

tion report and subsequent budgets were to include, adjustments to discretionary spending limits reflecting certain enumerated factors.

Subsec. (b)(2)(G). Pub. L. 105–89 added subpar. (G).

Subsec. (c). Pub. L. 105–33, §10203(b), added subsec. (c). 1996—Subsec. (b)(2)(G). Pub. L. 104–208 substituted “fiscal years 1994, 1995, and 1997” for “fiscal year 1994 and 1995” in two places.

Subsec. (b)(2)(H). Pub. L. 104–121 added subpar. (H).

Subsec. (b)(2)(H)(i). Pub. L. 104–193, §211(d)(5)(B)(i), substituted “\$175,000,000” for “\$25,000,000” and “\$310,000,000” for “\$160,000,000” in subcl. (II), and “\$245,000,000” for “\$145,000,000” and “\$470,000,000” for “\$370,000,000” in subcl. (III).

Subsec. (b)(2)(H)(ii)(I). Pub. L. 104–193, §211(d)(5)(B)(ii), amended subcl. (I) generally. Prior to amendment, subcl. (I) read as follows: “the term ‘continuing disability reviews’ has the meaning given such term by section 401(g)(1)(A) of title 42;”.

1994—Subsec. (b)(2)(D)(i). Pub. L. 103–354 inserted at end “This subparagraph shall not apply to appropriations to cover agricultural crop disaster assistance.”

Subsec. (b)(2)(G). Pub. L. 103–306 substituted “1994 and 1995” for “1994” in two places.

1993—Subsec. (a). Pub. L. 103–66, §14002(c)(1)(A), substituted “1998” for “1995” in heading.

Subsec. (b)(1). Pub. L. 103–66, §14002(c)(1)(B)(i), in introductory provisions, substituted “1995, 1996, 1997, or 1998” for “or 1995” and “outyear through 1998” for “out-year through 1995”.

Subsec. (b)(1)(B)(iii). Pub. L. 103–66, §14002(c)(1)(B)(iii), added cl. (iii).

Subsec. (b)(2). Pub. L. 103–66, §14002(c)(1)(B)(iii), in introductory provisions, substituted “1995, 1996, 1997, or 1998” for “or 1995” and “year through 1998” for “year through 1995”.

Subsec. (b)(2)(D)(i). Pub. L. 103–66, §14002(c)(1)(B)(iv), substituted “for any fiscal year,” for “for fiscal year 1991, 1992, 1993, 1994, or 1995.”

Subsec. (b)(2)(E)(iv). Pub. L. 103–66, §14002(c)(1)(B)(v), added cl. (iv).

Subsec. (b)(2)(F). Pub. L. 103–66, §14002(c)(1)(B)(vi), inserted before period at end “, and not to exceed 0.5 percent of the adjusted discretionary [sic] spending limit on outlays for the fiscal year in fiscal year 1996, 1997, or 1998”.

Subsec. (b)(2)(G). Pub. L. 103–87 added subpar. (G).

1990—Pub. L. 101–508, §13101(a), amended section generally, substituting subsections. (a) and (b) relating to enforcement of discretionary spending limits for former subsections. (a) to (e) relating to reporting of excess deficits.

Subsec. (a)(6)(I). Pub. L. 101–508, §13101(e)(2), redesignated subsec. (a)(6)(I) of this section as section 907(e) of this title.

1987—Pub. L. 100–119 amended section generally, substituting provisions consisting of subsections. (a) to (e) relating to reports by Director of CBO to Director of OMB and to Congress and by Director of OMB to President and Congress for provisions consisting of subsections. (a) to (g) relating to joint reports by Directors of CBO and OMB to Comptroller General and report by Comptroller General to President and Congress.

