

FISCAL YEAR 2019

EFFICIENT, EFFECTIVE, ACCOUNTABLE

**AN
AMERICAN
BUDGET**

Mid-Session Review

BUDGET OF THE U.S. GOVERNMENT

OFFICE OF MANAGEMENT AND BUDGET | OMB.GOV

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

July 13, 2018

The Honorable Paul D. Ryan
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Section 1106 of Title 31, United States Code, requests that the President send to the Congress a supplemental update of the Budget that was transmitted to the Congress earlier in the year. This enclosed supplemental update of the Budget, commonly known as the Mid-Session Review, contains revised estimates of receipts, outlays, budget authority, and the budget deficit for fiscal years 2018 through 2028.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mick Mulvaney".

Mick Mulvaney
Director

Enclosure

Identical Letter Sent to The President of the Senate

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GENERAL NOTES

1. Unless otherwise noted, years referenced for budget data are fiscal years, and years referenced for economic data are calendar years.
2. All totals in the text and tables include both on-budget and off-budget spending and receipts unless otherwise noted.
3. Details in the tables and text may not add to totals due to rounding.
4. Web address: *<http://www.budget.gov>*

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SUMMARY

Since President Trump took office in January of 2017, the Administration has focused on promoting policies that foster economic growth, wage increases, and job creation. That is why the Administration prioritized MAGAnomics policies to kick-start economic growth and job creation through reforming the tax code; fixing the regulatory structure; reducing burdensome federal health care mandates and opening up affordable coverage options; ensuring free, fair, and reciprocal trade; and implementing fiscal discipline through spending restraint. Americans have already experienced many benefits of MAGAnomics, including: 3.2 million jobs created since the President was sworn in, unemployment falling to 4 percent, job openings hitting a record high, and increased consumer and business confidence.

One of the President's immediate and highest priorities upon entering office was fixing the outdated tax structure that had not been reformed in more than 30 years. The outdated structure was driving companies overseas, preventing small businesses from expanding, and discouraging additional investment in the United States. President Trump and the Administration worked hand-in-hand with Congress to enact the historic Tax Cuts and Jobs Act (TCJA). Throughout the negotiations on the TCJA, the Administration focused on how to help middle-class families and distressed communities, as well as make the U.S. more competitive to attract needed capital investment for small businesses. The TCJA lowered taxes for families, doubled the child tax credit and the standard deduction, and expanded the use of 529 plans to include tuition for kindergarten to 12th grade at public, private, or religious schools. A study by the Council of Economic Advisers found that American households would see their annual income increase by an average of \$4,000 due to corporate tax reform alone, once the adjustment to that reform had run its course. The TCJA also created Opportunity Zones to encourage private investment in distressed communities. Opportunity Zones are a way to ensure that economic growth is experienced even in distressed communities.

Since the passage of the TCJA in December, the American economy has been revitalized. More than six million American workers have benefitted by receiving higher wages, bonuses, or increased retirement contributions from the companies they work for, and companies have also announced additional capital investment of more \$217 billion. The Labor Department reported that the U.S. had 6.7 million job openings compared with 6.3 million Americans who were unemployed, so that March, April, and May were the first months in which job openings exceeded the number of jobless Americans. Additionally, companies repatriated more than \$300 billion back to the United States in the first quarter of fiscal year 2018, setting a new record.

The American economy is growing at a rate above predictions, and the unemployment rate fell to the lowest level in nearly 50 years. At the beginning of the Trump Administration, the Blue Chip consensus forecast of real GDP growth (year-over-year) for 2018 was 2.4 percent; it has now grown to 2.9 percent. Additionally, we continue to see upward revisions of private forecasts of economic growth. Consensus forecasts through November 2017 were between 2.3 to 2.4 percent in 2018 and 2.1 percent in 2019. Since November, private forecasts have been revised steadily upward. As of last month, the Blue Chip consensus forecast is now for 2018 growth of 2.8 percent, and 2019 growth of 2.3 percent, upward revisions of 0.5 and 0.2 percentage points respectively since the passage of TCJA.

Official forecasts revisions suggest an even bigger bump. The CBO projected growth of 2.0 and 1.5 percent in 2018 and 2019. That has now been revised substantially—up to 3.3 and 2.4 percent, respectively, following implementation of the TCJA. Meanwhile, last summer, before the tax debate got seriously underway, the FOMC median forecast was for growth of just 2.1 and 1.9 percent in 2018 and 2019. That has since been revised up by 0.6 and 0.5 percentage points, respectively, with most of the upward revision occurring in December, as the tax bill made it over the legislative finish line.

In April, the IMF released its April 2018 World Economic Outlook (WEO). Global growth for 2018 was revised up 0.2 percentage points from its October WEO release to 3.9 percent year-over-year. The IMF attributes roughly half of the global growth revision to changes in U.S. fiscal policy. When honing in on the United States, the IMF's April 2018 update to its October 2017 World Economic Outlook revised up its growth forecast by 0.6 percentage points from October to 2.9 percent year-over-year. The IMF's April upwards revision to its October global growth forecast in the wake of the passage of the TCJA follows the OECD's own March upwards revision to its November global growth forecast. For the U.S., its 2018 outlook increased by 0.4 percentage points to 2.9 percent and its 2019 outlook increased by 0.7 percentage points to 2.8 percent.

The Trump Administration has also focused on liberating small businesses from regulatory red tape created under eight years of the Obama Administration. While small businesses were concerned about taxes and regulations under the Obama Administration, their concerns have noticeably diminished after the Trump Administration prioritized regulatory reform.

An important development in this effort occurred just days after his inauguration when, on January 30, 2017, President Trump issued Executive Order 13771: "Reducing Regulation and Controlling Regulatory Costs." Among other things, this executive order requires that, whenever a Federal department or agency issues a new regulatory action, it must identify at least two deregulatory actions.

Last year, the Administration greatly exceeded this goal as agencies issued 67 deregulatory actions while only imposing 3 new actions, resulting in a 22:1 deregulatory ratio. In fact in 2017, 1,579 regulatory actions were withdrawn or removed from active status, which included a 40 percent drop in economically significant regulations, and 35 percent drop in other significant regulations relative to 2009.

Furthermore, President Trump has implemented a renewed focus on cost-benefit analysis and transparency in the United States regulatory agenda.

For 2017, the heads of agencies had to ensure that the total incremental cost of all new

regulations, including repealed regulations, was no greater than zero, unless otherwise required by law. This new directive proved to be immediately successful.

In 2017, federal agencies achieved \$8.1 billion in the present value of net regulatory cost savings, the equivalent of \$570 million per year. These savings go beyond the Administration's goal of imposing zero regulatory costs in 2017. In contrast, the previous administration imposed between \$5.7 billion and \$15.2 billion in annualized regulatory costs in just its *final eight months* in office.

The Trump Administration will continue to place emphasis on reducing unnecessary, duplicative, and burdensome regulations. In calendar year 2018, federal agencies are committed to achieving \$9.8 billion in net savings in present value terms, or \$690 million per year. In addition, agencies projected they will continue to drive the deregulatory effort by issuing three deregulatory actions for each new regulatory action.

The Trump Administration is proud of the work we have done as we continue to cut red tape for American businesses, drastically improve our economy, and provide a more free society. Moreover, President Trump has worked to protect Americans by relieving the suffocating restraints of unfair foreign trade practices that have long been ignored by Congress. The United States is a generally open economy, compared with the rest of the world. For example, China's tariff on imported flat screen TVs is 30 percent and the European Union's 14 percent, while the U.S. only charges 3.9 percent on its imports. The U.S. tariff on wild rice is 1.1 percent, compared with China's and India's, at 65 percent and 70 percent, respectively.

Much like draining the swamp that is Washington, D.C., the President has been driving to change the behavior of trading partners around the world acting in bad faith by using existing U.S. trade laws to thwart unfair trade practices and improving deals that simply do not work for America. The President's objective of shifting the world economy to a new equilibrium, one with more reciprocity in trade agreements and reductions in global barriers, would deliver a substantial boost to U.S. and world growth.

During his first days in office, President Trump announced that the United States would withdraw from the Trans-Pacific Partnership. Further, the Administration is working to address China's unfair trade and intellectual property policies through a range of actions. In addition, the Trump Administration secured amendments to the KORUS trade agreement with South Korea, including provisions to increase American automobile exports. The Trump Administration also conducted 82 antidumping and countervailing duty investigations in 2017, a 58 percent increase in investigations over 2016. President Trump will continue work to ensure that there is free, fair, and reciprocal trade.

While focusing on the economic health of the Nation, the Trump Administration continues to work toward getting the Nation's fiscal house in order. The Administration inherited a tremendous debt and deficit problem, including an increase in the debt of more than \$9 trillion over the eight years of the Obama Administration, which was clearly on an unsustainable path. The President's budgets have made difficult choices in order to rein in spending, lower the growth of the national debt, and focus Government on its most important job: protecting the Nation.

The President supported Congressional efforts to replace Obamacare and his most recent Budget would save nearly \$700 billion by replacing Obamacare with legislation modeled closely after the Graham-Cassidy-Heller-Johnson (GCHJ) bill. Additional reforms within the 2019 budget would help set Government healthcare spending on a sustainable fiscal path that leads to a bigger bang for the buck. Addressing Obamacare would have also reduced regulatory burdens for small businesses, some of whom stayed below 50 full-time workers to avoid penalties while shifting full-time workers to part-time status. In the TCJA, Congress repealed the Obamacare individual mandate, eliminating the tax penalty for Americans who decided not to buy coverage. The Administration will continue to work with Congress to provide relief from Obamacare's mandates and increase more affordable and flexible coverage options.

The Mid-Session Review (MSR) provides updated estimates for changes that have occurred since the President's budget was re-

leased in February. The 2019 deficit has been revised to \$1.1 trillion. The increases in the deficit compared with the Budget are almost entirely related to increases in spending from the Bipartisan Budget Act of 2018 and the subsequent Consolidated Appropriations Act, 2018 (Omnibus). The President signed the Omnibus to secure a historic and much-needed funding increase for our military, but he does not support its unnecessary increases to non-defense spending. The MSR incorporates the President's proposal to constrain non-defense discretionary spending going forward, saving nearly \$900 billion compared with current law.

Despite the increases from enacted legislation, under the President's policies to cut spending and grow the economy, the deficit will fall from 4.4 percent of GDP in 2018 to 1.4 percent of GDP in 2028. The Administration will continue to work with Congress to enact fiscal discipline through spending restraint.

President Trump's policies are fostering a growing economy. Since taking office, this President promised to deliver on job creation and economic growth. While some experts have had a pessimistic view of the American economy, we believe that these estimates continue to underestimate hard-working Americans and the true potential of the American spirit. Such pessimism may have been fueled by the historically weak economic recovery under the Obama Administration since the 2008-2009 economic downturn. From 2010 through 2016, fourth quarter-over-fourth quarter (Q4/Q4) growth of real GDP averaged only 2.1 percent. In 2016, real GDP growth had sunk to an annual rate of only 1.8 percent, and labor productivity growth in the nonfarm business sector was 0.0 percent. The beginning of the Trump Administration marked a clear break from this pattern of underperformance. In 2017, real GDP (Q4/Q4) grew at a rate of 2.6 percent, far exceeding the projections of many experts, and labor productivity grew at 1.3 percent. Meanwhile, the unemployment rate has dropped from 4.8 percent in January 2017 to only 4.0 percent in June 2018.

The President's policies have also resulted in a surge in investment. In the 6.5 years between the start of the recovery in the third quarter of 2009 and 2015, growth in real private nonresidential fixed investment averaged 4.8 percent, and had slowed to just 0.7 percent

in 2016. Since then, growth jumped to 6.3 percent for the four quarters of 2017, and in the first quarter of 2018 grew at an annual rate of 10.4 percent. Growth of equipment investment jumped to 11.6 percent in fourth quarter of 2017 and 5.8 percent in the first quarter of 2018, thanks largely to the tax law's allowance for full expensing of equipment investment retroactively to September 2017. Meanwhile, real private business investment in structures

and intellectual property has also surged—up 16.2 percent for structures and 13.2 percent for intellectual property, respectively, in the first quarter of 2018. Planned capital expenditure indices have accordingly reached record or near-record highs.

The Administration will continue to work to implement MAGAnomics policies to further strengthen this Nation.

