

112TH CONGRESS
1ST SESSION

H. R.

To cut, cap, and balance the Federal budget.

IN THE HOUSE OF REPRESENTATIVES

Mr. CHAFFETZ (for himself, Mr. MULVANEY, and Mr. RIBBLE) introduced
the following bill; which was referred to the Committee on

A BILL

To cut, cap, and balance the Federal budget.

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.**

4 This Act may be cited as the “Cut, Cap, and Balance
5 Act of 2011”.

6 **TITLE I—CUT**

7 **SEC. 101. MODIFICATION OF THE CONGRESSIONAL BUDGET**

8 **ACT.**

9 Title III of the Congressional Budget Act of 1974
10 is amended by inserting at the end the following:

1 **“SEC. 316. DISCRETIONARY SPENDING LIMITS.**

2 “(a) IN GENERAL.—It shall not be in order in the
3 House of Representatives or the Senate to consider any
4 bill, joint resolution, amendment, or conference report that
5 includes any provision that would cause the discretionary
6 spending limits as set forth in this section to be exceeded.

7 “(b) LIMITS.—In this section, the term ‘discretionary
8 spending limits’ has the following meaning for fiscal year
9 2012—

10 “(1) for the defense category (budget function
11 050), \$575,790,000,000 in new budget authority
12 and \$586,821,000,000 in outlays; and

13 “(2) for the non-defense category,
14 \$443,612,000,000 in new budget authority and
15 \$581,563,000,000 in outlays.

16 “(c) ADJUSTMENTS.—After the reporting of a bill or
17 joint resolution relating to the global war on terrorism de-
18 scribed in subsection (d), or the offering of an amendment
19 thereto or the submission of a conference report thereon—

20 “(1) the Chairman of the House or Senate
21 Committee on the Budget may adjust the discre-
22 tionary spending limits provided in this section, the
23 budgetary aggregates in the concurrent resolution on
24 the budget most recently adopted by the Senate and
25 the House of Representatives, and allocations pursu-
26 ant to section 302(a) of the Congressional Budget

1 Act of 1974, by the amount of new budget authority
2 in that measure for that purpose and the outlays
3 flowing therefrom; and

4 “(2) following any adjustment under paragraph
5 (1), the House or Senate Committee on Appropria-
6 tions may report appropriately revised suballocations
7 pursuant to section 302(b) of the Congressional
8 Budget Act of 1974 to carry out this subsection.

9 “(d) GLOBAL WAR ON TERRORISM.—If a bill or joint
10 resolution is reported making appropriations for fiscal
11 year 2012 that provides funding for the global war on ter-
12 rorism, the allowable adjustments provided for in sub-
13 section (c) for fiscal year 2012 shall not exceed
14 \$126,544,000,000 in budget authority and the outlays
15 flowing therefrom.

16 “(e) POINT OF ORDER.—

17 “(1) WAIVER.—The provisions of this section
18 may be waived or suspended in the House or Senate
19 only—

20 “(A) by the affirmative vote of two-thirds
21 of the Members, duly chosen and sworn; or

22 “(B) in the case of defense budget author-
23 ity, if Congress declares war or authorizes the
24 use of force

1 “(2) APPEAL.—Appeals in the House or Senate
2 from decisions of the Chair relating to any provision
3 of this section shall be limited to one hour, to be
4 equally divided between, and controlled by, the ap-
5 pellant and the manager of the measure. An affirm-
6 ative vote of two-thirds of the Members of the House
7 or Senate, duly chosen and sworn, shall be required
8 to sustain an appeal of the ruling of the Chair on
9 a point of order raised under this section.

10 “(f) POINT OF ORDER PROTECTION.—In the House
11 of Representatives, it shall not be in order to consider a
12 rule or order that waives the application of subsection (e).

13 “(g) MOTION TO SUSPEND.—It shall not be in order
14 for the Speaker to entertain a motion to suspend the appli-
15 cation of this section under clause 1 of rule XV of the
16 Rules of the House of Representatives.

17 **“SEC. 317. CERTAIN DIRECT SPENDING LIMITS.**

18 “(a) IN GENERAL.—It shall not be in order in the
19 House of Representatives or the Senate to consider any
20 bill, joint resolution, amendment, or conference report that
21 includes any provision that would cause total direct spend-
22 ing, except as excluded in subsection (b), to exceed the
23 limits specified in subsection (c).

1 “(b) EXEMPT FROM DIRECT SPENDING LIMITS.—
2 Direct spending for the following functions are exempt
3 from the limits specified in subsection (c):

4 “(1) Social Security, function 650.

5 “(2) Medicare, function 570.

6 “(3) Veterans Benefits and Services, function
7 700.

8 “(4) Net Interest, function 900.

9 “(c) LIMITS ON OTHER DIRECT SPENDING.—The
10 total combined outlays for all direct spending not exempt-
11 ed in subsection (b) for fiscal year 2012 shall not exceed
12 \$680,730,000,000 in outlays.

