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(Original Signature of Member)

112TH CONGRESS
1ST SESSION

H. R. _____

To require greater accountability in spending in direct spending programs,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CHAFFETZ (for himself, Mr. RYAN of Wisconsin, Mr. HENSARLING, and
Mr. ROKITA) introduced the following bill; which was referred to the
Committee on _____

A BILL

To require greater accountability in spending in direct
spending programs, and for other purposes.

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 “Review Every Dollar
5 Act of 2011”.

1 **SEC. 102. CRITERIA FOR REVIEW.**

2 Any committee of the House of Representatives or
3 the Senate with jurisdiction over any program being reau-
4 thorized shall consider the following criteria in deter-
5 mining whether such program should be modified, termi-
6 nated, or reauthorized:

7 (1) The effectiveness and efficiency of the oper-
8 ation of the program.

9 (2) Whether the program is cost effective.

10 (3) Whether the original objectives of the pro-
11 gram have been achieved.

12 (4) Whether alternative methods exist to carry
13 out the objectives of the program in a more cost ef-
14 fective manner.

15 (5) The extent to which the program is duplica-
16 tive or conflicts with other programs.

17 (6) The potential benefits of consolidating this
18 program with similar or duplicative programs.

19 (7) The growth in cost per beneficiary or per-
20 sons served by the program.

21 (8) The extent to which any trends, develop-
22 ments, and emerging conditions may affect the prob-
23 lems or needs that the program is intended to ad-
24 dress.

25 (9) The extent it imposes mandates on State
26 and local governments.

1 (10) The extent it impedes sustainable eco-
2 nomic growth.

3 (11) The extent to which the program is a con-
4 stitutionally authorized activity of the Government.

5 **TITLE II—DEFICIT REDUCTION**
6 **ACCOUNTS**

7 **SEC. 201. ESTABLISHMENT OF DISCRETIONARY DEFICIT**
8 **REDUCTION ACCOUNT.**

9 (a) DISCRETIONARY DEFICIT REDUCTION AC-
10 COUNT.—Title III of the Congressional Budget Act of
11 1974 is amended by adding at the end the following new
12 section:

13 “DISCRETIONARY DEFICIT REDUCTION ACCOUNT

14 “SEC. 316. (a) ESTABLISHMENT OF ACCOUNT.—The
15 chairman of the Committee on the Budget of the House
16 of Representatives and the chairman of the Committee on
17 the Budget of the Senate shall each maintain an account
18 to be known as the ‘deficit reduction discretionary ac-
19 count’. The Account shall be divided into entries cor-
20 responding to the subcommittees of the Committee on Ap-
21 propriations of that House and each entry shall consist
22 of the ‘deficit reduction balance’.

23 “(b) COMPONENTS.—Each entry shall consist only of
24 amounts credited to it under subsection (c).

25 “(c) CREDITING OF AMOUNTS TO ACCOUNT.—

1 “(1) Whenever a Member of Congress offers an
2 amendment to an appropriation bill to reduce new
3 budget authority in any account or has the effect of
4 reducing direct spending, that Member may state
5 the portion of such reduction that shall be credited
6 to—

7 “(A) the deficit reduction balance;

8 “(B) used to offset an increase in new
9 budget authority in any other account; or

10 “(C) allowed to remain within the applica-
11 ble section 302(b) suballocation.

12 “(2) If no such statement is made, the amount
13 of reduction in new budget authority resulting from
14 the amendment shall be credited to the deficit reduc-
15 tion balance, as applicable, if the amendment is
16 agreed to.

17 “(3) Except as provided by paragraph (4), the
18 chairman of the Committee on the Budget of the
19 House of Representatives or Senate, as applicable,
20 shall, upon the engrossment of any appropriation bill
21 by the House of Representatives or Senate, as appli-
22 cable, credit to the applicable entry balances
23 amounts of new budget authority and outlays equal
24 to the net amounts of reductions in budget authority

1 and in outlays resulting from amendments agreed to
2 by that House to that bill.

3 “(4) When indicating the net amounts of reduc-
4 tions in new budget authority and outlays resulting
5 from amendments agreed to by the House of Rep-
6 resentatives or Senate, as applicable, to an appro-
7 priation bill, the chairman of the Committee on the
8 Budget of that House shall only count those por-
9 tions of such amendments agreed to that were so
10 designated by the Members offering such amend-
11 ments as amounts to be credited to the deficit reduc-
12 tion balance.

13 “(5) The chairman of the Committee on the
14 Budget of the House of Representatives and the
15 chairman of the Committee on the Budget of the
16 Senate shall each maintain a running tally of the
17 amendments adopted reflecting increases and de-
18 creases of budget authority in the bill as reported to
19 its House. This tally shall be available to Members
20 or Senators during consideration of any bill by that
21 House.

