

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

# H. R. 1803

To preserve and protect the surpluses of the Social Security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1999

Mr. KASICH (for himself and Mr. RYAN of Wisconsin) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules, and Ways and Means, 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

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## A BILL

To preserve and protect the surpluses of the Social Security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Social Security Surplus  
3 Preservation and Debt Reduction Act”.

4 **SEC. 2. FINDINGS.**

5 Congress finds that—

6 (1) the \$69,246,000,000 unified budget surplus  
7 achieved in fiscal year 1998 was entirely due to sur-  
8 pluses generated by the social security trust funds  
9 and the cumulative unified budget surpluses pro-  
10 jected for subsequent fiscal years are primarily due  
11 to surpluses generated by the social security trust  
12 funds;

13 (2) Congress and the President should balance  
14 the budget excluding the surpluses generated by the  
15 social security trust funds;

16 (3) according to the Congressional Budget Of-  
17 fice, balancing the budget excluding the surpluses  
18 generated by the social security trust funds will re-  
19 duce the debt held by the public by a total of  
20 \$1,723,000,000,000 by the end of fiscal year 2009;  
21 and

22 (4) social security surpluses should be used to  
23 enhance retirement security or to reduce the debt  
24 held by the public and should not be spent on other  
25 programs.

1 **SEC. 3. PROTECTION OF THE SOCIAL SECURITY TRUST**  
2 **FUNDS.**

3 (a) PROTECTION BY CONGRESS.—

4 (1) REAFFIRMATION OF SUPPORT.—Congress  
5 reaffirms its support for the provisions of section  
6 13301 of the Budget Enforcement Act of 1990 that  
7 provides that the receipts and disbursements of the  
8 social security trust funds shall not be counted for  
9 the purposes of the budget submitted by the Presi-  
10 dent, the congressional budget, or the Balanced  
11 Budget and Emergency Deficit Control Act of 1985.

12 (2) PROTECTION OF SOCIAL SECURITY BENE-  
13 FITS.—If there are sufficient balances in the Federal  
14 Old-Age and Survivors Insurance Trust Fund and  
15 the Federal Disability Insurance Trust Fund, the  
16 Secretary of Treasury shall give priority to the pay-  
17 ment of social security benefits required to be paid  
18 by law.

19 (b) POINTS OF ORDER.—Section 301 of the Congres-  
20 sional Budget Act of 1974 is amended by adding at the  
21 end the following:

22 “(j) SOCIAL SECURITY POINT OF ORDER.—It shall  
23 not be in order in the House of Representatives or the  
24 Senate to consider a concurrent resolution on the budget,  
25 an amendment thereto, or a conference report thereon

1 that violates section 13301 of the Budget Enforcement  
2 Act of 1990.

3 “(k) DEBT HELD BY THE PUBLIC POINT OF  
4 ORDER.—It shall not be in order in the House of Rep-  
5 resentatives or the Senate to consider any bill, joint resolu-  
6 tion, amendment, motion, or conference report that  
7 would—

8 “(1) increase the limit on the debt held by the  
9 public in section 253A(a) of the Balanced Budget  
10 and Emergency Deficit Control Act of 1985; or

11 “(2) provide additional borrowing authority  
12 that would result in the limit on the debt held by the  
13 public in section 253A(a) of the Balanced Budget  
14 and Emergency Deficit Control Act of 1985 being  
15 exceeded.

16 “(l) SOCIAL SECURITY SURPLUS PROTECTION POINT  
17 OF ORDER.—

18 “(1) IN GENERAL.—It shall not be in order in  
19 the House of Representatives or the Senate to con-  
20 sider a concurrent resolution on the budget, an  
21 amendment thereto, or a conference report thereon  
22 that sets forth a deficit in any fiscal year.

23 “(2) EXCEPTION.—Paragraph (1) shall not  
24 apply if—

1           “(A) the limit on the debt held by the pub-  
2           lic in section 253A(a) of the Balanced Budget  
3           and Emergency Deficit Control Act of 1985 is  
4           suspended; or

5           “(B) the deficit for a fiscal year results  
6           solely from the enactment of—

7                   “(i) retirement security reform legisla-  
8                   tion, as defined in section 253A(e)(2) of  
9                   the Balanced Budget and Emergency Def-  
10                  icit Control Act of 1985; or

11                   “(ii) provisions of legislation that are  
12                  designated as an emergency requirement  
13                  pursuant to section 251(b)(2)(A) or 252(e)  
14                  of the Balanced Budget and Emergency  
15                  Deficit Control Act of 1985.”.