Subsec. (a)(6)(B). Pub. L. 100–203, §8003(f), struck out “and” before “contract authority” and inserted provision whereby the authority to provide insurance through the Federal Housing Administration Fund be continued.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–89 effective Nov. 19, 1997, except as otherwise provided, with delay permitted if State legislation is required, see section 501 of Pub. L. 105–89, set out as a note under section 622 of Title 42, The Public Health and Welfare.

EFFECTIVE DATE OF 1994 AMENDMENT

Pub. L. 103–354, title I, §119(d)(1), Oct. 13, 1994, 108 Stat. 3208, provided that the amendment made by that section is effective Jan. 1, 1995.

ADJUSTMENT FOR ROUNDING

Pub. L. 106–429, §101(a) [title VII, §701(c)], Nov. 6, 2000, 114 Stat. 1900, 1900A–64, provided for adjustments for rounding.

Pub. L. 106–113, div. B, §1000(a)(5) [title III, §307], Nov. 29, 1999, 113 Stat. 1536, 1501A–306, provided for adjustments for rounding.

OFFSETTING ADJUSTMENT IN DISCRETIONARY SPENDING LIMITS

Pub. L. 105–178, title VIII, §8101(b), June 9, 1998, 112 Stat. 489, as amended by Pub. L. 105–206, title IX, §9013(a), July 22, 1998, 112 Stat. 865, provided adjustments of nondefense category for fiscal year 1999, discretionary category for fiscal year 2000, and discretionary spending limits for fiscal years 2001 and 2002.

LEVEL OF OBLIGATION LIMITATIONS

Pub. L. 109–59, title VIII, §8003, Aug. 10, 2005, 119 Stat. 1917, as amended by Pub. L. 111–147, title IV, §446(a), (b), Mar. 18, 2010, 124 Stat. 95, 96; Pub. L. 111–322, title II, §2308, Dec. 22, 2010, 124 Stat. 3530; Pub. L. 112–5, title III, §308, Mar. 4, 2011, 125 Stat. 21, provided that:

“(a) HIGHWAY CATEGORY.—For the purposes of [former] section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [former 2 U.S.C. 901(b)], the level of obligation limitations for the highway category is—

- “(1) for fiscal year 2005, \$35,164,292,000;
- “(2) for fiscal year 2006, \$37,220,843,903;
- “(3) for fiscal year 2007, \$39,460,710,516;
- “(4) for fiscal year 2008, \$40,824,075,404;
- “(5) for fiscal year 2009, \$42,469,970,178;
- “(6) for fiscal year 2010, \$42,469,970,178; and
- “(7) for fiscal year 2011, \$42,469,970,178.

“(b) MASS TRANSIT CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the mass transit category is—

- “(1) for fiscal year 2005, \$7,646,336,000;
- “(2) for fiscal year 2006, \$8,622,931,000;
- “(3) for fiscal year 2007, \$8,974,775,000;
- “(4) for fiscal year 2008, \$9,730,893,000;
- “(5) for fiscal year 2009, \$10,338,065,000;
- “(6) for fiscal year 2010, \$10,338,065,000; and
- “(7) for fiscal year 2011, \$10,338,065,000.

For purposes of this subsection, the term ‘obligation limitations’ means the sum of budget authority and obligation limitations.”

Similar provisions for prior fiscal years were contained in the following prior act:

Pub. L. 105–178, title VIII, §8103, June 9, 1998, 112 Stat. 492, as amended by Pub. L. 108–88, §11(a), (b), Sept. 30, 2003, 117 Stat. 1128; Pub. L. 108–310, §11(a), (b), Sept. 30, 2004, 118 Stat. 1161.

§ 901a. Enforcement of budget goal

Discretionary appropriations and direct spending accounts shall be reduced in accordance with this section as follows:

(1) Calculation of total deficit reduction

OMB shall calculate the amount of the deficit reduction required by this section for each of fiscal years 2013 through 2021 by—

(A) starting with \$1,200,000,000,000;

(B) subtracting the amount of deficit reduction achieved by the enactment of a joint committee bill, as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011;

(C) reducing the difference by 18 percent to account for debt service;

(D) dividing the result by 9; and

(E) for fiscal year 2013, reducing the amount calculated under subparagraphs (A) through (D) by \$24,000,000,000.

