

112TH CONGRESS  
1ST SESSION

# H. R. 1848

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2011

Mr. MACK (for himself, Mr. BROUN of Georgia, Mrs. LUMMIS, Mr. RIBBLE, Mr. STUTZMAN, Mr. CAMPBELL, Mr. BARTLETT, Mr. KING of Iowa, Mr. ROSS of Florida, Mr. MILLER of Florida, Mr. DUNCAN of Tennessee, Mr. WEST, Mr. GARRETT, and Mr. GINGREY of Georgia) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “One Percent Spending  
5 Reduction Act of 2011”.

6 **SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds the following:

1           (1) The fiscal crisis faced by the Federal Gov-  
2           ernment demands immediate action.

3           (2) The dramatic growth in spending and debt  
4           in recent years threatens our economic and national  
5           security:

6                   (A) Federal spending has grown from 18  
7                   percent of GDP in 2001 to 24 percent of GDP  
8                   in 2010.

9                   (B) Total Federal debt exceeds \$14 trillion  
10                  and has increased \$4 trillion in the past three  
11                  years alone.

12                  (C) Without action, the Federal govern-  
13                  ment will continue to run massive deficits in the  
14                  next decade and total Federal debt will rise to  
15                  \$24 trillion by 2021.

16                  (D) Interest payments on this debt will  
17                  soon rise to the point where balancing the  
18                  budget as a matter of policy is beyond the reach  
19                  of Congress.

20           (3) From 1980 to 2010, Federal revenues aver-  
21           aged 18 percent of GDP and are projected to return  
22           to that level within the next decade.

23           (4) Absent reform, the growth of Social Secu-  
24           rity, Medicare, and Medicaid will overwhelm all

1 other Federal programs and consume all projected  
2 tax revenues.

3 (b) PURPOSE.—The purpose of this Act is to address  
4 the fiscal crisis by—

5 (1) acting quickly to balance the Federal budg-  
6 et and eliminate the parade of deficits and bal-  
7 looning interest payments;

8 (2) achieving balance by reducing spending one  
9 percent per year until spending equals projected  
10 long-term revenues; and

11 (3) reforming entitlement programs to ensure  
12 long-term fiscal stability and balance.

13 **SEC. 3. ESTABLISHMENT AND ENFORCEMENT OF SPEND-**  
14 **ING CAPS.**

15 (a) OUTLAY CAPS.—The Balanced Budget and  
16 Emergency Deficit Control Act of 1985 is amended by in-  
17 serting after section 253 the following new section:

18 **“SEC. 253A. ESTABLISHING OUTLAY CAPS.**

19 “(a) OUTLAY CAPS.—In this section, the term ‘outlay  
20 cap’ means:

21 “(1) FISCAL YEAR 2012.—For fiscal year 2012,  
22 the aggregate projected outlays (less net interest  
23 payments) for fiscal year 2012 shall be  
24 \$3,382,000,000,000, less one percent.

1           “(2) FISCAL YEAR 2013.—For fiscal year 2013,  
2           the aggregate projected outlays (less net interest  
3           payments) for fiscal year 2013 shall be the amount  
4           computed under paragraph (1), less one percent.

5           “(3) FISCAL YEAR 2014.—For fiscal year 2014,  
6           the aggregate projected outlays (less net interest  
7           payments) for fiscal year 2014 shall be the amount  
8           computed under paragraph (2), less one percent.

9           “(4) FISCAL YEAR 2015.—For fiscal year 2015,  
10          the aggregate projected outlays (less net interest  
11          payments) for fiscal year 2015 shall be the amount  
12          computed under paragraph (3), less one percent.

13          “(5) FISCAL YEAR 2016.—For fiscal year 2016,  
14          the aggregate projected outlays (less net interest  
15          payments) for fiscal year 2016 shall be the amount  
16          computed under paragraph (4), less one percent.

17          “(6) FISCAL YEAR 2017.—For fiscal year 2017,  
18          the aggregate projected outlays (less net interest  
19          payments) for fiscal year 2017 shall be the amount  
20          computed under paragraph (5), less one percent.

21          “(7) FISCAL YEAR 2018 AND SUBSEQUENT FIS-  
22          CAL YEARS.—(A) For fiscal year 2018 and each sub-  
23          sequent fiscal year, the aggregate projected outlays  
24          shall be 18 percent of the gross domestic product for

1 that fiscal year as estimated by OMB prior to March  
2 of the previous fiscal year.

3 “(B) Notwithstanding paragraph (A), for any  
4 fiscal year beginning with fiscal year 2019, the ag-  
5 gregate projected outlays may not be less than the  
6 aggregate projected outlays for the preceding fiscal  
7 year.

8 “(b) SEQUESTRATION.—

9 “(1) IN GENERAL.—

10 “(A) EXCESS SPENDING.—Not later than  
11 45 calendar days after the beginning of a fiscal  
12 year, OMB shall conduct a sequestration to  
13 eliminate the excess outlay amount.

14 “(B) DEFINITIONS.—

15 “(i) For fiscal years 2012 through  
16 2017 and for purposes of this subsection,  
17 the term ‘excess outlay amount’ means the  
18 amount by which total Federal outlays  
19 (less net interest payments) for a fiscal  
20 year exceeds the outlay cap for that fiscal  
21 year.

22 “(ii) For fiscal year 2018 and in sub-  
23 sequent fiscal years and for purposes of  
24 this subsection, the term ‘excess outlay  
25 amount’ means the amount by which total

1 Federal outlays for a fiscal year exceeds  
2 the outlay cap for that fiscal year.

3 “(2) SEQUESTRATION.—

4 “(A) On August 15 of each year, CBO  
5 shall issue a sequestration preview report as de-  
6 scribed in section 254(c)(4).

