

TERMS OF CREDIT




BUDGET



WORK



GROW

The Terms of Credit Act: Budget, Work and Grow

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OUTLINE:

Budget: The bill establishes a procedure to force legislative committees in the House to produce legislation that would comply with the assumptions in Budget Resolution. There would be backstops to allow the Rules Committee, with guidance from all relevant committees, and then individual members, to offer legislation if the Committees don't do their job. The bill also requires a vote on a Balanced Budget Amendment.

- Directions to authorizing committees to produce legislation within 90 days to hit their spending reduction targets
- 30 days for the Rules Committee, in consultation with all relevant committees, to consider amendments that would meet the spending reduction targets if the committees fail to report
- After 120 days, if both the authorizing and Rules committees fail, any member can bring a privileged bill to the floor if it advances towards hitting the targets
- Expedited consideration of House-passed spending reduction legislation in the Senate
- Require a vote on a Balanced Budget Amendment by the end of the year

Work: The bill would keep Congress in session until it does its fiscal work. In the Senate, there would be no filibuster on a motion to proceed to appropriations after the beginning of the fiscal year.

- After 150 days, no adjournment by the House if it has yet to pass legislation complying with the spending reduction instructions
- No adjournment for either house after September 1 if the next year's appropriations measures are not passed
- In the Senate, after October 1 no filibustering the beginning of debate on an appropriations bill

Grow: In order to give firms and workers certainty and allow the economy to grow, freeze all regulations until July 1, 2017.

- Current freeze - Prohibit any significant regulatory action through July 1, 2017, subject to health, safety, and national security waivers
- No midnight rules - Prohibit any new regulatory action between the date of a presidential election and the next inauguration, again subject to health, safety, and national security waivers

Debt Ceiling: The bill would increase the statutory debt limit by about \$1.5 trillion, an amount that is projected to be sufficient through about March, 2017.

- Increase the debt limit to \$19.6 trillion

DETAILED OUTLINE:

Budget

Enforcing the Budget Resolution in the House of Representatives:

Requirements for Authorizing Committees to Report Recommendations and Assigning Spending Reduction Targets

- The authorizing committees in the House would be given direct spending (outlays) reduction targets based on the [FY 2016 Concurrent Resolution on the Budget](#) that was passed by both the House and the Senate.
- Committees must report recommended changes to programs within their jurisdiction that would meet or exceed the direct spending reduction targets over the fiscal years 2016 – 2025 period.

Direct Spending Reduction Targets	
Authorizing Committee	Target Over the FY 2016-2025 Period
Agriculture	\$300,022,000,000
Education and the Workforce	\$229,658,000,000
Energy and Commerce	\$1,369,266,000,000
Financial Services	\$62,056,000,000
Homeland Security	\$19,470,000,000
House Administration	\$53,000,000
Judiciary	\$23,055,000,000
Natural Resources	\$32,483,000,000
Oversight and Government Reform	\$193,896,000,000

Veterans Affairs	\$2,569,000,000
Ways and Means	\$1,594,658,000,000
Total	\$3,827,186,000,000

- The amounts of the targets are to equal how much each committee is currently above their current 302(a) allocation (including enacted legislation).
 - *Background on how this numbers were derived:* The Budget Act requires the annual Concurrent Resolution on the Budget to include allocations of budget authority and outlays for direct spending (also referred to as mandatory spending) to each of the authorizing committees for the programs within their jurisdiction. These allocations, called 302(a) allocations after the corresponding section of the Budget Act, are based on the functional levels included in the Budget Resolution. S. Con. Res. 11, the [Concurrent Resolution on the Budget for Fiscal Year 2016](#), reduced the allocations for several House committees compared to current law, giving committees fiscal goals to carry out the important reforms called for in the budget. The amounts prescribed here reflect the comparison of enacted legislative actions with the 302(a) allocations.
- Each committee would be given a reasonable amount of time after enactment (90 calendar days) to produce recommendations that would meet the target assigned to it.
- Similar to the reconciliation process, the authorizing committees would report their recommendations to the Budget Committee.
- If a committee has already reported legislation that takes them closer to meeting their target (or if the House has passed such legislation) then the committee could choose to include it in its recommendations.
- This procedure simply requires the various committees of the House to what they've already said they would do: live up to the promises that were made by the Budget Resolution that has passed both the House and the Senate and put forward reforms that would put the federal budget on a path to balance in ten years.

