

112TH CONGRESS
1ST SESSION

S. 1651

To provide for greater transparency and honesty in the Federal budget process.

IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2011

Mr. SESSIONS (for himself and Ms. SNOWE) introduced the following bill;
which was read twice and referred to the Committee on the Budget

A BILL

To provide for greater transparency and honesty in the
Federal budget process.

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 AND TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Honest Budget Act”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. No budget—no appropriations.
- Sec. 3. No phony emergency designations.
- Sec. 4. Strengthen the Federal Credit Reform Act of 1990.
- Sec. 5. No changes in mandatory programs in appropriation bills.
- Sec. 6. Don’t count rescissions that don’t save money.
- Sec. 7. Prohibition on step increases for Federal employee compensation.

Sec. 8. Point of order against advance appropriations.

Sec. 9. Prohibit timing shifts.

Sec. 10. Budget scoring rule relating to transfers from the general fund of the Treasury to the Highway Trust Fund that increase public indebtedness.

1 **SEC. 2. NO BUDGET—NO APPROPRIATIONS.**

2 Section 904 of the Congressional Budget Act of 1974
3 (2 U.S.C. 621 note) is amended—

4 (1) in subsection (c)(1), by inserting after “Sec-
5 tions” the following: “303(c),”; and

6 (2) in subsection (d)(2), by inserting after “sec-
7 tions” the following: “303(c),”.

8 **SEC. 3. NO PHONY EMERGENCY DESIGNATIONS.**

9 (a) **EMERGENCY REQUIREMENT IN A BILL, JOINT**
10 **RESOLUTION, OR CONFERENCE REPORT.—**

11 (1) **IN GENERAL.—**In the Senate, it shall not be
12 in order to consider any bill, joint resolution, or con-
13 ference report that designates as an emergency re-
14 quirement, pursuant to section 403 of S. Con. Res.
15 13 (110th Congress, the FY 2010 Budget Resolu-
16 tion), section 4(g) of the Statutory Pay-As-You-Go
17 Act of 2010, or section 251(b)(2)(A)(i) of the Bal-
18 anced Budget and Emergency Deficit Control Act of
19 1985 any provision that creates discretionary or di-
20 rect spending or decreases revenues.

21 (2) **WAIVER.—**An affirmative vote of three-
22 fifths of the Members, duly chosen and sworn, shall
23 be required to sustain an appeal of the ruling of the

1 Chair on a point of order against such a measure
2 raised under this subsection.

3 (3) EXCEPTION.—For purposes of this sub-
4 section, a conference report may include an emer-
5 gency designation only if it was also adopted in the
6 Senate version of the measure subject to the con-
7 ference report.

8 (b) EMERGENCY REQUIREMENT IN AN AMEND-
9 MENT.—

10 (1) IN GENERAL.—In the Senate, it shall not be
11 in order to consider any bill, joint resolution, or con-
12 ference report that designates as an emergency re-
13 quirement, pursuant to section 403 of S. Con. Res.
14 13 (110th Congress, the FY 2010 Budget Resolu-
15 tion), section 4(g) of the Statutory Pay-As-You-Go
16 Act of 2010, or section 251(b)(2)(A)(i) of the Bal-
17 anced Budget and Emergency Deficit Control Act of
18 1985 any provision that creates discretionary or di-
19 rect spending or decreases revenues.

20 (2) WAIVER AND APPEAL.—A point of order
21 against an amendment under this subsection may be
22 waived or suspended only by an affirmative vote of
23 three-fifths of the Members, duly chosen and sworn.
24 An affirmative vote of three-fifths of the Members,
25 duly chosen and sworn, shall be required to sustain

1 an appeal of the ruling of the Chair on a point of
 2 order against such an amendment raised under this
 3 subsection.

4 (c) CHANGES TO THE STATUTORY PAY-AS-YOU-GO
 5 ACT OF 2010.—Section 4(g) of the Statutory Pay-As-You-
 6 Go Act of 2010 is amended by striking paragraph (3) and
 7 inserting the following:

8 “(3) DESIGNATION IN THE SENATE.—A provi-
 9 sion or provisions designated as an emergency re-
 10 quirement pursuant to this section are subject to
 11 section 3 of the Honest Budget Act.”.

