



# H.R. \_ The Fiscal Responsibility Act

Section-by-Section

**Sec. 1. Short Title.** Establishes the title of the bill as the “Fiscal Responsibility Act of 2023.”

**Sec. 2. Table of Contents.**

## **DIVISION A—LIMIT FEDERAL SPENDING**

### **TITLE I—DISCRETIONARY SPENDING LIMITS FOR DISCRETIONARY CATEGORY**

**Sec. 101. Discretionary Spending Limits.** Establishes caps on discretionary spending from Fiscal Years (FY) 2024 through 2025. Sets a FY24 defense limit of \$868.349 billion and nondefense limit of \$703.651 billion. Spending limits grow by 1% in FY25, \$895.212 billion for defense and \$710.688 billion for nondefense. The section also reapplies the disaster funding cap adjustment formula and updates and carries forward program integrity cap adjustments at CBO baseline levels.

Discretionary spending limits:

(\$m)	Defense	Nondefense	Total
Fiscal Year 2024	886,349	703,651	1,590,000
Fiscal Year 2025	895,212	710,688	1,605,900

In addition, this section advance appropriates for the Cost of War Toxic Exposure Fund, providing \$20.268 billion in FY24 and \$24.455 billion in FY24. It also provides \$11 billion for the Department of Commerce Nonrecurring Expenses Fund for FY24 and FY25.

In addition, this section establishes, for the purposes of Congressional budget enforcement, overall spending limits for four additional years, FY26-FY27 at 1% annual growth, adjusting for VA health:

(\$m)	Total
Fiscal Year 2026	1,621,959
Fiscal Year 2027	1,638,179
Fiscal Year 2028	1,654,560
Fiscal Year 2029	1,671,106

**Sec. 102. Special Adjustments for Fiscal Years 2024 and 2025.** In order to incentivize a successful appropriations process, this section provides that, if all 12 appropriations bills are not enacted by January 1 of the following year, discretionary spending will temporarily operate at a maximum of 99% of current levels.

**Sec. 103. Budgetary Treatment of Previously Enacted Emergency Requirements.** Clarifies the treatment of emergency spending enacted during the years discretionary caps were not in place.

### **TITLE II – BUDGET ENFORCEMENT**

**Secs. 111-112. Budget Enforcement in the House.** Establishes budget enforcement in the House for Fiscal Year 2024.

**Secs. 121-124. Budget Enforcement in the Senate.** Establishes budget enforcement in the Senate for Fiscal Years 2024 and 2025.

## **DIVISION B—SAVE TAXPAYER DOLLARS**

### **TITLE I—RESCISSION OF UNOBLIGATED FUNDING**

**Secs 1-81. Rescission of Unobligated COVID Funding.** Rescinds roughly \$28 billion in funds made available in over 120 accounts by the American Rescue Plan Act of 2021 (Public Law 117-2), Public Laws 116-123, 116-127, 116-136, and 116-139, and divisions M and N of Public Law 116-260.

### **TITLE II – FAMILY AND SMALL BUSINESS TAXPAYER PROTECTION**

**Sec. 251. Rescission of IRS Inflation Reduction Act Funds.** Rescinds \$1.4 billion in funding provided for the Internal Revenue Service (IRS) in the Inflation Reduction Act (P.L. 117-169), the full amount of funds included in their FY23 spend plan for non-taxpayer services.

### **TITLE III—STATUTORY ADMINISTRATIVE PAY-AS-YOU-GO ACT OF 2023**

**Secs. 261-270. Administrative PAYGO.** This section would establish, for the first time in law, a PAYGO requirement for executive branch actions that increase direct spending, similar to that established by President Trump in 2019. Before finalizing a rule that would increase direct spending by more than \$1 billion over 10 years or \$100 million in any single year, agencies would have to submit a plan that reduces direct spending by an equal or greater amount. For agency actions mandated by law, agencies would also have to identify a least costly implementation option for executive rulemakings. GAO will be required to include in their Congressional Review Act (CRA) reports to Congress an analysis of whether rules abided by Administrative PAYGO requirements.

### **TITLE IV—TERMINATION OF SUSPENSION OF PAYMENTS ON FEDERAL STUDENT LOANS**

**Sec. 271. Statutorily End the Student Loan Payment Pause.** Since the start of the pandemic, the temporary student loan payment pause has been extended eight times. This section would prohibit the Administration from further extending the pandemic student loan payment pause, which is currently costing taxpayers roughly \$5 billion per month.

## **DIVISION C—GROW THE ECONOMY**

### **TITLE I—TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)**

**Sec. 301. Recalibration of the Caseload Reduction Credit.** Under current law, states can receive caseload reduction credits (CRCs) for decreasing the number of individuals on their TANF caseload relative to an outdated, 2005 caseload level. This section would reset the baseline year for calculation of the CRC by a decade, to 2015, similar to what Congress did in the Deficit Reduction Act of 2005.

**Sec. 302. Pilot Projects for Promoting Accountability by Measuring Work Outcomes.** Establishes a five-state pilot program to encourage greater work and better family outcomes for TANF recipients.