Budget Committee Consideration of Authorizing Committee Recommendations and the Ability of Rules Committee to consider amendments if an Authorizing Committee Fails to Make Recommendations that Comply with its Instructions

- Similar to the reconciliation process, if each authorizing committee makes recommendations that meet its spending reduction target by the deadline, the Budget Committee would simply compile the recommendations from the various committees into one bill and report it to the House without substantial revision.
- If an authorizing committee (or committees) fails to make recommendations that meet their spending reduction target by the deadline, then the Rules Committee shall consider

amendments, in consultation with the relevant committees, that make changes to direct spending sufficient to meet that target within the jurisdiction of the committee or committees that failed.

- The legislation would also include the recommendations received from committees in compliance with the instructions without any substantive revision.
- This provides a backstop in the event an authorizing committee is unable to complete its work.
- The deadline for the Budget Committee to report legislation (whether it is just compiling recommendations from committees in compliance or with amendments made in order by Rules Committee with new legislative language within the jurisdiction of a committee out of compliance) is 30 calendar days after the deadline for authorizing committees to report recommendations. This would be 120 calendar days after enactment.

Expedited Floor Consideration of Legislation Reported by the Budget Committee

- After a bill is reported by the Budget Committee, there would be a procedure to allow the bill to be considered on the House floor under an expedited process with limited debate.
- The House Rules Committee would have the option to report a special rule for consideration of legislation superseding this process, however debate time could be not exceed ten hours. The rule could make amendments in order.

Consideration of Alternative Proposals from members of the House if the Budget Committee Fails to Report

- If the Budget Committee fails to report legislation that meets the instructions for all authorizing committees that had been assigned targets and the Rules Committee fails to make in order amendments to accomplish the same, then any Member could introduce legislation meets at least part of the target for a committee not in compliance that would be considered on the floor under an expedited process.
- Legislation would be in order and guaranteed consideration on the floor under an expedited process if it reduces spending by at least five percent of a committee's target within the jurisdiction of a committee that fails to that meet its target.
- All provisions in the legislation would be required to produce a net decrease in outlays.
- This provides a backstop if the authorizing committees and the Rules Committee are unable to complete their work.

Expedited Procedures for Consideration of the House-Passed bill in the Senate

- Upon receipt of a House bill that meets the deficit reduction targets or part of the targets, the Senate would refer such bill to the appropriate committee for review, and then discharge it to the floor after five legislative days.
- After being reported to the floor, any Senator could call up the bill after 2 days and the motion to proceed would not be subject to a filibuster.
- The bill would be debatable for 30 hours.
- Upon conclusion of the 30 hours of debate, the bill would proceed to a vote on passage.

Require a Vote on a Balanced Budget Amendment This Year

- The House and the Senate would be required to vote on a Balanced Budget Amendment to the Constitution by December 31, 2015.

Work

Prohibition on Consideration of Legislation Not Intended to Meet Spending Reduction Targets Until Such Targets Are Met

- If the House has not passed legislation that complies with all of the spending reduction targets within 150 calendar days after enactment, there would be a point of order against any legislation that is not meant to meet these targets until the required legislation has been passed.
- This point of order could be turned off if the House enacts a Declaration of War or Authorization of the Use of Military Force (AUMF) after the adoption of the Concurrent Resolution on the Budget.
- This requires the House to focus on what it said it would do: live up to the promises that were made by the Budget Resolution that has already passed both the House and the Senate and put forward reforms that would put the federal budget on a path to balance in ten years.

Congress Stays in Session Until It Has Completed Its Work

House Prohibited from Adjourning Until Budget Enforcement Legislation is Passed

- The House would be prohibited from adjourning if it has not passed legislation complying with the spending reduction instructions for all committees within 150 calendar days after enactment.