12 **SEC. 4. STRENGTHEN THE FEDERAL CREDIT REFORM ACT**
 13 **OF 1990.**

14 Title V of the Congressional Budget Act of 1990 is
 15 amended to read as follows:

16 **“TITLE V—CREDIT REFORM**

17 **“SEC. 500. SHORT TITLE.**

18 “This title may be cited as the ‘Federal Credit Re-
 19 form Act of 1990’.

20 **“SEC. 501. PURPOSES.**

21 “The purposes of this title are to—

22 “(1) measure more accurately the costs of Fed-
 23 eral credit programs and financial investments by
 24 accounting for them on a fair value basis;

1 “(2) place the cost of credit programs and fi-
2 nancial investments on a budgetary basis equivalent
3 to other Federal spending;

4 “(3) encourage the delivery of benefits in the
5 form most appropriate to the needs of beneficiaries;
6 and

7 “(4) improve the allocation of resources among
8 Federal programs.

9 **“SEC. 502. DEFINITIONS.**

10 “For purposes of this title:

11 “(1) The term ‘direct loan’ means a disburse-
12 ment of funds by the Government to a non-Federal
13 borrower under a contract that requires the repay-
14 ment of such funds with or without interest. The
15 term includes the purchase of, or participation in, a
16 loan made by another lender and financing arrange-
17 ments that defer payment for more than 90 days, in-
18 cluding the sale of a Government asset on credit
19 terms. The term does not include the acquisition of
20 a federally guaranteed loan in satisfaction of default
21 claims or the price support loans of the Commodity
22 Credit Corporation.

23 “(2) The term ‘direct loan obligation’ means a
24 binding agreement by a Federal agency to make a

1 direct loan when specified conditions are fulfilled by
2 the borrower.

3 “(3) The term ‘loan guarantee’ means any
4 guarantee, insurance, or other pledge with respect to
5 the payment of all or a part of the principal or inter-
6 est on any debt obligation of a non-Federal borrower
7 to a non-Federal lender, but does not include the in-
8 surance of deposits, shares, or other withdrawable
9 accounts in financial institutions.

10 “(4) The term ‘loan guarantee commitment’
11 means a binding agreement by a Federal agency to
12 make a loan guarantee when specified conditions are
13 fulfilled by the borrower, the lender, or any other
14 party to the guarantee agreement.

15 “(5)(A) The term ‘financial investment’ means
16 an investment by the Government in any securities
17 (debt or equity), stocks, bonds, or futures, options,
18 swaps, or other derivatives, issued by a non-Federal
19 entity, including State, local tribal, and foreign gov-
20 ernments, and private organizations, regardless of
21 whether the issuances are federally guaranteed, or
22 issued by a Federal entity if the issuance consists of
23 marketable securities.

24 “(B) The term includes Government invest-
25 ments in money market and mutual funds, even if

1 the money market or mutual fund's assets consist
2 entirely of Federal securities.

3 “(6) The term ‘financial investment commit-
4 ment’ means a binding agreement by a Federal
5 agency to acquire a financial investment when speci-
6 fied conditions are fulfilled by other party to the in-
7 vestment agreement.

8 “(7)(A) The term ‘cost’ means the sum of the
9 Treasury discounting component and the risk com-
10 ponent of a direct loan, loan guarantee, or financial
11 investment or a modification thereof.

12 “(B) The Treasury discounting component shall
13 be the estimated long-term cost to the Government
14 of a direct loan, loan guarantee, or financial invest-
15 ment or modification thereof, calculated on a net
16 present value basis, excluding administrative costs
17 and any incidental effects on governmental receipts
18 or outlays.

19 “(C) The risk component shall be an amount
20 equal to the difference between—

21 “(i) the estimated long-term cost to the
22 Government of a direct loan, loan guarantee, or
23 financial investment or modification thereof, es-
24 timated on a fair value basis, applying the
25 guidelines set forth by the Financial Accounting

1 Standards Board in Financial Accounting
2 Standards #157, or a successor thereto, exclud-
3 ing administrative costs and any incidental ef-
4 fects on governmental receipts or outlays; and

5 “(ii) the Treasury discounting component
6 of such direct loan, loan guarantee, or financial
7 investment or modification thereof.

