

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3414

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

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2011

Mr. HUIZENGA of Michigan introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules and Oversight and Government Reform, 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 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 House of Representa-  
 12 tives, it shall not be in order to consider any bill,  
 13 joint resolution, or conference report that designates  
 14 as an emergency requirement pursuant to section  
 15 4(g) of the Statutory Pay-As-You-Go Act of 2010 or  
 16 section 251(b)(2)(A)(i) of the Balanced Budget and  
 17 Emergency Deficit Control Act of 1985 any provi-  
 18 sion that creates discretionary or direct spending or  
 19 decreases revenues.

20 (2) EXCEPTION.—For purposes of this sub-  
 21 section, a conference report may include an emer-

1 agency designation only if it was also adopted in the  
2 House version of the measure subject to the con-  
3 ference report.

4 (b) EMERGENCY REQUIREMENT IN AN AMEND-  
5 MENT.—

6 (1) IN GENERAL.—In the House of Representa-  
7 tives, it shall not be in order to consider any bill,  
8 joint resolution, or conference report that designates  
9 as an emergency requirement pursuant to section  
10 4(g) of the Statutory Pay-As-You-Go Act of 2010 or  
11 section 251(b)(2)(A)(i) of the Balanced Budget and  
12 Emergency Deficit Control Act of 1985 any provi-  
13 sion that creates discretionary or direct spending or  
14 decreases revenues.

15 (2) WAIVER.—A point of order against an  
16 amendment under this subsection may be waived or  
17 suspended only by an affirmative vote of three-fifths  
18 of the Members, duly chosen and sworn.

19 **SEC. 4. STRENGTHEN THE FEDERAL CREDIT REFORM ACT**  
20 **OF 1990.**

21 Title V of the Congressional Budget Act of 1990 is  
22 amended to read as follows:

1       **“TITLE V—CREDIT REFORM**

2       **“SEC. 500. SHORT TITLE.**

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

5       **“SEC. 501. PURPOSES.**

6           “‘The purposes of this title are to—

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

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

13                   “(3) encourage the delivery of benefits in the  
14 form most appropriate to the needs of beneficiaries;  
15 and

16                   “(4) improve the allocation of resources among  
17 Federal programs.

18       **“SEC. 502. DEFINITIONS.**

19           “‘For purposes of this title:

20                   “(1) The term ‘direct loan’ means a disburse-  
21 ment of funds by the Government to a non-Federal  
22 borrower under a contract that requires the repay-  
23 ment of such funds with or without interest. The  
24 term includes the purchase of, or participation in, a  
25 loan made by another lender and financing arrange-

1       ments that defer payment for more than 90 days, in-  
2       cluding the sale of a Government asset on credit  
3       terms. The term does not include the acquisition of  
4       a federally guaranteed loan in satisfaction of default  
5       claims or the price support loans of the Commodity  
6       Credit Corporation.

7               “(2) The term ‘direct loan obligation’ means a  
8       binding agreement by a Federal agency to make a  
9       direct loan when specified conditions are fulfilled by  
10      the borrower.

11              “(3) The term ‘loan guarantee’ means any  
12      guarantee, insurance, or other pledge with respect to  
13      the payment of all or a part of the principal or inter-  
14      est on any debt obligation of a non-Federal borrower  
15      to a non-Federal lender, but does not include the in-  
16      surance of deposits, shares, or other withdrawable  
17      accounts in financial institutions.

18              “(4) The term ‘loan guarantee commitment’  
19      means a binding agreement by a Federal agency to  
20      make a loan guarantee when specified conditions are  
21      fulfilled by the borrower, the lender, or any other  
22      party to the guarantee agreement.

23              “(5)(A) The term ‘financial investment’ means  
24      an investment by the Government in any securities  
25      (debt or equity), stocks, bonds, or futures, options,

1 swaps, or other derivatives, issued by a non-Federal  
2 entity, including State, local tribal, and foreign gov-  
3 ernments, and private organizations, regardless of  
4 whether the issuances are federally guaranteed, or  
5 issued by a Federal entity if the issuance consists of  
6 marketable securities.

7 “(B) The term includes Government invest-  
8 ments in money market and mutual funds, even if  
9 the money market or mutual fund’s assets consist  
10 entirely of Federal securities.