(2) Allocation to functions

On March 1, 2013, for fiscal year 2013, and in its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 904(c) of this title, OMB shall allocate half of the total reduction calculated pursuant to paragraph (1) for that year to discretionary appropriations and direct spending accounts within function 050 (defense function) and half to accounts in all other functions (nondefense functions).

(3) Defense function reduction

OMB shall calculate the reductions to discretionary appropriations and direct spending for each of fiscal years 2013 through 2021 for defense function spending as follows:

(A) Discretionary

OMB shall calculate the reduction to discretionary appropriations by—

- (i) taking the total reduction for the defense function allocated for that year under paragraph (2);
- (ii) multiplying by the discretionary spending limit for the revised security category for that year; and
- (iii) dividing by the sum of the discretionary spending limit for the security category and OMB's baseline estimate of nonexempt outlays for direct spending programs within the defense function for that year.

(B) Direct spending

OMB shall calculate the reduction to direct spending by taking the total reduction for the defense function required for that year under paragraph (2) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

(4) Nondefense function reduction

OMB shall calculate the reduction to discretionary appropriations and to direct spending for each of fiscal years 2013 through 2021 for programs in nondefense functions as follows:

(A) Discretionary

OMB shall calculate the reduction to discretionary appropriations by—

- (i) taking the total reduction for nondefense functions allocated for that year under paragraph (2);
- (ii) multiplying by the discretionary spending limit for the revised nonsecurity category for that year; and
- (iii) dividing by the sum of the discretionary spending limit for the revised nonsecurity category and OMB's baseline estimate of nonexempt outlays for direct spending programs in nondefense functions for that year.

(B) Direct spending

OMB shall calculate the reduction to direct spending programs by taking the total reduction for nondefense functions required for that year under paragraph (2) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

(5) Implementing discretionary reductions**(A) Fiscal year 2013**

On March 1, 2013, for fiscal year 2013, OMB shall calculate and the President shall order a sequestration, effective upon issuance and under the procedures set forth in section 903(f) of this title, to reduce each account within the security category or nonsecurity category by a dollar amount calculated by multiplying the baseline level of budgetary resources in that account at that time by a uniform percentage necessary to achieve—

- (i) for the revised security category, an amount equal to the defense function discretionary reduction calculated pursuant to paragraph (3); and
- (ii) for the revised nonsecurity category, an amount equal to the nondefense function discretionary reduction calculated pursuant to paragraph (4).

(B) Fiscal years 2014–2021

Except as provided by paragraph (10), on the date of the submission of its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 904(c) of this title for each of fiscal years 2014 through 2021, OMB shall reduce the discretionary spending limit—

- (i) for the revised security category by the amount of the defense function discretionary reduction calculated pursuant to paragraph (3); and
- (ii) for the revised nonsecurity category by the amount of the nondefense function discretionary reduction calculated pursuant to paragraph (4).

(6) Implementing direct spending reductions

(A) On the date specified in paragraph (2) during each applicable year, OMB shall prepare and the President shall order a sequestration, effective upon issuance, of nonexempt direct spending to achieve the direct spending reduction calculated pursuant to paragraphs (3) and (4). When implementing the sequestration of direct spending pursuant to this paragraph, OMB shall follow the procedures specified in section 935 of this title, the exemptions specified in section 905 of this title, and the special rules specified in section 906 of this title, except that the percentage reduction for the Medicare programs specified in section 906(d) of this title shall not be more than 2 percent for a fiscal year.

