

SECTION-BY-SECTION SUMMARY OF S.CON.RES. 3, AS PASSED BY THE SENATE

January 12, 2017

The concurrent resolution on the budget for fiscal year 2017 establishes an overall budgetary framework. As required under the Congressional Budget Act of 1974 [the Budget Act], the framework includes aggregate levels of new budget authority; outlays; revenues; the amount by which revenues should be changed; the surplus or deficit; new budget authority and outlays for each major functional category; debt held by the public; and debt subject to the statutory limit. It covers the budget year, 2017, which commenced on October 1, 2016, and the nine ensuing fiscal years, 2018 to 2026.

This resolution also provides reconciliation instructions to two authorizing committees in both the House and the Senate. The resolution does not reconcile a change in the statutory debt limit. It includes rulemaking procedures necessary to execute and enforce the budget resolution, including authority for the Budget Committee Chairs to submit the 302(a) allocations in the Congressional Record and procedures to adjust those allocations for health-related legislative initiatives.

The budget resolution meets all the content requirements of the budget resolution in section 301 of the Budget Act.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SUBTITLE A—BUDGETARY LEVELS IN BOTH HOUSES

Section 1101. Recommended Levels and Amounts.

As required by section 301 of the Budget Act, section 1101 establishes the recommended levels for revenue; the amount revenue should be changed; total new budget authority; total budget outlays, surpluses or deficits; debt subject to the statutory limit; and debt held by the public.

The recommended levels of new budget authority and budget outlays serve as a ceiling for spending legislation, while the revenue level operates as a floor against which all revenue bills are measured pursuant to section 311 of the Budget Act. The surplus or deficit levels include only on-budget outlays and revenue and therefore do not include outlays and receipts related to Social Security and operations of the United States Postal Service (USPS), other than administrative expenses.

Section 1102. Major Functional Categories.

Section 1102, as required by section 301(a) of the Budget Act, establishes the budgetary levels for 22 functional categories for fiscal years 2017 through 2026.

SUBTITLE B—LEVELS AND AMOUNTS IN THE SENATE

Section 1201. Social Security in the Senate.

Section 1201 includes total revenue and outlay levels for the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as well as totals for administrative expenses for each. These levels are used to enforce a Senate-only point of order under sections 302 and 311 of the Budget Act.

Section 1202. Postal Service Discretionary Administrative Expenses in the Senate.

Section 1202 includes the amounts of new budget authority and budget outlays of the USPS for discretionary administrative expenses for fiscal years 2017 through 2026.

TITLE II—RECONCILIATION

Section 2001. Reconciliation in the Senate.

Subsection (a) provides directives, permitted under section 301(b) of the Budget Act, to the Senate Committees on Finance and Health, Education, Labor and Pensions. Each committee is directed to achieve savings of at least \$1,000,000,000 over the period of fiscal years 2017 through 2026.

Subsection (b) sets the deadline for submitting the required legislation to the Senate Committee on the Budget as January 27, 2017.

Section 2002. Reconciliation in the House of Representatives.

Subsection (a) provides directives, permitted under section 301(b) of the Budget Act, to the House Committees on Energy and Commerce and Ways and Means. Both committees are each directed to achieve savings of at least \$1,000,000,000 over the period of fiscal years 2017 through 2026.

Subsection (b) sets the deadline for submitting the required legislation to the House Committee on the Budget as January 27, 2017.

TITLE III—RESERVE FUNDS

Section 3001. Deficit-Neutral Reserve Fund for Health Care Legislation.

Section 3001 establishes a reserve fund that permits the Budget Committee Chairs to adjust the levels in the budget resolution for health care legislation, including legislation that repeals Obamacare and makes other health care reforms. Adjustments may be made for bills, joint resolutions, conference reports and amendments. The adjustments are equal to the amount the measure changes budget authority, outlays, and revenue.

Section 3002. Reserve Fund for Health Care Legislation.

Section 3002 establishes a reserve fund that provides additional adjustment authority for health-related legislation, including reforms to replace Obamacare. The maximum adjustment may not exceed the amount of savings achieved under section 3001 to ensure that the sum of any health-related measures under Title III will not increase the deficit.

TITLE IV—OTHER MATTERS

Section 4001. Enforcement Filing.

Section 4001 authorizes the Budget Committee Chairs to submit for printing in the Congressional Record the 302(a) allocations normally included in a joint statement of managers accompanying the conference report. These allocations include the 302(a) allocation to the Committee on Appropriations for fiscal year 2017, and, for each of the authorizing committees with jurisdiction over direct spending, a 302(a) allocation for fiscal year 2017 and for the period of fiscal years 2017 through 2026. In the Senate, authorizing committees will also receive an allocation for the five-year period, fiscal years 2017 through 2021.

Section 4002. Budgetary Treatment of Administrative Expenses.

Subsection (a) provides that the administrative expenses of the Social Security Administration and the USPS be reflected in the 302(a) allocation to the Committee on Appropriations, notwithstanding their off-budget status. This language is necessary for the Committee on Appropriations to retain control over such administrative expenses through the annual appropriations process.

Subsection (b) clarifies that USPS administrative expenses will count when determining whether an appropriations measure is within the appropriate 302 allocations and other levels established by this budget resolution.

Section 4003. Application and Effect of Changes in Allocations and Aggregates.

Subsection (a) specifies the procedure for making adjustments to the levels established by the budget resolution under Title III and under certain sections of the Budget Act. The adjustments apply only while the measure is under consideration and do not become permanent until the measure is presented to the President. It further specifies that these adjustments must be printed in the Congressional Record.

Subsection (b) clarifies that any adjusted levels pursuant to Title III are fully valid for all budget enforcement purposes.

Subsection (c) reaffirms the authority of the Budget Committee Chairmen to determine the estimates of legislation used to enforce the budget resolution.

Subsection (d) effectively permits the Chairman of the House Budget Committee to exempt the two health care reform and reserve fund measures in Title III from the Cut-As-You-Go point of order in the House (clause 10 of rule XXI of the Rules of the House of Representatives) and the long-term point of order in section 3101 of S.Con.Res. 11 (114th Congress).

Section 4004. Exercise of Rulemaking Powers.

Section 4004 affirms the adoption of this budget resolution as an exercise of the House's rulemaking power and that the House has the constitutional right to change these rules.