11 “(6) The term ‘financial investment commit-  
12 ment’ means a binding agreement by a Federal  
13 agency to acquire a financial investment when speci-  
14 fied conditions are fulfilled by other party to the in-  
15 vestment agreement.

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

20 “(B) The Treasury discounting component shall  
21 be the estimated long-term cost to the Government  
22 of a direct loan, loan guarantee, or financial invest-  
23 ment or modification thereof, calculated on a net  
24 present value basis, excluding administrative costs

1 and any incidental effects on governmental receipts  
2 or outlays.

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

5 “(i) the estimated long-term cost to the  
6 Government of a direct loan, loan guarantee, or  
7 financial investment or modification thereof, es-  
8 timated on a fair value basis, applying the  
9 guidelines set forth by the Financial Accounting  
10 Standards Board in Financial Accounting  
11 Standards #157, or a successor thereto, exclud-  
12 ing administrative costs and any incidental ef-  
13 fects on governmental receipts or outlays; and

14 “(ii) the Treasury discounting component  
15 of such direct loan, loan guarantee, or financial  
16 investment or modification thereof.

17 “(D) The Treasury discounting component of a  
18 direct loan shall be the net present value, at the time  
19 when the direct loan is disbursed, of the following  
20 estimated cash flows:

21 “(i) Loan disbursements.

22 “(ii) Repayments of principal.

23 “(iii) Essential preservation expenses, pay-  
24 ments of interest and other payments by or to  
25 the Government over the life of the loan after

1 adjusting for estimated defaults, prepayments,  
2 fees, penalties, and other recoveries, including  
3 the effects of changes in loan terms resulting  
4 from the exercise by the borrower of an option  
5 included in the loan contract.

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

10 “(i) Payments by the Government to cover  
11 defaults and delinquencies, interests subsidies,  
12 essential preservation expenses, or other pay-  
13 ments.

14 “(ii) Payments to the Government includ-  
15 ing origination and other fees, penalties, and re-  
16 coveries, including the effects of changes in loan  
17 terms resulting from the exercise by the guar-  
18 anteed lender of an option included in the loan  
19 guarantee contract, or by the borrower of an  
20 option included in the guaranteed loan contract.

21 “(F) The Treasury discounting component of a  
22 financial investment shall be the net present value,  
23 at the time the financial investment is executed, of  
24 the following estimated cash flows:

1           “(i) Payments by the Government includ-  
2           ing essential preservation expenses.

3           “(ii) Payments to the Government includ-  
4           ing any dividends, periodic payments, fees, pen-  
5           alties, or recoveries;

6           Including the effects of changes in investment terms  
7           resulting from the exercise by the non-Federal entity  
8           of an option included in the investment contract.

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

10           “(i) the difference between the current es-  
11           timate of the Treasury discounting component  
12           of the remaining cash flows under the terms of  
13           a direct loan, loan guarantee, or financial in-  
14           vestment contract, and the current estimate of  
15           the Treasury discounting component of the re-  
16           maining cash flows under the terms of the con-  
17           tract, as modified; and

18           “(ii) the difference between the current es-  
19           timate of the risk component of the remaining  
20           cash flows under the terms of a direct loan,  
21           loan guarantee, or financial investment con-  
22           tract, and the current estimate of the risk com-  
23           ponent of the remaining cash flows under the  
24           terms of the contract as modified.

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

6           “(I) When funds are obligated for a direct loan  
7           or loan guarantee, the estimated cost shall be based  
8           on the current assumptions, adjusted to incorporate  
9           the terms of the loan contract, for the fiscal year in  
10          which the funds are obligated.

11          “(8) The term ‘program account’ means the  
12          budget account into which an appropriation to cover  
13          the cost of a direct loan, loan guarantee, or financial  
14          investment program is made and from which such  
15          cost is disbursed to the financing account.

16          “(9) The term ‘financing account’ means the  
17          nonbudget account or accounts associated with each  
18          program account which holds balances, receives the  
19          cost payment from the program account, and also  
20          includes all other cash flows to and from the Gov-  
21          ernment resulting from direct loan obligations or  
22          loan guarantee commitments made on or after Octo-  
23          ber 1, 1991, or financial investment commitments  
24          made on or after October 1, 2014.

