

107TH CONGRESS
1ST SESSION

H. R. 2

To establish a procedure to safeguard the combined surpluses of the Social Security and Medicare hospital insurance trust funds.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2001

Mr. HERGER (for himself, Mr. SESSIONS, Mr. SCHROCK, Mr. TOOMEY, Mr. ROYCE, Mr. FOLEY, Mr. GRAVES, Mr. BROWN of South Carolina, Mr. OTTER, Ms. HART, Mr. AKIN, Mr. CRENSHAW, Mr. REHBERG, Mr. TIBERI, Mr. SIMMONS, Mr. CULBERSON, Mr. CANTOR, Mr. JOHNSON of Illinois, Mr. PLATTS, Ms. CAPITO, Mr. FLETCHER, Mrs. JOHNSON of Connecticut, Mr. SHAW, Mr. DREIER, Mr. GOSS, Mr. HASTINGS of Washington, Mr. COLLINS, Ms. PRYCE of Ohio, Mr. KIRK, Mrs. MYRICK, Mr. LINDER, and Mr. PUTNAM) introduced the following bill; which was referred to the Committee on Rules, and in addition to the Committee on the Budget, 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

A BILL

To establish a procedure to safeguard the combined surpluses of the Social Security and Medicare hospital insurance trust funds.

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 “Social Security and
5 Medicare Lock-Box Act of 2001”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) the Balanced Budget Act of 1997 and
4 strong economic growth have ended decades of def-
5 icit spending;

6 (2) the Government is able to meet its current
7 obligations without using the social security and
8 medicare surpluses;

9 (3) fiscal pressures will mount as an aging pop-
10 ulation increases the Government's obligations to
11 provide retirement income and health services;

12 (4) social security and medicare hospital insur-
13 ance surpluses should be used to reduce the debt
14 held by the public until legislation is enacted that re-
15 forms social security and medicare;

16 (5) preserving the social security and medicare
17 hospital insurance surpluses would restore con-
18 fidence in the long-term financial integrity of social
19 security and medicare; and

20 (6) strengthening the Government's fiscal posi-
21 tion through debt reduction would increase national
22 savings, promote economic growth, and reduce its in-
23 terest payments.

24 (b) PURPOSE.—It is the purpose of this Act to—

25 (1) prevent the surpluses of the social security
26 and medicare hospital insurance trust funds from

1 being used for any purpose other than providing re-
2 tirement and health security; and

3 (2) use such surpluses to pay down the national
4 debt until such time as medicare and social security
5 reform legislation is enacted.

6 **SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE**
7 **SURPLUSES.**

8 (a) PROTECTION OF SOCIAL SECURITY AND MEDI-
9 CARE SURPLUSES.—Title III of the Congressional Budget
10 Act of 1974 is amended by adding at the end the following
11 new section:

12 “LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL
13 INSURANCE SURPLUSES

14 “SEC. 316. (a) LOCK-BOX FOR SOCIAL SECURITY
15 AND HOSPITAL INSURANCE SURPLUSES.—

16 “(1) CONCURRENT RESOLUTIONS ON THE
17 BUDGET.—

18 “(A) IN GENERAL.—It shall not be in
19 order in the House of Representatives or the
20 Senate to consider any concurrent resolution on
21 the budget, or an amendment thereto or con-
22 ference report thereon, that would set forth a
23 surplus for any fiscal year that is less than the
24 surplus of the Federal Hospital Insurance
25 Trust Fund for that fiscal year.

1 “(B) EXCEPTION.—(i) Subparagraph (A)
2 shall not apply to the extent that a violation of
3 such subsection would result from an assump-
4 tion in the resolution, amendment, or con-
5 ference report, as applicable, of an increase in
6 outlays or a decrease in revenue relative to the
7 baseline underlying that resolution for social se-
8 curity reform legislation or medicare reform leg-
9 islation for any such fiscal year.

10 “(ii) If a concurrent resolution on the
11 budget, or an amendment thereto or conference
12 report thereon, would be in violation of sub-
13 paragraph (A) because of an assumption of an
14 increase in outlays or a decrease in revenue rel-
15 ative to the baseline underlying that resolution
16 for social security reform legislation or medi-
17 care reform legislation for any such fiscal year,
18 then that resolution shall include a statement
19 identifying any such increase in outlays or de-
20 crease in revenue.

21 “(2) SPENDING AND TAX LEGISLATION.—

22 “(A) IN GENERAL.—It shall not be in
23 order in the House of Representatives or the
24 Senate to consider any bill, joint resolution,
25 amendment, motion, or conference report if—

1 “(i) the enactment of that bill or reso-
2 lution, as reported;

3 “(ii) the adoption and enactment of
4 that amendment; or

5 “(iii) the enactment of that bill or res-
6 olution in the form recommended in that
7 conference report,

8 would cause the surplus for any fiscal year cov-
9 ered by the most recently agreed to concurrent
10 resolution on the budget to be less than the sur-
11 plus of the Federal Hospital Insurance Trust
12 Fund for that fiscal year.

13 “(B) EXCEPTION.—Subparagraph (A)
14 shall not apply to social security reform legisla-
15 tion or medicare reform legislation.”.

