sequester report. The outlays will also fit within the unadjusted cap, not counting the estimating differences for which the adjustment is provided, and fit within the adjusted cap counting such differences. Thus, no sequester will be triggered.

This analysis is consistent with the purpose of the adjustment: to ensure that estimating differences permit the cap to be met by Congress under CBO scoring without triggering a sequester under OMB scoring. Despite the estimating difference, the cap is met under CBO scoring (without the adjustment), and under OMB scoring (with the adjustment). The amount of the estimating difference is the adjustment to the cap (less the amount by which CBO-scored outlays fall below the cap). Not counting the amount provided by the adjustment — the estimating difference between CBO and OMB on 1991 appropriations — the Administration proposals are below the unadjusted 1991 caps.

#### Conclusion

(continued...)

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<sup>1302</sup>(...continued)

Supplementals are consistent with the BEA, and trigger no enforcement procedure applied in Congress or sequester applied by the Executive, so long as the resulting BA and outlays are under the BA and outlay caps as scored by CBO, and under the BA cap as scored by OMB, and the CBO-OMB outlay estimating difference is less than \$2.5 billion plus the amount of the CBO-scored shortfall below the outlay cap. These conditions apply to the proposed supplementals for both domestic and international spending, given 1991 appropriations action to date. The proposed supplementals are therefore consistent with the BEA.

Memorandum from Robert G. Damus to Director Richard G. Darman (Jan. 17, 1991).

Section 13101(a) of the Budget Enforcement Act amended section 251 to read substantially as it does now. *See infra* p. 701. The statement of managers accompanying the conference report on the Budget Enforcement Act explains section 251 generally:

I. ENFORCING DISCRETIONARY SPENDING LIMITS

*Current law*

Under the Congressional Budget Act of 1974, the Senate and the House of Representatives limit discretionary spending primarily through overall allocations to their respective Appropriations Committees in the joint statement of the managers accompanying the concurrent resolution on the budget. These allocations, made pursuant to section 302(a) of the Congressional Budget Act of 1974, are sometimes called "302(a)s" or "crosswalks." All committees must then divide these allocations among their subcommittees or programs. The Committees on Appropriations — which have jurisdiction over discretionary spending — must divide the allocations among their 13 subcommittees (including their Subcommittees on Defense and on Foreign Operations) under section 302(b) of the Congressional Budget Act. A point of order (requiring 60 votes to waive in the Senate and a simple majority to waive in the House) lies against any legislation that would cause spending to exceed these subdivided limits.

*House bill*

The House bill sets forth, in a new section of the Congressio[n]al Budget Act, limits for discretionary spending in three categories — defense, international, and domestic — for fiscal years 1991 through 1993, and in one category — discretionary spending — for fiscal years 1994 and 1995. The House bill creates a new mechanism for across-the-board cuts — called "sequestration" — within a category if discretionary spending for a fiscal year exceeds spending in that category. The President orders these cuts for that fiscal year within 15 days after the end of a session. Under a "look-back" procedure, if legislation is enacted for that fiscal year in the next session that causes

(continued...)

<sup>1302</sup>(...continued)

spending to exceed a category's limit, then the applicable spending limits for the next fiscal year are reduced accordingly, and a further sequestration occurs unless appropriations legislation adjusts spending downward.

The initial limits proposed by the House include separate amounts of new budget authority and outlays by category (for fiscal years 1991 through 1993) and by total (for fiscal years 1994 and 1995).

The House bill provides that the President shall adjust the spending limits in the annual budget submission for changes in concepts and definitions, inflation, credit reestimates, Internal Revenue Service compliance funding, debt forgiveness, International Monetary Fund funding, Presidentially-determined emergencies, and for limited defined special allowances.

#### *Senate amendment*

The Senate amendment sets forth as a freestanding part of the Omnibus Budget Reconciliation Act of 1990 limits for discretionary spending in the same categories and for the same years as in the House bill. The Senate amendment also creates a new mechanism for across-the-board cuts — called "sequestration" — within a category if discretionary spending exceeds spending for that category. In the Senate amendment, however, the President orders these cuts on November 15 for appropriations bills enacted before November 1 or after June 30 of a fiscal year, or 15 days after enactment for bills enacted between October 31 and July 1.

The initial limits on discretionary spending proposed by the Senate are the same as those proposed by the House. As does the House bill, the Senate amendment provides that the President may adjust the spending limits in the annual budget submission for changes in inflation, credit reestimates, Internal Revenue Service compliance funding, International Monetary Fund funding, Presidentially-determined emergencies, and for limited defined special allowances.

The Senate amendment allows for changes in the definition of "budget authority" (which it changes elsewhere) — but not changes in other concepts and definitions, and allows for adjustment for debt forgiveness for the Arab Republic of Egypt and the Polish government — but not other debts.

#### *Conference agreement*

The conference agreement establishes the limits on discretionary spending by category, as proposed by the House and Senate, as a new title VI of the Congressional Budget Act of 1974.

The initial limits on discretionary spending are as follows (in billions  
(continued...))

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<sup>1302</sup>(...continued)  
of dollars):

	Fiscal year —				
	1991	1992	1993	1994	1995
<b>Defense:</b>					
Budget Authority .....	288.918	291.643	291.785	.....	.....
Outlays .....	297.660	295.744	292.686	.....	.....
<b>International:</b>					
Budget Authority .....	20.100	20.500	21.400	.....	.....
Outlays .....	18.600	19.100	19.600	.....	.....
<b>Domestic:</b>					
Budget Authority .....	182.700	191.300	198.300	.....	.....
Outlays .....	198.100	210.100	221.700	.....	.....
<b>Total Discretionary:</b>					
Budget Authority .....				510.800	517.700
Outlays .....				534.800	540.800

The President shall adjust the spending limits according to the method proposed by the House, except with regard to limited defined special allowances. The conference agreement accepts the Senate approach for adjustments for the International Monetary Fund and debt forgiveness. The special allowances authorize the President to adjust the spending limits for new budget authority and associated outlays by specified percentages, depending on the spending category and the fiscal year. Outlay limits for categories of discretionary spending also shall be increased by specified dollar amounts so long as the budget authority limits for the applicable categories are not breached; this special outlay allowance insulates the legislative process from estimating differences.

The conference agreement accepts a compromise mechanism for initiating across-the-board spending cuts if discretionary spending limits are breached. During the session in which the fiscal year begins, the enactment of legislation causing a breach in the spending limits of any category would trigger a presidential sequestration order that would impose across-the-board cuts in that category bringing spending down to the established limits. This presidential sequestration order would be issued within 15 days after the end of a session of Congress. During the following session, the enactment of legislation causing a breach in the spending limits would trigger sequestration 15 days after enactment if the legislation were enacted before July 1, or would reduce the applicable spending limits for the next fiscal year by the amount of the breach if the legislation were enacted on or after July 1.

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<sup>1302</sup>(...continued)

**H.R. CONF. REP. NO. 101-964, 101st Cong., 2d Sess. 1151-53 (1990), *reprinted in* 1990 U.S.C.C.A.N. 2374, 2856-58.**

§ 252

**SEC. 252.<sup>1303</sup> ENFORCING PAY-AS-YOU-GO.**

§ 252(a)

**(a) FISCAL YEARS 1992-1998<sup>1304</sup> ENFORCEMENT.** — The purpose of this section is to assure that any legislation (enacted after the date of enactment of this section<sup>1305</sup>) affecting direct spending<sup>1306</sup> or receipts<sup>1307</sup> that increases the deficit<sup>1308</sup> in

<sup>1303</sup> Section 252 is codified as amended at 2 U.S.C. § 902 (Supp. IV 1992), *amended* by the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003(a), 107 Stat. 312 (1993). Section 13101(a) of the Budget Enforcement Act amended section 252 to read substantially as it does now. *See infra* p. 701. For excerpts from the statement of managers accompanying the conference report on the Budget Enforcement Act explaining section 252, *see infra* note 1351. For a general discussion of the pay-as-you-go process, *see* EDWARD DAVIS, "PAY-AS-YOU-GO" BUDGET ENFORCEMENT PROCEDURES IN 1992 (Jan. 28, 1993) (Cong. Res. Serv. rep. no. IB92055, updated regularly); SEN. COMM. ON THE BUDGET, CONCURRENT RESOLUTION ON THE BUDGET, FY 1994, S. REP. NO. 103-19, 103d Cong., 1st Sess. 43-46 (1993).

<sup>1304</sup> Section 14003(a)(1) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003(a)(1), 107 Stat. 312 (1993), changed this reference from "1995" to "1998." For legislative history of the extension, *see infra* notes 1351 & 1807.

<sup>1305</sup> Section 250(c)(17) provides that "[f]or purposes of sections 252 and 253, legislation enacted during the second session of the One Hundred First Congress shall be deemed to have been enacted before the enactment of this Act." *See supra* p. 447.

<sup>1306</sup> Section 250(c)(8) defines "direct spending." *See supra* p. 444.

<sup>1307</sup> The General Accounting Office has defined the term "budget receipts" to mean:

Collections from the public (based on the Government's exercise of its sovereign powers) and from payments by participants in certain voluntary Federal social insurance programs. These collections, also called governmental receipts, consist primarily of tax receipts and social insurance premiums, but also include receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts. Budget receipts are compared with total outlays in calculating the budget surplus or deficit.

GENERAL ACCOUNTING OFFICE, A GLOSSARY OF TERMS USED IN THE FEDERAL BUDGET PROCESS 47 (3d ed. 1981) (PAD-81-27).

<sup>1308</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.



any fiscal year covered by this Act will trigger an offsetting sequestration.<sup>1309</sup>

§ 252(b) (b) SEQUESTRATION;<sup>1310</sup> LOOK-BACK. — Within 15 calendar days after Congress adjourns<sup>1311</sup> to end a session (other than of the One Hundred First Congress) and on the same day as a sequestration (if any) under section 251 and section 253, there shall be a sequestration to offset the amount of any net deficit<sup>1312</sup> increase in that fiscal year and the prior fiscal year caused by all direct spending<sup>1313</sup> and receipts legislation enacted after the date of enactment of this section (after adjusting for any prior sequestration as provided by paragraph (2)). OMB<sup>1314</sup> shall calculate the amount of deficit increase, if any, in those fiscal years by adding —

§ 252(b)(1) (1) all applicable estimates of direct spending<sup>1315</sup> and receipts legislation transmitted under subsection (d) applicable to those fiscal years, other than any amounts included in such estimates resulting from —

§ 252(b)(1)(A) (A) full funding of, and continuation of, the

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<sup>1309</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1310</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1311</sup> What happens if the Congress recesses to end the first session of a Congress? Congress plainly intended to require annual review of legislation. (For example, the use of the words "in that fiscal year" later in this sentence indicate an annual review.) This language should be read as "adjourns or recesses to end a session."

<sup>1312</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. See *supra* p. 16.

<sup>1313</sup> Section 250(c)(8) defines "direct spending." See *supra* p. 444.

