



**Legislative Bulletin.....February 2, 2012**

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**H.R. 3578**—Baseline Reform Act of 2011

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**H.R. 3578—Baseline Reform Act of 2011 (Woodall, R-GA)**

**Order of Business:** The bill is scheduled to be considered today and tomorrow (February 2<sup>nd</sup> and 3<sup>rd</sup>), under a structured rule that makes in order the amendments described below. All amendments are debatable for ten minutes.

**Summary:** The legislation removes the inflation adjustment to discretionary spending from the Congressional Budget Office’s (CBO) budget baseline, and requires CBO to use “zero baseline” budgeting for discretionary projections. According to the committee, last year’s CBO baseline included \$1.4 trillion of projected spending over ten years due to growth in discretionary spending assumed in the baseline.

The legislation also requires CBO to produce two reports to the Budget Committee:

**Report on No Tax Increase Revenue Baseline:** The legislation requires CBO to provide projections of ten-year revenue estimates assuming extension of the 2001 and 2003 tax cuts, extension of the Alternative Minimum Tax (AMT) patch, and extension of the lower death tax and gift tax (per Title III of the Tax Relief, Unemployment, Insurance Reauthorization, and Job Creation Act of 2010).

**Annual Report on Long-Term Budget Outlook:** The legislation requires CBO to provide *annual* reports (by July 1 of each year) on the nation’s long-term budget outlook (“long-term” being defined as covering at least the next forty years). An example of such a report may be found [here](#).

**Additional Background:** Representative Gohmert (R-TX) has previously authored similar legislation, H.R. 920, the Zero-Baseline Budget Act of 2011. A similar provision was also included in the [RSC’s Spending Reduction Act](#) (H.R. 408). The provision was also included in previous versions of the Family Budget Protection Act.

**Amendments Made in Order Under Rule:**

1. **Jackson Lee (D-TX).** The amendment requires, within 90 days of enactment, the Director of the Congressional Budget Office to prepare an analysis and study of the impact of the amendments made by this Act on present and future recipients of benefits under title II of the Social Security Act and transmit such analysis and study to the Committees on the Budget of the House of Representatives and the Senate.

**Committee Action:** The legislation was reported out of the Budget Committee on January 30, 2012. See committee report [here](#).

**Administration Position:** No Statement of Administration Policy (SAP) is available at press time.

**Cost to Taxpayers:** The legislation does not in and of itself have an impact on the federal budget. However, the legislation has the potential to reduce future spending by a substantial amount, since it removes biases in favor of discretionary spending increases.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No. The legislation would potentially cause reductions to the size of government by removing biases in the current budget baseline that favor spending increases.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No. The committee report states: “In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 3578 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.”

**Constitutional Authority:** According to the sponsor: “Congress has the power to enact this legislation pursuant to the following: Article I, Section 9, Clause 7.”

That portion of the Constitution reads: “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”

**RSC Staff Contact:** Brad Watson, [brad.watson@mail.house.gov](mailto:brad.watson@mail.house.gov), (202) 226-9719