

levels of new budget authority⁸⁶⁷ and outlays⁸⁶⁸ for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

§ 601(b)(4)

(4)⁸⁶⁹ [(3)] This subsection shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.⁸⁷⁰

⁸⁶⁶ (...continued)

⁸⁶⁶ This is so in the original; this should be paragraph (2).

⁸⁶⁷ Section 3(2) defines "budget authority." *See supra* pp. 11-13.

⁸⁶⁸ Section 3(1) defines "outlays." *See supra* p. 11.

⁸⁶⁹ This is so in the original; this should be paragraph (3).

⁸⁷⁰ Section 14002 of the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 14002, 107 Stat. 312 (1993), extended the discretionary spending limits of this section. Section 14001(2) of that Act states: "The Congress declares that it is essential to . . . extend the system of discretionary spending limits for the single discretionary category set forth in section 601 of the Congressional Budget Act of 1974." The joint statement of managers accompanying that Act explains:

OVERVIEW

The Conference Agreement on the Omnibus Budget Reconciliation Act of 1993 is a carefully crafted, rational and constructive compromise which implements the basic objectives of both the House and the Senate bills. . . . It confirms and extends those budget process changes enacted in the Budget Enforcement Act of 1990 which have exercised effective discipline over the Federal budget.

. . . .

Every policy change in the conference agreement is specific and enforceable. It . . . establishes new caps on discretionary spending to ensure that appropriations do not exceed the levels established in the budget resolution.

. . . .

More than half of the deficit reduction is made on the spending side. The conference agreement mandates \$88 billion in net entitlement cuts. The

(continued...)

⁸⁷⁰(...continued)

caps on discretionary spending will reduce outlays by \$102 billion compared with a continuation of current policies. Debt service savings, changes in debt management and miscellaneous effects will account for another \$65 billion.

....

**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[,] . . . 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 discretionary spending limits Subtitle B revises and extends the discretionary spending limits in the Congressional Budget Act of 1974 (and makes other changes . . .).

Title XIV (Enforcement Procedures) of the Senate amendment extends the discretionary spending limits . . . 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 discretionary caps and 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

....

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 established adjustable
(continued...)

⁷⁷⁰(...continued)

discretionary spending limits to control the growth of annual appropriations The act also made these latter . . . procedures (in effect through fiscal year 1995) enforceable by sequestration. Congress intended that the appropriations caps . . . 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 appropriations caps . . . 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.

The Congressional Budget Act of 1974 is linked to the procedures under the Gramm-Rudman-Hollings Act in various ways. In particular, the Congressional Budget Act of 1974 sets forth the deficit targets and discretionary spending limits used for purposes of sequestration.

. . . .

2. DISCRETIONARY SPENDING LIMITS (SECTION 251 OF GRAMM-RUDMAN-HOLLINGS)

Current Law

The Budget Enforcement Act of 1990 established discretionary spending limits for fiscal years 1991 through 1995 in section 601(a)(2) of the Congressional Budget Act of 1974. The limits on discretionary budget authority and discretionary outlays are used for spending control under section 251 of the Gramm-Rudman-Hollings Act and are enforceable by the sequestration process. The Budget Enforcement Act of 1990 divides total discretionary spending into three categories — defense, international, and domestic — for fiscal years 1991 through 1993. For fiscal years 1994 and 1995, the limits apply to total discretionary budget authority and total discretionary outlays.

Additionally, section 601(b) of the Congressional Budget Act of 1974 creates a point of order in the Senate against the consideration of any budget resolution or appropriations bill that violates the discretionary spending limits.

Section 251 of the Gramm-Rudman-Hollings Act sets forth a detailed procedure for the periodic, automatic adjustment of the discretionary spending limits. Adjustments are made for various factors, including (among others) changes in accounting concepts and inflation, quota increases for the International Monetary Fund, funding increases for the compliance initiative of the Internal Revenue Service, and emergency spending if so designated by the President and Congress.

(continued...)