<sup>1314</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

<sup>1315</sup> Section 250(c)(8) defines "direct spending." See *supra* p. 444.

deposit insurance<sup>1316</sup> guarantee commitment in effect on the date of enactment of this section,<sup>1317</sup> and

§ 252(b)(1)(B)

(B) emergency provisions as designated under subsection (e); and

§ 252(b)(2)

(2) the estimated amount of savings in direct spending<sup>1318</sup> programs applicable to those fiscal years resulting from the prior year's sequestration<sup>1319</sup> under this section or section 253, if any (except for any amounts sequestered<sup>1320</sup> as a result of a net deficit<sup>1321</sup> increase in the fiscal year immediately preceding the prior fiscal year), as published in OMB's<sup>1322</sup> end-of-session sequestration report for that prior year.

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<sup>1316</sup> Section 250(c)(19) defines "deposit insurance." See *supra* p. 447.

<sup>1317</sup> The law probably means the date of enactment of the Budget Enforcement Act of 1990, which added this language (see Budget Enforcement Act § 13101(a), *infra* p. 701), or November 5, 1990. Note that section 253 regarding enforcement of deficit targets instructs the Office of Management and Budget to make its calculations "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" — January 29, 1992. See *infra* p. 533.

Note that section 253(b)(3) also excludes changes in deposit insurance from the calculation of sequestration to enforce deficit targets. See *infra* p. 524. Consequently, the Senate Budget Committee does not count toward allocations or aggregates changes in law that merely further "full funding of, and continuation of, the deposit insurance guarantee commitment in effect on [November 5, 1990]."

<sup>1318</sup> Section 250(c)(8) defines "direct spending." See *supra* p. 444.

<sup>1319</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1320</sup> Section 250(c)(2) defines "sequester." See *supra* p. 440.

<sup>1321</sup> Section 250(c)(1) (see *supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. See *supra* p. 16.

<sup>1322</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

§ 252(e)(1) (c)<sup>1323</sup> **ELIMINATING A DEFICIT<sup>1324</sup> INCREASE. — (1)**  
**The amount required to be sequestered<sup>1325</sup> in a fiscal year**  
**under subsection (b) shall be obtained from non-exempt direct**  
**spending<sup>1326</sup> accounts<sup>1327</sup> from actions taken in the following**

<sup>1323</sup> Before enactment of the Budget Enforcement Act, section 252(c) dealt with the President's proposal of flexibility among defense programs, projects, and activities. Section 13101(a) of the Budget Enforcement Act repealed the old section 252(c). *See infra* p. 701. Section 13101(g) of the Budget Enforcement Act (*see infra* p. 706) added a new section 258B to Gramm-Rudman-Hollings (*see infra* pp. 643-652) based on the old section 252(c) to deal with the President's proposal of flexibility among defense programs. For the text of the old section 252(c), *see infra* note 1729.

<sup>1324</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1325</sup> Section 250(c)(2) defines "sequester." *See supra* p. 440.

<sup>1326</sup> Section 250(c)(8) defines "direct spending." *See supra* p. 444.

<sup>1327</sup> Section 250(c)(11) defines "account." *See supra* p. 445. The "non-exempt direct spending accounts" to which this subsection refers, the entitlement and other mandatory spending subject to cutting, amount to only \$26.2 billion — a minute, 3.8% share of the \$687 billion total of entitlement and other mandatory spending that the Federal Government disburses each year (*see* CONGRESSIONAL BUDGET OFFICE, THE ECONOMIC AND BUDGET OUTLOOK: FISCAL YEARS 1992-1996, at 91 (Jan. 1991) (total fiscal year 1992 entitlement and other mandatory spending, excluding deposit insurance)):

**Direct Spending Programs Subject to Sequestration**  
**Under the Pay-as-You-Go Process**  
**(amounts of estimated fiscal year 1992 outlays in billions of dollars)**

program	outlays
Automatic spending increase and special rule programs .....	0.2
4% maximum of \$98.0 billion Medicare program .....	3.9
Other direct spending programs:	
Commodity Credit Corporation fund .....	10.3
Social services block grants .....	2.7
Family support payments to states .....	1.8
Payments to Japanese internees .....	0.5
Veterans' education — readjustment benefits .....	0.5
Payments to states for Mineral Leasing Act .....	0.4
Agricultural Marketing Service .....	0.4
Forest Service — cooperative work trust fund .....	0.3

(continued...)

order:

§ 252(o)(1)(A) (A) FIRST. — All reductions in automatic spending increases specified in section 256(a) shall be made.

§ 252(o)(1)(B) (B) SECOND. — If additional reductions in direct

<sup>1327</sup>(...continued)

Rehabilitation services and handicapped research ..	0.3	
Assets forfeiture fund .....	0.3	
Foreign military sales .....	0.3	
Forest Service permanent appropriations .....	0.2	
Medicare (peer review organizations, etc.) .....	0.2	
Treasury — Customs Service .....	0.2	
Employment Training Administration —		
Federal unemployment benefits .....	0.2	
Interim assistance to states for legalization .....	0.1	
Veterans' burial benefits and miscellaneous .....	0.1	
Bureau of Land Management —		
miscellaneous permanent appropriations ...	0.1	
Forest Service — permanent appropriations .....	0.1	
Unemployment trust fund .....	0.1	
Immigration user fee .....	0.1	
Rivers and harbors contributed funds .....	0.1	
Rural electrification and		
telephone revolving fund .....	0.1	
Agriculture Marketing Service —		
miscellaneous trust funds .....	0.1	
Sport fish restoration .....	0.1	
Immigration examination fee .....	0.1	
Black lung trust fund .....	0.1	
Crime victims fund .....	0.1	
Other .....	<u>1.3</u>	
Subtotal .....		20.9
Spending from offsetting collections:		
Patent and Trademark Office —		
salaries and expenses .....	0.3	
Lower Colorado River Basin development fund .....	0.1	
United States Mint — salaries and expenses .....	0.1	
Other .....	<u>0.8</u>	
Subtotal .....		<u>1.2</u>
Total .....		26.2

See STAFF OF HOUSE COMM. ON WAYS AND MEANS, OVERVIEW OF ENTITLEMENT PROGRAMS, W.M. COMM. PRINT 102-9, 102d Cong., 1st Sess. 1592-93 (May 7, 1991).

spending<sup>1328</sup> accounts<sup>1329</sup> are required to be made, the maximum reductions permissible under sections 256(b) (guaranteed student loans) and 256(c) (foster care and adoption assistance) shall be made.

§ 252(c)(1)(C)(i)

(C) **THIRD.** — (i) If additional reductions in direct spending<sup>1330</sup> accounts<sup>1331</sup> are required to be made, each remaining non-exempt direct spending account shall be reduced by the uniform percentage necessary to make the reductions in direct spending required by paragraph (1); except that the medicare programs specified in section 256(d) shall not be reduced by more than 4 percent and the uniform percentage applicable to all other direct spending programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the required reduction in direct spending.

§ 252(c)(1)(C)(ii)

(ii) For purposes of determining reductions under clause (i),<sup>1332</sup> outlay<sup>1333</sup> reductions (as a result of sequestration<sup>1334</sup> of Commodity Credit Corporation commodity price support contracts in the fiscal year of a sequestration) that would occur in the following fiscal year shall be credited as outlay reductions in the fiscal year of the sequestration.

<sup>1328</sup> Section 250(c)(8) defines "direct spending." See *supra* p. 444.

<sup>1329</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1330</sup> Section 250(c)(8) defines "direct spending." See *supra* p. 444.

<sup>1331</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1332</sup> See *supra* p. 514. This rule for crediting Commodity Credit Corporation outlay reductions should also apply for purposes of determining sequestration savings under subsection (b)(2) (see *supra* p. 511) and section 253. See *infra* pp. 523-533.

<sup>1333</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1334</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

§ 252(c)(2) (2) For purposes of this subsection, accounts<sup>1335</sup> shall be assumed to be at the level in the baseline.<sup>1336</sup>

§ 252(d) (d) OMB<sup>1337</sup> ESTIMATES. — As soon as practicable after Congress completes action on any direct spending<sup>1338</sup> or receipts legislation enacted after the date of enactment of this section, after consultation with the Committees on the Budget of the House of Representatives and the Senate, CBO<sup>1339</sup> shall provide OMB with an estimate of the amount of change<sup>1340</sup> in outlays<sup>1341</sup> or receipts, as the case may be, in each fiscal year through fiscal year 1998<sup>1342</sup> resulting from that legislation. Within 5 calendar days after the enactment of any direct spending or receipts legislation enacted after the date of enactment of this section, OMB shall transmit a report to the House of Representatives and to the Senate containing such CBO estimate of that legislation, an OMB estimate of the amount of change in outlays or receipts, as the case may be, in

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<sup>1335</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1336</sup> Section 250(c) (see *supra* p. 442) defines "baseline" in substantial part by reference to section 257. See *infra* pp. 600-617.

<sup>1337</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

<sup>1338</sup> Section 250(c)(8) defines "direct spending." See *supra* p. 444.

<sup>1339</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." See *supra* p. 446.

<sup>1340</sup> This reference to "change" means change as measured relative to the baseline pursuant to section 257. See *infra* pp. 600-617.

<sup>1341</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1342</sup> Section 14003(a)(2) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003(a)(2), 107 Stat. 312 (1993), changed this reference from "1995" to "1998." For legislative history of the extension, see *infra* notes 1351 & 1807.

each fiscal year through fiscal year 1998<sup>1343</sup> resulting from that legislation, and an explanation of any difference between the two estimates. Those OMB estimates shall be made using current<sup>1344</sup> economic and technical assumptions. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the House and Senate Committees on the Budget, CBO, and OMB.<sup>1345</sup>

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<sup>1343</sup> Section 14003(a)(2) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003(a)(2), 107 Stat. 312 (1993), changed this reference from "1995" to "1998." For legislative history of the extension, see *infra* notes 1351 & 1807.

<sup>1344</sup> Section 250(c)(9) defines "current." See *supra* p. 445.

<sup>1345</sup> The statement of managers accompanying the conference report on the Budget Enforcement Act expressed concern regarding the powers conferred on the Office of Management and Budget by this paragraph and set forth the scorekeeping guidelines to which this paragraph refers. See *supra* note 1245.

On January 3, 1991, the House of Representatives adopted a change in the Rules of the House of Representatives to address this concern:

(10) In rule XXI, add at the end the following new clause:

"8. It shall not be in order to consider a bill, joint resolution, or conference report providing, increasing, or decreasing receipts or direct spending (as defined in section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985), unless the conference report or bill or joint resolution as reported contains the following statement of law: 'The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows: \_\_\_\_\_.'. The blank shall be filled with a cost estimate provided by the Congressional Budget Office (prepared in consultation with the Joint Committee on Taxation where appropriate pursuant to section 201(g) of the Congressional Budget Act of 1974). The cost estimate shall be in writing and shall be signed, and shall contain an estimate of the amount of the change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1995, resulting from the conference report or bill or joint resolution as reported.'"

H. Res. 5, 102d Cong., 1st Sess., 137 CONG. REC. H5-6 (daily ed. Jan. 3, 1991).

The House debated the rule change on January 3, 1991. See 137 CONG. REC. H7-26 (daily ed. Jan. 3, 1991). The House voted in favor of the previous question, 250 to 162 (18 (continued...))

