



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

October 16, 2001

**H.R. 3084**  
**Interim Budget Control and Enforcement Act of 2001**

*As ordered reported by the House Committee on the Budget on October 11, 2001*

H.R. 3084 would increase the limits on discretionary spending for 2002 in the Balanced Budget and Emergency Deficit Control Act of 1985 (the Deficit Control Act) and make conforming changes in the recommended levels of discretionary spending for that year in the Congressional budget resolution to reflect the recent bipartisan agreement on appropriations reached between the President and Congressional leaders. By itself, the bill would not directly affect spending or revenue levels; it would simply modify certain budget control procedures. Thus, pay-as-you-go procedures would not apply. Although the bill would make possible higher discretionary spending than current law allows, that increase in spending would be attributable to the appropriation acts that provide the spending authority. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Discretionary spending is provided in annual appropriation acts under the jurisdiction of the House and Senate Appropriations Committees. Those laws generally are controlled by two parallel sets of enforcement procedures. First, the Deficit Control Act, as amended, sets annual limits on total budget authority and outlays for discretionary spending. The discretionary spending limits are enforced automatically by across-the-board cuts in spending (known as sequestration) that are implemented, if necessary, after the end of the Congressional session. The current limits expire after 2002. Second, the Congressional Budget Act of 1974 provides for allocations of total discretionary spending to the House and Senate Appropriations Committees at levels recommended in the most recent concurrent resolution on the budget. Those allocations generally are enforced by points of order, or procedural objections, that can be raised by Members of Congress when the appropriation bills are considered by the House or Senate if the bills are inconsistent with the applicable allocations.

The Balanced Budget Act of 1997 amended the Deficit Control Act to establish the discretionary spending limits for fiscal years 1998 through 2002. The statutory limit for new discretionary budget authority for 2002, as currently adjusted, is about \$550 billion; the current limit for discretionary outlays is \$572 billion. However, the President's 2002 budget

and the 2002 Congressional budget resolution recommended total new discretionary budget authority of about \$661 billion for the year. Both budget plans acknowledged that the statutory limits for discretionary budget authority and outlays would have to be increased. On October 2, 2001, the President and Congressional leaders announced a bipartisan agreement to raise the recommended level of total discretionary budget authority for 2002 to \$686 billion, an amount that incorporates additional funds for defense, education, and contingent emergencies that were not included in their original budget plans for the year.

The main purpose of H.R. 3084 is to modify the discretionary spending limits and the Congressional budget resolution to reflect the bipartisan agreement on appropriations for 2002. Under H.R. 3084, the new limits for the overall discretionary category would be \$681.4 billion in budget authority and \$670.4 billion in outlays. (For technical reasons, approximately \$4.6 billion in discretionary budget authority covered by the budget agreement is excluded from the proposed new limits. That amount includes up to \$2.2 billion in appropriations for future emergencies and \$0.6 billion for adoption incentive payments, continuing disability reviews, and an earned income tax compliance initiative; the Deficit Control Act requires the Office of Management and Budget to adjust the limits automatically for those appropriations after they have been enacted into law. Another \$1.8 billion covers appropriations for land conservation programs that are covered by separate limits specified in the Deficit Control Act.)

The bill would also change the aggregate levels in the 2002 budget resolution and certain functional categories in the resolution by amounts that are consistent with the recommended increases in the discretionary spending limits. The Chairmen of the House and Senate Budget Committees would be authorized to increase the allocations of discretionary spending to the House and Senate Appropriations Committees consistent with those new levels. The annual appropriation acts, which are within the jurisdiction of the Appropriations Committees, will provide the actual new discretionary budget authority for 2002.

In addition, H.R. 3084 would require the President, when he submits his budget for 2003, to submit a report to the Congress that identifies spending designated as an emergency under the Deficit Control Act that is related to the terrorist attacks of September 11, 2001, and is of an ongoing or recurring nature. It also would make a series of technical and conforming changes in the Deficit Control Act.

The CBO staff contact for this estimate is Sandy Davis. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.