Table 1. CHANGES IN DEFICITS FROM THE FEBRUARY BUDGET

(In billions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2019- 2023 | 2019- 2028 |
|--|------|-------|-------|-------|------|------|------|------|------|------|------|---------------|---------------|
| 2019 Budget deficit | 873 | 984 | 987 | 916 | 852 | 774 | 672 | 579 | 517 | 450 | 363 | | |
| Percent of GDP | 4.4% | 4.7% | 4.5% | 3.9% | 3.5% | 3.0% | 2.5% | 2.1% | 1.7% | 1.4% | 1.1% | | |
| Enacted legislation and policy changes: | | | | | | | | | | | | | |
| Enacted legislation ¹ | 100 | 91 | 50 | 24 | 17 | 10 | 11 | 17 | -13 | -19 | 14 | 191 | 202 |
| Policy changes to account for enacted legislation | | 10 | 39 | 58 | 63 | 64 | 64 | 63 | 61 | 61 | 60 | 234 | 543 |
| Debt service | 1 | 4 | 8 | 11 | 14 | 17 | 20 | 23 | 26 | 28 | 31 | 54 | 182 |
| Subtotal, enacted legislation and policy changes | 100 | 105 | 96 | 93 | 94 | 92 | 96 | 104 | 74 | 69 | 105 | 479 | 928 |
| Economic and technical reestimates: | | | | | | | | | | | | | |
| Receipts | 9 | -17 | -16 | -9 | -6 | 2 | -27 | -26 | -13 | -10 | -3 | -46 | -124 |
| Outlays: | | | | | | | | | | | | | |
| Discretionary programs | -87 | -11 | -1 | 10 | 19 | 9 | 7 | 2 | -1 | -2 | -3 | 27 | 30 |
| Mandatory: | | | | | | | | | | | | | |
| Medicare | 1 | -2 | -7 | -9 | -15 | -14 | -13 | -21 | 13 | 19 | -27 | -47 | -76 |
| Medicaid | -2 | 4 | 6 | 6 | 6 | 7 | 7 | 8 | 9 | 10 | 10 | 29 | 73 |
| Social Security | -4 | -5 | -5 | -6 | -6 | -6 | -6 | -6 | -6 | -7 | -7 | -29 | -60 |
| Veterans' benefits | 1 | 1 | 2 | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 5 | 11 | 29 |
| Other ² | -13 | -1 | -1 | -2 | -5 | -6 | -8 | -1 | -4 | -2 | -4 | -16 | -34 |
| Total mandatory | -18 | -2 | -6 | -9 | -17 | -17 | -16 | -16 | 15 | 24 | -24 | -51 | -68 |
| Net interest ³ | 11 | 25 | 15 | 10 | 11 | 15 | 17 | 16 | 15 | 17 | 19 | 76 | 161 |
| Subtotal, outlays | -93 | 13 | 8 | 11 | 12 | 7 | 8 | 2 | 30 | 39 | -8 | 51 | 123 |
| Subtotal, economic and technical reestimates | -84 | -4 | -8 | 2 | 6 | 9 | -19 | -24 | 17 | 30 | -11 | 6 | -1 |
| Total, changes | 17 | 101 | 89 | 95 | 100 | 101 | 77 | 80 | 91 | 99 | 94 | 485 | 926 |
| Mid-Session Review deficit | 890 | 1,085 | 1,076 | 1,011 | 952 | 875 | 749 | 659 | 608 | 549 | 458 | | |
| Percent of GDP | 4.4% | 5.1% | 4.8% | 4.3% | 3.9% | 3.4% | 2.8% | 2.3% | 2.0% | 1.7% | 1.4% | | |

Note: positive figures represent higher outlays or lower receipts.

*\$500 million or less.

¹ Includes outlay and receipt effects.

² Includes reestimates of the effect of standardizing to 12 monthly benefit payments.

³ Includes debt service on all reestimates.

ECONOMIC ASSUMPTIONS

This Mid-Session Review (MSR) updates the economic forecast from the 2019 Budget, which was finalized in November 2017 and released with the Budget in February 2018. The Budget projected real Gross Domestic Product (GDP) growth averaging 3.0 percent during the 11-year forecast interval. A substantial increase in real GDP was projected for 2018. After that, real GDP growth was projected to increase through 2019, decrease to 3.0 percent for 2021 through 2024, and decline to 2.8 percent for 2026 through 2028. The unemployment rate was expected to continue to decline in the near term and then to slowly rise to the Administration's estimate of its long-run equilibrium. Inflation was expected to rise in 2019 to a rate more consistent with Federal Reserve targets, and interest rates were expected to rise appreciably in the near term and then settle at a rate roughly consistent with rates implied by the term structure of current rates. The MSR forecast, completed in early June, maintains this overall outlook with modifications to account for recent data. Most notably, the anticipated increases in interest rates and inflation have occurred more quickly than expected. Other than revisions to the interest rate and inflation forecasts in the near term, however, the MSR economic trajectory is similar to the 2019 Budget forecast.

The economic recovery following the 2008-2009 downturn was unusually slow relative to other postwar recoveries. Recently, economic growth has generally been modest, with real GDP growing at only 1.8 percent during the four quarters of 2016. Since this Administration took office, growth has increased considerably. In contrast to its lackluster performance in 2016, real GDP grew at 2.6 percent over the four quarters of 2017, slightly exceeding this Administration's 2018 Budget forecast of 2.5 percent. Meanwhile,

the labor market in 2018 has been remarkably strong, with payroll employment posting robust and sustained growth and unemployment rates falling to historic lows. By June, the unemployment rate stood at 4.0 percent and the economy had added over 3.2 million nonfarm jobs since the President took office.

The Administration's efforts to increase economic growth led to the passage of the Tax Cuts and Jobs Act in December 2017. In addition, many burdensome and unnecessary regulations were removed under Executive Orders 13771 and 13777, and the Administration will continue to target and eliminate unnecessary regulations going forward. The Administration is also currently pursuing policies that would establish paid family leave for new parents, spur investments in infrastructure, encourage domestic energy production, negotiate fair trade agreements, and reduce Federal budget deficits. These policies should bolster economic growth in both the short and long run.

Growth and unemployment are roughly on track with the projections in the Budget. While growth slowed down somewhat in the first quarter of 2018, this follows an observed seasonal pattern of slower growth in the first quarter in recent years. The MSR forecasts a rebound in real GDP growth in subsequent quarters, and maintains the same yearly growth rates as were projected in the Budget. Since the economic forecast for the Budget was finalized in November 2017, interest rates and inflation have been higher than expected. Relative to the Budget forecast, the MSR forecast includes a substantial increase in interest rates in the near term, which narrows down to only a slight increase in the long run. Inflation rates are forecasted to be higher in 2018 and 2019, but the same as those projected in the Budget in the medium term and long run.

ECONOMIC PROJECTIONS

The Administration's forecast is based on information available to forecasters at the beginning of June, and it retains the assumption

that the President's policy proposals in the 2019 Budget will be fully enacted. The projections for key variables can be found in Table 2.

Real Gross Domestic Product: Real GDP growth in 2018 is expected to be 3.1 percent on a fourth quarter-over-fourth quarter (Q4/Q4) basis, with growth increasing slightly to 3.2 percent in 2019 before edging down to 2.8 percent in the long run. Both year-over-year and Q4/Q4 growth rates are identical to those in the Budget for every year in the forecast.

Unemployment Rate: The unemployment rate has remained consistent with the 2019 Budget projections, falling to 4.1 percent in the fourth quarter of 2017 and continuing to decline thus far in 2018. The unemployment rate is expected to average 3.8 percent in 2018 and 3.7 in 2019, and then slowly climb back towards 4.8 percent in 2027, which is the Administration's estimate of the rate of unemployment consistent with stable inflation in the long run.

Inflation: Post-financial crisis, the inflation rate has been low compared with the post-World War II average. The medium- and long-run inflation rate projections in the MSR remain consistent with the 2019 Budget assumptions, with year-over-year long-run rates of 2.0 percent for the GDP chained price index and 2.3 percent when measured by the Consumer Price Index for All Urban Consumers (CPI-U). These rates are consistent with Federal Reserve inflation targets. Inflation has climbed higher in the near term, however, than was expected when the Budget assumptions were finalized in November 2017. For 2018, projected year-over-year inflation in

the GDP chained price index has been adjusted upwards from 1.6 to 1.9 percent and year-over-year CPI-U inflation has been increased from 2.1 to 2.5 percent based on recent data.

Interest Rates: Interest rate forecasts comprise the most substantial change from the 2019 Budget to the MSR. Treasury rates have increased notably since 2016. While the Budget did forecast increases in interest rates in the near term, these increases have been more pronounced than expected during the first half of 2018. Relative to the 2019 Budget, in the MSR the projected average rate for the 91-day Treasury bill has been increased from 1.5 to 2.1 percent in 2018, and 2.3 to 2.7 percent in 2019. Similarly, the annual average yield on 10-year Treasury notes has been increased from 2.6 percent to 3.0 percent in 2018, and 3.1 to 3.2 percent in 2019. After the near term, the revision to the interest rate projections tapers off. For both 91-day Treasury bills and 10-year Treasury notes, the long-run rates have been adjusted only slightly upwards by 0.1 percentage point from the 2019 Budget to the MSR.

Incomes and Income Shares: Labor compensation and corporate profit trends remain roughly the same as in the 2019 Budget projections. As a share of Gross Domestic Income, labor compensation and wages and salaries are expected to increase, while corporate profits are expected to decline, with most of this evolution of income shares taking place during the middle and later years of the forecast.

FORECAST COMPARISONS

The Administration's MSR forecast is similar to those of the Congressional Budget Office (CBO), the Federal Reserve's Federal Open Market Committee (FOMC), and the Blue Chip panel of private sector forecasters for most economic variables, but notably higher for real GDP growth. The Administration's more optimistic forecast for real GDP growth can largely be accounted for by its expectation of higher productivity growth in the medium to long run, and by the Administration's assumption that the President's policy proposals will be enacted. By contrast, the CBO's forecast assumes roughly current law policies and a more pessimistic expectation for long-run productivity growth. The Blue Chip consensus reflects

a combination of various unspecified policy assumptions among private sector forecasters. A comparison of forecasts for key economic variables is found in Table 3.

Real Gross Domestic Product: The Administration's Q4/Q4 forecast for real GDP growth differs from those published by the CBO in April, by the FOMC in June, and by the Blue Chip consensus in March (for the long-run forecast) and July (for the short-run forecast). The CBO projected the highest 2018 growth rate at 3.3 percent, 0.2 percentage points higher than the Administration's projection of 3.1 percent. The Blue Chip consensus forecast for the 2018 growth rate is 2.9 percent, and the FOMC central tendency

Table 2. ECONOMIC ASSUMPTIONS ¹

(Calendar Years, Dollar Amounts in Billions)

| | Actual | | | | Projections | | | | | | | | | |
|---|--------|--------|--------|--------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | |
| Gross Domestic Product (GDP): | | | | | | | | | | | | | | |
| Levels, Dollar Amounts in Billions: | | | | | | | | | | | | | | |
| Current Dollars | 18,624 | 19,391 | 20,358 | 21,422 | 22,544 | 23,693 | 24,895 | 26,156 | 27,482 | 28,857 | 30,274 | 31,746 | 33,290 | |
| Real, Chained (2009) Dollars | 16,716 | 17,096 | 17,609 | 18,176 | 18,746 | 19,316 | 19,895 | 20,492 | 21,106 | 21,726 | 22,343 | 22,968 | 23,612 | |
| Chained Price Index (2009=100), Annual Average | 111.4 | 113.4 | 115.6 | 117.9 | 120.3 | 122.7 | 125.1 | 127.6 | 130.2 | 132.8 | 135.5 | 138.2 | 141.0 | |
| Percent Change, Fourth Quarter over Fourth Quarter: | | | | | | | | | | | | | | |
| Current Dollars | 3.4 | 4.5 | 5.0 | 5.3 | 5.2 | 5.1 | 5.1 | 5.1 | 5.1 | 5.0 | 4.9 | 4.9 | 4.9 | |
| Real, Chained (2009) Dollars | 1.8 | 2.6 | 3.1 | 3.2 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.8 | 2.8 | 2.8 | |
| Chained Price Index (2009=100) | 1.5 | 1.9 | 1.8 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | |
| Percent Change, Year over Year: | | | | | | | | | | | | | | |
| Current Dollars | 2.8 | 4.1 | 5.0 | 5.2 | 5.2 | 5.1 | 5.1 | 5.1 | 5.1 | 5.0 | 4.9 | 4.9 | 4.9 | |
| Real, Chained (2009) Dollars | 1.5 | 2.3 | 3.0 | 3.2 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.8 | 2.8 | 2.8 | |
| Chained Price Index (2009=100) | 1.3 | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | |
| Incomes, Billions of Current Dollars: | | | | | | | | | | | | | | |
| Domestic Corporate Profits | 1,679 | 1,732 | 1,843 | 1,979 | 2,046 | 2,077 | 2,087 | 2,084 | 2,079 | 2,090 | 2,089 | 2,087 | 2,088 | |
| Employee Compensation | 9,979 | 10,309 | 10,802 | 11,300 | 11,855 | 12,494 | 13,189 | 13,927 | 14,705 | 15,520 | 16,364 | 17,244 | 18,173 | |
| Wages and Salaries | 8,085 | 8,353 | 8,742 | 9,150 | 9,608 | 10,128 | 10,699 | 11,301 | 11,931 | 12,595 | 13,279 | 13,997 | 14,744 | |
| Other Taxable Income ² | 4,427 | 4,572 | 4,724 | 5,000 | 5,341 | 5,678 | 6,055 | 6,419 | 6,776 | 7,122 | 7,427 | 7,772 | 8,059 | |
| Consumer Price Index (All Urban): ³ | | | | | | | | | | | | | | |
| Level (1982–1984 = 100), Annual Average | 240.0 | 245.1 | 251.2 | 256.5 | 262.3 | 268.2 | 274.3 | 280.6 | 286.9 | 293.4 | 300.1 | 306.9 | 313.9 | |
| Percent Change, Fourth Quarter over Fourth Quarter | 1.8 | 2.1 | 2.3 | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | |
| Percent Change, Year over Year | 1.3 | 2.1 | 2.5 | 2.1 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | |
| Unemployment Rate, Civilian, Percent: | | | | | | | | | | | | | | |
| Fourth Quarter Level | 4.7 | 4.1 | 3.8 | 3.7 | 3.8 | 3.9 | 4.1 | 4.2 | 4.4 | 4.5 | 4.8 | 4.8 | 4.8 | |
| Annual Average | 4.9 | 4.4 | 3.9 | 3.7 | 3.8 | 3.9 | 4.0 | 4.2 | 4.3 | 4.5 | 4.7 | 4.8 | 4.8 | |
| Interest Rates, Percent: | | | | | | | | | | | | | | |
| 91-Day Treasury Bills ⁶ | 0.3 | 0.9 | 2.1 | 2.7 | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | |
| 10-Year Treasury Notes | 1.8 | 2.3 | 3.0 | 3.2 | 3.4 | 3.6 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | |
| Federal Pay Raises, January, Percent: | | | | | | | | | | | | | | |
| Military ⁴ | 1.0 | 1.0 | 2.4 | 2.6 | NA | NA | NA | NA | NA | NA | NA | NA | NA | |
| Civilian ⁵ | 1.0 | 1.0 | 1.9 | ..... | NA | NA | NA | NA | NA | NA | NA | NA | NA | |