§ 252(e)

(e) **EMERGENCY LEGISLATION.** — If, for any fiscal year from 1991 through 1998,<sup>1346</sup> a provision of direct spending<sup>1347</sup> or receipts legislation is enacted that the President designates as an emergency requirement and that the Congress so designates in statute, the amounts of new budget authority,<sup>1348</sup> outlays,<sup>1349</sup> and receipts in all fiscal years through 1995<sup>1350</sup> resulting from that provision shall be designated as an emergency requirement in the reports required under subsection (d).<sup>1351</sup>

<sup>1345</sup>(...continued)

not voting), voted down the Republican leader's motion to recommit 160 to 256 (14 not voting), and approved the resolution amending the rules 242 to 160 (28 not voting). *Id.* at H26-28.

After a session of honoring the rule in the breach, the House repealed clause 8 of rule XXI. *See* 139 CONG. REC. H5, H6, H10, H53-54 (daily ed. Jan. 5, 1993). Majority Leader Gephardt noted that the rule "proved to be difficult to implement." *Id.* at H10.

<sup>1346</sup> Section 14003(a)(3) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003(a)(3), 107 Stat. 312 (1993), changed this reference from "fiscal year 1991, 1992, 1993, 1994, or 1995" to "any fiscal year from 1991 through 1998." For legislative history of the extension, see *infra* notes 1351 & 1807.

<sup>1347</sup> Section 250(c)(8) defines "direct spending." *See supra* p. 444.

<sup>1348</sup> Section 250(c)(1) (*see supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. *See supra* pp. 11-13.

<sup>1349</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1350</sup> This should read "1998." Section 14003(a)(3) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003(a)(3), 107 Stat. 312 (1993), extended this section from 1995 to 1998 (*see supra* note 1346), but the drafters of the Act neglected to make this conforming change. Plainly Congress intended the change, for without it, the extension in this subsection cited above would have no effect. For legislative history of the extension, see *infra* notes 1351 & 1807.

<sup>1351</sup> Compare the parallel provisions for emergencies for appropriated spending in section 251(b)(2)(D). *See supra* p. 498. For discussions of these emergency provisions, see William G. Dauster, *Budget Emergencies*, 18 J. LEGIS. 249 (1992); ROBERT KEITH, EMERGENCY LEGISLATION UNDER THE GRAMM-RUDMAN-HOLLINGS ACT: 101ST-102ND CONGRESSES (Dec. 8, 1992) (Cong. Res. Serv. rep. no. 92-917 GOV).

(continued...)



<sup>1351</sup>(...continued)

Section 13101(a) of the Budget Enforcement Act amended section 252 to read substantially as it does now. *See infra* p. 701. The statement of managers accompanying the conference report on the Budget Enforcement Act explains section 252 generally:

## II. ENFORCING PAY-AS-YOU-GO

### *Current law*

Under current law, the Senate and the House of Representatives limit entitlements through spending allocations to their respective authorizing committees in the joint statement of the managers accompanying the concurrent resolution on the budget, just as with discretionary spending. A point of order (requiring 60 votes to waive in the Senate and a simple majority to waive in the House) lies against any new entitlement program that would cause spending to exceed limits that flow from these allocations. Similarly, the concurrent resolution on the budget sets a revenue floor, and a point of order (requiring 60 votes to waive in the Senate and a simple majority to waive in the House) lies against any tax-cutting legislation that would cause revenues to fall below the floor in the resolution.

### *House bill*

The House bill creates a new "pay-as-you-go" mechanism to require across-the-board cuts in those entitlement programs subject to Gramm-Rudman-Hollings if new entitlement spending or tax-cutting legislation increases the deficit. The President orders these cuts on October 15 — the same date that a final sequestration order is issued pursuant to Gramm-Rudman-Hollings. The House bill cuts the first \$5 billion in excess solely from entitlement programs now covered by Gramm-Rudman-Hollings. In the case of any excess above \$5 billion, the House would cut 50 percent of the further excess from entitlement and 50 percent from discretionary spending.

### *Senate amendment*

The Senate amendment creates a mechanism similar to the House bill, except that the President orders these cuts on November 15, and makes the across-the-board cuts solely in entitlement programs now covered by Gramm-Rudman-Hollings. Discretionary programs would not be reduced through the pay-as-you-go sequester.

### *Conference agreement*

The conference agreement makes across-the-board cuts only in non-exempt entitlement programs, as in the Senate amendment. These cuts are ordered on the same day as the discretionary spending and deficit sequestration.  
(continued...)

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<sup>1351</sup>(...continued)

trations. The conference agreement includes a provision for emergency direct spending or receipts legislation, which would not be subject to the pay-as-you-do requirement.

Section 252(b)(1) of the conference agreement excludes from the pay-as-you-go sequester procedure legislation maintaining the deposit insurance guarantee in effect on the date of enactment. The conferees intend that the funding to meet deposit insurance liabilities that meet existing commitments be exempt from any pay-as-you-go sequestration.

H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1153-54 (1990), *reprinted in* 1990 U.S.C.A.N. 2374, 2858-59.

Section 14003 of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003, 107 Stat. 312 (1993), extended this section from fiscal year 1995 to fiscal year 1998. The joint statement of managers accompanying that Act explains:

DISCRETIONARY SPENDING LIMITS,  
THE PAY-AS-YOU-GO REQUIREMENT, AND RELATED PROCEDURES

*Summary*

Subtitles A and B of Title XV (Budget Process) of the House-passed bill amend the Balanced Budget and Emergency Deficit Control Act of 1985, more commonly known as the Gramm-Rudman-Hollings (GRH) Act, and the Congressional Budget Act (CBA) of 1974. The purpose of the amendments is to extend the discretionary spending limits and pay-as-you-go (PAYGO) requirement, both enforced by sequestration, through fiscal year 1998, and to make other changes in the budget process. Subtitle A, called the Budget Enforcement Act (BEA) of 1993, revises the procedures under the Gramm-Rudman-Hollings Act for enforcement of . . . the pay-as-you-go requirement. . . .

Title XIV (Enforcement Procedures) of the Senate amendment extends . . . the pay-as-you-go requirement through fiscal year 1998, and makes minor modifications in the procedures for enforcing them, by amending the Congressional Budget Act and the Gramm-Rudman-Hollings Act[.]

In conference, the House recedes to the Senate. As noted, both the House and the Senate extend . . . the pay-as-you-go requirement through 1998. Both chambers consider this extension to be important for enforcing the overall budget and economic plan. Thus, the conference disposition of title XV, subtitle A, of the House bill and title XIV of the Senate bill is consistent with the intent of both chambers.

*Background*

(continued...)

<sup>1381</sup>(...continued)

....

Congress fundamentally revised the sequestration process with the Budget Enforcement Act (BEA) of 1990 (title XIII of the Omnibus Budget Reconciliation Act of 1990, Pub. L. No. 101-508, tit. XIII, 104 Stat. 1388, 1388-573 to -630 (Nov. 5, 1990) (codified as amended in scattered sections of 2 U.S.C. and at 15 U.S.C. § 1022 (Supp. II 1990)). First, the Act extended the process through fiscal year 1995 . . . . Third, the Act . . . instituted a pay-as-you-go (PAYGO) requirement to ensure that legislative changes in mandatory spending and revenue levels do not increase the deficit in the net. The act also made these . . . procedures (in effect through fiscal year 1995) enforceable by sequestration. Congress intended that . . . the pay-as-you-go requirement would control subsequent legislation, so that Congress and the President would not undo the deficit reduction that the 1990 budget summit agreement accomplished. Congress has the same purpose for extending . . . the pay-as-you-go requirement in this Act — to prevent future legislation from undoing the spending cuts and revenue increases agreed to in the budget resolution and the other titles of this Act, the Omnibus Budget Reconciliation Act (OBRA) of 1993.

....

### 3. PAY-AS-YOU-GO (PAYGO) REQUIREMENT (SECTION 252 OF GRAMM-RUDMAN-HOLLINGS)

#### *Current Law*

The Budget Enforcement Act of 1990 established a pay-as-you-go (PAYGO) requirement for fiscal years 1991 through 1995 in section 252 of the Gramm-Rudman-Hollings Act. Under pay-as-you-go, direct (mandatory) spending and revenue legislation may not increase the deficit for these fiscal years. Sequestration enforces this requirement, if necessary, applying to selected direct spending programs. A sequester does not alter revenues, nor does it affect such direct spending programs as Social Security, net interest, Federal retirement, most veterans' benefits, low-income entitlements, and regular unemployment benefits. The pay-as-you-go process does not require any offsetting action when the spending increase or revenue decrease is due to the operation of existing law, such as greater-than-forecast increase in the number of persons participating in an entitlement program.

Spending for Social Security benefits and Federal deposit insurance commitments in effect at the time the Budget Enforcement Act of 1990 was enacted (whether from current law or new legislation), as well as emergency direct spending and revenue legislation (if so designated by the President and by Congress in statute), is exempted completely from pay-as-you-go account-

(continued...)

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<sup>1351</sup>(...continued)

ing and enforcement.

The budgetary effects of direct spending and revenue legislation are tracked over the full five years of the process using a pay-as-you-go scorecard. Although it covers five fiscal years, pay-as-you-go is enforced one year at a time. In determining whether a pay-as-you-go sequester for a fiscal year is necessary, the pay-as-you-go deficit calculations must take into account enacted legislation affecting both that and the preceding fiscal year.

#### *House Bill*

The House bill amends section 252 of the Gramm-Rudman-Hollings Act, extending the pay-as-you-go process for legislation enacted through fiscal year 1998 . . . .

. . . .

#### *Senate Amendment*

Section 12(a) of the concurrent resolution on the budget adopted in April of 1993 provides:

(a) PURPOSE. — The Senate declares that it is essential to —

(1) ensure compliance with the deficit reduction goals embodied in this resolution;

. . . .

(3) extend the pay-as-you-go enforcement system;

(4) prohibit the consideration of direct spending or receipts legislation that would decrease the pay-as-you-go surplus that the reconciliation bill pursuant to section 7 of this resolution will create under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985. . . .

H. Con. Res. 64, 103d Cong., 1st Sess. § 12(a), 139 CONG. REC. H1747, H1753 (daily ed. Mar. 31, 1993) (adopted).

The Senate amendment amends section 252 of the Gramm-Rudman-Hollings Act, extending the pay-as-you-go process for legislation enacted through fiscal year 1998. The pay-as-you-go scorecard ends with fiscal year  
(continued...)

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<sup>1351</sup>(...continued)

1998; the effects of enacted direct spending and revenue legislation in fiscal year 1999 and beyond are not taken into account. Additionally, the Senate amendment requires that the yearly pay-as-you-go balances be adjusted for deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993.

Section 12(c) of the budget resolution establishes a new point of order in the Senate that supplements the pay-as-you-go process under the Gramm-Rudman-Hollings Act. The point of order bars consideration of any legislation affecting direct spending or revenues (with certain exceptions) that would increase the deficit above the levels for fiscal years 1994 through 1998 set in the budget resolution for fiscal year 1994. The point of order also applies to any such increases in deficit levels for fiscal years 1999 through 2003. While this new prohibition applies to individual pay-as-you-go measures as they are considered, the pay-as-you-go requirement under the Gramm-Rudman-Hollings Act, in contrast, is applied at the end of a session to all pay-as-you-go measures enacted into law.