16 **SEC. 4. DEDICATION OF SOCIAL SECURITY SURPLUSES TO**  
17 **REDUCTION IN THE DEBT HELD BY THE PUB-**  
18 **LIC.**

19           (a) AMENDMENTS TO THE CONGRESSIONAL BUDGET  
20 ACT OF 1974.—The Congressional Budget Act of 1974  
21 is amended—

22                   (1) in section 3, by adding at the end the fol-  
23                  lowing:

24                   “(11)(A) The term ‘debt held by the public’  
25                  means the outstanding face amount of all debt obli-

1 gations issued by the United States Government  
2 that are held by outside investors, including individ-  
3 uals, corporations, State or local governments, for-  
4 eign governments, and the Federal Reserve System.

5 “(B) For the purpose of this paragraph, the  
6 term ‘face amount’, for any month, of any debt obli-  
7 gation issued on a discount basis that is not redeem-  
8 able before maturity at the option of the holder of  
9 the obligation is an amount equal to the sum of—

10 “(i) the original issue price of the obliga-  
11 tion; plus

12 “(ii) the portion of the discount on the ob-  
13 ligation attributable to periods before the begin-  
14 ning of such month.

15 “(12) The term ‘social security surplus’ means  
16 the amount for a fiscal year that receipts exceed out-  
17 lays of the Federal Old-Age and Survivors Insurance  
18 Trust Fund and the Federal Disability Insurance  
19 Trust Fund.”;

20 (2) in section 301(a) by—

21 (A) redesignating paragraphs (6) and (7)  
22 as paragraphs (7) and (8), respectfully; and

23 (B) inserting after paragraph (5) the fol-  
24 lowing:

25 “(6) the debt held by the public; and”;

1 (3) in section 310(a) by—

2 (A) striking “or” at the end of paragraph

3 (3);

4 (B) by redesignating paragraph (4) as  
5 paragraph (5); and

6 (C) inserting the following new paragraph;

7 “(4) specify the amounts by which the statutory  
8 limit on the debt held by the public is to be changed  
9 and direct the committee having jurisdiction to rec-  
10 ommend such change; or”.

11 (b) AMENDMENTS TO THE BALANCED BUDGET AND  
12 EMERGENCY DEFICIT CONTROL ACT OF 1985.—The Bal-  
13 anced Budget and Emergency Deficit Control Act of 1985  
14 is amended—

15 (1) in section 250, by striking subsection (b)  
16 and inserting the following:

17 “(b) GENERAL STATEMENT OF PURPOSE.—This part  
18 provides for the enforcement of—

19 “(1) a balanced budget excluding the receipts  
20 and disbursements of the social security trust funds;  
21 and

22 “(2) a limit on the debt held by the public to  
23 ensure that social security surpluses are used for re-  
24 tirement security reform or to reduce debt held by  
25 the public and are not spent on other programs.”;

1           (2) in section 250(c)(1), by inserting “‘ debt  
2           held by the public’, ‘social security surplus’” after  
3           “outlays’, ”; and

4           (3) by inserting after section 253 the following:

5   **“SEC. 253A. DEBT HELD BY THE PUBLIC LIMIT.**

6           “(a) LIMIT.—The debt held by the public shall not  
7           exceed—

8           “(1) for the period beginning May 1, 2000  
9           through April 30, 2001, \$3,628,000,000,000;

10           “(2) for the period beginning May 1, 2001  
11           through April 30, 2002, \$3,512,000,000,000;

12           “(3) for the period beginning May 1, 2002  
13           through April 30, 2004, \$3,383,000,000,000;

14           “(4) for the period beginning May 1, 2004  
15           through April 30, 2006, \$3,100,000,000,000;

16           “(5) for the period beginning May 1, 2006  
17           through April 30, 2008, \$2,775,000,000,000; and,

18           “(6) for the period beginning May 1, 2008  
19           through April 30, 2010, \$2,404,000,000,000.

20           “(b) ADJUSTMENTS FOR ACTUAL SOCIAL SECURITY  
21           SURPLUS LEVELS.—

22           “(1) ESTIMATED LEVELS.—The estimated level  
23           of social security surpluses for the purposes of this  
24           section is—

1           “(A)     for     fiscal     year     1999,

2           \$127,000,000,000;

3           “(B)     for     fiscal     year     2000,

4           \$137,000,000,000;

5           “(C)     for     fiscal     year     2001,

6           \$145,000,000,000;

7           “(D)     for     fiscal     year     2002,

8           \$153,000,000,000;

9           “(E)     for     fiscal     year     2003,

10          \$162,000,000,000;

11          “(F)     for     fiscal     year     2004,

12          \$171,000,000,000;

13          “(G)     for     fiscal     year     2005,

14          \$184,000,000,000;

15          “(H)     for     fiscal     year     2006,

16          \$193,000,000,000;

17          “(I)     for     fiscal     year     2007,

18          \$204,000,000,000;

19          “(J)     for     fiscal     year     2008,

20          \$212,000,000,000; and

21          “(K)     for     fiscal     year     2009,

22          \$218,000,000,000.