¹ Based on information available as of early June 2018² Rent, interest, dividend, and proprietors' income components of personal income³ Seasonally adjusted CPI for all urban consumers⁴ Percentages apply to basic pay only; percentages to be proposed for years after 2019 have not yet been determined.⁵ Overall average increase, including locality pay adjustments. Percentages to be proposed for years after 2019 have not yet been determined.⁶ Average rate, secondary market (bank discount basis)

ranges from 2.7 to 3.0 percent. From 2019 onward, the Administration's forecasts are substantially higher than those of other forecasters. The Administration projects Q4/Q4 real GDP growth of 3.2 percent in 2019, declining gradually to a rate of 2.8 percent for 2026 through 2028. In contrast, the CBO projects a 2028 rate of 1.8 percent, the Blue Chip consensus projects a 2028 rate of 2.0 percent, and the FOMC central tendency ranges from 1.8 to 2.0 percent in the long run. However, the FOMC, CBO, and Blue Chip do not assume the implementation of all of the Administration's policies.

Unemployment: The Administration's unemployment rate projections are generally similar to those of the other forecasters. The CBO forecast deviates from other forecasts in 2019 and 2020, projecting noticeably lower unemployment rates in those years. By 2028, the Administration projects the unemployment rate to have risen to 4.8 percent, the same rate as projected by the CBO and somewhat higher than the 4.5 percent rate projected by the Blue Chip consensus.

Inflation: Inflation forecasts are relatively consistent across the different forecasts. The Administration's 2.5 percent year-over-year CPI-U inflation rate in 2018 lies above the CBO's 2.2 percent and below the Blue Chip consensus of 2.6 percent. In the long run, the Administration projects a year-over-year rate of 2.3 percent, the same as the Blue Chip consensus projection and slightly below the 2.4 percent projection from the CBO.

Interest Rates: On interest rates, the Administration's forecasts are similar to those of the Blue Chip consensus and roughly similar to those of the CBO. All three have adjusted their near-term forecasts upwards since November 2017 based on recent data. The CBO projects much higher interest rates from 2019 through 2022 than do other forecasters. By 2028, the Administration and the CBO both project an average annual rate of 3.7 percent for the 10-year Treasury note, slightly below the Blue Chip consensus projection of 3.8 percent. Projections of the 91-day Treasury bill rate are likewise similar among the forecasters by the end of the forecast period.

Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS

(Calendar Years)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|--------|---------|---------|---------|--------|--------|--------|--------|----------------------|--------|--------|--------|
| Nominal GDP: | | | | | | | | | | | | |
| 2019 MSR | 19,391 | 20,358 | 21,422 | 22,544 | 23,693 | 24,895 | 26,156 | 27,482 | 28,857 | 30,274 | 31,746 | 33,290 |
| 2019 Budget | 19,372 | 20,262 | 21,263 | 22,345 | 23,482 | 24,672 | 25,923 | 27,234 | 28,598 | 30,001 | 31,461 | 32,991 |
| CBO | 19,391 | 20,362 | 21,369 | 22,247 | 23,079 | 23,937 | 24,857 | 25,832 | 26,849 | 27,866 | 28,957 | 30,087 |
| Blue Chip | 19,391 | 20,378 | 21,377 | 22,252 | 23,150 | 24,150 | 25,175 | 26,243 | 27,334 | 28,466 | 29,645 | 30,873 |
| Real GDP (Fourth Quarter-over-Fourth Quarter): | | | | | | | | | | | | |
| 2019 MSR | 2.6 | 3.1 | 3.2 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.8 | 2.8 | 2.8 |
| 2019 Budget | 2.5 | 3.1 | 3.2 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.8 | 2.8 | 2.8 |
| CBO | 2.5 | 3.3 | 2.4 | 1.8 | 1.5 | 1.6 | 1.6 | 1.8 | 1.7 | 1.7 | 1.9 | 1.8 |
| Blue Chip | 2.6 | 2.9 | 2.3 | 1.8 | 1.9 | 2.1 | 2.1 | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 |
| FOMC ³ ..... | ..... | 2.7–3.0 | 2.2–2.6 | 1.8–2.1 | | | | | 1.8–2.0 (longer run) | | | |
| Real GDP (Year-over-Year): | | | | | | | | | | | | |
| 2019 MSR | 2.3 | 3.0 | 3.2 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.8 | 2.8 | 2.8 |
| 2019 Budget | 2.2 | 3.0 | 3.2 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.8 | 2.8 | 2.8 |
| CBO | 2.3 | 3.0 | 2.9 | 2.0 | 1.5 | 1.5 | 1.6 | 1.7 | 1.8 | 1.7 | 1.8 | 1.8 |
| Blue Chip | 2.3 | 2.9 | 2.6 | 1.9 | 1.9 | 2.1 | 2.1 | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 |
| GDP Price Index: ¹ | | | | | | | | | | | | |
| 2019 MSR | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| 2019 Budget | 1.7 | 1.6 | 1.7 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| CBO | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.1 | 2.1 | 2.1 | 2.1 |
| Blue Chip | 1.8 | 2.1 | 2.3 | 2.1 | 2.1 | 2.2 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| Consumer Price Index (CPI-U): ¹ | | | | | | | | | | | | |
| 2019 MSR | 2.1 | 2.5 | 2.1 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| 2019 Budget | 2.1 | 2.1 | 2.0 | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| CBO | 2.1 | 2.2 | 2.2 | 2.4 | 2.5 | 2.5 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| Blue Chip | 2.1 | 2.6 | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| Unemployment Rate: ² | | | | | | | | | | | | |
| 2019 MSR | 4.4 | 3.9 | 3.7 | 3.8 | 3.9 | 4.0 | 4.2 | 4.3 | 4.5 | 4.7 | 4.8 | 4.8 |
| 2019 Budget | 4.4 | 3.9 | 3.7 | 3.8 | 3.9 | 4.0 | 4.2 | 4.3 | 4.5 | 4.7 | 4.8 | 4.8 |
| CBO | 4.4 | 3.8 | 3.3 | 3.6 | 4.1 | 4.6 | 4.7 | 4.8 | 4.8 | 4.9 | 4.8 | 4.8 |
| Blue Chip | 4.4 | 3.8 | 3.6 | 4.0 | 4.2 | 4.3 | 4.4 | 4.4 | 4.5 | 4.5 | 4.5 | 4.5 |
| FOMC ..... | ..... | 3.6–3.7 | 3.4–3.5 | 3.4–3.7 | | | | | 4.3–4.6 | | | |
| Interest Rates: ² | | | | | | | | | | | | |
| 91-Day Treasury Bills (discount basis): | | | | | | | | | | | | |
| 2019 MSR | 0.9 | 2.1 | 2.7 | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 |
| 2019 Budget | 0.9 | 1.5 | 2.3 | 2.9 | 3.0 | 3.0 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| CBO | 0.9 | 1.9 | 2.9 | 3.6 | 3.8 | 3.6 | 3.1 | 2.8 | 2.7 | 2.7 | 2.7 | 2.8 |
| Blue Chip | 0.9 | 1.9 | 2.7 | 2.7 | 2.8 | 2.9 | 2.9 | 2.9 | 3.0 | 3.0 | 3.0 | 3.0 |
| 10-Year Treasury Notes | | | | | | | | | | | | |
| 2019 MSR | 2.3 | 3.0 | 3.2 | 3.4 | 3.6 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 |
| 2019 Budget | 2.3 | 2.6 | 3.0 | 3.4 | 3.6 | 3.7 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 |
| CBO | 2.3 | 3.0 | 3.7 | 4.1 | 4.2 | 4.0 | 3.8 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 |
| Blue Chip | 2.3 | 3.0 | 3.4 | 3.5 | 3.6 | 3.7 | 3.7 | 3.7 | 3.8 | 3.8 | 3.8 | 3.8 |

Sources: Administration; CBO, The Budget and Economic Outlook: 2018 to 2028, April 2018; March 2018 and July 2018 Blue Chip Economic Indicators, Aspen Publishers, Inc.; Federal Reserve Open Market Committee, June 13, 2018

¹ Year-over-Year Percent Change

² Annual Averages, Percent

³ The FOMC's central tendency for longer term growth is 1.8% to 2.0%. Longer term growth represents each participant's assessment of the rate to which GDP growth would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy.

RECEIPTS

The Mid-Session Review (MSR) estimates of receipts are below the 2019 Budget estimates by \$18 billion in 2018 and above those estimates by \$2 billion in 2019. The MSR estimates of receipts are above the Budget estimates by \$7 billion in 2020 and differ from the Budget by \$1 billion to \$27 billion in each subsequent year, for a net increase in receipts of \$95 billion over the 10-year budget window (2019 through 2028).

A little more than half of the decrease in 2018 receipts is attributable to technical revisions based on new tax reporting data, collections to date, and other information, which decrease receipts by \$11 billion. Enacted legislation further reduced receipts by \$9 billion, while revised economic assumptions increase 2018 receipts by \$1 billion.

The estimate of 2019 receipts is above the Budget estimate due to an \$18 billion increase in receipts attributable to technical revisions, offset by a \$15 billion reduction in receipts due to enacted legislation.

The \$95 billion increase in receipts over the 10-year budget horizon is largely the result of a \$320 billion gain attributable to revisions in the economic forecast, offset by a reduction in receipts from technical revisions in receipts under the Administration's adjusted baseline that reduce receipts by \$210 billion. Enacted legislation further reduces receipts by \$29 billion. Reestimates of the Administration's proposals increase receipts by \$15 billion.

ECONOMIC CHANGES

Revisions in the economic forecast increase receipts by \$1 billion in 2018, decrease receipts \$1 billion in 2019, and increase receipts by rising amounts in each subsequent year, for a total increase of \$320 billion over the 10 years from 2019 through 2028.

In 2018, revisions to the economic forecast have the greatest effect on individual and corporation income taxes, increasing individual income taxes by \$5 billion and reducing corporation income taxes by \$3 billion. The increase in individual income taxes is primarily attributable to increases in the forecast of wages and salaries. Changes in the forecasts of Gross Domestic Product (GDP) and other economic measures that affect the profitability of corporations are primarily responsible for the reduction in corporation income taxes.

Over the 10-year budget window, revisions in the economic forecast have the greatest effect on individual income taxes, increasing collections by \$252 billion. Revisions in the economic forecast increase 10-year collections of corporate income taxes and social insurance and retirement receipts by \$59 billion and \$32 billion, respectively. Increases in the forecasts of taxable corporate income relative to the Budget forecast are primarily due to upward revisions in the forecast of nominal GDP. Increases in the forecast of wages and salaries, which are subject to Social Security and Medicare payroll taxes (the largest components of social insurance and retirement receipts), account for most of the increase in this source of receipts. Revisions in the forecasts of GDP, interest rates, imports, and other sources of income decrease all remaining sources of receipts by a net \$23 billion.