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

7           “(11) The term ‘modification’ means any Gov-  
8 ernment action that alters the estimated cost of an  
9 outstanding direct loan (or direct loan obligation),  
10 an outstanding loan guarantee (or loan guarantee  
11 commitment), or outstanding financial investment  
12 (or financial investment commitment) from the cur-  
13 rent estimate of cash flows. This includes the sale of  
14 loan assets, with or without recourse, and the pur-  
15 chase of guaranteed loans (or direct loan obliga-  
16 tions), loan guarantees (or loan guarantee commit-  
17 ments), financial investments (or financial invest-  
18 ment commitments) such as a change in collection  
19 procedures.

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

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

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

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

8 **“SEC. 503. OMB AND CBO ANALYSIS, COORDINATION, AND**  
9 **REVIEW.**

10          “(a) IN GENERAL.—For the executive branch, the  
11 Director shall be responsible for coordinating the esti-  
12 mates required by this title. The Director shall consult  
13 with the agencies that administer direct loan or loan guar-  
14 antee, or financial investment programs.

15          “(b) DELEGATION.—The Director may delegate to  
16 agencies authority to make estimates of costs. The delega-  
17 tion of authority shall be based upon written guidelines,  
18 regulations, or criteria consistent with the definitions in  
19 this title.

20          “(c) COORDINATION WITH THE CONGRESSIONAL  
21 BUDGET OFFICE.—In developing estimation guidelines,  
22 regulations, or criteria to be used by Federal agencies, the  
23 Director shall consult with the Director of the Congres-  
24 sional Budget Office.

1       “(d) IMPROVING COST ESTIMATES.—The Director  
2 and the Director of the Congressional Budget Office shall  
3 coordinate the development of more accurate data on his-  
4 torical performance and prospective risk of direct loan,  
5 loan guarantee, and financial investment programs. They  
6 shall annually review the performance of outstanding di-  
7 rect loans, loan guarantees, and financial investment to  
8 improve estimates of costs. The Office of Management and  
9 Budget and the Congressional Budget Office shall have  
10 access to all agency data that may facilitate the develop-  
11 ment and improvement of estimates of costs.

12       “(e) HISTORICAL CREDIT PROGRAMS COSTS.—The  
13 Director shall review, to the extent possible, historical data  
14 and develop the best possible estimates of adjustments  
15 that would convert aggregate historical budget data to  
16 credit reform accounting.

17 **“SEC. 504. BUDGETARY TREATMENT.**

18       “(a) PRESIDENT’S BUDGET.—Beginning with fiscal  
19 year 1992, the President’s budget shall reflect the Treas-  
20 ury discounting component of direct loan and loan guar-  
21 antee programs. Beginning with fiscal year 2015, the  
22 President’s budget shall reflect the costs of direct loan,  
23 loan guarantee, and financial investment programs. The  
24 budget shall also include the planned level of new direct  
25 loan obligations, loan guarantee commitments, or financial

1 investment commitments associated with each appropria-  
2 tions request.

3 “(b) APPROPRIATIONS REQUIRED.—Notwithstanding  
4 any other provision of law, new direct loan obligations may  
5 be incurred and new loan guarantee commitments may be  
6 made of fiscal year 1992 and thereafter and new financial  
7 investment commitments may be made for fiscal year  
8 2015 and thereafter only to the extent that—

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

11 “(2) a limitation on the use of funds otherwise  
12 available for the cost of a direct loan, loan guar-  
13 antee, or financial investment program has been pro-  
14 vided in advance in an appropriations Act; or

15 “(3) authority is otherwise provided in appro-  
16 priation Acts.

17 “(c) EXEMPTION FOR MANDATORY PROGRAMS.—  
18 Subsections (b) and (e) shall not apply to a direct loan  
19 or loan guarantee program that—

20 “(1) constitutes an entitlement (such as the  
21 guaranteed student loan program or the veteran’s  
22 home loan guaranty program); or

23 “(2) all existing credit programs of the Com-  
24 modity Credit Corporation on the date of enactment  
25 of this title.