23           “(2) ADJUSTMENT TO THE LIMIT FOR ACTUAL

24           SOCIAL SECURITY SURPLUSES.—After October 1 and

25           no later than December 31 of each year, the Sec-

1       retary shall make the following calculations and ad-  
2       justments:

3               “(A) CALCULATION.—After the Secretary  
4       determines the actual level for the social secu-  
5       rity surplus for the current year, the Secretary  
6       shall take the estimated level of the social secu-  
7       rity surplus for that year specified in paragraph  
8       (1) and subtract that actual level.

9               “(B) ADJUSTMENT.—

10              “(i) 2000 THROUGH 2004.—WITH RE-  
11       SPECT TO THE PERIODS DESCRIBED IN  
12       SUBSECTIONS (A)(1), (A)(2), AND (A)(3), THE  
13       SECRETARY SHALL ADD THE AMOUNT CAL-  
14       CULATED UNDER SUBPARAGRAPH (A) TO—

15              “(I) the limit set forth in sub-  
16       section (a) for the period of years that  
17       begins on May 1st of the following  
18       calendar year; and

19              “(II) each subsequent limit.

20              “(ii) 2004 THROUGH 2010.—With re-  
21       spect to the periods described in sub-  
22       sections (a)(4), (a)(5), and (a)(6), the Sec-  
23       retary shall add the amount calculated  
24       under subparagraph (A) to—

1                   “(I) the limit set forth in sub-  
2                   section (a) for the period of years that  
3                   includes May 1st of the following cal-  
4                   endar year; and

5                   “(II) each subsequent limit.

6           “(c) ADJUSTMENT TO THE LIMIT FOR EMER-  
7   GENCIES.—

8                   “(1) ESTIMATE OF LEGISLATION.—

9                   “(A) CALCULATION.—If legislation is en-  
10                   acted into law that contains a provision that is  
11                   designated as an emergency requirement pursu-  
12                   ant to section 251(b)(2)(A) or 252(e), OMB  
13                   shall estimate the amount the debt held by the  
14                   public will change as a result of the provision’s  
15                   effect on the level of total outlays and receipts  
16                   excluding the impact on outlays and receipts of  
17                   the Federal Old-Age and Survivors Insurance  
18                   Trust Fund and the Federal Disability Insur-  
19                   ance Trust Fund.

20                   “(B) BASELINE LEVELS.—OMB shall cal-  
21                   culate the changes in subparagraph (A) relative  
22                   to baseline levels for each fiscal year through  
23                   fiscal year 2010 using current estimates.

24                   “(C) ESTIMATE.—OMB shall include the  
25                   estimate required by this paragraph in the re-

1 port required under section 251(a)(7) or section  
2 252(d), as the case may be.

3 “(2) ADJUSTMENT.—After January 1 and no  
4 later than May 1 of each calendar year beginning  
5 with calendar year 2000—

6 “(A) with respect to the periods described  
7 in subsections (a)(1), (a)(2), and (a)(3), the  
8 Secretary shall add the amounts calculated  
9 under paragraph (1)(A) for the current year in-  
10 cluded in the report referenced in paragraph  
11 (1)(C) to—

12 “(i) the limit set forth in subsection  
13 (a) for the period of years that begins on  
14 May 1 of that calendar year; and

15 “(ii) each subsequent limit; and

16 “(B) with respect to the periods described  
17 in subsections (a)(4), (a)(5), and (a)(6), the  
18 Secretary shall add the amounts calculated  
19 under paragraph (1)(A) for the current year in-  
20 cluded in the report referenced in paragraph  
21 (1)(C) to—

22 “(i) the limit set forth in subsection  
23 (a) for the period of years that includes  
24 May 1 of that calendar year; and

25 “(ii) each subsequent limit.

1           “(3) EXCEPTION.—The Secretary shall not  
2           make the adjustments pursuant to this section if the  
3           adjustments for the current year are less than the  
4           on-budget surplus for the year before the current  
5           year.

6           “(d) ADJUSTMENT TO THE LIMIT FOR LOW ECO-  
7           NOMIC GROWTH AND WAR.—

8           “(1) SUSPENSION OF STATUTORY LIMIT ON  
9           DEBT HELD BY THE PUBLIC.—

10           “(A) LOW ECONOMIC GROWTH.—If the  
11           most recent of the Department of Commerce’s  
12           advance, preliminary, or final reports of actual  
13           real economic growth indicate that the rate of  
14           real economic growth for each of the most re-  
15           cently reported quarter and the immediately  
16           preceding quarter is less than 1 percent, the  
17           limit on the debt held by the public established  
18           in this section is suspended.

