

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2001

Received; read twice and referred to the Committee on Finance

FEBRUARY 15, 2001

Committee discharged; referred jointly pursuant to the order of August 4, 1977, to the Committees on the Budget and Governmental Affairs, with instructions that if one committee reports, the other committee have thirty days to report or be discharged

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## AN ACT

To establish a procedure to safeguard the 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”.

6        **SEC. 2. FINDINGS AND PURPOSE.**

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

8                (1) the Balanced Budget Act of 1997 and  
9        strong economic growth have ended decades of def-  
10        icit spending;

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

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

7           (4) social security and medicare hospital insur-  
8 ance surpluses should be used to reduce the debt  
9 held by the public until legislation is enacted that re-  
10 forms social security and medicare;

11           (5) preserving the social security and medicare  
12 hospital insurance surpluses would restore con-  
13 fidence in the long-term financial integrity of social  
14 security and medicare; and

15           (6) strengthening the Government's fiscal posi-  
16 tion through debt reduction would increase national  
17 savings, promote economic growth, and reduce its in-  
18 terest payments.

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

20           (1) prevent the surpluses of the social security  
21 and medicare hospital insurance trust funds from  
22 being used for any purpose other than providing re-  
23 tirement and health security; and



1           sumption in the resolution, amendment, or con-  
2           ference report, as applicable, of an increase in  
3           outlays or a decrease in revenue relative to the  
4           baseline underlying that resolution for social se-  
5           curity reform legislation or medicare reform leg-  
6           islation for any such fiscal year.

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

18          “(2) SPENDING AND TAX LEGISLATION.—

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

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

1                   “(ii) the adoption and enactment of  
2                   that amendment; or

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

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

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

14                  “(b) ENFORCEMENT.—

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

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

24                  “(B) adjusted to the maximum extent al-  
25                  lowable under all procedures that allow budg-

1           etary aggregates to be adjusted for legislation  
2           that would cause a decrease in the surplus for  
3           any fiscal year covered by the concurrent reso-  
4           lution on the budget (other than procedures de-  
5           scribed in paragraph (2)(A)(ii)).

6           “(2) CURRENT LEVELS WITH RESPECT TO  
7           SPENDING AND TAX LEGISLATION.—

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

11                  “(i) calculated using the following  
12                  assumptions—

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

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

24                          “(ii) adjusted for changes in the sur-  
25                          plus levels set forth in the most recently

1           agreed to concurrent resolution on the  
2           budget pursuant to procedures in such res-  
3           olution that authorize adjustments in  
4           budgetary aggregates for updated economic  
5           and technical assumptions in the mid-ses-  
6           sion report of the Director of the Congres-  
7           sional Budget Office.

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

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

24               “(3) DISCLOSURE OF HI SURPLUS.—For pur-  
25          poses of enforcing any point of order under sub-

1 section (a), the surplus of the Federal Hospital In-  
2 surance Trust Fund for a fiscal year shall be the  
3 levels set forth in the later of the report accom-  
4 panying the concurrent resolution on the budget (or,  
5 in the absence of such a report, placed in the Con-  
6 gressional Record prior to the consideration of such  
7 resolution) or in the joint explanatory statement of  
8 managers accompanying such resolution.

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

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

20 “(1) The term ‘medicare reform legislation’  
21 means a bill or a joint resolution to save Medicare  
22 that includes a provision stating the following: ‘For  
23 purposes of section 316(a) of the Congressional  
24 Budget Act of 1974, this Act constitutes medicare  
25 reform legislation.’

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

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

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

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

          “Sec. 316. Lock-box for social security and hospital insurance surpluses.”.

21       **SEC. 4. PRESIDENTS’ BUDGET.**

22          (a) PROTECTION OF SOCIAL SECURITY AND MEDI-  
23          CARE SURPLUSES.—If the budget of the United States  
24          Government submitted by the President under section  
25          1105(a) of title 31, United States Code, recommends an

1 on-budget surplus for any fiscal year that is less than the  
2 surplus of the Federal Hospital Insurance Trust Fund for  
3 that fiscal year, then it shall include a detailed proposal  
4 for social security reform legislation or medicare reform  
5 legislation.

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

Passed the House of Representatives February 13,  
2001.

Attest:

JEFF TRANDAHL,

*Clerk.*