1 “(d) BUDGET ACCOUNTING.—

2 “(1) The authority to incur new direct loan ob-  
3 ligations, make new loan guarantee commitments,  
4 make new financial investment commitments, or  
5 modify outstanding direct loans (or direct loan obli-  
6 gations), loan guarantees (or loan guarantee com-  
7 mitments), financial investments (or financial invest-  
8 ment commitments) shall constitute new budget au-  
9 thority in an amount equal to the cost of the direct  
10 loan or loan guarantee in the fiscal year in which  
11 definite authority becomes available or indefinite au-  
12 thority is used. Such budget authority shall con-  
13 stitute an obligation of the program account to pay  
14 to the financing account.

15 “(2) The outlays resulting from new budget au-  
16 thority for the cost of direct loans, loan guarantees,  
17 or financial investment described in paragraph (1)  
18 shall be paid from the program account into the fi-  
19 nancing account and recorded in the fiscal year in  
20 which the direct loan, the guaranteed loan, or finan-  
21 cial investment is disbursed or its costs altered.

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

24 “(e) MODIFICATIONS.—An outstanding direct loan  
25 (or direct loan obligation), loan guarantee (or loan guar-

1 antee commitment), or financial investment (or financial  
2 investment commitment) shall not be modified in a man-  
3 ner that increases its costs unless budget authority for the  
4 additional cost has been provided in advance in an appro-  
5 priations Act.

6 “(f) RE-ESTIMATES.—When the estimated cost for a  
7 group of direct loans, loan guarantees, or financial invest-  
8 ments for a given program made in a single fiscal year  
9 is re-estimated in a subsequent year, the difference be-  
10 tween the re-estimated cost and the previous cost estimate  
11 shall be displayed as a distinct and separately identified  
12 subaccount in the program account as a change in pro-  
13 gram costs and a change in net interest. There is hereby  
14 provided permanent indefinite authority for these re-esti-  
15 mates.

16 “(g) ADMINISTRATIVE EXPENSES.—All funding for  
17 an agency’s administrative costs associated with a direct  
18 loan, loan guarantee, or financial investment program  
19 shall be displayed as distinct and separately identified sub-  
20 accounts within the same budget account as the program’s  
21 cost.

22 **“SEC. 505. AUTHORIZATIONS.**

23 “(a) AUTHORIZATION OF APPROPRIATIONS FOR  
24 COSTS.—There are authorized to be appropriated to each  
25 Federal agency authorized to make direct loan obligations,

1 loan guarantee commitments, or financial investment com-  
2 mitments such sums as may be necessary to pay the cost  
3 associated with such direct loan obligations, loan guar-  
4 antee commitments, or financial investment commitments.

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

9 “(c) TREASURY TRANSACTIONS WITH THE FINANC-  
10 ING ACCOUNTS.—

11 “(1) IN GENERAL.—The Secretary of the  
12 Treasury shall borrow from, receive from, lend to, or  
13 pay to the financing accounts such amounts as may  
14 be appropriate. The Secretary of the Treasury may  
15 prescribe forms and denominations, maturities, and  
16 terms and conditions for the transactions described  
17 in the preceding sentence, except that the rate of in-  
18 terest charged by the Secretary on lending to financ-  
19 ing accounts (including amounts treated as lending  
20 to financing accounts by the Federal Financing  
21 Bank (hereinafter in this subsection referred to as  
22 the ‘Bank’) pursuant to section 405(b)) and the rate  
23 of interest paid to financing accounts on uninvested  
24 balances in financing accounts shall be the same as  
25 the rate determined pursuant to section 502(7)(H).

1           “(2) LOANS.—For guaranteed loans financed  
2           by the Bank and treated as direct loans by a Fed-  
3           eral agency pursuant to section 406(b)(1), any fee  
4           or interest surcharge (the amount by which the in-  
5           terest rate charged exceeds the rate determined pur-  
6           suant to section 502(7)(H) that the Bank charges to  
7           a private borrower pursuant to section 6(c) of the  
8           Federal Financing Bank Act of 1973 shall be con-  
9           sidered a cash flow to the Government for the pur-  
10          poses of determining the cost of the direct loan pur-  
11          suant to section 502(7). All such amounts shall be  
12          credited to the appropriate financing account.