8 “(D) The Treasury discounting component of a
9 direct loan shall be the net present value, at the time
10 when the direct loan is disbursed, of the following
11 estimated cash flows:

12 “(i) Loan disbursements.

13 “(ii) Repayments of principal.

14 “(iii) Essential preservation expenses, pay-
15 ments of interest and other payments by or to
16 the Government over the life of the loan after
17 adjusting for estimated defaults, prepayments,
18 fees, penalties, and other recoveries, including
19 the effects of changes in loan terms resulting
20 from the exercise by the borrower of an option
21 included in the loan contract.

22 “(E) The Treasury discounting component of a
23 loan guarantee shall be the net present value, at the
24 time when the direct loan is disbursed, of the fol-
25 lowing estimated cash flows:

1 “(i) Payments by the Government to cover
2 defaults and delinquencies, interests subsidies,
3 essential preservation expenses, or other pay-
4 ments.

5 “(ii) Payments to the Government includ-
6 ing origination and other fees, penalties, and re-
7 coveries, including the effects of changes in loan
8 terms resulting from the exercise by the guar-
9 anteed lender of an option included in the loan
10 guarantee contract, or by the borrower of an
11 option included in the guaranteed loan contract.

12 “(F) The Treasury discounting component of a
13 financial investment shall be the net present value,
14 at the time the financial investment is executed, of
15 the following estimated cash flows:

16 “(i) Payments by the Government includ-
17 ing essential preservation expenses.

18 “(ii) Payments to the Government includ-
19 ing any dividends, periodic payments, fees, pen-
20 alties, or recoveries;

21 Including the effects of changes in investment terms
22 resulting from the exercise by the non-Federal entity
23 of an option included in the investment contract.

24 “(G) The cost of a modification is the sum of—

1 “(i) the difference between the current es-
2 timate of the Treasury discounting component
3 of the remaining cash flows under the terms of
4 a direct loan, loan guarantee, or financial in-
5 vestment contract, and the current estimate of
6 the Treasury discounting component of the re-
7 maining cash flows under the terms of the con-
8 tract, as modified; and

9 “(ii) the difference between the current es-
10 timate of the risk component of the remaining
11 cash flows under the terms of a direct loan,
12 loan guarantee, or financial investment con-
13 tract, and the current estimate of the risk com-
14 ponent of the remaining cash flows under the
15 terms of the contract as modified.

16 “(H) In estimating Treasury discounting com-
17 ponents, the discount rate shall be the average inter-
18 est rate on marketable Treasury securities of similar
19 duration to the cash flows of the direct loan or loan
20 guarantee for which the estimate is being made.

21 “(I) When funds are obligated for a direct loan
22 or loan guarantee, the estimated cost shall be based
23 on the current assumptions, adjusted to incorporate
24 the terms of the loan contract, for the fiscal year in
25 which the funds are obligated.

1 “(8) The term ‘program account’ means the
2 budget account into which an appropriation to cover
3 the cost of a direct loan, loan guarantee, or financial
4 investment program is made and from which such
5 cost is disbursed to the financing account.

6 “(9) The term ‘financing account’ means the
7 nonbudget account or accounts associated with each
8 program account which holds balances, receives the
9 cost payment from the program account, and also
10 includes all other cash flows to and from the Gov-
11 ernment resulting from direct loan obligations or
12 loan guarantee commitments made on or after Octo-
13 ber 1, 1991, or financial investment commitments
14 made on or after October 1, 2014.

15 “(10) The term ‘liquidating account’ means the
16 budget account that includes all cash flows to and
17 from the Government resulting from direct loan obli-
18 gations or loan guarantee commitments made prior
19 to October 1, 1991. These accounts shall be shown
20 in the budget on a cash basis.

21 “(11) The term ‘modification’ means any Gov-
22 ernment action that alters the estimated cost of an
23 outstanding direct loan (or direct loan obligation),
24 an outstanding loan guarantee (or loan guarantee
25 commitment), or outstanding financial investment

1 (or financial investment commitment) from the cur-
2 rent estimate of cash flows. This includes the sale of
3 loan assets, with or without recourse, and the pur-
4 chase of guaranteed loans (or direct loan obliga-
5 tions), loan guarantees (or loan guarantee commit-
6 ments), financial investments (or financial invest-
7 ment commitments) such as a change in collection
8 procedures.