#### *Conference Agreement*

The conference agreement contains the Senate language.

H.R. CONF. REP. NO. 103-213, 103d Cong., 1st Sess. 936-37, 946, 949-50 (1993), *reprinted in* 139 CONG. REC. H6036, H6039-40 (daily ed. Aug. 4, 1993).

As described in the joint statement of managers language just quoted, to lock in the deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, 107 Stat. 312 (1993), section 14003(c) of that Act adjusts the yearly pay-as-you-go balances for the deficit reduction achieved by the Act:

(c) Upon enactment of this Act, the director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net deficit reduction achieved through the enactment in this Act of direct spending and receipts legislation for that year.

Pub. L. No. 103-66, § 14003(c), 107 Stat. 312 (1993).

§ 253

**SEC. 253.<sup>1352</sup> ENFORCING DEFICIT TARGETS.**

§ 253(a)

**(a) SEQUESTRATION.<sup>1353</sup>** — Within 15 calendar days after Congress adjourns<sup>1354</sup> to end a session (other than of the One Hundred First Congress) and on the same day as a sequestration (if any) under section 251 and section 252, but after any sequestration required by section 251 (enforcing discretionary spending limits<sup>1355</sup>) or section 252 (enforcing pay-as-you-go), there shall be a sequestration to eliminate the excess deficit<sup>1356</sup> (if any remains) if it exceeds the margin.

§ 253(b)

**(b) EXCESS DEFICIT; MARGIN.** — The excess deficit is, if greater than zero, the estimated deficit<sup>1357</sup> for the budget

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<sup>1352</sup> Section 253 is codified as amended at 2 U.S.C. § 903 (Supp. IV 1992). Section 13101(a) of the Budget Enforcement Act amended section 253 to read as it does now. *See infra* p. 701. For excerpts from the statement of managers accompanying the conference report on the Budget Enforcement Act explaining section 253, *see infra* note 1411.

<sup>1353</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1354</sup> What happens if the Congress recesses to end the first session of a Congress? Congress plainly intended to require annual review of legislation. This language should be read as "adjourns or recesses to end a session."

<sup>1355</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1356</sup> Section 253(b) defines the term "excess deficit." *See infra* pp. 523-524.

<sup>1357</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

As used here, the deficit means the deficit left after any savings achieved for the fiscal year by sections 251 and 252. This conclusion flows from the language of subsection (a) stating that sequestration under this section shall occur "after any sequestration required by section 251 (enforcing discretionary spending limits) or section 252 (enforcing pay-as-you-go)" and that there shall be sequestration of the excess deficit "if any remains" (emphasis added).

year,<sup>1358</sup> minus —

- § 253(b)(1)                    (1) the maximum deficit amount<sup>1359</sup> for that year;
- § 253(b)(2)                    (2) the amounts for that year designated as emergency direct spending<sup>1360</sup> or receipts legislation under section 252(e); and
- § 253(b)(3)                    (3) for any fiscal year in which there is not a full adjustment for technical and economic reestimates, the deposit insurance<sup>1361</sup> reestimate for that year, if any, calculated under subsection (h).<sup>1362</sup>

The "margin" for fiscal year 1992 or 1993 is zero and for fiscal year 1994 or 1995 is \$15,000,000,000.

- § 253(c)                    (c) DIVIDING THE SEQUESTRATION.<sup>1363</sup> — To eliminate the excess deficit<sup>1364</sup> in a budget year,<sup>1365</sup> half of the

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<sup>1358</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1359</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See infra* pp. 475-502, 523-533.

<sup>1360</sup> Section 250(c)(8) defines "direct spending." *See supra* p. 444.

<sup>1361</sup> Section 250(c)(19) defines "deposit insurance." *See supra* p. 447.

<sup>1362</sup> *See infra* p. 533.

Note that section 252(b)(1)(A) regarding enforcing pay-as-you-go also excludes "full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment." *See supra* p. 510. Consequently, the Senate Budget Committee does not count toward allocations or aggregates changes in law that merely further "full funding of, and continuation of, the deposit insurance guarantee commitment in effect on [November 5, 1990]."

<sup>1363</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1364</sup> Section 253(b) defines the term "excess deficit." *See supra* pp. 523-524.

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required outlay<sup>1366</sup> reductions shall be obtained from non-exempt defense accounts<sup>1367</sup> (accounts designated as function 050 in the President's fiscal year 1991 budget submission) and half from non-exempt, non-defense accounts (all other non-exempt accounts).

§ 253(d) (d) **DEFENSE.** — Each non-exempt defense account<sup>1368</sup> shall be reduced by a dollar amount calculated by multiplying the level of sequestrable budgetary resources<sup>1369</sup> in that account at that time by the uniform percentage necessary to carry out subsection (c), except that, if any military personnel are exempt, adjustments shall be made under the procedure set forth in section 251(a)(3).

§ 253(e) (e) **NON-DEFENSE.** — Actions to reduce non-defense accounts<sup>1370</sup> shall be taken in the following order:

§ 253(e)(1) (1) **FIRST.** — All reductions in automatic spending increases under section 256(a) shall be made.

§ 253(e)(2) (2) **SECOND.** — If additional reductions in non-defense accounts<sup>1371</sup> are required to be made, the maximum reduction permissible under sections 256(b) (guaranteed student loans) and 256(c) (foster care and adoption assistance) shall be made.

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<sup>1365</sup>(...continued)

<sup>1365</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1366</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1367</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1368</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1369</sup> Section 250(c)(6) defines "budgetary resources." See *supra* p. 443.

<sup>1370</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1371</sup> Section 250(c)(11) defines "account." See *supra* p. 445.



§ 253(e)(3)(A)

**(3) THIRD. — (A) If additional reductions in non-defense accounts<sup>1372</sup> are required to be made, each remaining non-exempt, non-defense account shall be reduced by the uniform percentage necessary to make the reductions in non-defense outlays<sup>1373</sup> required by subsection (c), except that —**

§ 253(e)(3)(A)(i)

**(i) the medicare program specified in section 256(d) shall not be reduced by more than 2 percent in total including any reduction of less than 2 percent made under section 252 or, if it has been reduced by 2 percent or more under section 252, it may not be further reduced under this section; and**

§ 253(e)(3)(A)(ii)

**(ii) the health programs set forth in section 256(e) shall not be reduced by more than 2 percent in total (including any reduction made under section 251),**

**and the uniform percent applicable to all other programs under this subsection shall be increased (if necessary) to a level sufficient to achieve the required reduction in non-defense outlays.<sup>1374</sup>**

§ 253(e)(3)(B)

**(B) For purposes of determining reductions under subparagraph (A), outlay<sup>1375</sup> reduction (as a result of sequestration<sup>1376</sup> of Commodity Credit Corporation com-**

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<sup>1372</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1373</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1374</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1375</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1376</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

modify price support contracts in the fiscal year of a sequestration) that would occur in the following fiscal year shall be credited as outlay reductions in the fiscal year of the sequestration.

§ 253(f) (f) BASELINE<sup>1377</sup> ASSUMPTIONS; PART-YEAR APPROPRIATIONS. —

§ 253(f)(1) (1) BUDGET ASSUMPTIONS. — For purposes of subsections (b), (c), (d), and (e), accounts<sup>1378</sup> shall be assumed to be at the level in the baseline<sup>1379</sup> minus any reductions required to be made under sections 251 and 252.

§ 253(f)(2) (2) PART-YEAR APPROPRIATIONS. — If, on the date specified in subsection (a), there is in effect an Act making or continuing appropriations for part of a fiscal year for any non-exempt budget account,<sup>1380</sup> then the dollar sequestration<sup>1381</sup> calculated for that account under subsection (d) or (e), as applicable, shall be subtracted from —

§ 253(f)(2)(A) (A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and

§ 253(f)(2)(B) (B) when a full-year appropriation for that

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<sup>1377</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1378</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1379</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1380</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1381</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

account<sup>1382</sup> is enacted, from the amount otherwise provided by the full-year appropriation; except that the amount to be sequestered<sup>1383</sup> from that account shall be reduced (but not below zero) by the savings achieved by that appropriation when the enacted amount is less than the baseline<sup>1384</sup> for that account.

§ 253(g) (g) ADJUSTMENTS TO MAXIMUM DEFICIT AMOUNTS.<sup>1385</sup>

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§ 253(g)(1) (1) ADJUSTMENTS. —

§ 253(g)(1)(A) (A) When the President submits the budget for fiscal year 1992, the maximum deficit amounts for fiscal years 1992, 1993, 1994, and 1995 shall be adjusted to reflect up-to-date reestimates of economic and technical assumptions and any changes in concepts or definitions. When the President submits the budget for fiscal year 1993, the maximum deficit amounts for fiscal years 1993, 1994, and 1995 shall be further adjusted to reflect up-to-date reestimates of economic and technical assumptions and any changes in concepts or definitions.

§ 253(g)(1)(B) (B) When submitting the budget for fiscal year 1994, the President may choose to adjust the maxi-

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<sup>1382</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1383</sup> Section 250(c)(2) defines "sequester." *See supra* p. 440.

<sup>1384</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1385</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

maximum deficit amounts<sup>1386</sup> for fiscal years 1994 and 1995 to reflect up-to-date reestimates of economic and technical assumptions.<sup>1387</sup> If the President chooses to adjust the maximum deficit amount when submitting the fiscal year 1994 budget, the President may choose to invoke the same adjustment procedure when submitting the budget for fiscal year 1995. In each case, the President must choose between making no adjustment or the full adjustment described in paragraph (2). If the President chooses to make that full adjustment, then those procedures for adjusting discretionary spending limits<sup>1388</sup> described in sections 251(b)(1)(C) and 251(b)(2)(E), 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).

§ 253(g)(1)(C)

(C) When the budget for fiscal year 1994 or 1995 is submitted and the sequestration<sup>1389</sup> reports for those years under section 254 are made (as applicable), if the President does not choose to make the adjustments set forth in subparagraph (B), the

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<sup>1386</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1387</sup> For an explanation of this power, *see* ROBERT KEITH, *OPTIONAL ADJUSTMENT OF GRAMM-RUDMAN-HOLLINGS ACT DEFICIT TARGETS FOR FISCAL YEARS 1994 AND 1995* (Oct. 27, 1992) (Cong. Res. Serv. rep. no. 92-773).

<sup>1388</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1389</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

maximum deficit amount<sup>1390</sup> for that fiscal year shall be adjusted by the amount of the adjustment to discretionary spending limits<sup>1391</sup> first applicable for that year (if any) under section 251(b).

§ 253(g)(1)(D)

(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<sup>1392</sup> submits the sequestration<sup>1393</sup> 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<sup>1394</sup> set forth in section 601 of the Congressional Budget Act of 1974.

