

TITLE 2 - THE CONGRESS**CHAPTER 20 - EMERGENCY POWERS TO ELIMINATE BUDGET DEFICITS****SUBCHAPTER I - ELIMINATION OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT****§ 907. The baseline****(a) In general**

For any budget year, the baseline refers to a projection of current-year levels of new budget authority, outlays, revenues, and the surplus or deficit into the budget year and the outyears based on laws enacted through the applicable date.

(b) Direct spending and receipts

For the budget year and each outyear, the baseline shall be calculated using the following assumptions:

(1) In general

Laws providing or creating direct spending and receipts are assumed to operate in the manner specified in those laws for each such year and funding for entitlement authority is assumed to be adequate to make all payments required by those laws.

(2) Exceptions

(A) **(i)** No program established by a law enacted on or before August 5, 1997, with estimated current year outlays greater than \$50,000,000 shall be assumed to expire in the budget year or the outyears. The scoring of new programs with estimated outlays greater than \$50,000,000 a year shall be based on scoring by the Committees on Budget or OMB, as applicable. OMB, CBO, and the Budget Committees shall consult on the scoring of such programs where there are differences¹ between CBO and OMB.

(ii) On the expiration of the suspension of a provision of law that is suspended under section 7301 of title 7 and that authorizes a program with estimated fiscal year outlays that are greater than \$50,000,000, for purposes of clause (i), the program shall be assumed to continue to operate in the same manner as the program operated immediately before the expiration of the suspension.

(B) The increase for veterans' compensation for a fiscal year is assumed to be the same as that required by law for veterans' pensions unless otherwise provided by law enacted in that session.

(C) Excise taxes dedicated to a trust fund, if expiring, are assumed to be extended at current rates.

(D) If any law expires before the budget year or any outyear, then any program with estimated current year outlays greater than \$50,000,000 that operates under that law shall be assumed to continue to operate under that law as in effect immediately before its expiration.

(3) Hospital Insurance Trust Fund

Notwithstanding any other provision of law, the receipts and disbursements of the Hospital Insurance Trust Fund shall be included in all calculations required by this Act.

(c) Discretionary appropriations

For the budget year and each outyear, the baseline shall be calculated using the following assumptions regarding all amounts other than those covered by subsection (b) of this section:

(1) Inflation of current-year appropriations

Budgetary resources other than unobligated balances shall be at the level provided for the budget year in full-year appropriation Acts. If for any account a full-year appropriation has not yet been enacted, budgetary resources other than unobligated balances shall be at the level available in the

current year, adjusted sequentially and cumulatively for expiring housing contracts as specified in paragraph (2), for social insurance administrative expenses as specified in paragraph (3), to offset pay absorption and for pay annualization as specified in paragraph (4), for inflation as specified in paragraph (5), and to account for changes required by law in the level of agency payments for personnel benefits other than pay.

(2) Expiring housing contracts

New budget authority to renew expiring multiyear subsidized housing contracts shall be adjusted to reflect the difference in the number of such contracts that are scheduled to expire in that fiscal year and the number expiring in the current year, with the per-contract renewal cost equal to the average current-year cost of renewal contracts.

(3) Social insurance administrative expenses

Budgetary resources for the administrative expenses of the following trust funds shall be adjusted by the percentage change in the beneficiary population from the current year to that fiscal year: the Federal Hospital Insurance Trust Fund, the Supplementary Medical Insurance Trust Fund, the Unemployment Trust Fund, and the railroad retirement account.

(4) Pay annualization; offset to pay absorption

Current-year new budget authority for Federal employees shall be adjusted to reflect the full 12-month costs (without absorption) of any pay adjustment that occurred in that fiscal year.

(5) Inflaters

The inflator used in paragraph (1) to adjust budgetary resources relating to personnel shall be the percent by which the average of the Bureau of Labor Statistics Employment Cost Index (wages and salaries, private industry workers) for that fiscal year differs from such index for the current year. The inflator used in paragraph (1) to adjust all other budgetary resources shall be the percent by which the average of the estimated gross domestic product chain-type price index for that fiscal year differs from the average of such estimated index for the current year.