- This provides yet another backstop that would require the House to do what it said it would do and comply with the Budget Resolution.

House and Senate Prohibited from Adjourning Until Appropriations Bills are Passed

- The House and Senate would be prohibited from adjourning during or after the month of September if appropriations bills for an upcoming fiscal year have not been sent to the President.
- This would stop the House and Senate from leaving Washington if they have not completed the basic task of funding the government leading up to the October 1 deadline (or after, if they fail to meet the deadline by the beginning of the fiscal year).

Expedited Consideration of Appropriations in the Senate After the Beginning of a Fiscal Year if Full Year Appropriations Have Not Been Enacted

- If appropriations for the entire fiscal year has not been completed by beginning of the fiscal year, then a motion to proceed to an appropriations act would not be debatable in the Senate.
- This effectively does away with the filibuster on a motion to proceed for appropriations bills after October 1 each year if the Congress has yet to finish the government funding bills by the beginning of the fiscal year (when all of the bills are supposed to be already enacted).
- This would allow the Senate to begin consideration of spending bills, where they could be open for amendment until there is the support of enough Senators to end debate and pass a bill.

Grow

Regulatory Freeze

- Prohibit any new significant regulatory action that would cost the economy more than \$50 million to implement through July 1, 2017.
- Allow presidential waivers for national security, emergencies, and health and safety, subject to Congressional disapproval.

Midnight Rule Relief

- Prohibit any administration from implementing a new significant regulatory action that would cost the economy more than \$50 million to implement, or any regulation that would cause significant harm to any sector of the economy, during the "lame duck" period between a presidential election and the pursuant inauguration.
- Allow presidential waivers for national security, emergencies, and health and safety, subject to Congressional disapproval.

Increase the Statutory Debt Limit

- The Statutory Debt Limit would be increased to \$19.6 trillion, an increase of about \$1.5 trillion from its current \$18.1 trillion level.
- According to analysis by the [Bipartisan Policy Center](#), an increase of this magnitude would be sufficient through approximately March, 2017.

<u>Timeline of the Terms of Credit Act</u>		
When	Approximate Date (assuming Nov. 1 enactment)	Event Description
Upon Enactment	November 1, 2015	The statutory debt limit would be increased by about \$1.5 trillion to \$19.6 trillion.
December 31, 2015	December 31, 2015	House and the Senate would be required to vote on a Balanced Budget Amendment to the Constitution.
90 calendar days after enactment	January 30, 2016	Authorizing committee deadline to produce legislation and report to the Budget Committee.
120 calendar days after enactment	February 29, 2016	Deadline for the Budget Committee to report legislation (whether it is compiling recommendations from committees in compliance or with Rules Committee considering amendments to achieve compliance).
1 legislative days after the deadline for the Budget Committee to Report	March 1, 2016	Proponents may announce intention to force floor consideration of alternative proposals if the Budget Committee fails to report.
Within 2 legislative days of a Member announcing to the House an intention to offer the legislation	March 4, 2016	Speaker must schedule floor consideration of an alternative spending reduction proposal, if a proponent intendeds to offer one.
150 calendar days after enactment	March 30, 2016	If the House has not passed legislation that complies with all of the targets then there would be a point of order against any legislation that would provide new direct spending, increases in authorizations for appropriations, changes to discretionary spending caps, or any special rule that waives a budget point of order until the required legislation has been passed.
150 calendar days after enactment	March 30, 2016	House would be prohibited from adjourning if it has not passed legislation complying with the spending reduction instructions for all committees.
Upon House Passage of Spending Reduction Bill	Varies	The bill would be referred to the appropriate Senate committee for five days, then discharged to the floor and any member could call it up after 2 days. The bill would proceed to passage after 30 hours of debate.
September 1	September 1	House and Senate would be prohibited from adjourning during or after the month of September if appropriations bills for an upcoming fiscal year have not been sent to the President.
October 1	October 1	Expedited consideration of appropriations in the Senate after the beginning of a fiscal year if full year appropriations have not been enacted.