9 “(12) The term ‘current’ has the same meaning
10 as in section 250(c)(9) of the Balanced Budget and
11 Emergency Deficit Control Act of 1985.

12 “(13) The term ‘Director’ means the Director
13 of the Office of Management and Budget.

14 “(14) The term ‘administrative costs’ means
15 costs related to program management activities, but
16 does not include essential preservation expenses.

17 “(15) The term ‘essential preservation ex-
18 penses’ means servicing and other costs that are es-
19 sential to preserve the value of loan assets or collat-
20 eral.

21 **“SEC. 503. OMB AND CBO ANALYSIS, COORDINATION, AND**
22 **REVIEW.**

23 “(a) IN GENERAL.—For the executive branch, the
24 Director shall be responsible for coordinating the esti-
25 mates required by this title. The Director shall consult

1 with the agencies that administer direct loan or loan guar-
2 antee, or financial investment programs.

3 “(b) DELEGATION.—The Director may delegate to
4 agencies authority to make estimates of costs. The delega-
5 tion of authority shall be based upon written guidelines,
6 regulations, or criteria consistent with the definitions in
7 this title.

8 “(c) COORDINATION WITH THE CONGRESSIONAL
9 BUDGET OFFICE.—In developing estimation guidelines,
10 regulations, or criteria to be used by Federal agencies, the
11 Director shall consult with the Director of the Congres-
12 sional Budget Office.

13 “(d) IMPROVING COST ESTIMATES.—The Director
14 and the Director of the Congressional Budget Office shall
15 coordinate the development of more accurate data on his-
16 torical performance and prospective risk of direct loan,
17 loan guarantee, and financial investment programs. They
18 shall annually review the performance of outstanding di-
19 rect loans, loan guarantees, and financial investment to
20 improve estimates of costs. The Office of Management and
21 Budget and the Congressional Budget Office shall have
22 access to all agency data that may facilitate the develop-
23 ment and improvement of estimates of costs.

24 “(e) HISTORICAL CREDIT PROGRAMS COSTS.—The
25 Director shall review, to the extent possible, historical data

1 and develop the best possible estimates of adjustments
2 that would convert aggregate historical budget data to
3 credit reform accounting.

4 **“SEC. 504. BUDGETARY TREATMENT.**

5 “(a) **PRESIDENT’S BUDGET.**—Beginning with fiscal
6 year 1992, the President’s budget shall reflect the Treas-
7 ury discounting component of direct loan and loan guar-
8 antee programs. Beginning with fiscal year 2015, the
9 President’s budget shall reflect the costs of direct loan,
10 loan guarantee, and financial investment programs. The
11 budget shall also include the planned level of new direct
12 loan obligations, loan guarantee commitments, or financial
13 investment commitments associated with each appropria-
14 tions request.

15 “(b) **APPROPRIATIONS REQUIRED.**—Notwithstanding
16 any other provision of law, new direct loan obligations may
17 be incurred and new loan guarantee commitments may be
18 made of fiscal year 1992 and thereafter and new financial
19 investment commitments may be made for fiscal year
20 2015 and thereafter only to the extent that—

21 “(1) new budget authority to cover their costs
22 is provided in advance in an appropriations Act;

23 “(2) a limitation on the use of funds otherwise
24 available for the cost of a direct loan, loan guar-

1 antee, or financial investment program has been pro-
2 vided in advance in an appropriations Act; or

3 “(3) authority is otherwise provided in appro-
4 piation Acts.

5 “(c) EXEMPTION FOR MANDATORY PROGRAMS.—

6 Subsections (b) and (e) shall not apply to a direct loan
7 or loan guarantee program that—

8 “(1) constitutes an entitlement (such as the
9 guaranteed student loan program or the veteran’s
10 home loan guaranty program); or

11 “(2) all existing credit programs of the Com-
12 modity Credit Corporation on the date of enactment
13 of this title.