13 “(d) POINT OF ORDER.—

14 “(1) WAIVER.—The provisions of this section
15 may be waived or suspended in the House or Senate
16 only by the affirmative vote of two-thirds of the
17 Members, duly chosen and sworn.

18 “(2) APPEAL.—Appeals in the House or Senate
19 from decisions of the Chair relating to any provision
20 of this section shall be limited to one hour, to be
21 equally divided between, and controlled by, the ap-
22 pellant and the manager of the measure. An affirm-
23 ative vote of two-thirds of the Members of the House
24 or Senate, duly chosen and sworn, shall be required

1 to sustain an appeal of the ruling of the Chair on
2 a point of order raised under this section.

3 “(e) POINT OF ORDER PROTECTION.—In the House
4 of Representatives, it shall not be in order to consider a
5 rule or order that waives the application of subsection (d).

6 “(f) MOTION TO SUSPEND.—It shall not be in order
7 for the Speaker to entertain a motion to suspend the appli-
8 cation of this section under clause 1 of rule XV of the
9 Rules of the House of Representatives.”.

10 **SEC. 102. STATUTORY ENFORCEMENT OF SPENDING CAPS**
11 **THROUGH SEQUESTRATION.**

12 Title III of the Congressional Budget Act of 1974
13 is amended by inserting after section 317 the following
14 new section:

15 **“SEC. 318. ENFORCEMENT OF DISCRETIONARY AND DIRECT**
16 **SPENDING CAPS.**

17 “(a) IMPLEMENTATION.—The sequesters shall be im-
18 plemented as follows:

19 “(1) DISCRETIONARY SPENDING IMPLEMENTA-
20 TION.—For the discretionary limits in section 316 of
21 the Congressional Budget Act of 1974, pursuant to
22 the section 251(a) of the Balanced Budget and
23 Emergency Deficit Control Act of 1985 with each
24 category sequestered separately.

1 “(2) DIRECT SPENDING IMPLEMENTATION.—
2 For direct spending limits in section 317 of the Con-
3 gressional Budget Act of 1974, pursuant to the
4 Statutory Pay-As-You-Go Act of 2010, except that
5 section 7 of such Act shall not apply.

6 “(b) MODIFICATION OF PRESIDENTIAL ORDER.—

7 “(1) IN GENERAL.—At any time after the Di-
8 rector of OMB issues a sequestration report under
9 subsection (a) and section 319(c) the provisions of
10 section 258A of the Balanced Budget and Emer-
11 gency Deficit Control Act of 1985 shall apply to the
12 consideration in the House of Representatives and
13 the Senate of a bill to override the order if the bill,
14 as enacted, would achieve the same level of reduc-
15 tions in new budget authority and outlays for the
16 applicable fiscal year as set forth in the order.

17 “(2) POINT OF ORDER.—In the House of Rep-
18 resentatives or Senate, any motion to move to con-
19 sideration of a bill to waive, modify, or in any way
20 alter a sequestration order shall be subject to a
21 point of order that can only be waived through an
22 affirmative vote of two-thirds of the Members, duly
23 chosen and sworn.

24 “(A) The point of order shall not apply to
25 any measure that achieves the same levels of re-

1 ductions in new budget authority and outlays
2 for the applicable year as set forth in the order.

3 “(B) This point of order shall not apply to
4 any measure that solely waives, modifies, or al-
5 ters a sequester to defense spending while the
6 Nation is engaged in a conflict for which a dec-
7 laration of war or a congressional authorization
8 of force is in effect.”.

9 **TITLE II—CAP**

10 **SEC. 201. LIMIT ON TOTAL SPENDING.**

11 (a) DEFINITIONS.—Section 250(c) of the Balanced
12 Budget and Emergency Deficit Control Act of 1985 is
13 amended by striking paragraph (4), redesignating the suc-
14 ceeding paragraphs accordingly, and adding the following
15 new paragraph:

16 “(19) The term ‘GDP’, for any fiscal year,
17 means the gross domestic product during such fiscal
18 year consistent with Department of Commerce defi-
19 nitions.”.

20 (b) CAPS.—The Congressional Budget Act of 1974
21 is amended by inserting after section 318 the following
22 new section:

1 **“SEC. 319. ENFORCING GDP OUTLAY LIMITS.**

2 “(a) ENFORCING GDP OUTLAY LIMITS.—In this sec-
3 tion, the term ‘GDP outlay limit’ means an amount, as
4 estimated by OMB, equal to—

5 “(1) projected GDP for that fiscal year as esti-
6 mated by OMB; multiplied by

7 “(2) 21.7 percent for fiscal year 2013; 20.8
8 percent for fiscal year 2014; 20.2 percent for fiscal
9 year 2015; 20.1 percent for fiscal year 2016; 19.9
10 percent for fiscal year 2017; 19.7 percent for fiscal
11 year 2018; 19.9 percent for fiscal year 2019; 19.9
12 percent for fiscal year 2020; and 19.9 percent for
13 fiscal year 2021.