(6) Current-year appropriations

If, for any account, a continuing appropriation is in effect for less than the entire current year, then the current-year amount shall be assumed to equal the amount that would be available if that continuing appropriation covered the entire fiscal year. If law permits the transfer of budget authority among budget accounts in the current year, the current-year level for an account shall reflect transfers accomplished by the submission of, or assumed for the current year in, the President's original budget for the budget year.

(d) Up-to-date concepts

In deriving the baseline for any budget year or outyear, current-year amounts shall be calculated using the concepts and definitions that are required for that budget year.

(e) Asset sales

Amounts realized from the sale of an asset shall not be included in estimates under section 901, 902, or 903 of this title if that sale would result in a financial cost to the Federal Government as determined pursuant to scorekeeping guidelines.

Footnotes

¹ So in original. Probably should be "differences".

(Pub. L. 99–177, title II, § 257, formerly §§ 251(a)(6)(I), 257, Dec. 12, 1985, 99 Stat. 1092; Pub. L. 100–119, title I, §§ 102(a), (b)(4)–(8), 104(c)(2), 106(b), Sept. 29, 1987, 101 Stat. 754, 773, 774, 777, 780; renumbered § 257 and amended Pub. L. 101–508, title XIII, § 13101(b), (e)(1), (2), Nov. 5, 1990, 104 Stat. 1388–589, 1388–591, 1388–593; Pub. L. 105–33, title X, § 10209(a), Aug. 5, 1997, 111 Stat. 710.)

Termination of Section

Section expired Sept. 30, 2006. See section 275(b) of Pub. L. 99-177, as amended, set out as an Effective and Termination Dates note under section 900 of this title.

References in Text

This Act, referred to in subsec. (b)(3), means Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1037, as amended, which enacted this chapter and sections 654 to 656 of this title, amended sections 602, 622, 631 to 642, and 651 to 653 of this title, sections 1104 to 1106, 1109, and 3101 of Title 31, Money and Finance, and section 911 of Title 42, The Public Health and Welfare, repealed section 661 of this title, enacted provisions set out as notes under section 900 of this title and section 911 of Title 42, and amended provisions set out as a note under section 621 of this title. For complete classification of this Act to the Code, see Tables.

Codification

Pub. L. 101-508, § 13101(b), redesignated former par. (12) of this section as section 250 (c)(21) (now 250(c)(19)) of Pub. L. 99-177, which is classified to section 900 (c)(19) of this title.

Pub. L. 101-508, § 13101(e)(2), transferred section 251(a)(6)(I) of Pub. L. 99-177, which was classified to section 901 (a)(6)(I) of this title, to subsec. (e) of this section.

Amendments

1997—Subsec. (b)(2)(A). Pub. L. 105-33, § 10209(a)(1), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “No program with estimated current-year outlays greater than \$50 million shall be assumed to expire in the budget year or outyears.”

Subsec. (b)(2)(D). Pub. L. 105-33, § 10209(a)(2), added subpar. (D).

Subsec. (c)(5). Pub. L. 105-33, § 10209(a)(3), substituted “domestic product chain-type price index” for “national product fixed-weight price index”.

Subsec. (e). Pub. L. 105-33, § 10209(a)(4), added subsec. (e) and struck out former subsec. (e) which read as follows: “The sale of an asset or prepayment of a loan shall not alter the deficit or produce any net deficit reduction in the budget baseline, except that the budget baseline estimate shall include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986;”.

1990—Pub. L. 101-508, § 13101(e)(1), amended section generally, substituting provisions relating to baseline for provisions relating to definitions.

Subsec. (e). Pub. L. 101-508, § 13101(e)(2), redesignated section 901 (a)(6)(I) of this title as subsec. (e) of this section, and substituted “The” for “assuming, for purposes of this paragraph and subparagraph (A)(i) of paragraph (3), that the”.

1987—Pub. L. 100-119, § 102(a), amended section 901 of this title generally, adding subsec. (a)(6)(I). See 1990 Amendment note above.