§ 253(g)(2)

(2) CALCULATIONS OF ADJUSTMENTS. — The required increase or decrease shall be calculated as follows:

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<sup>1390</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1391</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1392</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1393</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1394</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

§ 253(g)(2)(A)

(A) The baseline<sup>1395</sup> deficit<sup>1396</sup> 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,<sup>1397</sup> using the discretionary spending limits<sup>1398</sup> set forth in section 601 of the Congressional Budget Act of 1974<sup>1399</sup> as adjusted under section 251.<sup>1400</sup>

§ 253(g)(2)(B)

(B) The net deficit<sup>1401</sup> increase or decrease caused by all direct spending<sup>1402</sup> and receipts legislation enacted after the date of enactment of this section (after adjusting for any sequestration<sup>1403</sup> of

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<sup>1395</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1396</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1397</sup> Section 250(c)(7) defines "discretionary appropriations." *See supra* p. 444.

<sup>1398</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1399</sup> Section 601(a)(2) of the Congressional Budget Act sets forth these discretionary spending limits. *See supra* pp. 301-303.

<sup>1400</sup> Section 251(b) of Gramm-Rudman-Hollings provides for these adjustments. *See supra* pp. 493-502.

For a discussion of whether this subparagraph provides a basis for using the discretionary spending limits as the baseline levels of appropriations, *see infra* note 1663.

<sup>1401</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1402</sup> Section 250(c)(8) defines "direct spending." *See supra* p. 444.

<sup>1403</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

direct spending accounts<sup>1404</sup>) shall be calculated for each fiscal year by adding —

§ 253(g)(2)(B)(i)

(i) the estimates of direct spending and receipts legislation transmitted under section 252(d) applicable to each such fiscal year; and

§ 253(g)(2)(B)(ii)

(ii) the estimated amount of savings in direct spending programs applicable to each such fiscal year resulting from the prior year's sequestration<sup>1405</sup> under this section or section 252 of direct spending,<sup>1406</sup> if any, as contained in OMB's<sup>1407</sup> final sequestration report for that year.

§ 253(g)(2)(C)

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

§ 253(g)(2)(D)

(D) The maximum deficit amount<sup>1408</sup> set forth in section 601 of the Congressional Budget Act of 1974 shall be subtracted from the amount calculated under subparagraph (C).

§ 253(g)(2)(E)

(E) The amount calculated under subparagraph (D) shall be the amount of the adjustment

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<sup>1404</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1405</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1406</sup> Section 250(c)(8) defines "direct spending." *See supra* p. 444.

<sup>1407</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1408</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See pp.* 475-502, 523-533.

required by paragraph (1).

§ 253(h) (h) TREATMENT OF DEPOSIT INSURANCE.<sup>1409</sup> —

§ 253(h)(1) (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.

§ 253(h)(1) (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<sup>1410</sup> 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).<sup>1411</sup>

<sup>1409</sup> Section 250(c)(19) defines "deposit insurance." See *supra* p. 447.

Section 253(b)(3) instructs the Office of Management and Budget to exclude from its calculation of the excess deficit "the deposit insurance reestimate for that year, if any, calculated under subsection (h)." See *supra* p. 524.

Note that section 252(b)(1)(A) regarding enforcing pay-as-you-go also excludes "full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment." See *supra* p. 510. Consequently, the Senate Budget Committee does not count toward allocations or aggregates changes in law that merely further "full funding of, and continuation of, the deposit insurance guarantee commitment in effect on [November 5, 1990]."

<sup>1410</sup> Section 250(c)(9) defines "current." See *supra* p. 445.

<sup>1411</sup> Section 13101(a) of the Budget Enforcement Act amended section 253 to read as it does now. See *infra* p. 701. The statement of managers accompanying the conference report on the Budget Enforcement Act explains section 253 generally:

### III. REVISING AND ENFORCING DEFICIT TARGETS

*Current law*

(continued...)



<sup>1411</sup>(...continued)

Gramm-Rudman-Hollings established deficit targets ("maximum deficit amounts") in 1985 and the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 revised them as follows (in billions of dollars):

	1985 law	1987 revision
<b>Fiscal year:</b>		
1986 .....	171.9	.....
1987 .....	144	.....
1988 .....	108	144
1989 .....	72	136
1990 .....	36	100
1991 .....	0	64
1992 .....	.....	28
1993 .....	.....	0

Gramm-Rudman-Hollings enforces these targets, based on projections of the deficit, through across-the-board cuts on October 15. The cuts cancel non-exempt budgetary resources to achieve outlay savings sufficient to reduce the deficit to the maximum deficit amount. Under section 301(i) of the Congressional Budget Act, budget resolutions must also meet these maximum deficit amount targets or be subject to a point of order (that requires 60 votes to waive in the Senate and a three-fifths majority to waive in the House). Gramm-Rudman-Hollings expires on September 30, 1993. For a discussion of current law, see the conference report to accompany H.J. Res. 324 (Increasing the Statutory Limit on the Public Debt), House Report 100-313 (September 21, 1987), 100th Cong. 1st Sess., pages 42-62.

#### House bill

The House bill revises the deficit targets as follows (in billions of dollars):

	Current law	House bill
<b>Fiscal year:</b>		
1986 .....	171.9	.....
1987 .....	144	.....
1988 .....	144	.....
1989 .....	136	.....
1990 .....	100	.....
1991 .....	64	302.3
1992 .....	28	276.8
1993 .....	0	189.7
1994 .....	.....	58.1
1995 .....	.....	18.7

(continued...)

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 1411 (...continued)
 

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The House bill amends Gramm-Rudman-Hollings to provide for sequestration in a manner similar to current law, except that for fiscal years 1991 through 1993 the President must annually revise the targets for changes in economic and technical assumptions occurring since the last year. As a consequence, during those years, the sequester covers only changes caused by legislative actions. The consequences of those actions, however, are addressed by the new mechanisms for enforcement of the discretionary spending limits and pay-as-you-go. Thus, during the first three years covered by the House bill, this should not require the President to order cuts under the conventional Gramm-Rudman-Hollings process. For fiscal years 1994 and 1995, the House bill authorizes (but does not require) the President to continue the process of adjustment for economic and technical changes, but continues a process similar to the current Gramm-Rudman-Hollings for those years if the President chooses not to make such adjustments

#### *Senate amendment*

The Senate amendment revises the deficit targets as follows (in billions of dollars):

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	Current law	Senate amendment
<hr/>		
Fiscal year:		
1986 .....	171.9	.....
1987 .....	144	.....
1988 .....	144	.....
1989 .....	136	.....
1990 .....	100	.....
1991 .....	64	242
1992 .....	28	219
1993 .....	0	165
1994 .....		66
1995 .....		62

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The Senate amendment retains much of the language of the existing Gramm-Rudman-Hollings, but adopts a process similar to the House bill for annual adjustment of the deficit targets.

The revised deficit targets proposed by the Senate differ from those proposed by the House because of differences in economic and technical assumptions.

#### *Conference agreement*

(continued...)

<sup>1411</sup>(...continued)

The conference agreement revises the deficit targets (as a new section of the Congressional Budget Act of 1974) as follows (in billions of dollars):

	Current law	House bill
<b>Fiscal year:</b>		
1986 .....	171.9	.....
1987 .....	144	.....
1988 .....	144	.....
1989 .....	136	.....
1990 .....	100	.....
1991 .....	64	327
1992 .....	28	317
1993 .....	0	236
1994 .....		102
1995 .....		83

The conference agreement incorporates the procedures proposed by the House under which the President must adjust the deficit targets for fiscal years 1991 through 1993 and may adjust the target for fiscal years 1994 and 1995. The deficit targets established reflect current economic projections and the removal of Social Security trust fund balances from the deficit calculation. These deficit targets will be adjusted for further updated economic and technical factors through fiscal year 1993.

H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1155-56 (1990), *reprinted in* 1990 U.S.C.A.N. 2374, 2859-61.

Before the Budget Enforcement Act amended it, Gramm-Rudman-Hollings enforced a series of fixed deficit targets, or "maximum deficit amounts." The history of Gramm-Rudman-Hollings demonstrated the futility of fixed targets, as the Congress was forced to revise those targets twice before the close of 6 years. Fixed deficit targets promised a balanced budget, but always in an unreachable future. Gramm-Rudman-Hollings thus followed the White Queen's admonition to Alice: "The rule is, jam to-morrow and jam yesterday — but never jam *to-day*." LEWIS CARROLL (CHARLES L. DODGSON), *THROUGH THE LOOKING GLASS* ch. 5 (1872) (emphasis in the original).

The joint statement of managers accompanying the conference report on the 1987 revision of Gramm-Rudman-Hollings explained the deficit-reduction procedures in effect before the Budget Enforcement Act and the changes made in 1987. *Note that the Budget Enforcement Act changed these procedures significantly:*

### III. DEFICIT REDUCTION PROCEDURES AND BUDGET PROCESS REFORM

(continued...)

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<sup>1411</sup>(...continued)

## OVERVIEW

The Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), commonly referred to as the 1985 Balanced Budget Act or the Gramm-Rudman-Hollings Act, established deficit targets (leading to a balanced budget by fiscal year 1991) and a special deficit-reduction process known as sequestration. Additionally, the Act made extensive changes in congressional procedures under the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

H.J. Res. 324, as passed by the House, does not contain any provisions dealing with deficit reduction procedures or budget process reform.

Senate amendment numbered 3 adds two new titles to the joint resolution that modify the deficit targets and sequestration process under the 1985 Balanced Budget Act . . . .

. . . .

The following discussion explains current law, the Senate amendment, and the conference agreement in more detail, according to specific topics.

A. DEFICIT REDUCTION PROCEDURES UNDER THE 1985 BALANCED BUDGET ACT

H.J. Res. 324, as passed by the House, does not contain any provisions dealing with the 1985 Balanced Budget Act. Senate amendment numbered 3 in part adds a new Title II (Budget and Fiscal Procedures) to the joint resolution; Part A of Title II contains the "Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987." The conference agreement adds a new Title I (Deficit Reduction Procedures).

1. Deficit Targets and Amount of Sequestration

*Current Law*

The 1985 Balanced Budget Act established (in Section 3(7) of the 1974 Budget Act) a deficit target, referred to as a "maximum deficit amount," for each of six consecutive fiscal years, beginning with \$171.9 billion for FY 1986, \$144 billion for FY 1987, and declining by \$36 billion a year thereafter until a balanced budget is achieved in FY 1991. The deficit targets are as follows:

FY 1986 — \$171.9 billion;  
FY 1987 — \$144 billion;  
FY 1988 — \$108 billion;

(continued...)

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<sup>1411</sup>(...continued)

FY 1989 — \$72 billion;  
FY 1990 — \$36 billion; and  
FY 1991 — zero.

The Act contains emergency procedures, known generally as sequestration, to eliminate the deficit excess — that amount of the estimated deficit that exceeds the deficit target. Sequestration involves the issuance of a presidential order that permanently cancels (with certain exceptions) budgetary resources in order to achieve a required amount of outlay savings. If sequestration is required for a fiscal year, the entire amount of the deficit excess for that year must be eliminated. (To eliminate a deficit excess of \$20 billion, for example, budgetary resources would have to be reduced by a much greater amount in order to yield the \$20 billion in aggregate required outlay reductions).

Sequestration would not occur during FY 1987-1990 if the deficit excess is \$10 billion or less. (The \$10 billion margin-of-error amount does not apply for FY 1991; in that year, any deficit excess would have to be eliminated.)

