

## Budget Control Act Summary and Timetable

### Main Elements of BCA

- Caps on discretionary spending are established through 2021;
- A \$900 billion total increase in the debt ceiling is authorized, with an immediate \$400 billion increase, and an additional \$500 billion increase in September unless Congress enacts a joint resolution of disapproval;
- The House and Senate are required to vote on a balanced budget amendment between October 1 and December 31, 2011;
- A 12-member bipartisan Joint Select Committee on Deficit Reduction (the Joint Committee) is created to identify \$1.2 trillion to \$1.5 trillion in additional cuts over the 2012-2021 fiscal period to be submitted to Congress for an up or down vote;
- A sequestration process is established to enforce cuts if the Joint Committee fails to refer legislation or does not meet the \$1.2 trillion threshold; and
- Additional \$1.2 trillion increase in debt ceiling is then authorized.

### Detailed Timetable

August	
August 2, 2011	<p>President Obama signs S. 365, the Budget Control Act of 2011:</p> <ul style="list-style-type: none"> <li>• Upon enactment, new statutory caps on discretionary spending are set in law for the next ten fiscal years (FY 2012 - FY 2021) that result in an aggregate reduction in discretionary spending of \$840 billion in Budget Authority compared to CBO's adjusted March 2011 baseline. (Note: With interest savings, the figure rises to \$917 billion.) For FY 2012, the aggregate total of \$1.043 trillion is \$7 billion below the final FY 2011 Continuing Resolution level. The FY 2013 level of \$1.047 trillion is \$3 billion below FY 2011. From 2014 on, only one cap will apply to total discretionary spending.</li> <li>• Because the Act established for FY 2012 and FY 2013 separate caps for "security" spending (defined as Defense, Homeland Security, VA, National Nuclear Security Administration, intelligence, and international affairs) and non-security spending (all other discretionary spending), the cut to security spending in FY 2011 is roughly \$4 billion, while the cut to nonsecurity is roughly \$3 billion.</li> <li>• As soon as practicable, the Chair of the Senate Budget Committee must report allocations for FY 2011 and FY 2012 to the Appropriations Committee based on the new discretionary caps set forth in the Act</li> </ul>

	and for FY 2011, FY 2012, FY 2012-2016 and FY 2012-2021 for other Senate committees consistent with the March 2011 CBO Baseline.
August 16, 2011	Not later than 14 days after enactment, the House Speaker, House Minority Leader, Senate Majority Leader and Senate Minority Leader each appoint three members to the Joint Select Committee on Deficit Reduction. Also by that date the Speaker of the House and the Senate Majority Leader each must name a co-chair of the Joint Committee from among the Committee members. The co-chairs are authorized to hire a staff director.
<b>September</b>	
September 16, 2011	Not later than 45 days after enactment, the Joint Committee shall hold its first meeting. <ul style="list-style-type: none"> <li>• The Co-Chairs must provide an agenda to joint committee members at least 48 hours in advance of any meeting. [Note: the Act does not require that meetings of the joint committee be open to the public]</li> <li>• The Joint Committee may hold hearings. It must announce not less than 7 days in advance the date, time place and subject matter of any hearing.</li> <li>• Written statements of any witness must be submitted at least 2 days before the hearing.</li> </ul>
<b>October</b>	
October 14, 2011	Not later than 10/14/11, the House and Senate Committees may submit to the Joint Committee recommendations for deficit reduction.
<b>November</b>	
November 23, 2011	Not later than 11/23/11, the Joint Committee shall vote on a report including findings, conclusions, recommendations, a CBO estimate and legislative language designed to achieve \$1.2 trillion to \$1.5 trillion in deficit reduction – potentially including entitlements and revenue -- over the period FY 2012 - FY 2021.  Any CBO estimates must be available at least 48 hours prior to a vote of the Committee.
<b>December</b>	
December 2, 2011	If the Joint Committee approves a report and legislative language by a majority vote of at least seven members, it must submit the report and the legislative language to the President, the House and the Senate - not later than 12/2/11.

December 9, 2011	Not later than 12/9/11, any standing House committee to which the Joint Committee's report has been referred must report it without amendment. By this same date any Senate Committee to which the Joint Committee's report has been referred must report it without amendment with either a favorable, unfavorable or no recommendation to the Senate.
December 23, 2011	Not later than 12/23/11, both the House and Senate must vote up or down without amendment on the report of the Joint Committee.
December 31, 2011	<p>Not later than 12/31/11, if the President submits a certification to Congress that the debt is within \$100 billion of the debt limit the Secretary of the Treasury is authorized to issue an additional \$900 billion of debt. The first \$400 billion occurs automatically upon the submission of the certification. The additional \$500 billion is subject to a resolution of disapproval. Congress may pass a resolution of disapproval within 50 calendar days. If the resolution of disapproval passes both the House and Senate, the President can veto it; Congress can attempt a veto override.</p> <p>After the debt limit is increased by \$900 billion, if the President submits a certification to Congress that the debt is within \$100 billion of the debt limit the Secretary of the Treasury is authorized to issue an additional \$1.2 trillion of debt. This amount will be increased to \$1.5 trillion if a balanced budget amendment to the Constitution has passed both the House and Senate and been submitted to the states. If the Joint Committee bill is enacted which achieves a reduction in the deficit greater than \$1.2 trillion, the borrowing authority will be increased by that amount up to \$1.5 trillion. Congress may pass a resolution of disapproval within 15 days after this request to raise the debt ceiling. (See below for process if at least \$1.2 trillion of deficit reduction is not enacted.)</p>
<b>April 2012</b>	
April 15, 2012	Not later than 4/15/12, the Chair of the Senate Budget Committee must report allocations for FY 2012 and 2013 to the Appropriations Committee based on the new discretionary caps set forth in the Act and for FY 2012, FY 2013, FY 2013-2017 and FY 2013-2022 for other Senate committees

	consistent with the March 2012 CBO baseline.
<b>January 2013</b>	
January 2, 2013	<p>By 1/2/13, If Congress has not adopted the Joint Committee's report to reduce the deficit by at least \$1.2 trillion, sequestration of both defense/security and non-exempt domestic programs will occur as calculated by OMB and ordered by the President.</p> <ul style="list-style-type: none"> <li>• If Congress adopts deficit reduction of less than \$1.2 trillion, the sequester shall make up the difference. If the total \$1.2 trillion must be accomplished by a sequester, the actual dollar amount of the sequester will be \$984 billion (the rest occurring in reduced interest payments).</li> <li>• The sequester will be equally divided for each of nine years (FY 13-21), so the yearly dollar reduction of the sequester will be \$109.3 billion, with 50% of that amount sequestered from defense/security accounts in Function 050 and the other 50% from non-exempt domestic discretionary and mandatory spending programs, with a limitation of no more than a 2% reduction to Medicare by reducing provider payments.</li> <li>• The list of exempt programs is contained in Section 255 of Balanced Budget and Emergency Deficit Control Act (BBEDCA) and special rules are contained in Section 256. Both of those sections have been amended by the Statutory Pay-As-You-Go Act of 2010.</li> <li>• The sequester shall result in a uniform percentage reduction for each defense/security account and a separate uniform reduction to each non exempt, except that the percentage reduction for Medicare provider payments shall not exceed 2 percent. The exact percentage cuts will not be known until the time of the sequester calculations, because it will be based on the final FY 12 spending levels. However, it is projected that the cut to defense/security spending will be 8.4% and the cut to non-exempt, domestic programs (other than Medicare) will be 6.7%.</li> </ul>