TECHNICAL CHANGES

Technical revisions in the estimates of receipts reduce receipts by \$11 billion in 2018 and increase receipts by \$18 billion in 2019. Technical revisions reduce or slightly increase receipts in each subsequent year, for a net de-

crease in receipts of \$210 billion over the 10 years, 2019 through 2028. The downward technical revisions in 2018 are primarily due to revised estimates of the payment pattern of health insurance provider fees which re-

duced excise taxes by \$11 billion. In addition to the excise tax reduction, technical revisions reduced other miscellaneous receipts by \$13 billion, offset by an increase of \$25 billion for individual income taxes based largely on collections experience since the Budget.

Over the 10-year budget window, technical revisions decrease collections of individual income taxes by \$247 billion. About three-quarters of this reduction is due to including extension of two provisions affecting pass-through business income in the estimates of

the extension of the Tax Cuts and Jobs Act of 2018 (TCJA) included in the Administration's adjusted baseline. These provisions were not included in the estimates of the extension of expiring TCJA provision in the 2019 Budget. Technical revisions increase corporation income taxes by \$32 billion. Technical revisions in all other sources of receipts (social insurance and retirement receipts, excise taxes, customs duties, estate and gift taxes, deposits of earnings of the Federal Reserve System, and penalties and fees) result in a net 10-year increase in receipts of \$4 billion.

ENACTED LEGISLATION AND REVISIONS IN PROPOSALS

The Extension of Continuing Appropriations Act, 2018, is the largest piece of legislation enacted since the Budget that had an effect on receipts, decreasing 10-year collections, 2019 through 2028, by \$31 billion. These reductions in receipts are largely due to a provision in the Act that delayed the effective date of the excise tax on high cost employer-sponsored health coverage and the suspension of the 2019 annual fee on health insurance providers. Smaller receipt provisions

in the Bipartisan Budget Act of 2018 and the Consolidated Appropriations Act, 2018, combined to increase receipts by \$2 billion over the 10-year budget window. Changes in the estimates of receipt proposals increased receipts by \$15 billion over the 10-year window. Proposals to repeal and replace Obamacare, provide parental leave benefits, and the reauthorization the Oil Spill Liability Fund excise tax were the primary drivers of the change in receipt proposals.

Table 4. CHANGES IN RECEIPTS

(In billions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2019- 23 | 2019- 28 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|-------------|
| 2019 Budget estimate | 3,340 | 3,422 | 3,609 | 3,838 | 4,089 | 4,386 | 4,675 | 4,946 | 5,231 | 5,506 | 5,818 | | |
| Changes in current law receipts due to revised economic assumptions: | | | | | | | | | | | | | |
| Individual income taxes | 5 | 10 | 10 | 11 | 14 | 18 | 23 | 27 | 38 | 47 | 54 | 62 | 252 |
| Corporation income taxes | -3 | -6 | -4 | -2 | -2 | * | 5 | 11 | 16 | 20 | 22 | -14 | 59 |
| Social insurance and retirement | -1 | -* | 1 | -* | 3 | 4 | 4 | 5 | 4 | 5 | 5 | 8 | 32 |
| Other | * | -4 | 2 | 1 | -2 | -5 | -5 | -4 | -2 | -2 | -1 | -9 | -23 |
| Total, changes due to revised economic assumptions | 1 | -1 | 8 | 11 | 12 | 17 | 27 | 39 | 56 | 69 | 81 | 48 | 320 |
| Changes in adjusted baseline receipts due to technical reestimates ¹ | | | | | | | | | | | | | |
| Individual income taxes | 25 | 5 | 4 | -10 | -13 | -13 | -12 | -19 | -48 | -66 | -76 | -26 | -247 |
| Corporation income taxes | -8 | 7 | -3 | 6 | 6 | 3 | 1 | 2 | -1 | 2 | 9 | 19 | 32 |
| Social insurance and retirement | 2 | 6 | 10 | 11 | 13 | 13 | 13 | 14 | 15 | 17 | 14 | 52 | 125 |
| Other | -29 | * | -9 | -9 | -10 | -21 | -3 | -12 | -13 | -15 | -29 | -49 | -121 |
| Total, changes due to technical reestimates | -11 | 18 | 2 | -1 | -5 | -19 | -1 | -15 | -46 | -63 | -82 | -4 | -210 |
| Changes in current law receipts due to enacted legislation | | | | | | | | | | | | | |
| | -9 | -15 | -9 | -6 | -5 | 1 | 1 | 1 | 1 | 1 | 1 | -34 | -29 |
| Changes in proposals due to enacted legislation and economic and technical revisions | | | | | | | | | | | | | |
| | * | -* | 5 | -2 | -1 | -* | * | 2 | 3 | 3 | 4 | 2 | 15 |
| Total, changes in proposals | * | -* | 5 | -2 | -1 | -* | * | 2 | 3 | 3 | 4 | 2 | 15 |
| Total change in receipts | -18 | 2 | 7 | 2 | 1 | -1 | 27 | 27 | 14 | 11 | 4 | 12 | 95 |
| 2019 Mid-Session estimate | 3,322 | 3,424 | 3,616 | 3,841 | 4,090 | 4,385 | 4,703 | 4,973 | 5,245 | 5,517 | 5,821 | | |

¹ Includes economic and technical reestimates of receipt effects of extending expiring TCJA individual and estate provisions

* \$500 million or less.

EXPENDITURES

Outlays for 2018 in the Mid-Session Review (MSR) are estimated to be \$4,212 billion, \$2 billion lower than the 2019 Budget estimate. After the current year, outlays increase relative to the 2019 Budget by around \$100 billion in 2019 and in each year through 2028 for a total increase of \$1,022 billion over the 10-year budget horizon. The increase in spending is primarily due to legislation enacted since the Budget was completed, policy changes to account for enacted legislation, and debt service on those changes. In addition, economic and technical reestimates across a large number of discretionary and mandatory programs, as well as net interest, increased outlays over the next 10 years.

Enacted Legislation Changes

Relative to estimates in the Budget, legislation enacted since the Budget was completed increases outlays by \$91 billion in 2018 and by \$173 billion over the 10-year budget window. Two laws increased discretionary spending: Public Law 115-123, the Bipartisan Budget Act of 2018 (BBA), and Public Law 115-141, the Consolidated Appropriations Act, 2018 (Omnibus). These two laws increased discretionary outlays by \$91 billion in 2018, and by an additional \$91 billion from 2019 to 2028.

Four laws enacted since the Budget was completed affected mandatory spending: the BBA; the Omnibus; as well as Division B of Public Law 115-120, Extension of Continuing Appropriations Act, 2018; and Public Law 115-182, VA MISSION Act of 2018. Together these laws increase net mandatory spending relative to Budget estimates by \$82 billion over the next 10 years.

- The Children's Health Insurance Program (CHIP) was extended twice since the Budget was completed. Public Law 115-120, the Extension of Continuing Appropriations Act, 2018, enacted in January, but too late to be included in the Budget, extended CHIP through 2023, and the BBA further extended CHIP through 2027. Compared to the 2019

Budget proposal, these two extensions increased net outlays for CHIP, Medicaid, and refundable premium tax credits and cost sharing reductions and increased outlays by a net \$50 billion through 2028.

- The BBA additionally increased net mandatory outlays across a number of programs by \$5 billion from the Budget in the current year and by \$27 billion over the next 10 years. The BBA increased outlays for the Commodity Credit Corporation because of changes to dairy and cotton support and payment limits for disaster assistance. It also increased funding for the Health Resources and Services Administration, as well as other divisions within the Department of Health and Human Services, and enacted Medicare and Medicaid proposals from the 2019 Budget.
- In addition to providing discretionary funding, the Omnibus decreased mandatory spending in 2018 by \$6 billion primarily due to a change to Crime Victims Fund spending, but increased spending over the next 10 years by \$1 billion relative to the Budget.
- Public Law 115-182, the VA MISSION Act of 2018, increased spending for the Veterans Choice Program by \$4.3 billion.

Policy Changes to Account for Enacted Legislation

Outlays increase by \$543 billion from 2019 to 2028 due to changes the Administration made in its 2019 Budget request to account for the increased discretionary caps enacted in the Bipartisan Budget Act of 2018. After the Administration finalized the 2019 Budget, the Congress reached an agreement to raise the defense and non-defense discretionary spending caps in 2018 and 2019. The Administration accounted for these increases in the discretionary caps in an addendum to the 2019 Budget and a subsequent budget amendment. These changes fully supported the defense cap enact-

ed in the BBA. For non-defense, these adjustments provided a higher level for 2019 appropriations to account for the higher cap level, for additional support for a limited number of Administration priorities, for the shifting of some funding responsibilities from the mandatory side, and for curtailing the use of budget gimmicks. The 2019 Budget then continued the “two-penny plan” to reduce non-defense discretionary spending by two percent a year in the outyears. While overall these adjustments were \$57 billion below the non-defense level allowed by the BBA, they appear as an increase in this presentation since it reflects an increase relative to the original Budget levels before the BBA.

Estimating Changes

Estimating changes are due to factors other than enacted legislation or changes in policy. These result from changes in economic assumptions, discussed earlier in this MSR, and changes in technical factors. Relative to the Budget estimates, economic and technical changes decrease estimated outlays for 2018 by \$93 billion, and increase outlays by \$123 billion from 2019 through 2028.

Discretionary Programs. Outlays for discretionary programs decrease by \$87 billion in 2018, but increase by \$30 billion over the next 10 years relative to the Budget as a result of technical revisions. The changes in 2018 reflect lower outlays compared to the Budget for both defense, \$37 billion, and non-defense, \$52 billion, discretionary programs, due to slower-than-expected spending patterns and delayed congressional action on appropriations.

Outlays over the 10-year period decrease by \$4 billion for defense programs, but increase by \$15 billion for non-defense base programs and by an additional \$19 billion for changes to emergency and disaster funding, and adjustments for program integrity and other adjustments.

Medicare. Economic and technical revisions increase outlays for Medicare by \$1 billion in 2018, and decrease outlays by \$76 billion from 2019 to 2028 relative to Budget estimates. The decrease is primarily due to technical factors that reduce projected Medicare Part A spending, such as a decline in estimated enrollment and updated data on utili-

zation (e.g., hospital discharges, home health utilization, and skilled nursing facility utilization). These decreases are partially offset by increases in Medicare Part B due to changes in assumptions about market baskets, Consumer Price Index (CPI) inflation, and productivity growth. Changes in Part B are also due to updated information on actual spending, changes to beneficiary enrollment, and other modeling improvements.

Medicaid. Economic and technical revisions reduce projected Federal outlays for Medicaid by \$2 billion in 2018 relative to the Budget estimates, but increase outlays by \$73 billion from 2019 to 2028 due to higher economic factors including CPI, as well as technical adjustments for updated Federal matching rates and recent State Medicaid expansions.

Social Security. Estimating changes reduce outlays for the Social Security trust funds by \$4 billion in 2018 and by an additional \$60 billion over the following 10 years. The reductions are the net effect of decreases in both Old Age and Survivors Insurance (OASI) and Disability Insurance (DI) outlays reflecting continuing trends in actual experience through 2017 and the first half of 2018, partially offset by increases due to the higher forecast for the CPI in the MSR, which results in higher cost-of-living adjustments (COLAs) in the early years. The reductions in OASI are primarily due to revised expectations for the ages at which retired workers start receiving benefits. The MSR estimates reflect the continuing shift to a later starting age for retired worker benefits based on experience through calendar year 2017. Decreases in DI are due to re-estimates of the path of projected disabled worker incidence rates reflecting assumed lower levels of disability applications based on emerging experience through June 2018.

Veterans' Benefits. Estimating changes increase outlays on net for veterans compensation and benefits by \$1 billion in 2018 and by an additional \$29 billion over the next 10 years. The increases are primarily due to technical revisions to workload projections, contract medical exam reimbursement costs, grant rates for original veterans compensation claims, and burial benefits. In addition, higher COLAs in early years further increased outlay estimates.

Foreign Military Sales. Estimating changes increase outlays by \$8 billion in 2018 and decrease outlays by \$16 billion from 2019 to 2028; the revisions reflect the latest military sales volumes and projections based on year-to-date actuals.

Commodity Credit Corporation. Outlays for the Commodity Credit Corporation decrease by \$15 billion from 2019 to 2028 due to revisions for current spending data and higher-than-expected commodity prices, which reduce payments from the Agriculture Loss Coverage program and the Price Loss Coverage program.

Earned Income Tax Credit (EITC). Economic and technical changes increase outlays for the earned income tax credit by \$2 billion in 2018 and by \$14 billion over the next 10 years due to higher assumed wage growth over the period, model improvements, and the incorporation of year-to-date actuals.