14 “(d) BUDGET ACCOUNTING.—

15 “(1) The authority to incur new direct loan ob-
16 ligations, make new loan guarantee commitments,
17 make new financial investment commitments, or
18 modify outstanding direct loans (or direct loan obli-
19 gations), loan guarantees (or loan guarantee com-
20 mitments), financial investments (or financial invest-
21 ment commitments) shall constitute new budget au-
22 thority in an amount equal to the cost of the direct
23 loan or loan guarantee in the fiscal year in which
24 definite authority becomes available or indefinite au-
25 thority is used. Such budget authority shall con-

1 stitute an obligation of the program account to pay
2 to the financing account.

3 “(2) The outlays resulting from new budget au-
4 thority for the cost of direct loans, loan guarantees,
5 or financial investment described in paragraph (1)
6 shall be paid from the program account into the fi-
7 nancing account and recorded in the fiscal year in
8 which the direct loan, the guaranteed loan, or finan-
9 cial investment is disbursed or its costs altered.

10 “(3) All collections and payments of the financ-
11 ing accounts shall be a means of financing.

12 “(e) MODIFICATIONS.—An outstanding direct loan
13 (or direct loan obligation), loan guarantee (or loan guar-
14 antee commitment), or financial investment (or financial
15 investment commitment) shall not be modified in a man-
16 ner that increases its costs unless budget authority for the
17 additional cost has been provided in advance in an appro-
18 priations Act.

19 “(f) RE-ESTIMATES.—When the estimated cost for a
20 group of direct loans, loan guarantees, or financial invest-
21 ments for a given program made in a single fiscal year
22 is re-estimated in a subsequent year, the difference be-
23 tween the re-estimated cost and the previous cost estimate
24 shall be displayed as a distinct and separately identified
25 subaccount in the program account as a change in pro-

1 gram costs and a change in net interest. There is hereby
2 provided permanent indefinite authority for these re-esti-
3 mates.

4 “(g) ADMINISTRATIVE EXPENSES.—All funding for
5 an agency’s administrative costs associated with a direct
6 loan, loan guarantee, or financial investment program
7 shall be displayed as distinct and separately identified sub-
8 accounts within the same budget account as the program’s
9 cost.

10 **“SEC. 505. AUTHORIZATIONS.**

11 “(a) AUTHORIZATION OF APPROPRIATIONS FOR
12 COSTS.—There are authorized to be appropriated to each
13 Federal agency authorized to make direct loan obligations,
14 loan guarantee commitments, or financial investment com-
15 mitments such sums as may be necessary to pay the cost
16 associated with such direct loan obligations, loan guar-
17 antee commitments, or financial investment commitments.

18 “(b) AUTHORIZATION FOR FINANCING ACCOUNTS.—
19 In order to implement the accounting required by this
20 title, the President is authorized to establish such non-
21 budgetary accounts as may be appropriate.

22 “(c) TREASURY TRANSACTIONS WITH THE FINANC-
23 ING ACCOUNTS.—

24 “(1) IN GENERAL.—The Secretary of the
25 Treasury shall borrow from, receive from, lend to, or

1 pay to the financing accounts such amounts as may
2 be appropriate. The Secretary of the Treasury may
3 prescribe forms and denominations, maturities, and
4 terms and conditions for the transactions described
5 in the preceding sentence, except that the rate of in-
6 terest charged by the Secretary on lending to financ-
7 ing accounts (including amounts treated as lending
8 to financing accounts by the Federal Financing
9 Bank (hereinafter in this subsection referred to as
10 the ‘Bank’) pursuant to section 405(b)) and the rate
11 of interest paid to financing accounts on uninvested
12 balances in financing accounts shall be the same as
13 the rate determined pursuant to section 502(7)(H).

14 “(2) LOANS.—For guaranteed loans financed
15 by the Bank and treated as direct loans by a Fed-
16 eral agency pursuant to section 406(b)(1), any fee
17 or interest surcharge (the amount by which the in-
18 terest rate charged exceeds the rate determined pur-
19 suant to section 502(7)(H) that the Bank charges to
20 a private borrower pursuant to section 6(c) of the
21 Federal Financing Bank Act of 1973 shall be con-
22 sidered a cash flow to the Government for the pur-
23 poses of determining the cost of the direct loan pur-
24 suant to section 502(7). All such amounts shall be
25 credited to the appropriate financing account.