16 “(b) ENFORCEMENT.—

17 “(1) BUDGETARY LEVELS WITH RESPECT TO
18 CONCURRENT RESOLUTIONS ON THE BUDGET.—For
19 purposes of enforcing any point of order under sub-
20 section (a)(1), the surplus for any fiscal year shall
21 be—

22 “(A) the levels set forth in the later of the
23 concurrent resolution on the budget, as re-
24 ported, or in the conference report on the con-
25 current resolution on the budget; and

1 “(B) adjusted to the maximum extent al-
2 lowable under all procedures that allow budg-
3 etary aggregates to be adjusted for legislation
4 that would cause a decrease in the surplus for
5 any fiscal year covered by the concurrent reso-
6 lution on the budget (other than procedures de-
7 scribed in paragraph (2)(A)(ii)).

8 “(2) CURRENT LEVELS WITH RESPECT TO
9 SPENDING AND TAX LEGISLATION.—

10 “(A) IN GENERAL.—For purposes of en-
11 forcing subsection (a)(2), the current levels of
12 the surplus for any fiscal year shall be—

13 “(i) calculated using the following
14 assumptions—

15 “(I) direct spending and revenue
16 levels at the baseline levels underlying
17 the most recently agreed to concur-
18 rent resolution on the budget; and

19 “(II) for the budget year, discre-
20 tionary spending levels at current law
21 levels and, for outyears, discretionary
22 spending levels at the baseline levels
23 underlying the most recently agreed to
24 concurrent resolution on the budget;
25 and

1 “(ii) adjusted for changes in the sur-
2 plus levels set forth in the most recently
3 agreed to concurrent resolution on the
4 budget pursuant to procedures in such res-
5 olution that authorize adjustments in
6 budgetary aggregates for updated economic
7 and technical assumptions in the mid-ses-
8 sion report of the Director of the Congres-
9 sional Budget Office.

10 Such revisions shall be included in the first cur-
11 rent level report on the congressional budget
12 submitted for publication in the Congressional
13 Record after the release of such mid-session re-
14 port.

15 “(B) BUDGETARY TREATMENT.—Outlays
16 (or receipts) for any fiscal year resulting from
17 social security or medicare reform legislation in
18 excess of the amount of outlays (or less than
19 the amount of receipts) for that fiscal year set
20 forth in the most recently agreed to concurrent
21 resolution on the budget or the section 302(a)
22 allocation for such legislation, as applicable,
23 shall not be taken into account for purposes of
24 enforcing any point of order under subsection
25 (a)(2).

1 “(3) DISCLOSURE OF HI SURPLUS.—For pur-
2 poses of enforcing any point of order under sub-
3 section (a), the surplus of the Federal Hospital In-
4 surance Trust Fund for a fiscal year shall be the
5 levels set forth in the later of the report accom-
6 panying the concurrent resolution on the budget (or,
7 in the absence of such a report, placed in the Con-
8 gressional Record prior to the consideration of such
9 resolution) or in the joint explanatory statement of
10 managers accompanying such resolution.

11 “(c) ADDITIONAL CONTENT OF REPORTS ACCOM-
12 PANYING BUDGET RESOLUTIONS AND OF JOINT EXPLAN-
13 ATORY STATEMENTS.—The report accompanying any con-
14 current resolution on the budget and the joint explanatory
15 statement accompanying the conference report on each
16 such resolution shall include the levels of the surplus in
17 the budget for each fiscal year set forth in such resolution
18 and of the surplus or deficit in the Federal Hospital Insur-
19 ance Trust Fund, calculated using the assumptions set
20 forth in subsection (b)(2)(A).

21 “(d) DEFINITIONS.—As used in this section:

22 “(1) The term ‘medicare reform legislation’
23 means a bill or a joint resolution to save Medicare
24 that includes a provision stating the following: ‘For
25 purposes of section 316(a) of the Congressional

1 Budget Act of 1974, this Act constitutes medicare
2 reform legislation.’

3 “(2) The term ‘social security reform legisla-
4 tion’ means a bill or a joint resolution to save social
5 security that includes a provision stating the fol-
6 lowing: ‘For purposes of section 316(a) of the Con-
7 gressional Budget Act of 1974, this Act constitutes
8 social security reform legislation.’

9 “(e) WAIVER AND APPEAL.—Subsection (a) may be
10 waived or suspended in the Senate only by an affirmative
11 vote of three-fifths of the Members, duly chosen and
12 sworn. An affirmative vote of three-fifths of the Members
13 of the Senate, duly chosen and sworn, shall be required
14 in the Senate to sustain an appeal of the ruling of the
15 Chair on a point of order raised under this section.

16 “(f) EFFECTIVE DATE.—This section shall cease to
17 have any force or effect upon the enactment of social secu-
18 rity reform legislation and medicare reform legislation.”.

19 (b) CONFORMING AMENDMENT.—The item relating
20 to section 316 in the table of contents set forth in section
21 1(b) of the Congressional Budget and Impoundment Con-
22 trol Act of 1974 is amended to read as follows:

“Sec. 316. Protection of social security and medicare surpluses.”.

23 **SEC. 4. PRESIDENTS’ BUDGET.**

24 (a) PROTECTION OF SOCIAL SECURITY AND MEDI-
25 CARE SURPLUSES.—If the budget of the United States

1 Government submitted by the President under section
2 1105(a) of title 31, United States Code, recommends an
3 on-budget surplus for any fiscal year that is less than the
4 surplus of the Federal Hospital Insurance Trust Fund for
5 that fiscal year, then it shall include a detailed proposal
6 for social security reform legislation or medicare reform
7 legislation.

8 (b) EFFECTIVE DATE.—Subsection (a) shall cease to
9 have any force or effect upon the enactment of social secu-
10 rity reform legislation and medicare reform legislation as
11 defined by section 316(d) of the Congressional Budget Act
12 of 1974.

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