

**AMENDMENT TO H.R. 3877**  
**OFFERED BY MS. FOXX OF NORTH CAROLINA**

At the end of title I, insert the following:

1 **SEC. 103. SPENDING LIMITATION ON DIRECT SPENDING**  
2 **PROGRAMS.**

3 Section 251A of the Balanced Budget and Emer-  
4 gency Deficit Control Act of 1985 (2 U.S.C. 901a) is  
5 amended—

6 (1) by striking “Discretionary appropriations”  
7 and inserting “(a) IN GENERAL.—Discretionary ap-  
8 propriations”; and

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

10 “(b) ESTABLISHMENT OF SPENDING SAFEGUARD  
11 LIMITATION.—

12 “(1) IN GENERAL.—

13 “(A) IN GENERAL.—The Director of the  
14 Office of Management and Budget shall estab-  
15 lish a spending limitation (in this subsection re-  
16 ferred to as a ‘spending safeguard limitation’)  
17 with respect to any direct spending program not  
18 later than 90 days after any such program is  
19 enacted or reauthorized (as the case may be).

1           “(B) DETERMINATION OF SPENDING SAFE-  
2           GUARD LIMITATION.—The spending safeguard  
3           limitation established under subparagraph (A)  
4           for a direct spending program shall be equal  
5           to—

6                   “(i) with respect to any such program  
7                   within budget function 050 (Defense), 550  
8                   (Health), 570 (Medicare), 600 (Income Se-  
9                   curity), 650 (Social Security), or 700 (Vet-  
10                  erans Benefits and Services), 120 percent  
11                  of the cost of the program; and

12                   “(ii) with respect to any such program  
13                   within any other budget function, 110 per-  
14                   cent of the cost of the program.

15           “(C) DETERMINATION OF COST OF PRO-  
16           GRAM.—For purposes of subparagraphs (B)(i)  
17           and (ii), the cost of the program shall be the es-  
18           timated six-year cost of the program, as deter-  
19           mined by the Director using the scorecards or  
20           estimate (as the case may be) applicable to the  
21           program under section 4 of the Statutory Pay-  
22           As-You-Go Act of 2010 (2 U.S.C. 933).

23           “(2) SPENDING SAFEGUARD LIMITATION  
24           SCORECARDS.—

1           “(A) IN GENERAL.—The Director shall  
2 maintain and make publicly available a spend-  
3 ing safeguard limitation scorecard displaying  
4 the spending level for any direct spending pro-  
5 gram that is subject to a spending safeguard  
6 limitation pursuant to this subsection.

7           “(B) MONTHLY COSTS.—Not later than 7  
8 days after the end of each month beginning  
9 after the first full month in which such a direct  
10 spending program is operational, the Secretary  
11 of the Treasury shall transmit to the Director  
12 a report listing the total amount of spending for  
13 any direct spending program listed on the  
14 scorecard.

15           “(C) OMB BIENNIAL REPORT.—After the  
16 end of any six-month period, the Director shall  
17 submit a report to the Committees on the  
18 Budget of the House of Representatives and the  
19 Senate containing the total level of spending for  
20 any such direct spending program and the rela-  
21 tion between such level and the spending safe-  
22 guard limitation applicable to such program.

23           “(3) PROCEDURES IN CASE OF BREACH.—

24           “(A) SPENDING LIMITATION BREACH RE-  
25 PORT.—If the Director determines, using the

1 reports submitted under paragraph (2)(B), that  
2 a direct spending program listed on the score-  
3 card established under paragraph (2) will reach  
4 the applicable spending safeguard limitation  
5 within six months, the Director shall transmit,  
6 not later than 15 days after the date of such  
7 determination, a report to the Committees on  
8 the Budget of the House of Representatives and  
9 the Senate and the committees that have juris-  
10 diction over the program.

11 “(B) OBLIGATION LIMITATION.—If the Di-  
12 rector determines, using the reports submitted  
13 under paragraph (2)(B), that such a direct  
14 spending program has reached the applicable  
15 spending safeguard limitation—

16 “(i) effective 30 days after such deter-  
17 mination, no funds may be obligated to  
18 carry out such program; and

19 “(ii) on the date of such determina-  
20 tion, the Director shall submit a report to  
21 the Committees on the Budget of the  
22 House of Representatives and the Senate  
23 and the committees that have jurisdiction  
24 over the program that such an obligation  
25 limitation has been imposed.

1           “(4) AGENCY PROCEDURES.—Any Federal  
2 agency implementing a direct spending program list-  
3 ed on the scorecard established under paragraph (2)  
4 shall ensure that any contract, offer of benefits, or  
5 other material provided to the program participants  
6 includes information specifying that the program is  
7 subject to a spending safeguard limitation that may  
8 impact future availability of funds to pay benefits.

9           “(5) DEFINITIONS.—In this subsection—

10           “(A) the term ‘Director’ means the Direc-  
11 tor of the Office of Management and Budget;

12           “(B) the term ‘direct spending’ has the  
13 meaning given such term in section 250(c)(8) of  
14 the Balanced Budget and Emergency Deficit  
15 Control Act of 1985 (2 U.S.C. 900(c)(8)); and

16           “(C) the term ‘direct spending program’  
17 means any Federal program funded by direct  
18 spending that—

19           “(i) is enacted or reauthorized after  
20 the date of enactment of this Act; and

21           “(ii) does not have, in statute, a spe-  
22 cific level (expressed as a dollar amount) of  
23 authorization of appropriations.

1           “(6) PROHIBITION ON NEW AUTHORIZATION OF  
2           FUNDING.—No additional funds are authorized to be  
3           appropriated to carry out this subsection.

4           “(7) RULE OF CONSTRUCTION.—Nothing in  
5           this subsection shall be construed to alter the admin-  
6           istration of direct spending programs in effect on  
7           the date of the enactment of this Act.”.