1 “(3) REIMBURSEMENT.—The Bank is author-
2 ized to require reimbursement from a Federal agen-
3 cy to cover the administrative expenses of the Bank
4 that are attributable to the direct loans financed for
5 that agency. All such payments by an agency shall
6 be considered administrative expenses subject to sec-
7 tion 504(g). This subsection shall apply to trans-
8 actions related to direct loan obligations or loan
9 guarantee commitments made on or after October 1,
10 1991.

11 “(4) AUTHORITY.—The authorities provided in
12 this subsection shall not be construed to supersede
13 or override the authority of the head of a Federal
14 agency to administer and operate a direct loan or
15 loan guarantee program.

16 “(5) TITLE 31.—All of the transactions pro-
17 vided in the subsection shall be subject to the provi-
18 sions of subchapter II of chapter 15 of title 31,
19 United States Code.

20 “(6) TREATMENT OF CASH BALANCES.—Cash
21 balances of the financing accounts in excess of cur-
22 rent requirements shall be maintained in a form of
23 uninvested funds and the Secretary of the Treasury
24 shall pay interest on these funds. The Secretary of
25 the Treasury shall charge (or pay if the amount is

1 negative) financing accounts an amount equal to the
2 risk component for a direct loan, loan guarantee, or
3 financial investment or modification thereof. Such
4 amount received by the Secretary of the Treasury
5 shall be a means of financing and shall not be con-
6 sidered a cash flow of the Government for the pur-
7 poses of section 502(7).

8 “(d) AUTHORIZATION FOR LIQUIDATING AC-
9 COUNTS.—(1) Amounts in liquidating accounts shall be
10 available only for payments resulting from direct loan obli-
11 gations or loan guarantee commitments made prior to Oc-
12 tober 1, 1991, for—

13 “(A) interest payments and principal repay-
14 ments to the Treasury or the Federal Financing
15 Bank for amounts borrowed;

16 “(B) disbursements of loans;

17 “(C) default and other guarantee claim pay-
18 ments;

19 “(D) interest supplement payments;

20 “(E) payments for the costs of foreclosing,
21 managing, and selling collateral that are capitalized
22 or routinely deducted from the proceeds of sales;

23 “(F) payments to financing accounts when re-
24 quired for modifications;

1 “(G) administrative costs and essential preser-
2 vation expenses, if—

3 “(i) amounts credited to the liquidating ac-
4 count would have been available for Administra-
5 tive costs and essential preservation expenses
6 under a provision of law in effect prior to Octo-
7 ber 1, 1991; and

8 “(ii) no direct loan obligation or loan guar-
9 antee commitment has been made, or any modi-
10 fication of a direct loan or loan guarantee has
11 been made, since September 30, 1991; or

12 “(H) such other payments as are necessary for
13 the liquidation of such direct loan obligations and
14 loan guarantee commitments.

15 “(2) Amounts credited to liquidating accounts in any
16 year shall be available only for payments required in that
17 year. Any unobligated balances in liquidating accounts at
18 the end of a fiscal year shall be transferred to miscella-
19 neous receipts as soon as practicable after the end of the
20 fiscal year.

21 “(3) If funds in liquidating accounts are insufficient
22 to satisfy obligations and commitments of such accounts,
23 there is hereby provided permanent, indefinite authority
24 to make any payments required to be made on such obliga-
25 tions and commitments.

1 **“SEC. 507. EFFECT ON OTHER LAWS.**

2 “(a) EFFECT ON OTHER LAWS.—This title shall su-
3 perse, modify, or repeal any provision of law enacted
4 prior to the date of enactment of this title to the extent
5 such provision is inconsistent with this title. Nothing in
6 this title shall be construed to establish a credit limitation
7 on any Federal loan or loan guarantee program.

8 “(b) CREDITING OF COLLECTIONS.—Collections re-
9 sulting from direct loans obligated or loan guarantees
10 committed prior to October 1, 1991, shall be credited to
11 the liquidating accounts of Federal agencies. Amounts so
12 credited shall be available, to the same extent that they
13 were available prior to the date of enactment of this title,
14 to liquidate obligations arising from such direct loans obli-
15 gated or loan guarantees committed prior to October 1,
16 1991, including repayment of any obligations held by the
17 Secretary of the Treasury or the Federal Financing Bank.
18 The unobligated balances of such accounts that are in ex-
19 cess of current needs shall be transferred to the general
20 fund of the Treasury. Such transfers shall be made from
21 time to time but, at least once each year.”.