⁶⁷⁰(...continued)

Section 251 also provides: (1) that a within-session sequester may occur prior to July 1 during a fiscal year, but after that date the amount of the breach is dealt with in the subsequent fiscal year; and (2) that sequestration reductions must be applied uniformly (at the account and, if appropriate, activity level).

House Bill

The House bill continues the use of adjustable discretionary limits ("caps"). . . .

. . . .

Current law, the House bill, and the Senate amendment have the same outlay limits for fiscal years 1994 and 1995. In the table below, the current and Senate outlay limits appear lower than those in the House bill only because they do not yet reflect the outlays from the "Special Budget Authority Allowance," an adjustment that will be made at the end of the session. The House bill and Senate amendment have the same budget authority and outlay limits for fiscal years 1996-1998.

. . . .

Senate Amendment

Section 12(a) of the concurrent resolution on the budget adopted in April of 1993 provides that "[t]he Senate declares that it is essential to . . . extend the system of discretionary spending limits set forth in section 601 of the Congressional Budget Act of 1974." H. Con. Res. 64, 103d Cong., 1st Sess. § 12(a)(2), 139 CONG. REC. H1747, H1753 (daily ed. Mar. 31, 1993) (adopted). Section 12(b) set forth those limits for fiscal years 1996 through 1998 and created a point of order in the Senate to enforce them. *See id.* § 12(b).

In furtherance of the budget resolution, section 14002 of the Senate amendment continues the use of adjustable discretionary spending limits through fiscal year 1998. Unlike the House bill, the Senate amendment retains the current limits for fiscal years 1994 and 1995 without change and establishes new limits for fiscal years 1996 through 1998. (See table below.) Section 14002 provides that the discretionary spending limits for fiscal years 1996 through 1998 are those set forth in section 12(b)(1) of the budget resolution, which the House also used. As is the case for fiscal years 1994 and 1995 under current law, the Senate amendment establishes separate limits each year for total discretionary budget authority and total discretionary outlays.

(continued...)

⁸⁷⁰(...continued)

The Senate amendment retains, with minor technical and conforming changes, the current law's procedures for periodically adjusting the discretionary spending limits.

Conference Agreement

The conference agreement contains the Senate language.

The table below sets forth the proposed discretionary spending limits in the House bill, the Senate amendment, and the conference agreement.

DISCRETIONARY SPENDING LIMITS: FISCAL YEARS 1994-1998
[in billions of dollars]

	Fiscal Year—				
	1994	1995	1996	1997	1998
Current law¹					
Budget authority	509.920	517.398	—	—	—
Outlays	537.254	538.952	—	—	—
House bill					
Budget authority	500.964	506.287	519.142	528.079	530.639
Outlays	538.688	541.137	547.263	547.346	547.870
Senate amendment					
Budget authority	509.920	517.398	519.142	528.079	530.639
Outlays	537.254	538.952	547.263	547.346	547.870
Conference agreement					
Budget authority	509.920	517.398	519.142	528.079	530.639
Outlays	537.254	538.952	547.263	547.346	547.870

¹ Discretionary spending limits under current law are the "preview report discretionary limits" in the "Budget of the United States Government, Fiscal Year 1994, 135 (1993)". Current law provides, and the Senate amendment retains, a "Special Budget Authority Allowance" through fiscal year 1995 that will increase the limits on budget authority and outlays for those years when the end-of-session sequestration reports are prepared. Including that adjustment as currently estimated, the outlay limits for 1994 and 1995 are the same in current law, the House bill, and the Senate amendment.

H.R. CONF. REP. NO. 103-213, 103d Cong., 1st Sess. 399, 402, 936-37, 939-46 (1993), reprinted in 139 CONG. REC. H5792, H5890-91, H5893, H6036-39 (daily ed. Aug. 4, 1993). For additional legislative history of the extension of title VI, see *infra* note 936 (at the end of title VI).

Section 13111 of the Budget Enforcement Act added what is now section 601. See *infra* p. 707. For excerpts from the statement of managers accompanying the conference (continued...)

⁸⁷⁰(...continued)

report on the Budget Enforcement Act, see *infra* note 936.