Child Tax Credit (CTC). Technical changes decrease outlays for the CTC by \$11 billion from 2019 to 2028 due to a revision in the estimates of the Budget proposal to require a Social Security Number valid for work in order to claim the CTC and the EITC, to more accurately reflect the impacts of the proposal after the enactment of Public Law 115-97, the Tax Cuts and Jobs Act. In addition, economic and technical revisions, including higher assumed wage growth over the period, model improvements, and the incorporation of year-to-date actuals, offset those decreases slightly.

Crime Victims Fund. Outlays for the Crime Victims Fund decrease by \$9 billion from 2019 to 2023 relative to the Budget. The decrease reflects a downward technical adjustment to spending based on year-to-date outlays. This trend is expected to continue in the near term, with lower spending on crime victims' programs relative to the Budget estimate.

Risk Corridors. As described in the February 26, 2018 letter from the Director of the Office of Management and Budget to the Congress, subsequent to submission of the 2019 Budget, the Department of Health and Human Services determined that its accounting treatment of the Risk Corridors program required adjustments at the conclusion of the three-year program. The MSR incorporates the accounting changes, and reflects Risk Corridors "payments out" capped by the amount of "payments in." These technical changes decrease outlays for the Risk Corridors program by \$12 billion in 2018.

Net Interest. Excluding the debt service associated with enacted legislation and policy changes, outlays for net interest are projected to increase by \$11 billion in 2018 and by \$161 billion over the next 10 years. The majority of the increase is the result of revised economic assumptions, including higher projections for Treasury interest rates and higher growth in the CPI. Technical revisions are primarily due to updating for year-to-date actuals.

Table 5. CHANGES IN OUTLAYS

(In billions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2019- 2023 | 2019- 2028 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| 2019 Budget estimate | 4,214 | 4,407 | 4,596 | 4,754 | 4,941 | 5,160 | 5,348 | 5,526 | 5,748 | 5,955 | 6,181 | | |
| Changes due to enacted legislation and policy changes: | | | | | | | | | | | | | |
| Emergency supplemental appropriations | 13 | 12 | 11 | 5 | * | * | * | * | * | * | ..... | 28 | 28 |
| 2018 Discretionary appropriations | 78 | 41 | 14 | 5 | 2 | 1 | * | * | * | * | ..... | 62 | 63 |
| Other enacted legislation | —* | 23 | 17 | 8 | 9 | 10 | 11 | 17 | —12 | —18 | 16 | 67 | 82 |
| Policy changes to account for enacted legislation ..... | ..... | 10 | 39 | 58 | 63 | 64 | 64 | 63 | 61 | 61 | 60 | 234 | 543 |
| Debt service | 1 | 4 | 8 | 11 | 14 | 17 | 20 | 23 | 26 | 28 | 31 | 54 | 182 |
| Subtotal, enacted legislation and policy changes | 91 | 90 | 88 | 86 | 89 | 92 | 97 | 104 | 76 | 71 | 106 | 445 | 899 |
| Changes due to reestimates: | | | | | | | | | | | | | |
| Discretionary appropriations: | | | | | | | | | | | | | |
| Defense base programs | —37 | —5 | 3 | 3 | 1 | * | —1 | —1 | —1 | —1 | —1 | 2 | —4 |
| Non-defense base programs | —28 | 2 | 7 | 5 | 2 | 1 | * | —1 | —1 | —1 | —1 | 18 | 15 |
| Emergency/Disaster and other adjustments ¹ | —23 | —8 | —10 | 2 | 15 | 8 | 7 | 4 | 1 | —* | —* | 7 | 19 |
| Overseas contingency operations ... | 1 | —* | * | * | * | —* | * | * | —* | —* | —* | * | * |
| Subtotal, discretionary appropriations | —87 | —11 | —1 | 10 | 19 | 9 | 7 | 2 | —1 | —2 | —3 | 27 | 30 |
| Medicare | 1 | —2 | —7 | —9 | —15 | —14 | —13 | —21 | 13 | 19 | —27 | —47 | —76 |
| Medicaid | —2 | 4 | 6 | 6 | 6 | 7 | 7 | 8 | 9 | 10 | 10 | 29 | 73 |
| Social Security | —4 | —5 | —5 | —6 | —6 | —6 | —6 | —6 | —6 | —7 | —7 | —29 | —60 |
| Veterans' benefits | 1 | 1 | 2 | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 5 | 11 | 29 |
| Foreign military sales | 8 | —7 | 4 | 3 | 1 | 1 | —2 | * | —5 | —4 | —7 | 1 | —16 |
| Commodity Credit Corporation | —* | —2 | —1 | —2 | —2 | —1 | —1 | —1 | —1 | —1 | —1 | —9 | —15 |
| Earned income tax credit | 2 | * | 1 | 1 | 1 | * | * | 1 | 2 | 4 | 5 | 3 | 14 |
| Child tax credit | —* | 1 | —1 | —1 | —1 | —2 | —2 | —2 | —2 | —1 | —2 | —3 | —11 |
| Crime Victims Fund ..... | ..... | —4 | —3 | —2 | —* | ..... | ..... | ..... | ..... | ..... | ..... | —9 | —9 |
| Risk corridors | —12 | —* | * | —* | —* | —* | —* | —* | —* | —* | —* | —* | —* |
| Other programs ² | —9 | 10 | —1 | —1 | —2 | —5 | —3 | ..... | 1 | 1 | 1 | 2 | 2 |
| Net interest ³ | 11 | 25 | 15 | 10 | 11 | 15 | 17 | 16 | 15 | 17 | 19 | 76 | 161 |
| Subtotal, reestimates | —93 | 13 | 8 | 11 | 12 | 7 | 8 | 2 | 30 | 39 | —8 | 51 | 123 |
| Total change in outlays | —2 | 103 | 96 | 97 | 101 | 99 | 105 | 107 | 105 | 110 | 98 | 497 | 1,022 |
| <u>Mid-Session estimate</u> | <u>4,212</u> | <u>4,510</u> | <u>4,692</u> | <u>4,851</u> | <u>5,042</u> | <u>5,259</u> | <u>5,452</u> | <u>5,632</u> | <u>5,854</u> | <u>6,065</u> | <u>6,279</u> | | |

* \$500 million or less.

¹ Includes emergency and disaster funding, and adjustments for program integrity, wildfire, CUREs, and net zero CHIMPs.² Includes reestimates of the effect of standardizing to 12 monthly benefit payments.³ Includes debt service on all reestimates.

SUMMARY TABLES

Table S-1. BUDGET TOTALS¹

(In billions of dollars and as a percent of GDP)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| | | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Budget Totals in Billions of Dollars: | | | | | | | | | | | | | | |
| Receipts | 3,316 | 3,322 | 3,424 | 3,616 | 3,841 | 4,090 | 4,385 | 4,703 | 4,973 | 5,245 | 5,517 | 5,821 | 19,356 | 45,616 |
| Outlays | 3,982 | 4,212 | 4,510 | 4,692 | 4,851 | 5,042 | 5,259 | 5,452 | 5,632 | 5,854 | 6,065 | 6,279 | 24,354 | 53,637 |
| Deficit | 665 | 890 | 1,085 | 1,076 | 1,011 | 952 | 875 | 749 | 659 | 608 | 549 | 458 | 4,999 | 8,021 |
| Debt held by the public | 14,665 | 15,793 | 16,978 | 18,142 | 19,240 | 20,335 | 21,298 | 22,062 | 22,783 | 23,441 | 24,030 | 24,614 | | |
| Gross domestic product (GDP) ... | 19,178 | 20,112 | 21,148 | 22,262 | 23,402 | 24,589 | 25,834 | 27,144 | 28,509 | 29,916 | 31,371 | 32,898 | | |
| Budget Totals as a Percent of GDP: | | | | | | | | | | | | | | |
| Receipts | 17.3% | 16.5% | 16.2% | 16.2% | 16.4% | 16.6% | 17.0% | 17.3% | 17.4% | 17.5% | 17.6% | 17.7% | 16.5% | 17.0% |
| Outlays | 20.8% | 20.9% | 21.3% | 21.1% | 20.7% | 20.5% | 20.4% | 20.1% | 19.8% | 19.6% | 19.3% | 19.1% | 20.8% | 20.2% |
| Deficit | 3.5% | 4.4% | 5.1% | 4.8% | 4.3% | 3.9% | 3.4% | 2.8% | 2.3% | 2.0% | 1.7% | 1.4% | 4.3% | 3.2% |
| Debt held by the public | 76.5% | 78.5% | 80.3% | 81.5% | 82.2% | 82.7% | 82.4% | 81.3% | 79.9% | 78.4% | 76.6% | 74.8% | | |

¹Outlays and deficits for 2018 through 2028 are standardized to 12 monthly benefit payments, as shown on Table S-4.

Table S-2. EFFECT OF BUDGET PROPOSALS ON PROJECTED DEFICITS

(Deficit increases (+) or decreases (-) in billions of dollars)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | | | | | | | | | | | | | 2019-2023 | 2019-2028 |
| Projected deficits in the pre-policy baseline ¹ | 665 | 890 | 1,127 | 1,148 | 1,169 | 1,181 | 1,189 | 1,188 | 1,220 | 1,310 | 1,375 | 1,469 | 5,814 | 12,374 |
| Percent of GDP | 3.5% | 4.4% | 5.3% | 5.2% | 5.0% | 4.9% | 4.7% | 4.4% | 4.4% | 4.5% | 4.5% | 4.6% | | |
| Proposals in the 2019 Mid-Session Review: | | | | | | | | | | | | | | |
| Changes to mandatory spending and receipts: | | | | | | | | | | | | | | |
| Repeal and replace Obamacare | | | 3 | 16 | -30 | -44 | -59 | -76 | -94 | -113 | -138 | -162 | -114 | -696 |
| Support at least \$1 trillion in private/public infrastructure investment .. | | | 45 | 11 | 18 | 25 | 31 | 29 | 20 | 12 | 5 | 2 | 130 | 199 |
| Provide paid parental leave | | | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 7 | 19 |
| Reform the welfare system | | | -21 | -26 | -28 | -28 | -30 | -31 | -31 | -32 | -33 | -32 | -133 | -291 |
| Reform Federal student loans | | | -6 | -12 | -16 | -19 | -22 | -24 | -25 | -26 | -27 | -27 | -75 | -203 |
| Reduce improper payments Government-wide | | | -* | -1 | -2 | -3 | -6 | -6 | -12 | -22 | -40 | -59 | -11 | -151 |
| Reform disability programs | | | -1 | -2 | -2 | -2 | -2 | -5 | -8 | -12 | -17 | -22 | -9 | -72 |
| Reform retirement and health benefits for Federal employees | | | -4 | -3 | -4 | -5 | -8 | -10 | -11 | -14 | -15 | -16 | -24 | -90 |
| Limit Farm Bill subsidies and make other agricultural reforms | | | -1 | -4 | -5 | -6 | -6 | -7 | -7 | -7 | -7 | -7 | -22 | -58 |
| Eliminate wasteful spending in Medicare and improve drug pricing and payment policies ² | | | -3 | -13 | -18 | -25 | -30 | -32 | -37 | -41 | -45 | -51 | -89 | -294 |
| Other spending reductions and program reforms ³ | | | -* | -14 | -24 | -19 | -13 | -18 | -22 | -18 | -31 | -18 | -61 | -237 |
| Total, changes to mandatory spending and receipts | | | -* | -2 | -55 | -104 | -119 | -146 | -179 | -220 | -284 | -331 | -433 | -1,874 |
| Reprioritize discretionary spending: | | | | | | | | | | | | | | |
| Eliminate the defense sequester and raise the cap on defense discretionary spending | | | 3 | 81 | 110 | 123 | 129 | 107 | 96 | 93 | 89 | 88 | 446 | 920 |
| Reorganize Government and apply two-penny plan to non-defense discretionary spending | | | -13 | -8 | -24 | -51 | -71 | -95 | -121 | -146 | -171 | -196 | -168 | -898 |
| Phase down the use of Overseas Contingency Operations funding | | | -5 | -35 | -54 | -61 | -65 | -73 | -78 | -81 | -83 | -86 | -220 | -620 |
| Provide 2018 emergency funding and align emergency and disaster funding with the ten-year average ⁴ | | | -20 | -39 | -55 | -70 | -88 | -99 | -108 | -115 | -119 | -122 | -272 | -834 |
| Total, reprioritize discretionary spending | | | -35 | -1 | -22 | -60 | -95 | -159 | -210 | -250 | -284 | -316 | -214 | -1,433 |
| Debt service and indirect interest effects | | | -* | -1 | -2 | -5 | -10 | -18 | -28 | -40 | -57 | -77 | -101 | -339 |
| Total changes to spending and receipts in the 2019 Mid-Session Review | | | -* | -37 | -58 | -132 | -189 | -259 | -366 | -471 | -590 | -693 | -850 | -676 |
| Effect of post-policy boost to economic growth | | | | -4 | -14 | -26 | -40 | -55 | -72 | -90 | -111 | -133 | -161 | -139 |
| Total deficit reduction in the 2019 Mid-Session Review ⁵ | | | -* | -42 | -72 | -158 | -229 | -314 | -438 | -561 | -701 | -826 | -1,011 | -815 |
| Resulting deficits in the 2019 Mid-Session Review | 665 | 890 | 1,085 | 1,076 | 1,011 | 952 | 875 | 749 | 659 | 608 | 549 | 458 | 4,999 | 8,021 |
| Percent of GDP | 3.5% | 4.4% | 5.1% | 4.8% | 4.3% | 3.9% | 3.4% | 2.8% | 2.3% | 2.0% | 1.7% | 1.4% | | |

* \$500 million or less.