Provisions in the 1985 Balanced Budget Act pertaining to the deficit targets and sequestration procedures expire on September 30, 1991.

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#### *Senate Amendment*

The Senate amendment revises the deficit targets beginning with FY 1988 and extends them for one year, as follows:

FY 1988 — \$150 billion;  
FY 1989 — \$130 billion;  
FY 1990 — \$90 billion;  
FY 1991 — \$45 billion; and  
FY 1992 — zero.

Under the Senate amendment, if sequestration is required, the entire amount of the deficit excess must be eliminated (except possibly for FY 1989). Also, the \$10 billion margin-of-error amount applies for FY 1988-1991, but not for FY 1992.

In the case of FY 1989 only, the amount of required outlay reductions is the lesser of (1) the amount of the deficit excess or (2) the amount necessary to achieve a \$36 billion reduction from a current services baseline deficit. With regard to the second condition, sequestration would not occur if a report issued by the Director of the Office of Management and Budget

(continued...)

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<sup>1411</sup>(...continued)

(OMB) indicates that \$36 billion in deficit reduction has been achieved. This final OMB report is issued after preliminary reports are made by the OMB Director, the Director of the Congressional Budget Office (CBO), and the Comptroller General.

To determine whether the second condition has been met, each agency estimates the amount of deficit reduction achieved below its own current services baseline deficit estimate made earlier in the year. (Current services is defined as zero percent real growth for all programs subject to appropriation.) OMB must use a baseline estimate (and corresponding economic and technical assumptions) that it is required to submit as part of the President's annual budget in January. CBO must use a baseline deficit estimate and assumptions that it is required to include in its annual February report. After reviewing the OMB and CBO estimates, the Comptroller General must issue on March 1 his own estimate of the FY 1989 baseline deficit and corresponding assumptions.

The Senate amendment changes the expiration date for provisions dealing with the deficit targets and sequestration procedures to September 30, 1992.

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#### *Conference Agreement*

The conference agreement revises the deficit targets beginning with FY 1988 and extends them for two years, as follows:

FY 1988 — \$144 billion;  
FY 1989 — \$136 billion;  
FY 1990 — \$100 billion;  
FY 1991 — \$64 billion;  
FY 1992 — \$28 billion; and  
FY 1993 — zero.

Under the conference agreement, if sequestration is required, the entire amount of the deficit excess must be eliminated (except for FY 1988 and possibly for FY-1989). Also, the \$10 billion margin-of-error amount, defined as the "margin," is set at \$10 billion for FY 1988-1992 and zero for FY 1993.

For FY 1988 only, the conference agreement provides that the aggregate required outlay reductions to be accomplished through sequestration shall be the amount of unachieved deficit reduction for the fiscal year. Unachieved deficit reduction for FY 1988 is set at \$23 billion, minus the net deficit reduction achieved (because of laws enacted or regulations promulgat-

(continued...)

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<sup>1411</sup>(...continued)

ed as final) between January 1, 1987 and the appropriate "snapshot date" (in the case of the initial sequestration report, October 10, 1987, and in the case of the final sequestration report, the latest date possible before its submission on November 15, 1987 by the CBO Director and on November 20, 1987 by the OMB Director).

For FY 1989 only, the conference agreement provides that the aggregate required outlay reductions to be accomplished through sequestration shall be the lesser of the deficit excess or the amount of unachieved deficit reduction for the fiscal year (or zero if the deficit excess is equal to or less than the margin for that year — \$10 billion). Unachieved deficit reduction for FY 1989 is set at \$36 billion, minus the net deficit reduction achieved (because of laws enacted or regulations promulgated as final) between January 1, 1988 and the appropriate "snapshot date" (in the case of the initial sequestration report, August 15, 1988, and in the case of the final sequestration report, the latest date possible before its submission on October 10, 1988 by the CBO Director and on October 15 by the OMB Director).

The conferees recognize that the "snapshot date" may be different for the final OMB and CBO reports and therefore some legislation and regulations reflected in one report may not be reflected in the other. The OMB and CBO Directors shall ensure that the revised sequestration reports reflect legislation enacted or regulations promulgated as final as of three days prior to the issuance of such reports. In addition, the Directors shall ensure to the maximum extent practicable that the revised reports reflect legislation enacted or regulations promulgated as final during the three days immediately prior to the issuance of such reports.

The conference agreement caps the maximum amount of aggregate required outlay reductions at \$23 billion for FY 1988 and \$36 billion for FY 1989, but such amounts are not capped for the remaining fiscal years. The OMB and CBO Directors would determine the amount of net deficit reduction achieved for a fiscal year using the methodology and guidelines for making baseline estimates prescribed in Section 251(a)(6) of the 1985 Balanced Budget Act, as amended by this Act.

For the remaining fiscal years, FY 1990-1993, the aggregate required outlay reductions to be accomplished through sequestration would be equal to the amount of the deficit excess (or zero if the deficit excess is equal to or less than the margin for that year — \$10 billion for FY 1990-1992 and zero for FY 1993).

H.R. CONF. REP. NO. 100-313, 100th Cong., 1st Sess. 42-46 (1987), *reprinted in* 1987 U.S.C.A.N. 739, 743-46. ("FY" stands for "fiscal year.")

§ 254

**SEC. 254.<sup>1412</sup> REPORTS AND ORDERS.**

§ 254(a) (a)<sup>1413</sup> **TIMETABLE.** — The timetable with respect to this part for any budget year<sup>1414</sup> is as follows:

<b>Date:</b>	<b>Action to be completed:</b>
<b>January 21 .....</b>	<b>Notification regarding optional adjustment of maximum deficit amount.<sup>1415</sup></b>
<b>5 days before the President's budget submission .....</b>	<b>CBO<sup>1416</sup> sequestration<sup>1417</sup> pre-view report.</b>

<sup>1412</sup> Section 254 is codified as amended at 2 U.S.C. § 904 (Supp. IV 1992), *amended* by the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, §§ 14002(c)(2) & 14003(b), 107 Stat. 312 (1993). Section 13101(a) of the Budget Enforcement Act amended section 254 to read substantially as it does now. *See infra* p. 701. For excerpts from the statement of managers accompanying the conference report on the Budget Enforcement Act explaining section 254, *see infra* note 1518.

<sup>1413</sup> Before enactment of the Budget Enforcement Act, section 254(a) dealt with special procedures in the event of low economic growth. Section 13101(a) of the Budget Enforcement Act repealed the old section 254(a). *See infra* p. 701. Section 13101(f) of the Budget Enforcement Act (*see infra* p. 705) added a new section 258 to Gramm-Rudman-Hollings (*see infra* pp. 619-630) based on the old section 254(a) to deal with special procedures in the event of low economic growth. For the text of the old section 254(a), *see infra* note 1705.

<sup>1414</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1415</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See supra* pp. 475-502, 523-533.

<sup>1416</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1417</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.



<b>The President's budget submission .....</b>	<b>OMB<sup>1418</sup> sequestration preview report.</b>
<b>August 10 .....</b>	<b>Notification regarding military personnel.</b>
<b>August 15 .....</b>	<b>CBO sequestration update report.</b>
<b>August 20 .....</b>	<b>OMB sequestration update report.</b>
<b>10 days after end of session .....</b>	<b>CBO final sequestration report.</b>
<b>15 days after end of session .....</b>	<b>OMB final sequestration report; Presidential order.</b>
<b>30 days later .....</b>	<b>GAO compliance report.</b>

§ 254(b)

(b)<sup>1419</sup> **SUBMISSION AND AVAILABILITY OF REPORTS. —**  
Each report required by this section shall be submitted, in the case of CBO,<sup>1420</sup> to the House of Representatives, the Senate and OMB<sup>1421</sup> 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.

<sup>1418</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1419</sup> Before enactment of the Budget Enforcement Act, section 254(b) dealt with special fast-track reconciliation procedures in the Senate to respond to sequester orders. Section 13101(a) of the Budget Enforcement Act repealed the old section 254(b). *See infra* p. 701. Section 13101(g) of the Budget Enforcement Act (*see infra* p. 706) added a new section 258C to Gramm-Rudman-Hollings (*see infra* pp. 658-662) based on the old section 254(b) to deal with special fast-track reconciliation procedures in the Senate to respond to sequester orders. For the text of the old section 254(b), *see infra* note 1740.

<sup>1420</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1421</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

§ 254(e) (c) **OPTIONAL ADJUSTMENT OF MAXIMUM DEFICIT AMOUNTS.**<sup>1422</sup> — With respect to budget year<sup>1423</sup> 1994 or 1995, on the date specified in subsection (a) 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 253(g)(1)(B)).

§ 254(d) (d) **SEQUESTRATION**<sup>1424</sup> **PREVIEW REPORTS.** —

§ 254(d)(1) (1) **REPORTING REQUIREMENT.** — On the dates specified in subsection (a), OMB<sup>1425</sup> and CBO<sup>1426</sup> shall issue a preview report regarding discretionary, pay-as-you-go, and deficit sequestration<sup>1427</sup> based on laws enacted through those dates.

§ 254(d)(2) (2) **DISCRETIONARY SEQUESTRATION**<sup>1428</sup> **REPORT.** — The preview reports shall set forth estimates for the current year<sup>1429</sup> and each subsequent year through

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<sup>1422</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See supra* pp. 475-502, 523-533.

<sup>1423</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1424</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1425</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1426</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1427</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1428</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1429</sup> Section 250(c)(13) defines "current year." *See supra* p. 446.

1998<sup>1430</sup> of the applicable discretionary spending limits<sup>1431</sup> for each category<sup>1432</sup> and an explanation of any adjustments in such limits under section 251.

§ 254(d)(3)

**(3) PAY-AS-YOU-GO SEQUESTRATION<sup>1433</sup> REPORTS.**

— The preview reports shall set forth, for the current year<sup>1434</sup> and the budget year,<sup>1435</sup> estimates for each of the following:

§ 254(d)(3)(A)

**(A) The amount of net deficit<sup>1436</sup> increase or decrease, if any, calculated under subsection 252(b).**

§ 254(d)(3)(B)

**(B) A list identifying each law enacted and sequestration<sup>1437</sup> implemented after the date of enactment of this section included in the calculation of the amount of deficit<sup>1438</sup> increase or decrease and specifying the budgetary effect of each such law.**

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<sup>1430</sup> Section 14002(c)(2) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(2), 107 Stat. 312 (1993), changed this reference from "1995" to "1998." For legislative history of the extension, see *supra* notes 870 & 936 & *infra* note 1807.

<sup>1431</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See* pp. 475-502, 523-533.

<sup>1432</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

<sup>1433</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1434</sup> Section 250(c)(13) defines "current year." *See supra* p. 446.

<sup>1435</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1436</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

<sup>1437</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1438</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. *See supra* p. 16.

§ 254(d)(3)(C)

(C) The sequestration<sup>1439</sup> percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate a deficit<sup>1440</sup> increase under section 252(c).