22 **SEC. 5. NO CHANGES IN MANDATORY PROGRAMS IN AP-**
23 **PROPRIATION BILLS.**

24 Section 302(f)(2) of the Congressional Budget Act of
25 1974 is amended to read as follows:

1 “(2) IN THE SENATE.—After a concurrent reso-
2 lution on the budget is agreed to, it shall not be in
3 order in the Senate to consider any bill or joint reso-
4 lution, amendment, motion, or conference report
5 that—

6 “(A)(i) in the case of any committee except
7 the Committee on Appropriations, would cause
8 the applicable allocation of new budget author-
9 ity or outlays under subsection (a) for the first
10 fiscal year or the total of fiscal years to be ex-
11 ceeded; or

12 “(ii) in the case of the Committee on Ap-
13 propriations would cause the applicable sub-
14 allocation of new budget authority or outlays
15 under subsection (b) to be exceeded; or

16 “(B) includes one or more provisions that
17 would have been estimated as affecting direct
18 spending or receipts under section 252 of the
19 Balanced Budget and Emergency Deficit Con-
20 trol Act of 1985 were they included in legisla-
21 tion other than appropriations legislation, if
22 such provision does not result in net outlay sav-
23 ings over the total of the period of the current
24 year, the budget year, and all fiscal years cov-

1 ered under the most recently adopted concur-
2 rent resolution on the budget.”.

3 **SEC. 6. DON'T COUNT RESCISSIONS THAT DON'T SAVE**
4 **MONEY.**

5 Section 312(a) of the Congressional Budget Act of
6 1974 (2 U.S.C. 643(a)) is amended—

7 (1) by striking “For purposes” and inserting
8 the following:

9 “(1) IN GENERAL.—For purposes;” and

10 (2) by adding at the end the following:

11 “(2) EXCLUSION.—In making determinations
12 under paragraph (1), the committee shall not count
13 resciissions of budget authority that do not result in
14 outlay savings over the period of fiscal years covered
15 by the concurrent resolution on the budget.”.

16 **SEC. 7. PROHIBITION ON STEP INCREASES FOR FEDERAL**
17 **EMPLOYEE COMPENSATION.**

18 (a) PERIODIC STEP INCREASES.—Notwithstanding
19 any other provision of law, no periodic step increase under
20 section 5335 of title 5, United States Code, which (but
21 for this subsection) would otherwise take effect during the
22 period beginning on the date of enactment of this Act and
23 ending on December 31, 2012, shall be made.

24 (b) ADDITIONAL STEP INCREASES.—The head of an
25 agency may not grant additional step increases under sec-

1 tion 5336 of title 5, United States Code, during the period
2 beginning on the date of enactment of this Act and ending
3 on December 31, 2012.

4 **SEC. 8. POINT OF ORDER AGAINST ADVANCE APPROPRIA-**
5 **TIONS.**

6 (a) IN GENERAL.—

7 (1) POINT OF ORDER.—Except as provided in
8 subsection (b), it shall not be in order in the Senate
9 to consider any bill, joint resolution, motion, amend-
10 ment, or conference report that would provide an ad-
11 vance appropriation.

12 (2) DEFINITION.—In this section, the term
13 “advance appropriation” means any new budget au-
14 thority provided in a bill or joint resolution making
15 appropriations for fiscal year 2012 that first be-
16 comes available for any fiscal year after 2012, or
17 any new budget authority provided in a bill or joint
18 resolution making general appropriations or con-
19 tinuing appropriations for each of the budget years
20 2012 through 2022, that first becomes available for
21 any fiscal year after the budget year.

22 (b) EXCEPTIONS.—Advance appropriations may be
23 provided as follows:

24 (1) For fiscal years 2013 through 2022 in an
25 aggregate amount not to exceed \$28,852,000,000 in

1 new budget authority in each year for the following
2 programs, projects, activities, or accounts:

3 (A) Employment and Training Administra-
4 tion.

5 (B) Job Corps.