(B) On the dates OMB issues its sequestration preview reports for fiscal year 2022 and for fiscal year 2023, pursuant to section 904(c) of this title, the President shall order a sequestration, effective upon issuance such that—

- (i) the percentage reduction for nonexempt direct spending for the defense function is the same percent as the percentage reduction for nonexempt direct spending for the defense function for fiscal year 2021 calculated under paragraph (3)(B); and
- (ii) the percentage reduction for nonexempt direct spending for nondefense functions is the same percent as the percentage reduction for nonexempt direct spending for nondefense functions for fiscal year 2021 calculated under paragraph (4)(B).

(C) Notwithstanding the 2 percent limit specified in subparagraph (A) for payments for the Medicare programs specified in section 906(d) of this title, the sequestration order of the President under such subparagraph for fiscal year 2023 shall be applied to such payments so that—

(i) with respect to the first 6 months in which such order is effective for such fiscal year, the payment reduction shall be 2.90 percent; and

(ii) with respect to the second 6 months in which such order is so effective for such fiscal year, the payment reduction shall be 1.11 percent.

(7) Adjustment for Medicare

If the percentage reduction for the Medicare programs would exceed 2 percent for a fiscal year in the absence of paragraph (6), OMB shall increase the reduction for all other discretionary appropriations and direct spending under paragraph (4) by a uniform percentage to a level sufficient to achieve the reduction required by paragraph (4) in the non-defense function.

(8) Implementation of reductions

Any reductions imposed under this section shall be implemented in accordance with section 906(k) of this title.

(9) Report

On the dates specified in paragraph (2), OMB shall submit a report to Congress containing information about the calculations required under this section, the adjusted discretionary spending limits, a listing of the reductions required for each nonexempt direct spending account, and any other data and explanations that enhance public understanding of this title¹ and actions taken under it.

(10) Implementing direct spending reductions for fiscal years 2014 and 2015

(A) OMB shall make the calculations necessary to implement the direct spending reductions calculated pursuant to paragraphs (3) and (4) without regard to the amendment made to section 901(c) of this title revising the discretionary spending limits for fiscal years 2014 and 2015 by the Bipartisan Budget Act of 2013.

(B) Paragraph (5)(B) shall not be implemented for fiscal years 2014 and 2015.

(Pub. L. 99-177, title II, §251A, as added Pub. L. 112-25, title III, §302(a), Aug. 2, 2011, 125 Stat. 256; amended Pub. L. 112-240, title IX, §901(a), (c), Jan. 2, 2013, 126 Stat. 2370; Pub. L. 113-67, div. A, title I, §101(b), (c), (d)(2), div. B, title II, §1205, Dec. 26, 2013, 127 Stat. 1167, 1168, 1200.)

REFERENCES IN TEXT

Section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011, referred to in par. (1)(B), is section 401(b)(3)(B)(i)(II) of title IV of Pub. L. 112-25, which is set out in a note under section 900 of this title.

This title, referred to in par. (9), means title II (§200 et seq.) of Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1038, known as the Balanced Budget and Emergency Deficit Control Act of 1985. For complete classification of this

Act to the Code, see Short Title note set out under section 900 of this title and Tables.

The Bipartisan Budget Act of 2013, referred to in par. (10)(A), is div. A of Pub. L. 113-67, Dec. 26, 2013, 127 Stat. 1165. For complete classification of this Act to the Code, see Short Title of 2013 Amendment note set out under section 900 of this title and Tables.

PRIOR PROVISIONS

A prior section 901a, Pub. L. 99-177, title II, §251A, as added Pub. L. 103-322, title XXXI, §310001(g)(1), Sept. 13, 1994, 108 Stat. 2104, related to sequestration with respect to Violent Crime Reduction Trust Fund, prior to repeal by Pub. L. 105-33, title X, §10204(a)(1), Aug. 5, 1997, 111 Stat. 702.