7 “(B) On August 20 of each year, OMB  
8 shall issue a sequestration preview report as de-  
9 scribed in section 254(c)(4).

10 “(C) On October 31 of each year, OMB  
11 shall issue its final sequestration report as de-  
12 scribed in section 254(f)(3). It shall be accom-  
13 panied by a Presidential order detailing uniform  
14 spending reductions equal to the excess outlay  
15 amount as defined in this section.

16 “(D) The reductions shall generally follow  
17 the process set forth in section 253 and 254,  
18 except as provided in this section.

19 “(3) CONGRESSIONAL ACTION.—If the August  
20 OMB report projects a sequestration, the Com-  
21 mittees on Budget of the Senate and House of Rep-  
22 resentatives may report a resolution directing their  
23 committees to change the existing law to achieve the  
24 spending reductions outlined in the August 20 re-  
25 port necessary to meet the outlay limits.

1       “(c) NO EXEMPT PROGRAMS.—Section 255 and sec-  
2 tion 256 shall not apply to this section, except that pay-  
3 ments for net interest (budget function 900) shall be ex-  
4 empt from the spending reductions under sequestration.

5       “(d) LOOK BACK.—If, after November 15, a bill re-  
6 sulting in outlays for the fiscal year in progress is enacted  
7 that causes excess outlays, the excess outlay amount for  
8 the next fiscal year shall be increased by the amount or  
9 amounts of that breach.”.

10       (b) CONFORMING AMENDMENTS TO BBEDCA.—

11           (1) SEQUESTRATION PREVIEW REPORTS.—Sec-  
12 tion 254(c)(4) of the Balanced Budget and Emer-  
13 gency Deficit Control Act of 1985 is amended to  
14 read as follows:

15           “(4) OUTLAY CAP SEQUESTRATION REPORTS.—  
16 The preview reports shall set forth for the budget  
17 year estimates for the following:

18           “(A)(i) For each of budget years 2012  
19 through 2017: the aggregate projected outlays  
20 (less net interest payment), less one percent.

21           “(ii) For budget year 2018 and each sub-  
22 sequent budget year: the estimated gross do-  
23 mestic product (GDP) for that budget year.

24           “(B) The amount of reductions required  
25 under section 253A.

1           “(C) The sequestration percentage nec-  
2           essary to achieve the required reduction under  
3           section 253A.”.

4           (2) FINAL SEQUESTRATION REPORTS.—Section  
5           254(f)(3) of the Balanced Budget and Emergency  
6           Deficit Control Act of 1985 is amended to read as  
7           follows:

8           “(3) OUTLAY CAPS SEQUESTRATION RE-  
9           PORTS.—The final reports shall contain all the infor-  
10          mation required in the outlay cap sequestration pre-  
11          view reports. In addition, these report shall contain,  
12          for the budget year, for each account to be seques-  
13          tered, estimates of the baseline level of sequestrable  
14          budgetary resources and resulting outlays and the  
15          amount of budgetary sources to be sequestered and  
16          result in outlay reductions. The report shall also  
17          contain estimates of the effects on outlays on the se-  
18          questration of each outyear for direct spending pro-  
19          grams.”.

20          (3) REPEAL OF EXPIRATION DATE.—Section  
21          275 of the Balanced Budget and Emergency Deficit  
22          Control Act of 1985 is repealed.

23          (c) ENFORCEMENT.—Title III of the Congressional  
24          Budget Act of 1974 is amended by adding after section  
25          315 the following:



1 **“SEC. 316. ENFORCEMENT PROCEDURES.**

2       “(a) **OUTLAY CAPS.**—It shall not be in order in the  
3 House of Representatives or the Senate to consider any  
4 bill, joint resolution, amendment, or conference report that  
5 includes any provision that would cause the most recently  
6 reported, current outlay cap set forth in section 253A of  
7 the Balanced Budget and Emergency Deficit Control Act  
8 of 1985 to be breached.

9       “(b) **WAIVER OR SUSPENSION.**—

10           “(1) **IN THE SENATE.**—The provisions of this  
11 section may be waived or suspended in the Senate  
12 only by the affirmative vote of two-thirds of the  
13 Members, duly chosen and sworn.

14           “(2) **IN THE HOUSE.**—The provisions of this  
15 section may be waived or suspended in the House of  
16 Representatives only by a rule or order proposing  
17 only to waive such provisions by an affirmative vote  
18 of two-thirds of the Members, duly chosen and  
19 sworn.

20       “(c) **POINT OF ORDER PROTECTION.**—In the House,  
21 it shall not be in order to consider a rule or order that  
22 waives the application of paragraph (2) of subsection (b).

23       “(d) **MOTION TO SUSPEND.**—It shall not be in order  
24 for the Speaker to entertain a motion to suspend the appli-  
25 cation of this section under clause 1 of rule XV.”.

1 **SEC. 4. CONFORMING AMENDMENTS.**

2 The table of contents set forth in—

3 (1) section 1(b) of the Congressional Budget  
4 and Impoundment Control Act of 1974 is amended  
5 by inserting after the item relating to section 315  
6 the following new item:

“Sec. 316. Enforcement procedures.”;

7 and

8 (2) section 250(a) of the Balanced Budget and  
9 Emergency Deficit Control Act of 1985 is amended  
10 by inserting after the item relating to section 253  
11 the following new item:

“Sec. 253A. Establishing outlay caps.”.

12 **SEC. 5. EFFECTIVE DATE.**

13 This Act and the amendments made by it shall apply  
14 to fiscal year 2012 and subsequent fiscal years, including  
15 any reports and calculations required for implementation  
16 in fiscal year 2012.

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