22 “(d) CALCULATION OF SAVINGS IN DEFICIT REDUC-
23 TION ACCOUNTS IN THE HOUSE OF REPRESENTATIVES
24 AND SENATE.—

1 “(1) For the purposes of enforcing section 302(a),
2 upon the engrossment of any appropriation bill by the
3 House of Representatives or Senate, as applicable, the
4 amount of budget authority and outlays calculated pursu-
5 ant to subsection (c)(3) shall be counted against the
6 302(a) allocation provided to the Committee on Appro-
7 priations as if the amount calculated pursuant to sub-
8 section (c)(3) was included in the bill just engrossed.

9 “(2) For purposes of enforcing section 302(b), upon
10 the engrossment of any appropriation bill by the House
11 of Representatives or Senate, as applicable, the 302(b) al-
12 location provided to the subcommittee for the bill just en-
13 grossed shall be deemed to have been reduced by the
14 amount of budget authority and outlays calculated, pursu-
15 ant to subsection (c)(3).

16 “(e) DEFINITION.—As used in this section, the term
17 ‘appropriation bill’ means any general or special appro-
18 priation bill, and any bill or joint resolution making sup-
19 plemental, deficiency, or continuing appropriations.”.

20 **SEC. 202. ESTABLISHMENT OF DIRECT SPENDING REDUC-**
21 **TION ACCOUNT.**

22 Title III of the Congressional Budget Act of 1974
23 (as amended by section 201) is further amended by adding
24 at the end the following new section:

1 “DIRECT SPENDING DEFICIT REDUCTION ACCOUNT

2 “SEC. 317. (a) ESTABLISHMENT OF ACCOUNT.—The
3 chairman of the Committee on the Budget of the House
4 of Representatives and of the Senate shall each maintain
5 an account to be known as the ‘deficit reduction direct
6 spending account’. The account shall be divided into en-
7 tries corresponding to the House of Representatives or
8 Senate committees, as applicable, that received allocations
9 under section 302(a) in the most recently adopted concur-
10 rent resolution on the budget, except that it shall not in-
11 clude the Committee on Appropriations of that House and
12 each entry shall consist of the ‘first-year deficit reduction
13 account’ and the ‘five-year deficit reduction account’ or
14 the period covered by the resolution on the budget for that
15 fiscal year, as applicable.

16 “(b) COMPONENTS.—Each entry shall consist only of
17 amounts credited to it under subsection (c). No entry of
18 a negative amount shall be made.

19 “(c) CALCULATION OF ACCOUNT SAVINGS IN HOUSE
20 AND SENATE.—For the purposes of enforcing section
21 302(a), upon the engrossment of any bill, other than an
22 appropriation bill, by the House of Representatives or
23 Senate, as applicable, the amount of budget authority and
24 outlays calculated pursuant to subsection (d)(3) shall be
25 counted against the 302(a) allocation provided to the ap-

1 plicable committee or committees of that House which re-
2 ported the bill as if the amount calculated pursuant to
3 subsection (d)(3) was included in the bill just engrossed.

4 “(d) CREDITING OF AMOUNTS TO ACCOUNT.—(1)
5 Whenever a Member or Senator, as the case may be, offers
6 an amendment to a bill that reduces the amount of budget
7 authority for direct spending provided either under cur-
8 rent law or proposed to be provided by the bill under con-
9 sideration, that Member or Senator may state the portion
10 of such reduction achieved in the first year covered by the
11 most recently adopted concurrent resolution on the budget
12 and in addition the portion of such reduction achieved in
13 the first ten years covered by the most recently adopted
14 concurrent resolution on the budget that shall be credited
15 to the first-year deficit reduction balance and the five-year
16 deficit reduction balance, as applicable, if the amendment
17 is agreed to.

18 “(2) Except as provided by paragraph (3), the chair-
19 man of the Committee on the Budget of the House of Rep-
20 resentatives or Senate, as applicable, shall, upon the en-
21 grossment of any bill, other than an appropriation bill, by
22 the House of Representatives or Senate, as applicable,
23 credit to the applicable entry balances amounts of new
24 budget authority and outlays equal to the net amounts of

1 reductions in budget authority and in outlays resulting
2 from amendments agreed to by that House to that bill.

3 “(3) When computing the net amounts of reductions
4 in budget authority and in outlays resulting from amend-
5 ments agreed to by the House of Representatives or Sen-
6 ate, as applicable, to a bill, the chairman of the Committee
7 on the Budget of that House shall only count those por-
8 tions of such amendments agreed to that were so des-
9 ignated by the Members or Senators offering such amend-
10 ments as amounts to be credited to the first year deficit
11 reduction balance and the five-year deficit reduction bal-
12 ance.