Par. (1). Pub. L. 100-119, § 104(c)(2), struck out provisions of former subpar. (A) that “automatic spending increase” meant increases in budget outlays due to changes in indexes in the following Federal programs:

“Black lung benefits (20-8144-0-7-601);

“Central Intelligence Agency retirement and disability system fund (56-3400-0-1-054);

“Civil service retirement and disability fund (24-8135-0-7-602);

“Comptrollers general retirement system (05-0107-0-1-801);

“Foreign service retirement and disability fund (19-8186-0-7-602);

“Judicial survivors’ annuities fund (10-8110-0-7-602);

“Longshoremen’s and harborworkers’ compensation benefits (16-9971-0-7-601);

“Military retirement fund (97-8097-0-7-602);

“National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306);

“Pensions for former Presidents (47-0105-0-1-802);

“Railroad retirement tier II (60-8011-0-7-601);

“Retired pay, Coast Guard (69-0241-0-1-403);

NB: This unofficial compilation of the U.S. Code is current as of Jan. 4, 2010 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

“Retirement pay and medical benefits for commissioned officers, Public Health Service (75-0379-0-1-551);

“Special benefits, Federal Employees’ Compensation Act (16-1521-0-1-600);

“Special benefits for disabled coal miners (75-0409-0-1-601); and

“Tax Court judges survivors annuity fund (23-8115-0-7-602).”

Par. (7). Pub. L. 100–119, § 102(b)(4), amended par. (7) generally. Prior to amendment, par. (7) read as follows: “The terms ‘sequester’ and ‘sequestration’ (subject to section 902 (a)(4) of this title) refer to or mean the cancellation of new budget authority, unobligated balances, obligated balances, new loan guarantee commitments, new direct loan obligations, and spending authority as defined in section 651 (c)(2) of this title, and the reduction of obligation limitations.”

Par. (9). Pub. L. 100–119, § 102(b)(5), added par. (9).

Par. (10). Pub. L. 100–119, § 106(b), added par. (10).

Par. (11). Pub. L. 100–119, § 102(b)(6), added par. (11).

Par. (12). Pub. L. 100–119, § 102(b)(7), added par. (12).

Pars. (13), (14). Pub. L. 100–119, § 102(b)(8), added pars. (13) and (14).

Definition of Terms Used in Balanced Budget and Emergency Deficit Control Act of 1985

Pub. L. 101–163, title III, § 315, Nov. 21, 1989, 103 Stat. 1066, provided that: “Effective in the case of this Act and any subsequent Act making appropriations for the Legislative Branch, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended [see Short Title note set out under section 900 of this title], or any other Act which requires a uniform percentage reduction in accounts in this Act and any subsequent Act making appropriations for the Legislative Branch, the accounts under the general heading ‘Senate’, and the accounts under the general heading ‘House of Representatives’, shall each be considered to be one appropriation account and one ‘program, project, and activity’.”

Pub. L. 100–202, § 101(i) [title III, § 306], Dec. 22, 1987, 101 Stat. 1329–290, 1329–309, provided that: “Hereafter, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended [see Short Title note set out under section 900 of this title], the term ‘program, project, and activity’ shall be synonymous with each appropriation account in this Act [see Tables for classification], except that the accounts under the general heading ‘House of Representatives’ shall be considered one appropriation account and one ‘program, project, and activity’, and the accounts under the general heading ‘Senate’ shall be considered one appropriation account and one ‘program, project, and activity’.”

Cost-of-Living Adjustments in Certain Federal Benefits

Pub. L. 99–509, title VII, § 7001, Oct. 21, 1986, 100 Stat. 1948, provided that:

“(a) In General.—Benefits which are payable in calendar year 1987, 1988, 1989, 1990, or 1991, under programs listed in section 257(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), [2 U.S.C. 907 (1)(A)], including any cost-of-living adjustment in such benefits, shall not be subject to modification, suspension, or reduction in such calendar year pursuant to a Presidential order issued under such Act [see Short Title note set out under 2 U.S.C. 900].

“(b) Definition.—For purposes of this section, the term ‘cost-of-living adjustment’ means any increase or change in the amount of a benefit or in standards relating to such benefit under any provision of Federal law which requires such increase or change as a result of any change in the Consumer Price Index (or any component thereof) or any other index which measures costs, prices, or wages.”