6 (C) Education for the Disadvantaged.

7 (D) School Improvement.

8 (E) Children and Family Services (Head
9 Start).

10 (F) Special Education.

11 (G) Career, Technical, and Adult Edu-
12 cation.

13 (H) Financial Services and General Gov-
14 ernment: Payment to Postal Service.

15 (I) Transportation, Housing and Urban
16 Development: Tenant-based Rental Assistance
17 Project-based Rental Assistance.

18 (2) For the Corporation for Public Broad-
19 casting.

20 (3) For the Department of Veterans Affairs for
21 the Medical Services, Medical Support and Compli-
22 ance, and Medical Facilities accounts of the Vet-
23 erans Health Administration.

24 (c) SUPERMAJORITY WAIVER AND APPEAL.—

1 (1) WAIVER.—In the Senate, subsection (a)(1)
2 may be waived or suspended only by an affirmative
3 vote of three-fifths of the Members, duly chosen and
4 sworn.

5 (2) APPEAL.—An affirmative vote of three-
6 fifths of the Members of the Senate, duly chosen and
7 sworn, shall be required to sustain an appeal of the
8 ruling of the Chair on a point of order raised under
9 subsection (a).

10 (d) FORM OF POINT OF ORDER.—A point of order
11 under subsection (a) may be raised by a Senator as pro-
12 vided in section 313(e) of the Congressional Budget Act
13 of 1974.

14 (e) CONFERENCE REPORTS.—When the Senate is
15 considering a conference report on, or an amendment be-
16 tween the Houses in relation to, a bill, upon a point of
17 order being made by any Senator pursuant to this section,
18 and such point of order being sustained, such material
19 contained in such conference report shall be deemed
20 stricken, and the Senate shall proceed to consider the
21 question of whether the Senate shall recede from its
22 amendment and concur with a further amendment, or con-
23 cur in the House amendment with a further amendment,
24 as the case may be, which further amendment shall consist
25 of only that portion of the conference report or House

1 amendment, as the case may be, not so stricken. Any such
2 motion in the Senate shall be debatable. In any case in
3 which such point of order is sustained against a conference
4 report (or Senate amendment derived from such con-
5 ference report by operation of this subsection), no further
6 amendment shall be in order.

7 **SEC. 9. PROHIBIT TIMING SHIFTS.**

8 In the Senate, for purposes of enforcement of points
9 of order established under the Congressional Budget Act
10 of 1974, S. Con. Res. 21 (110th Congress; Fiscal Year
11 2008 Budget Resolution), S. Con. Res. 70 (110th Con-
12 gress; Fiscal Year 2009 Budget Resolution), S. Con. Res.
13 (111th Congress; Fiscal Year 2010 Budget Resolution),
14 and subsequent concurrent resolutions on the budget, a
15 provision in any bill, resolution, amendment, motion,
16 amendment between houses, or conference report that
17 shifts outlays or revenues from one year to another by a
18 date change to act as an offset for other provisions that
19 increase the deficit for a time period, shall not count.

20 **SEC. 10. BUDGET SCORING RULE RELATING TO TRANSFERS**
21 **FROM THE GENERAL FUND OF THE TREAS-**
22 **URY TO THE HIGHWAY TRUST FUND THAT IN-**
23 **CREASE PUBLIC INDEBTEDNESS.**

24 In the Senate, for purposes of enforcement of points
25 of order established under the Congressional Budget Act

1 of 1974, S. Con. Res. 21 (110th Congress; Fiscal Year
2 2008 Budget Resolution), S. Con. Res. 70 (110th Con-
3 gress; Fiscal Year 2009 Budget Resolution), S. Con. Res.
4 13 (111th Congress; Fiscal Year 2010 Budget Resolu-
5 tion), and subsequent concurrent resolutions on the budg-
6 et, a bill, resolution, amendment, motion, amendment be-
7 tween houses, or conference report that transfers funds
8 from the general fund of the Treasury to the Highway
9 Trust Fund and that increases the level of indebtedness
10 that is subject to the current applicable statutory public
11 debt limit shall be counted by the Chairman of the Senate
12 Committee on the Budget as new budget authority and
13 outlays equal to the amount of the transfer in the fiscal
14 year the transfer occurs.

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