¹ Includes adjustments to standardize the number of benefit payments in each year. See Table S-3 for more information on the baseline.

² Includes the following categories of proposals on Table S-6: Address fraud and abuse in Medicare, Eliminate wasteful spending on Government-imposed provider burdens in Medicare, Eliminate wasteful Federal spending, Medicare drug pricing and payment improvements, Improve the Medicare appeals system, and Medicare interactions.

³ Includes interaction between 2019 Mid-Session Review proposals and the adjustment to standardize the number of benefit payments in each year.

⁴ The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) requires the baseline for discretionary appropriations, including disaster and emergency spending, to reflect the most recent enacted levels, extended through the budget window with adjustments for inflation. This line represents the effect of providing needed emergency funding for 2018 and then aligning emergency and disaster funding with the average of funding provided over the previous ten years, relative to the inflated spending levels in the BBEDCA baseline.

⁵ Includes differences between baseline and policy estimates of the outlay effects of mandatory sequestration.

Table S-3. BASELINE BY CATEGORY¹

(In billions of dollars)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | | | | | | | | | | | | | 2019-2023 | 2019-2028 |
| Outlays: | | | | | | | | | | | | | | |
| Discretionary programs: | | | | | | | | | | | | | | |
| Defense | 590 | 613 | 677 | 675 | 672 | 678 | 689 | 701 | 718 | 735 | 753 | 771 | 3,392 | 7,070 |
| Non-defense | 610 | 660 | 724 | 708 | 718 | 728 | 743 | 764 | 784 | 803 | 821 | 839 | 3,620 | 7,632 |
| Subtotal, discretionary programs ... | 1,200 | 1,274 | 1,401 | 1,383 | 1,391 | 1,406 | 1,432 | 1,465 | 1,502 | 1,538 | 1,574 | 1,611 | 7,012 | 14,701 |
| Mandatory programs: | | | | | | | | | | | | | | |
| Social Security | 939 | 982 | 1,042 | 1,104 | 1,169 | 1,238 | 1,313 | 1,392 | 1,474 | 1,560 | 1,649 | 1,744 | 5,866 | 13,685 |
| Medicare | 591 | 586 | 646 | 690 | 742 | 839 | 872 | 902 | 1,013 | 1,092 | 1,169 | 1,342 | 3,790 | 9,308 |
| Medicaid | 375 | 399 | 424 | 441 | 463 | 490 | 520 | 552 | 586 | 628 | 665 | 705 | 2,339 | 5,475 |
| Exchange subsidies (including Basic Health Program) | 39 | 52 | 49 | 49 | 50 | 53 | 55 | 58 | 60 | 62 | 65 | 68 | 255 | 569 |
| Other mandatory programs | 574 | 556 | 593 | 610 | 627 | 665 | 665 | 666 | 698 | 749 | 771 | 830 | 3,160 | 6,874 |
| Subtotal, mandatory programs | 2,519 | 2,575 | 2,754 | 2,894 | 3,051 | 3,286 | 3,426 | 3,570 | 3,831 | 4,090 | 4,319 | 4,689 | 15,410 | 35,910 |
| Net interest | 263 | 322 | 395 | 472 | 538 | 604 | 669 | 724 | 769 | 815 | 863 | 912 | 2,679 | 6,762 |
| Total outlays | 3,982 | 4,171 | 4,550 | 4,749 | 4,980 | 5,296 | 5,526 | 5,758 | 6,103 | 6,443 | 6,757 | 7,212 | 25,101 | 57,374 |
| Receipts: | | | | | | | | | | | | | | |
| Individual income taxes | 1,587 | 1,685 | 1,704 | 1,800 | 1,914 | 2,050 | 2,203 | 2,359 | 2,513 | 2,691 | 2,864 | 3,041 | 9,673 | 23,141 |
| Corporation income taxes | 297 | 204 | 225 | 254 | 280 | 317 | 377 | 423 | 447 | 433 | 427 | 440 | 1,454 | 3,624 |
| Social insurance and retirement receipts: | | | | | | | | | | | | | | |
| Social Security payroll taxes | 851 | 855 | 911 | 950 | 1,005 | 1,061 | 1,116 | 1,178 | 1,241 | 1,311 | 1,377 | 1,459 | 5,043 | 11,608 |
| Medicare payroll taxes | 256 | 261 | 277 | 289 | 307 | 325 | 343 | 363 | 383 | 405 | 427 | 453 | 1,542 | 3,572 |
| Unemployment insurance | 46 | 45 | 45 | 46 | 47 | 47 | 47 | 48 | 49 | 51 | 53 | 56 | 231 | 488 |
| Other retirement | 10 | 10 | 11 | 11 | 12 | 12 | 13 | 14 | 14 | 15 | 16 | 17 | 59 | 135 |
| Excise taxes | 84 | 92 | 98 | 107 | 110 | 114 | 110 | 133 | 126 | 130 | 134 | 126 | 539 | 1,188 |
| Estate and gift taxes | 23 | 23 | 17 | 18 | 20 | 21 | 23 | 25 | 27 | 28 | 29 | 30 | 100 | 239 |
| Customs duties | 35 | 38 | 40 | 42 | 44 | 45 | 46 | 47 | 49 | 51 | 53 | 55 | 217 | 470 |
| Deposits of earnings, Federal Reserve System | 81 | 72 | 53 | 53 | 55 | 59 | 64 | 68 | 74 | 79 | 84 | 90 | 284 | 679 |
| Other miscellaneous receipts | 48 | 37 | 46 | 43 | 43 | 45 | 46 | 48 | 50 | 52 | 52 | 54 | 224 | 479 |
| Total receipts | 3,316 | 3,322 | 3,427 | 3,615 | 3,837 | 4,097 | 4,388 | 4,705 | 4,973 | 5,245 | 5,515 | 5,821 | 19,364 | 45,622 |
| Deficit | 665 | 849 | 1,123 | 1,134 | 1,143 | 1,199 | 1,139 | 1,054 | 1,130 | 1,199 | 1,241 | 1,391 | 5,737 | 11,752 |
| Net interest | 263 | 322 | 395 | 472 | 538 | 604 | 669 | 724 | 769 | 815 | 863 | 912 | 2,679 | 6,762 |
| Primary deficit | 403 | 527 | 728 | 662 | 605 | 595 | 469 | 330 | 361 | 384 | 378 | 479 | 3,058 | 4,990 |
| On-budget deficit | 715 | 853 | 1,122 | 1,114 | 1,115 | 1,160 | 1,084 | 985 | 1,046 | 1,111 | 1,140 | 1,285 | 5,595 | 11,162 |
| Off-budget deficit/surplus (-) | -49 | -4 | 1 | 20 | 28 | 38 | 55 | 69 | 84 | 88 | 101 | 107 | 142 | 590 |

Table S-3. BASELINE BY CATEGORY ¹—Continued

(In billions of dollars)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Memorandum, totals with pre-policy economic assumptions and standardized to 12 monthly benefit payments: ² | | | | | | | | | | | | | | |
| Receipts | 3,316 | 3,322 | 3,422 | 3,602 | 3,812 | 4,059 | 4,336 | 4,637 | 4,889 | 5,141 | 5,392 | 5,672 | 19,230 | 44,961 |
| Outlays | <u>3,982</u> | <u>4,212</u> | <u>4,550</u> | <u>4,749</u> | <u>4,981</u> | <u>5,240</u> | <u>5,524</u> | <u>5,825</u> | <u>6,108</u> | <u>6,451</u> | <u>6,767</u> | <u>7,141</u> | <u>25,044</u> | <u>57,335</u> |
| Deficit | 665 | 890 | 1,127 | 1,148 | 1,169 | 1,181 | 1,189 | 1,188 | 1,220 | 1,310 | 1,375 | 1,469 | 5,814 | 12,374 |
| Memorandum, budget authority for discretionary programs: | | | | | | | | | | | | | | |
| Defense | 634 | 701 | 722 | 652 | 668 | 684 | 701 | 718 | 736 | 754 | 772 | 791 | 3,428 | 7,197 |
| Non-defense | <u>586</u> | <u>722</u> | <u>724</u> | <u>672</u> | <u>687</u> | <u>704</u> | <u>721</u> | <u>738</u> | <u>756</u> | <u>774</u> | <u>793</u> | <u>812</u> | <u>3,507</u> | <u>7,379</u> |
| Total, discretionary budget authority ... | <u>1,220</u> | <u>1,423</u> | <u>1,445</u> | <u>1,324</u> | <u>1,355</u> | <u>1,388</u> | <u>1,422</u> | <u>1,456</u> | <u>1,491</u> | <u>1,528</u> | <u>1,564</u> | <u>1,602</u> | <u>6,935</u> | <u>14,576</u> |

¹ Baseline estimates are on the basis of the economic assumptions shown in Table S-9, which incorporate the effects of the Administration's fiscal policies. Baseline totals reflecting current-law economic assumptions are shown in a memorandum bank.

² When October 1 falls on a weekend, certain mandatory benefit payments are accelerated to the previous business day, and as a result certain fiscal years can have 11 or 13 benefit payments rather than the normal 12 payments.

Table S-4. PROPOSED BUDGET BY CATEGORY

(In billions of dollars)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|------------|------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
| | | | | | | | | | | | | | 2019-2023 | 2019-2028 |
| Outlays: | | | | | | | | | | | | | | |
| Discretionary programs: | | | | | | | | | | | | | | |
| Defense | 590 | 613 | 679 | 726 | 735 | 746 | 760 | 743 | 744 | 754 | 766 | 781 | 3,647 | 7,435 |
| Non-defense | 610 | 660 | 687 | 650 | 626 | 583 | 558 | 543 | 528 | 515 | 504 | 495 | 3,103 | 5,688 |
| Subtotal, discretionary programs | 1,200 | 1,274 | 1,366 | 1,376 | 1,361 | 1,329 | 1,318 | 1,286 | 1,272 | 1,269 | 1,270 | 1,276 | 6,750 | 13,123 |
| Mandatory programs: | | | | | | | | | | | | | | |
| Social Security | 939 | 982 | 1,042 | 1,103 | 1,167 | 1,236 | 1,310 | 1,389 | 1,471 | 1,556 | 1,645 | 1,741 | 5,858 | 13,660 |
| Medicare | 591 | 586 | 629 | 656 | 700 | 790 | 816 | 842 | 948 | 1,021 | 1,103 | 1,239 | 3,592 | 8,745 |
| Medicaid and Market-Based Health Care Grant | 375 | 399 | 419 | 487 | 479 | 495 | 513 | 530 | 548 | 566 | 582 | 597 | 2,393 | 5,215 |
| Exchange subsidies (including Basic Health Program) | 39 | 52 | 48 | 11 | | | | | | | | | 58 | 58 |
| Other mandatory programs | 574 | 556 | 569 | 578 | 595 | 631 | 625 | 621 | 647 | 674 | 675 | 696 | 2,998 | 6,311 |
| Allowance for infrastructure initiative | | | 45 | 11 | 18 | 25 | 31 | 29 | 19 | 11 | 4 | 1 | 129 | 193 |
| Subtotal, mandatory programs | 2,519 | 2,575 | 2,751 | 2,846 | 2,959 | 3,176 | 3,295 | 3,411 | 3,633 | 3,828 | 4,010 | 4,274 | 15,028 | 34,183 |
| Net interest | 263 | 322 | 393 | 469 | 531 | 593 | 651 | 695 | 728 | 757 | 786 | 810 | 2,637 | 6,413 |
| Total outlays | 3,982 | 4,171 | 4,510 | 4,692 | 4,851 | 5,098 | 5,264 | 5,392 | 5,632 | 5,854 | 6,065 | 6,360 | 24,415 | 53,718 |
| Receipts: | | | | | | | | | | | | | | |
| Individual income taxes | 1,587 | 1,685 | 1,705 | 1,802 | 1,917 | 2,054 | 2,208 | 2,365 | 2,521 | 2,699 | 2,873 | 3,050 | 9,687 | 23,195 |
| Corporation income taxes | 297 | 204 | 225 | 254 | 280 | 317 | 377 | 423 | 447 | 433 | 427 | 440 | 1,454 | 3,624 |
| Social insurance and retirement receipts: | | | | | | | | | | | | | | |
| Social Security payroll taxes | 851 | 855 | 911 | 950 | 1,005 | 1,061 | 1,115 | 1,178 | 1,241 | 1,311 | 1,377 | 1,459 | 5,042 | 11,607 |
| Medicare payroll taxes | 256 | 261 | 277 | 290 | 307 | 325 | 343 | 363 | 383 | 405 | 427 | 453 | 1,542 | 3,573 |
| Unemployment insurance | 46 | 45 | 45 | 46 | 47 | 50 | 50 | 50 | 52 | 53 | 56 | 59 | 237 | 507 |
| Other retirement | 10 | 10 | 11 | 13 | 14 | 17 | 20 | 23 | 25 | 27 | 28 | 29 | 75 | 206 |
| Excise taxes | 84 | 92 | 98 | 107 | 110 | 98 | 94 | 116 | 108 | 111 | 114 | 105 | 507 | 1,060 |
| Estate and gift taxes | 23 | 23 | 17 | 18 | 20 | 21 | 23 | 25 | 27 | 28 | 29 | 30 | 100 | 239 |
| Customs duties | 35 | 38 | 40 | 42 | 43 | 44 | 45 | 47 | 48 | 50 | 52 | 54 | 215 | 466 |
| Deposits of earnings, Federal Reserve System | 81 | 72 | 53 | 54 | 56 | 60 | 65 | 69 | 74 | 80 | 85 | 91 | 287 | 686 |
| Other miscellaneous receipts | 48 | 37 | 46 | 43 | 43 | 45 | 46 | 48 | 50 | 52 | 52 | 54 | 225 | 481 |
| Allowance for Obamacare repeal and replacement | | | -3 | -4 | -2 | -2 | -2 | -2 | -3 | -3 | -3 | -3 | -14 | -29 |
| Total receipts | 3,316 | 3,322 | 3,424 | 3,616 | 3,841 | 4,090 | 4,385 | 4,703 | 4,973 | 5,245 | 5,517 | 5,821 | 19,356 | 45,616 |
| Deficit | 665 | 849 | 1,085 | 1,076 | 1,011 | 1,008 | 879 | 689 | 659 | 608 | 549 | 539 | 5,059 | 8,103 |
| Net interest | 263 | 322 | 393 | 469 | 531 | 593 | 651 | 695 | 728 | 757 | 786 | 810 | 2,637 | 6,413 |
| Primary deficit/surplus (-) | 403 | 527 | 693 | 607 | 479 | 415 | 228 | -6 | -69 | -149 | -237 | -271 | 2,422 | 1,690 |
| On-budget deficit | 715 | 853 | 1,086 | 1,059 | 986 | 973 | 828 | 625 | 580 | 526 | 454 | 438 | 4,933 | 7,556 |
| Off-budget deficit/surplus (-) | -49 | -4 | -1 | 17 | 24 | 35 | 51 | 64 | 79 | 82 | 95 | 101 | 126 | 547 |

