Summary of the Bipartisan Budget Act of 2013
December 10, 2013

BUDGET ENFORCEMENT

The budget proposal authorizes an increase in discretionary spending for fiscal year 2014 and fiscal year 2015. The revisions for defense discretionary and non-defense discretionary spending are shown in Table 1.

Table 1. Caps on Discretionary Budget Authority

	Defense Discretionary Spending		Non-Defense Discretionary Spending	
	2014	2015	2014	2015
Current Law	$498,082,000,000	$512,046,000,000	$469,391,000,000	$483,130,000,000
Proposed Cap	$520,464,000,000	$521,372,000,000	$491,773,000,000	$492,456,000,000

The budget proposal saves $28 billion over ten years by requiring the President to sequester the same percentage of mandatory budgetary resources in 2022 and 2023 as will be sequestered in 2021 under current law.

PREVENTION OF WASTE, FRAUD, AND ABUSE

Improving the collection of unemployment insurance overpayments

This provision expands the use of the Treasury Offset Program (TOP) to all states so they can recover certain unemployment-insurance (UI) debts, such as overpayments because of fraud or failure to report earnings.

Strengthening Medicaid third-party liability

This provision reinforces Medicaid's standing as the payer of last resort by letting states delay paying for certain claims—to the extent that it doesn't harm the beneficiary's access to care—to ensure payment. It allows states to collect medical child support in cases where health insurance is available from a non-custodial parent. And it lets Medicaid recuperate costs from beneficiary-liability settlements.

Restriction on access to the Death Master File

This provision creates a program under which the Secretary of Commerce restricts access to information contained on the Death Master File (a list of deceased individuals and their Social Security numbers, dates of birth, and dates of death, maintained by the Social Security Administration) for a three-year period beginning on the date of an individual's death—except to persons who are certified under the program to access such information sooner. A penalty of $1,000 is imposed for each improper disclosure or misuse of information obtained from the DMF, up to a maximum of $250,000 per person per calendar year. The Secretary is required to establish and collect user fees sufficient to recover all costs associated with the certification program.

Identification of inmates requesting or receiving improper payments

This provision gives Treasury the legal authority to obtain Prisoner Update Processing System (PUPS) data and make it available for those programs in which prisoners are ineligible for benefits.

NATURAL RESOURCES

Ultra-deepwater and unconventional natural gas and other petroleum resources

This provision repeals the Ultra-Deepwater and Unconventional Natural Gas and Other Petroleum Resources Research Program—a research and development program created in 2005—and rescinds the program's remaining funds.

Amendment to the Mineral Leasing Act

This provision makes permanent a requirement that states receiving mineral revenue payments help defray the costs of managing the mineral leases that generate the revenue. It saves $415 million over ten years.

Approval of agreement with Mexico and Amendment to the Outer Continental Shelf Lands Act

This provision approves the U.S.–Mexico Transboundary Agreement, which will set up a framework to explore, develop, and share revenue from hydrocarbon resources that lie in waters beyond each country's exclusive economic zones. Another provision gives the Secretary of Interior the authority to implement the U.S.–Mexico agreement and any future transboundary hydrocarbon reservoir agreements entered into by the President and approved by Congress.

Federal oil and gas royalty prepayment cap

This provision limits the amount of interest payable to lessees on royalty overpayments to up to 110 percent of the amount due.

Strategic Petroleum Reserve

This provision rescinds all available funds in the "SPR Petroleum Account." This provision permanently repeals the federal government's authority to accept oil through the royalty-in-kind program to fill the SPR.

FEDERAL CIVILIAN AND MILITARY RETIREMENT

Federal Retirement

These sections increase federal-employee contributions to their retirement programs by 1.3 percentage points. The proposal affects new employees hired after December 31, 2013 with less than five years of service.

Annual adjustment of retired pay and retainer pay amounts for retired members of the Armed Forces under age 62

This provision modifies the annual cost-of-living adjustment for working-age military retirees by making the adjustments equal to inflation minus one percent. This change would be gradually

phased in, with no change for the current year, a 0.25 percent decrease in December 2014, and a 0.5 percent decrease in December 2015. This would not affect service members who retired because of disability or injury. Service members would never see a reduction in benefits from one year to the next.

HIGHER EDUCATION

Default Reduction Program

This provision reduces the compensation guaranty agencies receive for rehabilitating a loan from the Federal Family Education Loan (FFEL) program, beginning July 1, 2014.

Elimination of nonprofit servicing contracts

This provision eliminates the mandatory spending for payments to non-profit student-loan servicers, and instead ensures they will be paid with discretionary funds in the same manner as other student-loan servicers.

TRANSPORATION

Aviation security service fees

This provision increases Transportation Security Administration (TSA) fees and simplifies how the fees are assessed.

Transportation cost reimbursement

Under current law, the Maritime Administration must reimburse other federal agencies for the extra costs associated with shipping food aid on U.S. ships. This proposal repeals that requirement.

Sterile areas at airports

This provision requires TSA to continue monitoring exits from the sterile area at the 155 airports that currently receive this service. The section has no effect on approximately two-thirds of airports.

MISCELLANEOUS PROVISIONS

Extension of customs user fees

This provision allows the Bureau of Customs and Border Protection (CBP) to continue collecting user fees through FY 2023.

Limitation on allowable government contractor compensation costs

This provision limits how much a contractor could charge the federal government for an employee’s compensation to $487,000.

Pension Benefit Guaranty Corporation premium rate increases

This provision raises the premiums that private companies pay the federal government to guarantee their pension benefits.

Cancellation of unobligated balances

Department of Justice Assets Forfeiture Fund

This provision permanently cancels a portion of the unobligated balances in the Department of Justice's Assets Forfeiture Fund.

Treasury Forfeiture Fund

This provision will permanently cancels a portion of the unobligated balances in the Treasury Forfeiture Fund.

Conservation planning technical assistance user fees

This provision allows the Natural Resources Conservation Service to charge a fee for providing technical and financial assistance on the development of individualized, site-specific conservation plans.

Self plus one coverage

This provision allows the Office of Personnel Management to offer a self-plus-one option in the Federal Employees Health Benefits program.