AMENDMENTS

2013—Pub. L. 113-67, §101(d)(2)(A), in introductory provisions substituted “Discretionary appropriations and direct spending accounts shall be reduced in accordance with this section as follows:” for “Unless a joint committee bill achieving an amount greater than \$1,200,000,000,000 in deficit reduction as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011 is enacted by January 15, 2012, the discretionary spending limits listed in section 901(c) of this title shall be revised, and discretionary appropriations and direct spending shall be reduced, as follows:”.

Par. (1). Pub. L. 113-67, §101(d)(2)(B), (C), redesignated par.(3) as (1) and struck out former par. (1) which defined “revised security category” as discretionary appropriations in budget function 050 and “revised non-security category” as discretionary appropriations other than in budget function 050.

Par. (2). Pub. L. 113-67, §101(d)(2)(B)–(D), redesignated par. (4) as (2), substituted “paragraph (1)” for “paragraph (3)”, and struck out former par. (2) which revised discretionary spending limits under section 901(c) of this title for fiscal years 2013 through 2021.

Par. (3). Pub. L. 113-67, §101(d)(2)(C), (E), redesignated par. (5) as (3) and substituted “paragraph (2)” for “paragraph (4)” in two places. Former par. (3) redesignated (1).

Par. (3)(E). Pub. L. 112-240, §901(a), added subpar. (E).

Par. (4). Pub. L. 113-67, §101(d)(2)(C), (F), redesignated par. (6) as (4) and substituted “paragraph (2)” for “paragraph (4)” in two places. Former par. (4) redesignated (2).

Pub. L. 112-240, §901(c)(1), substituted “March 1, 2013” for “January 2, 2013”.

Par. (5). Pub. L. 113-67, §101(d)(2)(C), (G), redesignated par. (7) as (5) and substituted “paragraph (3)” for “paragraph (5)” in two places and “paragraph (4)” for “paragraph (6)” in two places. Former par. (5) redesignated (3).

Par. (5)(B). Pub. L. 113-67, §101(b)(2), substituted “Except as provided by paragraph (10), on” for “On” in introductory provisions.

Par. (6). Pub. L. 113-67, §101(d)(2)(C), (H), redesignated par. (8) as (6) and, in subpar. (A), substituted “paragraph (2)” for “paragraph (4)” and “paragraphs (3) and (4)” for “paragraphs (5) and (6)”. Former par. (6) redesignated (4).

Pub. L. 113-67, §101(c), designated existing provisions as subpar. (A) and added subpar. (B).

Par. (6)(C). Pub. L. 113-67, §1205, added subpar. (C).

Par. (7). Pub. L. 113-67, §101(d)(2)(C), (I), redesignated par. (9) as (7), substituted “paragraph (6)” for “paragraph (8)”, and substituted “paragraph (4)” for “paragraph (6)” in two places. Former par. (7) redesignated (5).

Par. (7)(A). Pub. L. 112-240, §901(c)(2), substituted “March 1, 2013” for “January 2, 2013” in introductory provisions.

Par. (8). Pub. L. 113-67, §101(d)(2)(C), redesignated par. (10) as (8). Former par. (8) redesignated (6).

Par. (9). Pub. L. 113-67, §101(d)(2)(C), (J), redesignated par. (11) as (9) and substituted “paragraph (2)” for “paragraph (4)”. Former par. (9) redesignated (7).

¹ See References in Text note below.

Par. (10). Pub. L. 113-67, §101(b)(1), added par. (10). Former par. (10) redesignated (8).

Par. (11). Pub. L. 113-67, §101(d)(2)(C), redesignated par. (11) as (9).

2013 SEQUESTER

Pub. L. 112-240, title IX, §901(e), Jan. 2, 2013, 126 Stat. 2370, provided that: “On March 1, 2013, the President shall order a sequestration for fiscal year 2013 pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 901a], as amended by this section, pursuant to which, only for the purposes of the calculation in sections 251A(5)(A), 251A(6)(A), and 251A(7)(A), section 251(c)(2) [former 2 U.S.C. 901(c)(2)] shall be applied as if it read as follows:

“(2) For fiscal year 2013—

“(A) for the security category, \$544,000,000,000 in budget authority; and

“(B) for the nonsecurity category, \$499,000,000,000 in budget authority;.”