Public Law 97-258 repealed the section 601 originally enacted in the Congressional Budget Act of 1974. See An Act to Revise, Codify, and Enact Without Substantive Change Certain General and Permanent Laws, Related to Money and Finance, as title 31, United States Code, "Money and Finance," Pub. L. No. 97-258, § 5(b), 96 Stat. 877, 1082 (1982). The original section 601-605 and 607 were codified in sections 1105, 1106, and 1108-1110 of title 31. As originally enacted in 1974, section 601 read as follows:

MATTERS TO BE INCLUDED IN PRESIDENT'S BUDGET

SEC. 601. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11) is amended by adding at the end thereof the following new subsections:

"(d) The Budget transmitted pursuant to subsection (a) for each fiscal year shall set forth separately the items enumerated in section 301(a)(1)-(5) of the Congressional Budget Act of 1974.

"(e) The Budget transmitted pursuant to subsection (a) for each fiscal year shall set forth the levels of tax expenditures under existing law for such fiscal year (the tax expenditure budget), taking into account projected economic factors, and any changes in such existing levels based on proposals contained in such Budget. For purposes of this subsection, the terms "tax expenditures" and "tax expenditures budget" have the meanings given to them by section 3(a)(3) of the Congressional Budget Act of 1974.

"(f) The Budget transmitted pursuant to subsection (a) for each fiscal year shall contain —

"(1) a comparison, for the last completed fiscal year, of the total amount of outlays estimated in the Budget transmitted pursuant to subsection (a) for each major program involving uncontrollable outlays and the total amount of outlays made under each such major program during such fiscal year;

"(2) a comparison, for the last completed fiscal year, of the total amount of revenues estimated in the Budget transmitted pursuant to subsection (a) and the total amount of revenues received during such year, and, with respect to each major revenue source, the amount of revenues estimated

(continued...)

⁸⁷⁰(...continued)

in the Budget transmitted pursuant to subsection (a) and the amount of revenues received during such year; and

"(3) an analysis and explanation of the difference between each amount set forth pursuant to paragraphs (1) and (2) as the amount of outlays or revenues estimated in the Budget submitted under subsection (a) for such fiscal year and the corresponding amount set forth as the amount of outlays made or revenues received during such fiscal year.

"(g) The President shall transmit to the Congress, on or before April 10 and July 15 of each year, a statement of all amendments to or revisions in the budget authority requested, the estimated outlays, and the estimated receipts for the ensuing fiscal year set forth in the Budget transmitted pursuant to subsection (a) (including any previous amendments or revisions proposed on behalf of the executive branch) that he deems necessary and appropriate based on the most current information available. Such statement shall contain the effect of such amendments and revisions on the summary data submitted under subsection (a) and shall include such supporting detail as is practicable. The statement transmitted on or before July 15 of any year may be included in the supplemental summary required to be transmitted under subsection (b) during such year. The Budget transmitted to the Congress pursuant to subsection (a) for any fiscal year, or the supporting detail transmitted in connection therewith, shall include a statement of all such amendments and revisions with respect to the fiscal year in progress made before the date of transmission of such Budget.

"(h) The Budget transmitted pursuant to subsection (a) for each fiscal year shall include information with respect to estimates of appropriations for the next succeeding fiscal year for grants, contracts, or other payments under any program for which there is an authorization of appropriations for such succeeding fiscal year and such appropriations are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year in which the appropriation is to be available for obligation.

"(i) The Budget transmitted pursuant to subsection

(continued...)

⁸⁷⁰(...continued)

(a) for each fiscal year, beginning with the fiscal year ending September 30, 1979, shall contain a presentation of budget authority, proposed budget authority, outlays, proposed outlays, and descriptive information in terms of —

“(1) a detailed structure of national needs which shall be used to reference all agency missions and programs;

“(2) agency missions; and

“(3) basic programs.

To the extent practicable, each agency shall furnish information in support of its budget requests in accordance with its assigned missions in terms of Federal functions and subfunctions, including mission responsibilities of component organizations, and shall relate its programs to agency missions.”