§ 254(d)(4)

(4) DEFICIT SEQUESTRATION<sup>1441</sup> REPORTS. — The preview reports shall set forth for the budget year<sup>1442</sup> estimates for each of the following:

§ 254(d)(4)(A)

(A) The maximum deficit amount,<sup>1443</sup> the estimated deficit<sup>1444</sup> calculated under section 253(b), the excess deficit,<sup>1445</sup> and the margin.

§ 254(d)(4)(B)

(B) The amount of reductions required under section 252, the excess deficit<sup>1446</sup> remaining after those reductions have been made, and the amount of reductions required from defense accounts<sup>1447</sup> and the reductions required from non-defense accounts.

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<sup>1439</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1440</sup> Section 250(c)(1) (see *supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. See *supra* p. 16.

<sup>1441</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1442</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1443</sup> Section 250(c)(1) (see *supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (see *supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. See *supra* pp. 475-502, 523-533.

<sup>1444</sup> Section 250(c)(1) (see *supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. See *supra* p. 16.

<sup>1445</sup> Section 253(b) defines the term "excess deficit." See *supra* pp. 523-524.

<sup>1446</sup> Section 253(b) defines the term "excess deficit." See *supra* pp. 523-524.

<sup>1447</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

§ 254(d)(4)(C)

(C) The sequestration<sup>1448</sup> percentage necessary to achieve the required reduction in defense accounts<sup>1449</sup> under section 253(d).

§ 254(d)(4)(D)

(D) The reductions required under sections 253(e)(1) and 253(e)(2).

§ 254(d)(4)(E)

(E) The sequestration<sup>1450</sup> percentage necessary to achieve the required reduction in non-defense accounts<sup>1451</sup> under section 253(e)(3).

The CBO<sup>1452</sup> report need not set forth the items other than the maximum deficit amount<sup>1453</sup> 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 253(g)(1)(B).

§ 254(d)(5)

(5) EXPLANATION OF DIFFERENCES. — The OMB<sup>1454</sup> reports shall explain the differences between

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<sup>1448</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1449</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1450</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1451</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1452</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1453</sup> Section 250(c)(1) (*see supra* p. 440) defines "maximum deficit amount" by adopting the definition of section 601(a)(1) of the Congressional Budget Act (*see supra* p. 299) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See supra* pp. 475-502, 523-533.

<sup>1454</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

OMB and CBO<sup>1455</sup> estimates for each item set forth in this subsection.

§ 254(e)

(e) 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<sup>1456</sup> under section 255(h).<sup>1457</sup>

§ 254(f)

(f) SEQUESTRATION<sup>1458</sup> UPDATE REPORTS. — On the dates specified in subsection (a), OMB<sup>1459</sup> and CBO<sup>1460</sup> shall issue a sequestration update report, reflecting laws enacted through those dates, containing all of the information required in the sequestration preview reports.

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<sup>1455</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." See *supra* p. 446.

<sup>1456</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1457</sup> See *infra* p. 576. This reference refers to the section 255(h) at the end of section 255, dealing with "OPTIONAL EXEMPTION OF MILITARY PERSONNEL," not the section 255(h) that preexisted the Budget Enforcement Act, dealing with "LOW-INCOME PROGRAMS." See *infra* p. 576. Section 13101(c)(4) of the Budget Enforcement Act added the subsection (h) dealing with "OPTIONAL EXEMPTION OF MILITARY PERSONNEL" "at the end" of section 255. See *infra* p. 703. As section 13101(c)(4) of the Budget Enforcement Act simply added the new subsection (h) at the end of section 255 and not amend the existing subsection (h) to read as the new subsection (h), Congress evidently wanted to add another subsection and not to repeal the existing subsection (h). As subsections (h) and (i) already existed, however, the Budget Enforcement Act should have added a new subsection (j) at the end of section 255, or perhaps have inserted the new subsection (h) in place of the existing subsection (f), which at least some drafters of the Budget Enforcement Act intended to repeal. The reference here then should have been to subsection (j) or subsection (f), as the case may have been.

<sup>1458</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1459</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

<sup>1460</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." See *supra* p. 446.

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§ 254(g) **(g) FINAL SEQUESTRATION<sup>1461</sup> REPORTS. —**

§ 254(g)(1) **(1) REPORTING REQUIREMENT. —** On the dates specified in subsection (a), OMB<sup>1462</sup> and CBO<sup>1463</sup> shall issue a final sequestration<sup>1464</sup> report, updated to reflect laws enacted through those dates.

§ 254(g)(2) **(2) DISCRETIONARY SEQUESTRATION<sup>1465</sup> REPORTS. —** The final reports shall set forth estimates for each of the following:

§ 254(g)(2)(A) **(A)** For the current year<sup>1466</sup> and each subsequent year through 1998<sup>1467</sup> the applicable discretionary spending limits<sup>1468</sup> for each category<sup>1469</sup> and an explanation of any adjustments in such limits under section 251.

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<sup>1461</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1462</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1463</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1464</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1465</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1466</sup> Section 250(c)(13) defines "current year." *See supra* p. 446.

<sup>1467</sup> Section 14002(c)(2) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002(c)(2), 107 Stat. 312 (1993), changed this reference from "1995" to "1998." For legislative history of the extension, see *supra* notes 870 & 936 & *infra* note 1807.

<sup>1468</sup> Section 250(c)(1) of Gramm-Rudman-Hollings (*see supra* p. 440) defines "discretionary spending limit" by adopting the definition of section 601(a)(2) of the Congressional Budget Act (*see supra* pp. 301-303) as adjusted under sections 251 and 253 of Gramm-Rudman-Hollings. *See supra* pp. 475-502, 523-533.

<sup>1469</sup> Section 250(c)(4) defines "category." *See supra* p. 441.

§ 254(g)(2)(B)

(B) For the current year<sup>1470</sup> and the budget year<sup>1471</sup> the estimated new budget authority<sup>1472</sup> and outlays<sup>1473</sup> for each category<sup>1474</sup> and the breach,<sup>1475</sup> if any, in each category.

§ 254(g)(2)(C)

(C) For each category<sup>1476</sup> for which a sequestration<sup>1477</sup> is required, the sequestration percentages necessary to achieve the required reduction.

§ 254(g)(2)(D)

(D) For the budget year,<sup>1478</sup> for each account<sup>1479</sup> to be sequestered,<sup>1480</sup> estimates of the baseline<sup>1481</sup> level of sequestrable budgetary resources<sup>1482</sup> and resulting outlays<sup>1483</sup> and the amount of

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<sup>1470</sup> Section 250(c)(13) defines "current year." See *supra* p. 446.

<sup>1471</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1472</sup> Section 250(c)(1) (see *supra* p. 440) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. See *supra* pp. 11-13.

<sup>1473</sup> Section 250(c)(1) (see *supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

<sup>1474</sup> Section 250(c)(4) defines "category." See *supra* p. 441.

<sup>1475</sup> Section 250(c)(3) defines "breach." See *supra* p. 440.

<sup>1476</sup> Section 250(c)(4) defines "category." See *supra* p. 441.

<sup>1477</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1478</sup> Section 250(c)(12) defines "budget year." See *supra* p. 446.

<sup>1479</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1480</sup> Section 250(c)(2) defines "sequester." See *supra* p. 440.

<sup>1481</sup> Section 250(c) (see *supra* p. 442) defines "baseline" in substantial part by reference to section 257. See *infra* pp. 600-617.

<sup>1482</sup> Section 250(c)(6) defines "budgetary resources." See *supra* p. 443.



**budgetary resources to be sequestered and resulting outlay reductions.**

§ 254(g)(3)

**(3) PAY-AS-YOU-GO AND DEFICIT SEQUESTRATION<sup>1484</sup> 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,<sup>1485</sup> for each account<sup>1486</sup> to be sequestered,<sup>1487</sup> estimates of the baseline<sup>1488</sup> level of sequestrable budgetary resources<sup>1489</sup> and resulting outlays<sup>1490</sup> 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<sup>1491</sup> through 1998<sup>1492</sup> for direct spending<sup>1493</sup> programs.

<sup>1483</sup> (...continued)

<sup>1483</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1484</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1485</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1486</sup> Section 250(c)(11) defines "account." *See supra* p. 445.

<sup>1487</sup> Section 250(c)(2) defines "sequester." *See supra* p. 440.

<sup>1488</sup> Section 250(c) (*see supra* p. 442) defines "baseline" in substantial part by reference to section 257. *See infra* pp. 600-617.

<sup>1489</sup> Section 250(c)(6) defines "budgetary resources." *See supra* p. 443.

<sup>1490</sup> Section 250(c)(1) (*see supra* p. 440) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. *See supra* p. 11.

<sup>1491</sup> Section 250(c)(14) defines "outyear." *See supra* p. 446.

<sup>1492</sup> Section 14003(b) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14003(b), 107 Stat. 312 (1993), changed this reference from "1995" to "1998." For legislative history of the extension, *see supra* notes 870 & 936 & *infra* note 1807.

<sup>1493</sup> Section 250(c)(8) defines "direct spending." *See supra* p. 444.

§ 254(g)(4)

(4) **EXPLANATION OF DIFFERENCES.** — The OMB<sup>1494</sup> report shall explain any differences between OMB and CBO<sup>1495</sup> estimates of the amount of any net deficit<sup>1496</sup> change calculated under subsection 252(b), any excess deficit,<sup>1497</sup> any breach,<sup>1498</sup> and any required sequestration<sup>1499</sup> percentage. The OMB report shall also explain differences in the amount of sequesterable resources for any budget account<sup>1500</sup> to be reduced if such difference is greater than \$5,000,000.

§ 254(g)(5)

(5) **PRESIDENTIAL ORDER.** — On the date specified in subsection (a), if in its final sequestration<sup>1501</sup> report OMB<sup>1502</sup> 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.

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<sup>1494</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

<sup>1495</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." See *supra* p. 446.

<sup>1496</sup> Section 250(c)(1) (*see supra* p. 440) defines "deficit" at least in part by reference to the definition of section 3(6) of the Congressional Budget Act. See *supra* p. 16.

<sup>1497</sup> Section 253(b) defines the term "excess deficit." See *supra* pp. 523-524.

<sup>1498</sup> Section 250(c)(3) defines "breach." See *supra* p. 440.

<sup>1499</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1500</sup> Section 250(c)(11) defines "account." See *supra* p. 445.

<sup>1501</sup> Section 250(c)(2) defines "sequestration." See *supra* p. 440.

<sup>1502</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." See *supra* p. 446.

§ 254(h)

**(h) WITHIN-SESSION SEQUESTRATION<sup>1503</sup> REPORTS AND ORDER.** — If an appropriation for a fiscal year in progress is enacted (after Congress adjourns<sup>1504</sup> to end the session for that budget year<sup>1505</sup> and before July 1 of that fiscal year) that causes a breach,<sup>1506</sup> 10 days later CBO<sup>1507</sup> shall issue a report containing the information required in paragraph (g)(2). Fifteen days after enactment, OMB<sup>1508</sup> shall issue a report containing the information required in paragraphs (g)(2) and (g)(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.

§ 254(i)

**(i) GAO COMPLIANCE REPORT.** — On the date specified in subsection (a), the Comptroller General shall submit to the Congress and the President a report on —

§ 254(i)(1)

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

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<sup>1503</sup> Section 250(c)(2) defines "sequestration." *See supra* p. 440.