19           “(B) WAR.—If a declaration of war is in  
20           effect, the limit on the debt held by the public  
21           established in this section is suspended.

22           “(2) RESTORATION OF STATUTORY LIMIT ON  
23           DEBT HELD BY THE PUBLIC.—

24           “(A) RESTORATION OF LIMIT.—The statu-  
25           tory limit on debt held by the public shall be re-

1 stored on May 1 following the quarter in which  
2 the level of real Gross Domestic Product in the  
3 final report from the Department of Commerce  
4 is equal to or is higher than the level of real  
5 Gross Domestic Product in the quarter pre-  
6 ceding the first two quarters that caused the  
7 suspension of the pursuant to paragraph (1).

8 “(B) ADJUSTMENT.—

9 “(i) CALCULATION.—The Secretary  
10 shall take level of the debt held by the pub-  
11 lic on October 1 of the year preceding the  
12 date referenced in subparagraph (A) and  
13 subtract the limit in subsection (a) for the  
14 period of years that includes the date ref-  
15 erenced in subparagraph (A).

16 “(ii) ADJUSTMENT.—The Secretary  
17 shall add the amount calculated under  
18 clause (i) to—

19 “(I) the limit in subsection (a)  
20 for the period of fiscal years that in-  
21 cludes the date referenced in subpara-  
22 graph (A); and

23 “(II) each subsequent limit.

1           “(e) ADJUSTMENT TO THE LIMIT FOR RETIREMENT  
2 SECURITY REFORM PROVISIONS THAT AFFECT ON-BUDG-  
3 ET LEVELS.—

4           “(1) ESTIMATE OF LEGISLATION.—

5                   “(A) CALCULATION.—If retirement secu-  
6 rity reform legislation is enacted, OMB shall es-  
7 timate the amount the debt held by the public  
8 will change as a result of the legislation’s effect  
9 on the level of total outlays and receipts exclud-  
10 ing the impact on outlays and receipts of the  
11 Federal Old-Age and Survivors Insurance Trust  
12 Fund and the Federal Disability Insurance  
13 Trust Fund.

14                   “(B) BASELINE LEVELS.—OMB shall cal-  
15 culate the changes in subparagraph (A) relative  
16 to baseline levels for each fiscal year through  
17 fiscal year 2010 using current estimates.

18                   “(C) ESTIMATE.—OMB shall include the  
19 estimate required by this paragraph in the re-  
20 port required under section 252(d) for retire-  
21 ment security reform legislation.

22           “(2) ADJUSTMENT TO LIMIT ON THE DEBT  
23 HELD BY THE PUBLIC.—If retirement security re-  
24 form legislation is enacted, the Secretary shall ad-  
25 just the limit on the debt held by the public for each

1 period of fiscal years by the amounts determined  
2 under paragraph (1)(A) for the relevant fiscal years  
3 included in the report referenced in paragraph  
4 (1)(C).

5 “(e) DEFINITIONS.—In this section:

6 “(1) SECRETARY.—The term ‘Secretary’ means  
7 the Secretary of the Treasury.

8 “(2) RETIREMENT SECURITY REFORM LEGISLA-  
9 TION.—The term ‘retirement security reform legisla-  
10 tion’ means a bill or joint resolution that is enacted  
11 into law and includes a provision stating the fol-  
12 lowing:

13 ““( ) RETIREMENT SECURITY REFORM LEGIS-  
14 LATION.—For the purposes of the Social Security  
15 Surplus Preservation and Debt Reduction Act, this  
16 Act constitutes retirement security reform legisla-  
17 tion.’

18 This paragraph shall apply only to the first bill or  
19 joint resolution enacted into law as described in this  
20 paragraph.

21 “(3) RETIREMENT SECURITY REFORM PROVI-  
22 SIONS.—The term ‘retirement security reform provi-  
23 sions’ means a provision or provisions identified in  
24 retirement security reform legislation stating the fol-  
25 lowing:

1           “( ) RETIREMENT SECURITY REFORM PROVI-  
2           SIONS.—For the purposes of the Social Security  
3           Surplus Preservation and Debt Reduction Act,  
4           \_\_\_\_\_ of this Act constitutes or constitute social  
5           security reform provisions.’, with a list of specific  
6           provisions in that bill or joint resolution specified in  
7           the blank space.”.

8   **SEC. 5. PRESIDENT’S BUDGET.**

9           Section 1105(f) of title 31, United States Code, is  
10          amended by striking “in a manner consistent” and insert-  
11          ing “in compliance”.

12   **SEC. 6. SUNSET.**

13          This Act and the amendments made by it shall expire  
14          on April 30, 2010.

○