14 “(b) GDP OUTLAY LIMIT AND OUTLAYS.—

15 “(1) DETERMINING THE GDP OUTLAY LIMIT.—
16 The Office of Management and Budget shall estab-
17 lish in the President’s Budget the GDP outlay limit
18 for the budget year.

19 “(2) TOTAL FEDERAL OUTLAYS.—In this sec-
20 tion, total Federal outlays shall include all on-budget
21 and off-budget outlays.

22 “(c) SEQUESTRATION.—The sequestration to enforce
23 this section shall be implemented pursuant to section 254
24 of the Balanced Budget and Emergency Deficit Control
25 Act of 1985.

1 “(d) EXEMPT PROGRAMS.—Section 255 of the Bal-
2 anced Budget and Control Act of 1985 shall not apply
3 to this section, except that payments for net interest
4 (budget function 900), intragovernmental transfers, and
5 constitutionally-mandated items shall be exempt.”.

6 **SEC. 202. ENFORCEMENT PROCEDURES UNDER THE CON-**
7 **GRESSIONAL BUDGET ACT OF 1974.**

8 (a) ENFORCEMENT.—Title III of the Congressional
9 Budget Act of 1974 is amended by adding after section
10 319 the following new section:

11 **“SEC. 320. ENFORCEMENT PROCEDURES.**

12 “(a) GDP OUTLAY LIMITS.—It shall not be in order
13 in the House of Representatives or the Senate to consider
14 any bill, joint resolution, amendment, or conference report
15 that includes any provision that would cause the most re-
16 cently reported, current GDP outlay limits set forth in sec-
17 tion 319 of the Congressional Budget Act of 1974 to be
18 exceeded.

19 “(b) POINT OF ORDER.—

20 “(1) WAIVER.—The provisions of this section
21 may be waived or suspended in the House or Senate
22 only—

23 “(A) by the affirmative vote of two-thirds
24 of the Members, duly chosen and sworn; or

1 “(B) in the case of defense budget author-
2 ity, if Congress declares war or authorizes the
3 use of force

4 “(2) APPEAL.—Appeals in the House or Senate
5 from decisions of the Chair relating to any provision
6 of this section shall be limited to one hour, to be
7 equally divided between, and controlled by, the ap-
8 pellant and the manager of the measure. An affirm-
9 ative vote of two-thirds of the Members of the House
10 or Senate, duly chosen and sworn, shall be required
11 to sustain an appeal of the ruling of the Chair on
12 a point of order raised under this section.

13 “(c) POINT OF ORDER PROTECTION.—In the House
14 of Representatives, it shall not be in order to consider a
15 rule or order that waives the application of paragraph (2)
16 of subsection (b).

17 “(d) MOTION TO SUSPEND.—It shall not be in order
18 for the Speaker to entertain a motion to suspend the appli-
19 cation of this section under clause 1 of rule XV of the
20 Rules of the House of Representatives.”.

21 (b) TABLE OF CONTENTS.—The table of contents in
22 section 1(b) of the Congressional Budget and Impound-
23 ment Control Act of 1974 is amended by inserting after
24 the item relating to section 315 the following new items:

“Sec. 316. Discretionary spending limits.

“Sec. 317. Certain direct spending limits.

“Sec. 318. Enforcement of discretionary and direct spending caps.

“Sec. 319. Enforcing GDP outlay limits.
“Sec. 320. Enforcement procedures.”.

1 **TITLE III—BALANCE**

2 **SEC. 301. REQUIREMENT THAT BBA BE SUBMITTED TO**
3 **STATES.**

4 (a) IN GENERAL.—The Secretary of the Treasury
5 shall not exercise the additional borrowing authority under
6 section 3101(b) of title 31, United States Code, until the
7 date that the Archivist of the United States transmits to
8 the States S. J. Res. 10 as introduced on March 31, 2011
9 or H. J. Res. 56 as introduced on April 7, 2011, a bal-
10 anced budget amendment to the Constitution, or a similar
11 amendment provided it requires that total outlays not ex-
12 ceed total receipts, that contains a spending limitation as
13 a percentage of GDP, and requires that tax increases be
14 approved by a two-thirds vote in both houses of Congress,
15 for their ratification.

16 (b) AMENDMENT TO TITLE 31.—Effective on the
17 date that the Archivist of the United States transmits to
18 the States S. J. Res. 10 or H. J. Res. 56, a balanced
19 budget amendment to the Constitution, or a similar
20 amendment provided it requires that total outlays not ex-
21 ceed total receipts, that contains a spending limitation as
22 a percentage of GDP, and requires that tax increases be
23 approved by a two-thirds vote in both houses of Congress,
24 for their ratification, section 3101(b) of title 31, United

1 States Code, is amended by striking the dollar limitation
2 contained in such subsection and inserting
3 \$16,700,000,000,000.