13           “(3) REIMBURSEMENT.—The Bank is author-  
14          ized to require reimbursement from a Federal agen-  
15          cy to cover the administrative expenses of the Bank  
16          that are attributable to the direct loans financed for  
17          that agency. All such payments by an agency shall  
18          be considered administrative expenses subject to sec-  
19          tion 504(g). This subsection shall apply to trans-  
20          actions related to direct loan obligations or loan  
21          guarantee commitments made on or after October 1,  
22          1991.

23           “(4) AUTHORITY.—The authorities provided in  
24          this subsection shall not be construed to supersede  
25          or override the authority of the head of a Federal

1 agency to administer and operate a direct loan or  
2 loan guarantee program.

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

7 “(6) TREATMENT OF CASH BALANCES.—Cash  
8 balances of the financing accounts in excess of cur-  
9 rent requirements shall be maintained in a form of  
10 uninvested funds and the Secretary of the Treasury  
11 shall pay interest on these funds. The Secretary of  
12 the Treasury shall charge (or pay if the amount is  
13 negative) financing accounts an amount equal to the  
14 risk component for a direct loan, loan guarantee, or  
15 financial investment or modification thereof. Such  
16 amount received by the Secretary of the Treasury  
17 shall be a means of financing and shall not be con-  
18 sidered a cash flow of the Government for the pur-  
19 poses of section 502(7).

20 “(d) AUTHORIZATION FOR LIQUIDATING AC-  
21 COUNTS.—(1) Amounts in liquidating accounts shall be  
22 available only for payments resulting from direct loan obli-  
23 gations or loan guarantee commitments made prior to Oc-  
24 tober 1, 1991, for—

1           “(A) interest payments and principal repay-  
2           ments to the Treasury or the Federal Financing  
3           Bank for amounts borrowed;

4           “(B) disbursements of loans;

5           “(C) default and other guarantee claim pay-  
6           ments;

7           “(D) interest supplement payments;

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

11          “(F) payments to financing accounts when re-  
12          quired for modifications;

13          “(G) administrative costs and essential preser-  
14          vation expenses, if—

15                 “(i) amounts credited to the liquidating ac-  
16                 count would have been available for Administra-  
17                 tive costs and essential preservation expenses  
18                 under a provision of law in effect prior to Octo-  
19                 ber 1, 1991; and

20                 “(ii) no direct loan obligation or loan guar-  
21                 antee commitment has been made, or any modi-  
22                 fication of a direct loan or loan guarantee has  
23                 been made, since September 30, 1991; or

1           “(H) such other payments as are necessary for  
2           the liquidation of such direct loan obligations and  
3           loan guarantee commitments.

4           “(2) Amounts credited to liquidating accounts in any  
5           year shall be available only for payments required in that  
6           year. Any unobligated balances in liquidating accounts at  
7           the end of a fiscal year shall be transferred to miscella-  
8           neous receipts as soon as practicable after the end of the  
9           fiscal year.

10          “(3) If funds in liquidating accounts are insufficient  
11          to satisfy obligations and commitments of such accounts,  
12          there is hereby provided permanent, indefinite authority  
13          to make any payments required to be made on such obliga-  
14          tions and commitments.

15          “(e) AUTHORIZATION OF APPROPRIATIONS FOR IM-  
16          PLEMENTATION EXPENSES.—There are authorized to be  
17          appropriated to existing accounts such sums as may be  
18          necessary for salaries and expenses to carry out the re-  
19          sponsibilities under this title.

20          “(f) REINSURANCE.—Nothing in this title shall be  
21          construed as authorizing or requiring the purchase of in-  
22          surance or reinsurance on a direct loan or loan guarantee  
23          from private insurers. If any such reinsurance for a direct  
24          loan or loan guarantee is authorized, the cost of such in-

1 surance and any recoveries to the Government shall be in-  
2 cluded in the calculation of the cost.

3 “(g) ELIGIBILITY AND ASSISTANCE.—Nothing in this  
4 title shall be construed to change the authority or the re-  
5 sponsibility of a Federal agency to determine the terms  
6 and conditions of eligibility for, or the amount of assist-  
7 ance provided by a direct loan or a loan guarantee.

