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

At the end of title I, insert the following:

SEC. 103. SPENDING LIMITATION ON DIRECT SPENDING PROGRAMS.

Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901a) is amended—

(1) by striking “Discretionary appropriations” and inserting “(a) IN GENERAL.—Discretionary appropriations”; and

(2) by adding at the end the following:

“(b) ESTABLISHMENT OF SPENDING SAFEGUARD LIMITATION.—

“(1) IN GENERAL.—

“(A) IN GENERAL.—The Director of the Office of Management and Budget shall establish a spending limitation (in this subsection referred to as a ‘spending safeguard limitation’) with respect to any direct spending program not later than 90 days after any such program is enacted or reauthorized (as the case may be).
“(B) Determination of spending safeguard limitation.—The spending safeguard limitation established under subparagraph (A) for a direct spending program shall be equal to—

“(i) with respect to any such program within budget function 050 (Defense), 550 (Health), 570 (Medicare), 600 (Income Security), 650 (Social Security), or 700 (Veterans Benefits and Services), 120 percent of the cost of the program; and

“(ii) with respect to any such program within any other budget function, 110 percent of the cost of the program.

“(C) Determination of cost of program.—For purposes of subparagraphs (B)(i) and (ii), the cost of the program shall be the estimated six-year cost of the program, as determined by the Director using the scorecards or estimate (as the case may be) applicable to the program under section 4 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 933).

“(2) Spending safeguard limitation scorecards.—
“(A) IN GENERAL.—The Director shall maintain and make publicly available a spending safeguard limitation scorecard displaying the spending level for any direct spending program that is subject to a spending safeguard limitation pursuant to this subsection.

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

“(C) OMB BIANNUAL REPORT.—After the end of any six-month period, the Director shall submit a report to the Committees on the Budget of the House of Representatives and the Senate containing the total level of spending for any such direct spending program and the relation between such level and the spending safeguard limitation applicable to such program.

“(3) PROCEDURES IN CASE OF BREACH.—

“(A) SPENDING LIMITATION BREACH REPORT.—If the Director determines, using the
reports submitted under paragraph (2)(B), that a direct spending program listed on the scorecard established under paragraph (2) will reach the applicable spending safeguard limitation within six months, the Director shall transmit, not later than 15 days after the date of such determination, a report to the Committees on the Budget of the House of Representatives and the Senate and the committees that have jurisdiction over the program.

“(B) Obligation limitation.—If the Director determines, using the reports submitted under paragraph (2)(B), that such a direct spending program has reached the applicable spending safeguard limitation—

“(i) effective 30 days after such determination, no funds may be obligated to carry out such program; and

“(ii) on the date of such determination, the Director shall submit a report to the Committees on the Budget of the House of Representatives and the Senate and the committees that have jurisdiction over the program that such an obligation limitation has been imposed.
“(4) AGENCY PROCEDURES.—Any Federal agency implementing a direct spending program listed on the scorecard established under paragraph (2) shall ensure that any contract, offer of benefits, or other material provided to the program participants includes information specifying that the program is subject to a spending safeguard limitation that may impact future availability of funds to pay benefits.

“(5) DEFINITIONS.—In this subsection—

“(A) the term ‘Director’ means the Director of the Office of Management and Budget;

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

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

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

“(ii) does not have, in statute, a specific level (expressed as a dollar amount) of authorization of appropriations.
“(6) Prohibition on New Authorization of Funding.—No additional funds are authorized to be appropriated to carry out this subsection.

“(7) Rule of Construction.—Nothing in this subsection shall be construed to alter the administration of direct spending programs in effect on the date of the enactment of this Act.”.