Table S-4. PROPOSED BUDGET BY CATEGORY—Continued

(In billions of dollars)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|---------------|
| | | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Memorandum, totals standardized to 12 monthly benefit payments:¹ | | | | | | | | | | | | | | |
| Receipts | 3,316 | 3,322 | 3,424 | 3,616 | 3,841 | 4,090 | 4,385 | 4,703 | 4,973 | 5,245 | 5,517 | 5,821 | 19,356 | 45,616 |
| Outlays | 3,982 | 4,212 | 4,510 | 4,692 | 4,851 | 5,042 | 5,259 | 5,452 | 5,632 | 5,854 | 6,065 | 6,279 | 24,354 | 53,637 |
| Deficit | 665 | 890 | 1,085 | 1,076 | 1,011 | 952 | 875 | 749 | 659 | 608 | 549 | 458 | 4,999 | 8,021 |
| Memorandum, budget authority for discretionary programs: | | | | | | | | | | | | | | |
| Defense | 634 | 701 | 716 | 733 | 743 | 760 | 778 | 737 | 752 | 768 | 784 | 800 | 3,730 | 7,571 |
| Non-defense | 586 | 722 | 542 | 534 | 522 | 502 | 492 | 481 | 470 | 461 | 452 | 443 | 2,592 | 4,899 |
| Total, discretionary budget authority | 1,220 | 1,423 | 1,258 | 1,267 | 1,265 | 1,262 | 1,270 | 1,218 | 1,222 | 1,229 | 1,236 | 1,243 | 6,322 | 12,470 |
| Memorandum, repeal & replace Obamacare-- Medicaid and other outlays for health care coverage: | | | | | | | | | | | | | | |
| Medicaid | 375 | 399 | 419 | 367 | 356 | 369 | 384 | 399 | 413 | 428 | 441 | 453 | 1,896 | 4,030 |
| Exchange Subsidies (including Basic Health Program) ... | 39 | 52 | 48 | 11 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 58 | 58 |
| Market-Based Health Care Grant ..... | ..... | ..... | ..... | 120 | 123 | 126 | 128 | 131 | 134 | 138 | 141 | 144 | 497 | 1,185 |
| Total, outlays | 414 | 451 | 467 | 498 | 479 | 495 | 513 | 530 | 548 | 566 | 582 | 597 | 2,451 | 5,274 |

¹ When October 1 falls on a weekend, certain mandatory benefit payments are accelerated to the previous business day, and as a result certain fiscal years can have 11 or 13 benefit payments rather than the normal 12 payments.

Table S-5. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP

(As a percent of GDP)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------|---------------|
| | | | | | | | | | | | | | 2019- 2023 | 2019- 2028 |
| Discretionary programs: | | | | | | | | | | | | | | |
| Defense | 3.1 | 3.1 | 3.2 | 3.3 | 3.1 | 3.0 | 2.9 | 2.7 | 2.6 | 2.5 | 2.4 | 2.4 | 3.1 | 2.8 |
| Non-defense | 3.2 | 3.3 | 3.2 | 2.9 | 2.7 | 2.4 | 2.2 | 2.0 | 1.9 | 1.7 | 1.6 | 1.5 | 2.7 | 2.2 |
| Subtotal, discretionary programs | 6.3 | 6.3 | 6.5 | 6.2 | 5.8 | 5.4 | 5.1 | 4.7 | 4.5 | 4.2 | 4.0 | 3.9 | 5.8 | 5.0 |
| Mandatory programs: | | | | | | | | | | | | | | |
| Social Security | 4.9 | 4.9 | 4.9 | 5.0 | 5.0 | 5.0 | 5.1 | 5.1 | 5.2 | 5.2 | 5.2 | 5.3 | 5.0 | 5.1 |
| Medicare | 3.1 | 2.9 | 3.0 | 2.9 | 3.0 | 3.2 | 3.2 | 3.1 | 3.3 | 3.4 | 3.5 | 3.8 | 3.1 | 3.2 |
| Medicaid and Market-Based Health Care Grant | 2.0 | 2.0 | 2.0 | 2.2 | 2.0 | 2.0 | 2.0 | 2.0 | 1.9 | 1.9 | 1.9 | 1.8 | 2.0 | 2.0 |
| Exchange subsidies (including Basic Health Program) | 0.2 | 0.3 | 0.2 | * | | | | | | | | | 0.1 | * |
| Other mandatory programs | 3.0 | 2.8 | 2.7 | 2.6 | 2.5 | 2.6 | 2.4 | 2.3 | 2.3 | 2.3 | 2.2 | 2.1 | 2.6 | 2.4 |
| Allowance for infrastructure initiative | | | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | * | * | * | 0.1 | 0.1 |
| Subtotal, mandatory programs | 13.1 | 12.8 | 13.0 | 12.8 | 12.6 | 12.9 | 12.8 | 12.6 | 12.7 | 12.8 | 12.8 | 13.0 | 12.8 | 12.8 |
| Net interest | 1.4 | 1.6 | 1.9 | 2.1 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.5 | 2.5 | 2.5 | 2.2 | 2.4 |
| Total outlays | 20.8 | 20.7 | 21.3 | 21.1 | 20.7 | 20.7 | 20.4 | 19.9 | 19.8 | 19.6 | 19.3 | 19.3 | 20.8 | 20.2 |
| Receipts: | | | | | | | | | | | | | | |
| Individual income taxes | 8.3 | 8.4 | 8.1 | 8.1 | 8.2 | 8.4 | 8.5 | 8.7 | 8.8 | 9.0 | 9.2 | 9.3 | 8.3 | 8.6 |
| Corporation income taxes | 1.5 | 1.0 | 1.1 | 1.1 | 1.2 | 1.3 | 1.5 | 1.6 | 1.6 | 1.4 | 1.4 | 1.3 | 1.2 | 1.3 |
| Social insurance and retirement receipts: | | | | | | | | | | | | | | |
| Social Security payroll taxes | 4.4 | 4.2 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 | 4.4 | 4.4 | 4.4 | 4.4 | 4.3 | 4.3 |
| Medicare payroll taxes | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 |
| Unemployment insurance | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Other retirement | * | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Excise taxes | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 |
| Estate and gift taxes | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Customs duties | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Deposits of earnings, Federal Reserve System ... | 0.4 | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 |
| Other miscellaneous receipts | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Allowance for Obamacare repeal and replacement | | | _* | _* | _* | _* | _* | _* | _* | _* | _* | _* | _* | _* |
| Total receipts | 17.3 | 16.5 | 16.2 | 16.2 | 16.4 | 16.6 | 17.0 | 17.3 | 17.4 | 17.5 | 17.6 | 17.7 | 16.5 | 17.0 |
| Deficit | 3.5 | 4.2 | 5.1 | 4.8 | 4.3 | 4.1 | 3.4 | 2.5 | 2.3 | 2.0 | 1.7 | 1.6 | 4.4 | 3.2 |
| Net interest | 1.4 | 1.6 | 1.9 | 2.1 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.5 | 2.5 | 2.5 | 2.2 | 2.4 |
| Primary deficit/surplus (-) | 2.1 | 2.6 | 3.3 | 2.7 | 2.0 | 1.7 | 0.9 | _* | -0.2 | -0.5 | -0.8 | -0.8 | 2.1 | 0.8 |
| On-budget deficit | 3.7 | 4.2 | 5.1 | 4.8 | 4.2 | 4.0 | 3.2 | 2.3 | 2.0 | 1.8 | 1.4 | 1.3 | 4.3 | 3.0 |
| Off-budget deficit/surplus (-) | -0.3 | _* | _* | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.1 | 0.2 |
| Memorandum, totals standardized to 12 monthly benefit payments: | | | | | | | | | | | | | | |
| Receipts | 17.3 | 16.5 | 16.2 | 16.2 | 16.4 | 16.6 | 17.0 | 17.3 | 17.4 | 17.5 | 17.6 | 17.7 | 16.5 | 17.0 |
| Outlays | 20.8 | 20.9 | 21.3 | 21.1 | 20.7 | 20.5 | 20.4 | 20.1 | 19.8 | 19.6 | 19.3 | 19.1 | 20.8 | 20.2 |
| Deficit | 3.5 | 4.4 | 5.1 | 4.8 | 4.3 | 3.9 | 3.4 | 2.8 | 2.3 | 2.0 | 1.7 | 1.4 | 4.3 | 3.2 |

**Table S-5. PROPOSED BUDGET BY CATEGORY
AS A PERCENT OF GDP—Continued**

(As a percent of GDP)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|------|------|------|------|------|------|------|------|------|------|------|---------------|---------------|
| | | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Memorandum, budget authority for discretionary programs: | | | | | | | | | | | | | | |
| Defense | 3.3 | 3.5 | 3.4 | 3.3 | 3.2 | 3.1 | 3.0 | 2.7 | 2.6 | 2.6 | 2.5 | 2.4 | 3.2 | 2.9 |
| Non-defense | 3.1 | 3.6 | 2.6 | 2.4 | 2.2 | 2.0 | 1.9 | 1.8 | 1.6 | 1.5 | 1.4 | 1.3 | 2.2 | 1.9 |
| Total, discretionary budget authority | 6.4 | 7.1 | 5.9 | 5.7 | 5.4 | 5.1 | 4.9 | 4.5 | 4.3 | 4.1 | 3.9 | 3.8 | 5.4 | 4.8 |
| Memorandum, repeal & replace Obamacare-- Medicaid and other outlays for health care coverage: | | | | | | | | | | | | | | |
| Medicaid | 2.0 | 2.0 | 2.0 | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 1.6 | 1.5 |
| Exchange Subsidies (including Basic Health Program) | 0.2 | 0.3 | 0.2 | * | | | | | | | | | 0.1 | * |
| Market-Based Health Care Grant | | | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 |
| Total, outlays | 2.2 | 2.2 | 2.2 | 2.2 | 2.0 | 2.0 | 2.0 | 2.0 | 1.9 | 1.9 | 1.9 | 1.8 | 2.1 | 2.0 |

*0.05 percent of GDP or less.