13 “(4) The chairman of the Committee on the Budget
14 of the House of Representatives and of the Senate shall
15 each maintain a running tally of the amendments adopted
16 reflecting increases and decreases of budget authority in
17 the bill as reported to its House. This tally shall be avail-
18 able to Members or Senators during consideration of any
19 bill by that House.

20 “(e) DEFINITION.—As used in this section, the term
21 ‘appropriation bill’ means any general or special appro-
22 priation bill, and any bill or joint resolution making sup-
23 plemental, deficiency, or continuing appropriations.”.

1 **SEC. 203. CONFORMING AMENDMENT.**

2 The table of contents set forth in section 1(b) of the
3 Congressional Budget and Impoundment Control Act of
4 1974 is amended by inserting after the item relating to
5 section 321 the following new items:

“Sec. 316. Discretionary deficit reduction account.

“Sec. 317. Direct spending deficit reduction account.”.

6 **TITLE III—GENERAL FUND**
7 **TRANSFERS**

8 **SEC. 301. BUDGET RULE RELATING TO TRANSFERS FROM**
9 **THE GENERAL FUND OF THE TREASURY TO**
10 **THE HIGHWAY TRUST FUND THAT INCREASE**
11 **PUBLIC INDEBTEDNESS.**

12 For purposes of the Congressional Budget Act of
13 1974, the Balanced Budget and Emergency Deficit Con-
14 trol Act of 1985, the Rules of the House of Representa-
15 tives, or the Standing Rules of the Senate, a bill or joint
16 resolution, or an amendment thereto or conference report
17 thereon, or any Act that transfers funds from the general
18 fund of the Treasury to the Highway Trust Fund shall
19 be counted as new budget authority and outlays equal to
20 the amount of the transfer in the fiscal year the transfer
21 occurs.

1 **TITLE IV—BUDGETING FOR**
2 **PELL GRANTS**

3 **SEC. 401. BUDGETING FOR PELL GRANTS.**

4 (a) SUNSET OF MANDATORY PELL GRANT ADD-
5 ON.—Section 401(b)(7) of the Higher Education Act of
6 1965 (20 U.S.C. 1070a(b)(7)) is amended—

7 (1) in subparagraph (A)—

8 (A) in clause (iii), by striking “for fiscal
9 year 2010” and all that follows through the
10 semicolon, and inserting “for each of the fiscal
11 years 2010, 2011, and 2012 to provide the
12 amount of increase of the maximum Federal
13 Pell Grant required by subparagraph (B)(ii)”;
14 and

15 (B) in clause (iv)—

16 (i) by inserting “and” at the end of
17 subclause (I);

18 (ii) in subclause (II), by striking the
19 semicolon and inserting a period; and

20 (iii) by striking subclauses (III)
21 through (XI);

22 (2) in subparagraph (B)—

23 (A) in clause (i), by inserting “and” after
24 the semicolon;

1 (B) in clause (ii), by striking “; and” and
2 inserting a period; and

3 (C) by striking clause (iii);

4 (3) by striking subparagraph (C);

5 (4) by redesignating subparagraphs (D)
6 through (F) as subparagraphs (C) through (E), re-
7 spectively; and

8 (5) in subparagraph (C) (as so redesignated),
9 by striking “subparagraphs (B) and (C)” and insert-
10 ing “subparagraph (B)”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall take effect on the date of enactment
13 of this Act.

14 **SEC. 402. CONFORMING CHANGE TO MAINTAIN MAXIMUM**
15 **FEDERAL PELL GRANT AMOUNTS FOR ACA-**
16 **DEMIC YEARS 2013–2017 AND SUCCEEDING**
17 **YEARS.**

18 For award years beginning with award year 2013–
19 2014, section 401(b) of the Higher Education Act of 1965
20 (20 U.S.C. 1070a(b)), is amended—

21 (1) by amending subparagraph (A) of para-
22 graph (2) to read as follows:

23 “(A) The amount of the Federal Pell Grant for a stu-
24 dent eligible under this part shall be \$5,550 for academic
25 years 2013–2014 through 2017–2018 less an amount

1 equal to the amount determined to be the expected family
2 contribution with respect to that student for that year.”;
3 and

4 (2) by repealing paragraph (7).

5 **SEC. 403. BUDGETARY ADJUSTMENT.**

6 Section 251(b)(1) of the Balanced Budget and Emer-
7 gency Deficit Control Act of 1985 is amended by adding
8 at the end the following new sentence: “Changing a pro-
9 gram from direct spending to discretionary spending or
10 from discretionary spending to direct spending is a change
11 of concept under this paragraph, provided it does not
12 cause a net increase in new budget authority or outlays
13 for the period of fiscal years set forth in subsection (c).”.