<sup>1504</sup> What happens if the Congress recesses to end the first session of a Congress? Congress plainly intended to require annual review of legislation. This language should be read as "adjourns or recesses to end a session."

<sup>1505</sup> Section 250(c)(12) defines "budget year." *See supra* p. 446.

<sup>1506</sup> Section 250(c)(3) defines "breach." *See supra* p. 440.

<sup>1507</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1508</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

§ 254(i)(2)

(2) the extent to which each report issued by OMB<sup>1509</sup> or CBO<sup>1510</sup> under this section complies with all of the requirements contained in this part, either certifying that the report fully and accurately complies with such requirements or indicating the respects in which it does not.

§ 254(j)

(j) **LOW-GROWTH REPORT.** — At any time, CBO<sup>1511</sup> shall notify the Congress if —

§ 254(j)(1)

(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<sup>1512</sup> has determined that real economic growth<sup>1513</sup> is projected or estimated to be less than zero with respect to each of any 2 consecutive quarters within such period;<sup>1514</sup> or

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<sup>1509</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1510</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1511</sup> Section 250(c)(16) defines "CBO" to mean "the Director of the Congressional Budget Office." *See supra* p. 446.

<sup>1512</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1513</sup> Section 250(c)(10) defines "real economic growth." *See supra* p. 445.

<sup>1514</sup> The Director of the Congressional Budget Office issued a letter under section 258(j)(1) on January 23, 1991, indicating that both his office and the Office of Management and Budget projected real growth to be less than zero for two consecutive quarters:

The Honorable Dan Quayle  
President of the Senate  
United States Senate  
Washington, DC 20510

Dear Mr. President:

(continued...)

§ 254(j)(2)

(2) the most recent of the Department of Commerce's advance preliminary or final reports of actual real economic growth<sup>1515</sup> 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.<sup>1516</sup>

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<sup>1514</sup>(...continued)

Under section 254(j) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 904(j)), the Congressional Budget Office must notify the Congress in the event of an economic downturn. The section reads in part:

....

This letter serves to notify the Congress that the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB) project real economic growth to be less than zero with respect to the last quarter of calendar year 1990 and the first quarter of calendar year 1991. A letter from the Director of OMB informing CBO of the OMB forecast is enclosed.

Sincerely

Robert D. Reischauer

137 CONG. REC. S1098 (daily ed. Jan. 23, 1991).

<sup>1515</sup> Section 250(c)(10) defines "real economic growth." See *supra* p. 445.

<sup>1516</sup> The Director of the Congressional Budget Office issued a letter under section 258(j)(2) on April 30, 1991, indicating that the Department of Commerce had reported that the rate of real economic growth was less than one percent for two consecutive quarters:

The Honorable Dan Quayle  
President of the Senate  
Washington, DC 20510

Dear Mr. President:

Under Section 254(j) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 904(j)), the Congressional Budget Office must notify the Congress in the event of an economic slowdown. The section reads in part:

....

This letter serves to notify the Congress that on April 26, 1991, the Department of  
(continued...)

§ 254(k)

**(k) ECONOMIC AND TECHNICAL ASSUMPTIONS.** — In all reports required by this section, OMB<sup>1517</sup> 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, United States Code.<sup>1518</sup>

<sup>1516</sup>(...continued)

Commerce's advance report on the growth of real Gross National Product during the first calendar quarter of 1991 indicated that growth was less than 1.0 percent during that quarter and the preceding quarter.

Sincerely,

Robert D. Reischauer

Letter from Robert D. Reischauer to Vice President Dan Quayle (Apr. 30, 1991).

<sup>1517</sup> Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

<sup>1518</sup> Section 13101(a) of the Budget Enforcement Act amended section 254 to read as it does now. *See infra* p. 701. The statement of managers accompanying the conference report on the Budget Enforcement Act explains section 254 generally:

#### V. SEQUESTRATION REPORTS AND ORDERS

##### *Current law*

Under current law, the Directors of the Office of Management and Budget and the Congressional Budget Office issue initial and revised sequestration reports each year in August and October which estimate the baseline deficit for the fiscal year, determine whether the deficit target has been exceeded, and calculate the percentages and amounts by which spending in non-exempt accounts must be reduced to lower the estimated deficit to the target level.

The Office of Management and Budget Director's initial and revised sequestration reports trigger initial and final presidential sequestration orders which implement any required sequestration reductions specified in the reports (the Congressional Budget Office reports are advisory). The General Accounting Office also issues a compliance report in November, which is also advisory. Through fiscal year 1992, a sequestration order is triggered if the baseline deficit exceeds the deficit target by more than \$10 billion. For fiscal year 1993, when the target is zero, any deficit excess would trigger sequestration. The sequestration process expires at the end of fiscal year 1993. The

(continued...)

<sup>1514</sup>(...continued)

President's sequestration orders must comply fully with the Office of Management and Budget Director's reports.

Sequestration reports and orders are only in August and October each year. There are no procedures for issuing additional or revised reports and orders to eliminate any excess deficit that occurs after the sequestration process for a fiscal year has been completed. Further, if sequestration is triggered, it applies to all non-exempt accounts. The only categorization is that one-half of the reductions are made in defense programs, with the other half coming from non-defense programs. There are no separate or specialized reporting requirements or presidential orders for other categories of spending.

#### *House bill*

The House bill establishes new sequestration reporting requirements and presidential sequestration orders to implement the discretionary spending sequester (enforcing the discretionary spending categories), the pay-as-you-go sequester (enforcing the deficit-neutrality of mandatory spending and receipt legislation), and the deficit sequester (enforcing the deficit targets).

The bill establishes the following timetable for sequestration reports and orders:

On or before:	Action to be completed:
First Monday in February .....	Lock in the Office of Management and Budget estimating assumptions.
August 15 .....	Initial snapshot.
August 20 .....	Sequester preview.
Latest possible date before October 15 .....	Final snapshot.
October 15 .....	Pay-as-you-go and deficit sequester reports; Presidential order.
Within 15 days after end of session .....	Discretionary sequester reports; Presidential order.
30 days later .....	GAO compliance report.

On August 20, both the Congressional Budget Office and the Office  
(continued...)

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<sup>1518</sup>(...continued)

of Management and Budget Directors issue sequester preview reports to the President and Congress for the pay-as-you-go and deficit sequesters for the fiscal year. For the pay-as-you-go sequester preview, the reports must set forth the change in the deficit for the fiscal year caused by the enactment of direct spending and receipts legislation, identify each law included in the estimate, and calculate the appropriate sequester percentage. For the deficit sequester, the reports must estimate the baseline deficit for the fiscal year, any deficit excess, the deficit margin, any deficit excess remaining after the pay-as-you-go sequester has been made, and calculate the specified reductions required to eliminate any remaining deficit excess.

On October 15, the Office of Management and Budget and Congressional Budget Office Directors issue revised pay-as-you-go and deficit sequester reports updated to reflect laws enacted through the final snapshot date and containing all the information required in the sequester preview reports. If the revised Office of Management and Budget report indicates that any pay-as-you-go and deficit sequester is required, the President shall issue an order on the same date implementing the sequester without change.

Within 15 days after the end of the session, the Congressional Budget Office and Office of Management and Budget Directors issue discretionary spending sequestration reports to the President and Congress. In general, the reports shall explain any adjustments made in the discretionary spending limits for budget authority and outlays for each fiscal year through fiscal year 1995, specify any breach in the discretionary categories for the current year and the budget year, and calculate the sequestration necessary to achieve the required reduction. If the Office of Management and Budget report indicates that any discretionary sequester is required, the President shall issue an order on the same date implementing the sequester without change.

Within 30 days of the issuance of the discretionary spending sequester report and order, the General Accounting Office (GAO) shall submit to the President and Congress a compliance report on all the sequester reports and orders issued for the fiscal year.

#### *Senate amendment*

The Senate amendment provides that the estimates and determinations necessary to implement the new pay-as-you-go sequester and any deficit sequester shall be issued as part of the initial and revised sequestration reports required under current law. However, the Senate amendment changes the dates of submission for these reports. For the Congressional Budget Office, the initial sequestration report is due on January 27 (March 10 in years in which a new President is inaugurated) and the revised report is due on November 10 (the Congressional Budget Office reports remain advisory). For the Office of Management and Budget, the initial sequestration report is due

(continued...)



<sup>151a</sup>(...continued)

simultaneously with submission of the President's budget — February 1 in most years, and March 15 in years in which a new President is inaugurated — and the revised report is due on November 15. An initial sequestration order would be issued simultaneously with the initial report and become effective on October 1. A final sequestration order would be effective November 15.

For discretionary spending sequestration, the Senate amendment requires both the Congressional Budget Office and the Office of Management and Budget to report to the President within 5 days after enactment of an appropriations act. The reports must determine whether any of the discretionary spending categories have been exceeded as a result of the act, and, if necessary, calculate the amounts and percentages by which spending in the affected categories must be reduced in the appropriate category to eliminate any excess. If the Office of Management and Budget report calculates a discretionary spending sequestration, the President must issue an order implementing the sequestration reductions -- within 15 days if the measure is enacted before June 30, and on November 15 if the measure is enacted between June 30 and November 1.

#### *Conference agreement*

As soon as possible after Congress completes action on a discretionary spending, direct spending, or revenue bill, and after consultation with the budget committees, the Congressional Budget Office (CBO) is to provide the Office of Management and Budget (OMB) with an estimate of the bill's effect on spending and revenues. Within 5 days after the bill's enactment, OMB transmits to the Congress its own estimate of the bill's budgetary impact. OMB is required to explain differences between its estimates and those of CBO. OMB is also required to use its bill estimates in subsequent sequestration reports.

The timetable for sequestration reports and orders is as follows:

#### On or before:

#### Action to be completed:

5 days before the budget .....	CBO sequestration preview report.
President's budget submission .....	OMB sequestration preview report.
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.
30 days later .....	GAO compliance report.

(continued...)

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1518(...continued)

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This timetable continues the feature of current law in which CBO issues its reports 5 days before OMB, and OMB is required to explain differences between its estimates and those of OMB.

All 3 sequestration reports will contain updated estimates of the maximum deficit amount and the discretionary spending limits for each category. They will also contain estimates of any net deficit increase or decrease (under the pay-as-you-go provisions), any excess deficit (compared to the deficit target), and the sequestration reductions and percentages necessary to eliminate a deficit increase or excess deficit. The final sequestration reports will include estimates of new budget authority and outlays for each discretionary spending category, the amounts of any breach in the discretionary spending limits, and the sequestration percentages necessary to eliminate a breach. In addition, the final reports will contain, for each budget account to be sequestered, estimates of the baseline level of sequestrable budgetary resources and outlays and the required reductions.

An extra pair of sequestration reports and an additional Presidential order will be required if, after the final sequestration report but before July 1, enactment of an appropriation bill causes a discretionary spending breach. These within-session sequestration reports are to contain the same information regarding discretionary spending as a final end-of-session sequestration report.

H.R. CONF. REP. No. 101-964, 101st Cong., 2d Sess. 1157-60 (1990), *reprinted in* 1990 U.S.C.A.N. 2374, 2862-65.