SEQUESTRATION ORDER FOR FISCAL YEAR 2013 PURSUANT TO SECTION 251A OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT, AS AMENDED

Order of President of the United States, dated Mar. 1, 2013, 78 F.R. 14633, provided:

By the authority vested in me as President by the laws of the United States of America, and in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act [of 1985], as amended (the “Act”), 2 U.S.C. 901a, I hereby order that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget in its report to the Congress of March 1, 2013.

Pursuant to sections 250(c)(6), 251A, and 255(e) of the Act, budgetary resources subject to sequestration shall be new budget authority, unobligated balances of defense function accounts carried over from prior fiscal years, direct spending authority, and obligation limitations.

All sequestrations shall be made in strict accordance with the requirements of section 251A of the Act and the specifications of the Office of Management and Budget’s report of March 1, 2013, prepared pursuant to section 251A(11) of the Act.

BARACK OBAMA.

SEQUESTRATION ORDER FOR FISCAL YEAR 2014 PURSUANT TO SECTION 251A OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT, AS AMENDED

Order of President of the United States, dated Apr. 10, 2013, 78 F.R. 22409, provided:

By the authority vested in me as President by the laws of the United States of America, and in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act [of 1985] (the “Act”), as amended, 2 U.S.C. 901a, I hereby order that, on October 1, 2013, direct spending budgetary resources for fiscal year 2014 in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget in its report to the Congress of April 10, 2013.

All sequestrations shall be made in strict accordance with the requirements of section 251A of the Act and the specifications of the Office of Management and Budget’s report of April 10, 2013, prepared pursuant to section 251A(11) of the Act.

BARACK OBAMA.

§ 902. Enforcing pay-as-you-go

(a) Purpose

The purpose of this section is to assure that any legislation enacted before October 1, 2002, affecting direct spending or receipts that increases the deficit will trigger an offsetting sequestration.

(b) Sequestration

(1) Timing

Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 901 or 903 of this title, there shall be a sequestration to offset the amount of any net deficit increase caused by all direct spending and receipts legislation enacted before October 1, 2002, as calculated under paragraph (2).

(2) Calculation of deficit increase

OMB shall calculate the amount of deficit increase or decrease by adding—

(A) all OMB estimates for the budget year of direct spending and receipts legislation transmitted under subsection (d) of this section;

(B) the estimated amount of savings in direct spending programs applicable to the budget year resulting from the prior year’s sequestration under this section or section 903 of this title, if any, as published in OMB’s final sequestration report for that prior year; and

(C) any net deficit increase or decrease in the current year resulting from all OMB estimates for the current year of direct spending and receipts legislation transmitted under subsection (d) of this section that were not reflected in the final OMB sequestration report for the current year.

(c) Eliminating a deficit increase

(1) The amount required to be sequestered in a fiscal year under subsection (b) of this section shall be obtained from non-exempt direct spending accounts from actions taken in the following order:

(A) First

All reductions in automatic spending increases specified in section 906(a)¹ of this title shall be made.

(B) Second

If additional reductions in direct spending accounts are required to be made, the maximum reductions permissible under sections 906(b) of this title (guaranteed and direct student loans) and 906(c)¹ of this title (foster care and adoption assistance) shall be made.

(C) Third

(i) If additional reductions in direct spending accounts are required to be made, each remaining non-exempt direct spending account shall be reduced by the uniform percentage necessary to make the reductions in direct spending required by subsection (b); except that the medicare programs specified in section 906(d) of this title shall not be reduced by more than 4 percent and the uniform percentage applicable to all other direct spending programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the required reduction in direct spending.

(ii) For purposes of determining reductions under clause (i), outlay reductions (as a result of sequestration of Commodity Credit Cor-

¹ See References in Text note below.