8 **“SEC. 506. TREATMENT OF DEPOSIT INSURANCE AND AGEN-**  
9 **CIES AND OTHER INSURANCE PROGRAMS.**

10 “This title shall not apply to the credit or insurance  
11 activities of the Federal Deposit Insurance Corporation,  
12 National Credit Union Administration, Resolution Trust  
13 Corporation, Pension Benefit Guaranty Corporation, Na-  
14 tional Flood Insurance, National Insurance Development  
15 Fund, Crop Insurance, or Tennessee Valley Authority.

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

17 “(a) EFFECT ON OTHER LAWS.—This title shall su-  
18 persede, modify, or repeal any provision of law enacted  
19 prior to the date of enactment of this title to the extent  
20 such provision is inconsistent with this title. Nothing in  
21 this title shall be construed to establish a credit limitation  
22 on any Federal loan or loan guarantee program.

23 “(b) CREDITING OF COLLECTIONS.—Collections re-  
24 sulting from direct loans obligated or loan guarantees  
25 committed prior to October 1, 1991, shall be credited to

1 the liquidating accounts of Federal agencies. Amounts so  
2 credited shall be available, to the same extent that they  
3 were available prior to the date of enactment of this title,  
4 to liquidate obligations arising from such direct loans obli-  
5 gated or loan guarantees committed prior to October 1,  
6 1991, including repayment of any obligations held by the  
7 Secretary of the Treasury or the Federal Financing Bank.  
8 The unobligated balances of such accounts that are in ex-  
9 cess of current needs shall be transferred to the general  
10 fund of the Treasury. Such transfers shall be made from  
11 time to time but, at least once each year.”.

12 **SEC. 5. NO CHANGES IN MANDATORY PROGRAMS IN AP-**  
13 **PROPRIATION BILLS.**

14 Section 302(f)(1) of the Congressional Budget Act of  
15 1974 is amended to read as follows:

16 “(1) IN THE HOUSE OF REPRESENTATIVES.—  
17 After a concurrent resolution on the budget is  
18 agreed to, it shall not be in order in the House of  
19 Representatives to consider any bill or joint resolu-  
20 tion, amendment, motion, or conference report  
21 that—

22 “(A)(i) in the case of any committee except  
23 the Committee on Appropriations, would cause  
24 the applicable allocation of new budget author-  
25 ity or outlays under subsection (a) for the first

1 fiscal year or the total of fiscal years to be ex-  
2 ceeded; or

3 “(ii) in the case of the Committee on Ap-  
4 propriations would cause the applicable sub-  
5 allocation of new budget authority or outlays  
6 under subsection (b) to be exceeded; or

7 “(B) includes one or more provisions that  
8 would have been estimated as affecting direct  
9 spending or receipts under section 252 of the  
10 Balanced Budget and Emergency Deficit Con-  
11 trol Act of 1985 were they included in legisla-  
12 tion other than appropriations legislation, if  
13 such provision does not result in net outlay sav-  
14 ings over the total of the period of the current  
15 year, the budget year, and all fiscal years cov-  
16 ered under the most recently adopted concur-  
17 rent resolution on the budget.”.

18 **SEC. 6. DON'T COUNT RESCISSIONS THAT DON'T SAVE**  
19 **MONEY.**

20 Section 312(a) of the Congressional Budget Act of  
21 1974 (2 U.S.C. 643(a)) is amended—

22 (1) by striking “For purposes” and inserting  
23 the following:

24 “(1) IN GENERAL.—For purposes”; and

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

1       “(2) EXCLUSION.—In making determinations under  
2 paragraph (1), the committee shall not count rescissions  
3 of budget authority that do not result in outlay savings  
4 over the period of fiscal years covered by the concurrent  
5 resolution on the budget.”.

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

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

14       (b) ADDITIONAL STEP INCREASES.—The head of an  
15 agency may not grant additional step increases under sec-  
16 tion 5336 of title 5, United States Code, during the period  
17 beginning on the date of enactment of this Act and ending  
18 on December 31, 2012.

19 **SEC. 8. POINT OF ORDER AGAINST ADVANCE APPROPRIA-**  
20 **TIONS.**

21       (a) IN GENERAL.—

22               (1) POINT OF ORDER.—Except as provided in  
23 subsection (b), it shall not be in order in the House  
24 of Representatives to consider any bill, joint resolu-

1 tion, motion, amendment, or conference report that  
2 would provide an advance appropriation.