14 **TITLE V—BUDGETING FOR**
15 **ADMINISTRATIVE ACTIONS**

16 **SEC. 501. REVIEW OF RULES REQUIRING NEW BUDGET AU-**
17 **THORITY.**

18 (a) IN GENERAL.—Chapter 5 of title 5, United
19 States Code, is amended by inserting after section 559 the
20 following:

21 **“§ 559a. Review of rules requiring new budget au-**
22 **thority**

23 “(a) IN GENERAL.—A rule made to carry out a direct
24 spending program that would require new budget author-
25 ity of not less than \$100,000,000 for the fiscal year the

1 rule takes effect or for any of the 9 fiscal years imme-
2 diately succeeding that fiscal year may not take effect, ex-
3 cept as provided in subsection (d).

4 “(b) REVIEW BY OFFICE OF MANAGEMENT AND
5 BUDGET OF PROPOSED RULES.—Before the effective date
6 of any rule, the Director of the Office of Management and
7 Budget shall review the rule to determine if the rule is
8 a rule described in subsection (a). If the Director deter-
9 mines that the rule is such a rule—

10 “(1) the Director shall notify the agency mak-
11 ing the rule—

12 “(A) of that determination; and

13 “(B) the amount of the estimated new
14 budget authority that the rule would require for
15 the fiscal year in which the rule would take ef-
16 fect and the 9 fiscal years immediately suc-
17 ceeding that fiscal year; and

18 “(2) the agency may not undertake any further
19 action pertaining to such rulemaking.

20 “(c) PERIODIC REVIEW OF RULES.—Beginning on
21 the date that is one year after the date on which any rule
22 takes effect, and annually thereafter, the Director of the
23 Office of Management and Budget may make a determina-
24 tion as to whether the rule is a rule described in subsection
25 (a). For purposes of this determination, the fiscal year the

1 rule takes effect shall be deemed to be the fiscal year in
2 which the Director makes the determination. If the Direc-
3 tor determines that the rule is such a rule, the agency
4 that issued the rule shall provide for a transition period
5 of such length as the Director, in consultation with the
6 agency, determines appropriate. At the end of that transi-
7 tion period, the rule shall cease to have effect.

8 “(d) EXCEPTIONS.—Notwithstanding any other pro-
9 vision of this section, a rule described in subsection (a)
10 shall take effect or continue in effect—

11 “(1) if the President submits written notice to
12 the Congress that the President has determined that
13 the rule should take effect or continue in effect be-
14 cause such rule is—

15 “(A) necessary because of an imminent
16 threat to health or safety or other emergency;

17 “(B) necessary for the enforcement of
18 criminal laws;

19 “(C) necessary for national security; or

20 “(D) issued pursuant to any statute imple-
21 menting an international trade agreement; or

22 “(2) when the new budget authority to carry
23 out the rule is provided by law.

24 “(e) TREATMENT OF SUBSTANTIALLY SIMILAR
25 RULES.—A rule that does not take effect (or does not con-

1 tinue in effect) under this section may not be reissued in
2 substantially the same form, and a new rule that is sub-
3 stantially the same as such a rule may not be issued, un-
4 less the reissued or new rule is specifically authorized by
5 a law enacted after the date that the rule fails to take
6 effect or fails to continue in effect.

7 “(f) JUDICIAL REVIEW.—Any determination under
8 this section shall be subject to review under chapter 7 of
9 this title.

10 “(g) DEFINITIONS.—The terms ‘new budget author-
11 ity’ and ‘direct spending’ have the meanings given such
12 terms under section 250 of the Balanced Budget and
13 Emergency Deficit Control Act of 1985 (2 U.S.C. 900).

14 “(h) APPLICABILITY.—This section shall apply only
15 to rules for which the rulemakings are commenced after
16 the date of enactment of the Review Every Dollar Act of
17 2011.”

18 (b) COST OF PROJECTED ADMINISTRATIVE REGULA-
19 TIONS.—Section 1105(a) of title 31, United States Code,
20 is amended—

21 (1) by redesignating the second paragraph (37)
22 as paragraph (39); and

23 (2) by adding at the end the following new
24 paragraph:

1 “(40) a separate statement of the cost of ad-
2 ministrative rules that are projected to take effect
3 during the fiscal year for which the budget is sub-
4 mitted.”.

5 (c) CLERICAL AMENDMENT.—The table of sections
6 for chapter 5 of title 5, United States Code is amended
7 by inserting after the item relating to section 559 the fol-
8 lowing new item:

 “559a. Review of rules requiring new budget authority”.