**Sec. 303. Elimination of Small Checks Scheme.** In order to meet their required Work Participation Rate (WPR), some states send Supplemental Nutrition Assistance Program (SNAP) recipients who are already working a small TANF check so the state can officially count them as part of the TANF caseload and towards their WPR. This section would discount from work participation rates any family receiving less than \$35 in TANF benefits.

**Sec. 304. Reporting of Work Outcomes.** This provision would require HHS to collect data from states on outcome metrics for TANF recipients aligned with employment metrics in the Workforce Innovation and Opportunity Act to provide Congress with data to evaluate TANF's ability to move individuals off the sidelines into sustainable employment and self-sufficiency.

**Sec. 305. Effective Date.** Establishes the effective dates of the TANF reforms in this title.

### **TITLE II—SNAP EXEMPTIONS**

**Sec. 311. Modification of Work Requirement Exemptions.** Currently, SNAP's able-bodied adults without dependents (ABAWD) time limit and subsequent work requirement applies to individuals aged 18-49. This section

would gradually adjust through the age of 54, while exempting the homeless, veterans, and individuals aging out of foster care. These provisions sunset on October 1, 2030.

**Sec. 312. Modification of General Exemptions.** States are allowed to annually exempt up to 12% of ABAWDs not otherwise exempt from the work requirement. USDA has interpreted the law as allowing states to carry over unused exemptions from year to year, building up large balances and allowing them to exempt more individuals from work requirements. Beginning in 2024, this provision would end the ability of states to carry forward these exemptions. Additionally, beginning in 2024, the percentage of available exemptions is permanently reduced from 12% to 8%.

**Sec. 313. Supplemental Nutrition Assistance Program Under the Food and Nutrition Act of 2008.** Emphasizes that the purpose of the SNAP program is to assist low-income adults in obtaining employment and increasing their earnings, that such employment and earnings, along with program benefits, permits low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation.

**Sec. 314. Waiver Transparency.** This section mandates USDA to publish all State ABAWD waiver requests, including the data that supports such request, and the applicable USDA response.

### TITLE III—PERMITTING REFORM

**Sec. 321. BUILDER Act.** This section includes statutory reforms to the National Environmental Policy Act, including project threshold, interagency coordination and review deadlines to prevent project delay, limits on what qualifies as a major federal action, and limits to prevent agencies from missing statutory deadlines. This section provides the first significant reforms to NEPA since 1982.

*Statutory Clarity and Section 102 of NEPA.* Amends NEPA to clarify and narrow agency considerations to “reasonably foreseeable environmental impacts of the proposed agency action,” “reasonably foreseeable adverse environmental effects,” and “a reasonable range of alternatives to the proposed action that are technically and economically feasible and meet the purpose and need of the proposed action.”

*Interagency Coordination and Timely Reviews.* Codifies key elements of the One Federal Decision Framework, including development by the lead agency of a joint schedule, procedures to elevate delays or disputes, and, to the extent practicable, preparation of a single environmental document. The legislation also sets reasonable page limits for environmental documents and reasonable time limits of one year for environmental assessments and 2 years for environmental impact statements. The bill provides a right of action to project applicants if statutory deadlines are not met.

*NEPA Thresholds and Streamlining.* Includes threshold considerations for agencies assessing whether NEPA applies to a proposed activity. The bill also includes provisions facilitating agencies adopting categorical exclusions of other agencies through a streamlined process.

*Project Sponsor Preparation.* Permits a project sponsor to assist agencies in conducting environmental reviews to help speed up the process and to resolve issues without taking control or authority away from the lead agency.

*Major Federal Action.* Amends NEPA and clarifies that a major federal action is limited to those which are “subject to Federal control and responsibility.” It establishes a threshold consideration that is independent of the significance of impacts that may follow. It includes examples of actions that are not “major Federal actions.”

*Scientific Accuracy and Modern Technology.* Includes provisions requiring agencies to use reliable existing data sources and clarifies NEPA does not require undertaking new scientific and technical research to inform analyses.

*E-NEPA:* Directs the Council on Environmental Quality to conduct a study on applying modern digital technologies to provide efficiencies in the permitting process; requiring the consideration of a government-wide permitting portal to streamline communications and data sharing between agencies and applicants.

**Sec. 322 Interregional Transfer Capability Determination Study.** This section would authorize North American Electric Reliability Corporation to carry out, in consultation with regional operators, a study to examine total current transfer capabilities and provide recommendations to strengthen reliability and meet and maintain transfer capability between neighboring transmission regions.

**Sec. 323 Permitting Streamlining for Energy Storage.** This section adds energy storage to this list of covered projects eligible for streamlining under the FAST Act.

**Sec. 324 Expediting Completion of the Mountain Valley Pipeline.** This section would expedite the completion of the Mountain Valley Pipeline.

## **DIVISION D—INCREASE IN DEBT LIMIT**

**Sec. 401. Increase in Debt Limit.** This section suspends the debt limit through January 1, 2025, while prohibiting the Treasury from increasing the cash balance above normal operating balances or accelerating obligations in anticipation of meeting the debt limit.