3 (2) DEFINITION.—In this section, the term  
4 “advance appropriation” means any new budget au-  
5 thority provided in a bill or joint resolution making  
6 appropriations for fiscal year 2012 that first be-  
7 comes available for any fiscal year after 2012, or  
8 any new budget authority provided in a bill or joint  
9 resolution making general appropriations or con-  
10 tinuing appropriations for each of the budget years  
11 2012 through 2022, that first becomes available for  
12 any fiscal year after the budget year.

13 (b) EXCEPTIONS.—Advance appropriations may be  
14 provided as follows:

15 (1) For fiscal years 2013 through 2022 in an  
16 aggregate amount not to exceed \$28,852,000,000 in  
17 new budget authority in each year for the following  
18 programs, projects, activities, or accounts:

19 (A) Employment and Training Administra-  
20 tion.

21 (B) Job Corps.

22 (C) Education for the Disadvantaged.

23 (D) School Improvement.

24 (E) Children and Family Services (Head  
25 Start).

1 (F) Special Education.

2 (G) Career, Technical, and Adult Edu-  
3 cation.

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

6 (I) Transportation, Housing and Urban  
7 Development: Tenant-based Rental Assistance  
8 Project-based Rental Assistance.

9 (2) For the Corporation for Public Broad-  
10 casting.

11 (3) For the Department of Veterans Affairs for  
12 the Medical Services, Medical Support and Compli-  
13 ance, and Medical Facilities accounts of the Vet-  
14 erans Health Administration.

15 (c) SUPERMAJORITY WAIVER.—In the House of Rep-  
16 resentatives, subsection (a)(1) may be waived or sus-  
17 pended only by an affirmative vote of three-fifths of the  
18 Members, duly chosen and sworn.

19 (d) FORM OF POINT OF ORDER.—A point of order  
20 under subsection (a) may be raised by a Member as pro-  
21 vided in section 313(e) of the Congressional Budget Act  
22 of 1974.

23 (e) CONFERENCE REPORTS.—When the House of  
24 Representatives is considering a conference report on, or  
25 an amendment between the Houses in relation to, a bill,

1 upon a point of order being made by any Senator pursuant  
2 to this section, and such point of order being sustained,  
3 such material contained in such conference report shall be  
4 deemed stricken, and the House shall proceed to consider  
5 the question of whether the House shall recede from its  
6 amendment and concur with a further amendment, or con-  
7 cur in the Senate amendment with a further amendment,  
8 as the case may be, which further amendment shall consist  
9 of only that portion of the conference report or Senate  
10 amendment, as the case may be, not so stricken. Any such  
11 motion in the House shall be debatable. In any case in  
12 which such point of order is sustained against a conference  
13 report (or House amendment derived from such con-  
14 ference report by operation of this subsection), no further  
15 amendment shall be in order.

16 **SEC. 9. PROHIBIT TIMING SHIFTS.**

17 In the House of Representatives, for purposes of en-  
18 forcement of points of order established under the Con-  
19 gressional Budget Act of 1974 and applicable concurrent  
20 resolutions on the budget, a provision in any bill, resolu-  
21 tion, amendment, motion, amendment between the  
22 Houses, or conference report that shifts outlays or reve-  
23 nues from one year to another by a date change to act  
24 as an offset for other provisions that increase the deficit  
25 for a time period shall not count.

1 **SEC. 10. BUDGET SCORING RULE RELATING TO TRANSFERS**  
2 **FROM THE GENERAL FUND OF THE TREAS-**  
3 **URY TO THE HIGHWAY TRUST FUND THAT IN-**  
4 **CREASE PUBLIC INDEBTEDNESS.**

5 In the House of Representatives, for purposes of en-  
6 forcement of points of order established under the Con-  
7 gressional Budget Act of 1974 and applicable concurrent  
8 resolutions on the budget, a bill, resolution, amendment,  
9 motion, amendment between the Houses, or conference re-  
10 port that transfers funds from the general fund of the  
11 Treasury to the Highway Trust Fund and that increases  
12 the level of indebtedness that is subject to the current ap-  
13 plicable statutory public debt limit shall be counted by the  
14 chairman of the Committee on the Budget of the House  
15 of Representatives as new budget authority and outlays  
16 equal to the amount of the transfer in the fiscal year the  
17 transfer occurs.

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