Table S-6. MANDATORY AND RECEIPT PROPOSALS

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | | | | | | | | | | | | 2019-2023 | 2019-2028 |
| Agriculture: | | | | | | | | | | | | | |
| Farm Bill savings: | | | | | | | | | | | | | |
| Limit eligibility for agricultural commodity payments to \$500,000 Adjusted Gross Income (AGI) | | -114 | -89 | -142 | -135 | -124 | -120 | -111 | -102 | -98 | -90 | -604 | -1,125 |
| Limit Crop Insurance eligibility to \$500,000 AGI | | | -56 | -58 | -67 | -71 | -77 | -84 | -92 | -102 | -117 | -252 | -724 |
| Limit Crop Insurance premium subsidies | | | -2,231 | -2,258 | -2,482 | -2,502 | -2,540 | -2,556 | -2,587 | -2,606 | -2,609 | -9,473 | -22,371 |
| Streamline conservation programs | | -136 | -189 | -483 | -876 | -1,291 | -1,689 | -2,017 | -2,121 | -2,120 | -2,120 | -2,975 | -13,042 |
| Eliminate lower priority Farm Bill programs | | -54 | -112 | -94 | -98 | -100 | -100 | -100 | -100 | -100 | -100 | -458 | -958 |
| Cap Crop Insurance companies' underwriting gains | | | | | -413 | -420 | -423 | -426 | -430 | -437 | -439 | -833 | -2,988 |
| Eliminate Food for Progress food aid program | | -166 | -166 | -166 | -166 | -166 | -166 | -166 | -166 | -166 | -166 | -830 | -1,660 |
| Eliminate farm payment limit loopholes | | -149 | -143 | -141 | -137 | -135 | -132 | -130 | -128 | -127 | -126 | -705 | -1,348 |
| Eliminate Livestock Forage Program | | -416 | -421 | -434 | -444 | -451 | -456 | -460 | -462 | -468 | -471 | -2,166 | -4,483 |
| Total, Farm Bill savings..... | | -1,035 | -3,407 | -3,776 | -4,818 | -5,260 | -5,703 | -6,050 | -6,188 | -6,224 | -6,238 | -18,296 | -48,699 |
| Establish Food Safety and Inspection Service (FSIS) user fee | | | -660 | -660 | -660 | -660 | -660 | -660 | -660 | -660 | -660 | -2,640 | -5,940 |
| Establish Animal and Plant Health Inspection Service (APHIS) user fee | | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -115 | -230 |
| Establish Packers and Stockyards Program user fee | | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -23 | -115 | -230 |
| Establish Agricultural Marketing Service (AMS) user fee | | -20 | -20 | -20 | -20 | -20 | -20 | -20 | -20 | -20 | -20 | -100 | -200 |
| Eliminate interest payments to electric & telecommunications utilities | | -129 | -127 | -130 | -130 | -128 | -129 | -129 | -129 | -129 | -129 | -644 | -1,289 |
| Eliminate the Rural Economic Development Program | | | | | | | | | | | | | |
| Outyear mandatory effects of discretionary changes to the Conservation Stewardship Program | | | -27 | -135 | -180 | -180 | -180 | -180 | -180 | -180 | -180 | -522 | -1,422 |
| Total, Agriculture | | -1,230 | -4,287 | -4,767 | -5,854 | -6,294 | -6,738 | -7,085 | -7,223 | -7,259 | -7,273 | -22,432 | -58,010 |
| Education: | | | | | | | | | | | | | |
| Create single income-driven student loan repayment plan ² | | -2,429 | -6,006 | -9,365 | -11,883 | -13,885 | -15,458 | -16,317 | -17,228 | -17,695 | -18,099 | -43,568 | -128,365 |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Eliminate subsidized student loans | | -1,500 | -2,580 | -2,886 | -2,973 | -2,992 | -3,008 | -3,050 | -3,096 | -3,216 | -3,254 | -12,931 | -28,555 |
| Eliminate Public Service Loan Forgiveness | | -1,720 | -2,979 | -3,873 | -4,411 | -4,851 | -5,303 | -5,511 | -5,597 | -5,758 | -5,859 | -17,834 | -45,862 |
| Eliminate account maintenance fee payments to guaranty agencies ... | | -656 | | | | | | | | | | -656 | -656 |
| Move Iraq-Afghanistan Service Grants into the Pell Grant program | | | | | | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -6 |
| Expand Pell Grants to short-term programs | | 7 | 27 | 34 | 40 | 46 | 48 | 49 | 49 | 50 | 51 | 154 | 401 |
| Reallocate mandatory Pell funding to support short-term programs .. | | -7 | -27 | -34 | -40 | -46 | -48 | -49 | -49 | -50 | -51 | -154 | -401 |
| Total, Education | | -6,305 | -11,565 | -16,124 | -19,267 | -21,729 | -23,770 | -24,879 | -25,922 | -26,670 | -27,213 | -74,990 | -203,444 |
| Energy: | | | | | | | | | | | | | |
| Repeal borrowing authority for Western Area Power Administration (WAPA) | | -450 | -875 | -175 | 575 | 275 | 110 | -50 | -50 | -50 | -50 | -650 | -740 |
| Divest WAPA transmission assets ... | | | -580 | | | | | | | | | -580 | -580 |
| Divest Southwestern Power Administration transmission assets | | | -15 | | | | | | | | | -15 | -15 |
| Divest Bonneville Power Administration transmission assets | | | -1,733 | -488 | -483 | -493 | -452 | -386 | -386 | -386 | -386 | -3,197 | -5,193 |
| Reform the laws governing how Power Marketing Administrations establish power rates | | -162 | -169 | -173 | -182 | -188 | -192 | -199 | -206 | -211 | -217 | -874 | -1,899 |
| Restart Nuclear Waste Fund Fee in 2021 | | | | -359 | -359 | -364 | -367 | -364 | -360 | -360 | -360 | -1,082 | -2,893 |
| Total, Energy | | -612 | -3,372 | -1,195 | -449 | -770 | -901 | -999 | -1,002 | -1,007 | -1,013 | -6,398 | -11,320 |
| Health and Human Services (HHS): | | | | | | | | | | | | | |
| Create child welfare flexible funding option | | | | 7 | 8 | 8 | 8 | 21 | 22 | 18 | 18 | 23 | 110 |
| Reform the title IV-E adoption assistance savings provision | | | | | | | | | | | | | |
| Provide tribal access to the Federal Parent Locator Service | | | | | | | | | | | | | |
| Reauthorize the Promoting Safe and Stable Families program (title IV-B) | | | | | | | | | | | | | |
| Expand the Regional Partnership Grants program | | 13 | 35 | 40 | 40 | 40 | 27 | 5 | | | | 168 | 200 |
| Maintain Federal funding for key child care programs | | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 222 | 1,110 | 2,220 |

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------------|---------------|
| | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Shift classification of certain HHS funding from mandatory to discretionary funding | | -2,079 | -3,331 | -919 | -446 | -409 | -289 | -75 | -16 | | | -7,184 | -7,564 |
| Drug pricing and payment improvements: | | | | | | | | | | | | | |
| Improve 340B program integrity ... | | | | | | | | | | | | | |
| Medicare: | | | | | | | | | | | | | |
| Authorize the HHS Secretary to leverage Medicare Part D plans' negotiating power for certain drugs covered under Part B ³ | | | | | | | | | | | | | |
| Permanently authorize a successful pilot on retroactive Medicare Part D coverage for low-income beneficiaries | | | -30 | -50 | -50 | -50 | -60 | -60 | -70 | -70 | -80 | -180 | -520 |
| Increase Medicare Part D plan formulary flexibility | | -160 | -230 | -250 | -270 | -300 | -320 | -340 | -370 | -410 | -430 | -1,210 | -3,080 |
| Eliminate cost-sharing on generic drugs for low-income beneficiaries | | -40 | -30 | -40 | -30 | -30 | -30 | -30 | -30 | -20 | -30 | -170 | -310 |
| Require Medicare Part D plans to apply a substantial portion of rebates at the point of sale | | 1,720 | 2,680 | 3,110 | 3,470 | 3,870 | 4,270 | 4,720 | 5,270 | 5,880 | 6,430 | 14,850 | 41,420 |
| Exclude manufacturer discounts from the calculation of beneficiary out-of-pocket costs in the Medicare Part D coverage gap | | -2,390 | -3,270 | -4,710 | -6,590 | -7,160 | -6,450 | -7,990 | -8,810 | -9,630 | -11,290 | -24,120 | -68,290 |
| Establish a beneficiary out-of-pocket maximum in the Medicare Part D catastrophic phase | | 90 | 230 | 400 | 600 | 690 | 750 | 810 | 880 | 950 | 1,030 | 2,010 | 6,430 |
| Address abusive drug pricing by manufacturers by establishing an inflation limit for reimbursement of Medicare Part B drugs ³ | | | | | | | | | | | | | |
| Improve manufacturers' reporting of average sales prices to set accurate payment rates ³ | | | | | | | | | | | | | |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|-------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Modify payment for drugs hospitals purchase through the 340B discount program and require a minimum level of charity care for hospitals to receive a payment adjustment related to uncompensated care ³ | | | | | | | | | | | | | |
| Reduce Wholesale Acquisition Cost (WAC)-based payments ³ | | | | | | | | | | | | | |
| Reform exclusivity for first generics to spur greater competition and access | | -60 | -70 | -70 | -90 | -80 | -80 | -90 | -100 | -110 | -130 | -370 | -880 |
| Total, Medicare | | -840 | -720 | -1,610 | -2,960 | -3,060 | -1,920 | -2,980 | -3,230 | -3,410 | -4,500 | -9,190 | -25,230 |
| Medicaid: | | | | | | | | | | | | | |
| Test allowing State Medicaid programs to negotiate prices directly with drug manufacturers and set formulary for coverage | | | -5 | -10 | -15 | -15 | -15 | -15 | -15 | -15 | -15 | -45 | -120 |
| Clarify definitions under the Medicaid Drug Rebate Program to prevent inappropriately low manufacturer rebates | | -26 | -26 | -26 | -26 | -31 | -31 | -36 | -37 | -37 | -42 | -135 | -318 |
| Total, Medicaid | | -26 | -31 | -36 | -41 | -46 | -46 | -51 | -52 | -52 | -57 | -180 | -438 |
| Total, Drug pricing and payment improvements | | -866 | -751 | -1,646 | -3,001 | -3,106 | -1,966 | -3,031 | -3,282 | -3,462 | -4,557 | -9,370 | -25,668 |
| Address opioids: | | | | | | | | | | | | | |
| Prevent abusive prescribing by establishing HHS reciprocity with the Drug Enforcement Administration to terminate provider prescribing authority ³ | | | | | | | | | | | | | |
| Require plan participation in a program to prevent prescription drug abuse in Medicare Part D | | -10 | -10 | -10 | -10 | -10 | -10 | -10 | -10 | -10 | -10 | -50 | -100 |
| Provide comprehensive coverage of substance abuse treatment in Medicare ³ | | | | | | | | | | | | | |
| Track high prescribers and utilizers of prescription drugs in Medicaid ³ | | | | | | | | | | | | | |
| Require coverage of all medication assisted treatment options in Medicaid | | 35 | 25 | -25 | -75 | -115 | -130 | -145 | -150 | -160 | -170 | -155 | -910 |
| Total, Address opioids | | 25 | 15 | -35 | -85 | -125 | -140 | -155 | -160 | -170 | -180 | -205 | -1,010 |

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | | |
|---|------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------|---------------|--|
| | | | | | | | | | | | | 2019– 2023 | 2019– 2028 | |
| Eliminate wasteful Federal spending: | | | | | | | | | | | | | | |
| Consolidate graduate medical education payments | | -450 | -1,220 | -2,030 | -2,950 | -3,960 | -4,940 | -6,000 | -7,190 | -8,310 | -9,610 | -10,610 | -46,660 | |
| Reduce Medicare coverage of bad debts | | -400 | -1,320 | -2,810 | -3,730 | -4,050 | -4,310 | -4,580 | -4,870 | -5,180 | -5,480 | -12,310 | -36,730 | |
| Modify payments to hospitals for uncompensated care | | | -5,720 | -7,020 | -7,890 | -8,880 | -9,840 | -10,870 | -11,920 | -13,020 | -14,190 | -29,510 | -89,350 | |
| Address excessive payment for post-acute care providers by establishing a unified payment system based on patients' clinical needs rather than the site of care | | -510 | -1,780 | -3,250 | -5,480 | -8,170 | -9,150 | -10,240 | -11,170 | -12,170 | -13,630 | -19,190 | -75,550 | |
| Pay all hospital-owned physician offices located off-campus at the physician office rate | | -1,240 | -2,250 | -2,510 | -2,800 | -3,130 | -3,480 | -3,860 | -4,270 | -4,730 | -5,240 | -11,930 | -33,510 | |
| Expand basis for beneficiary assignment for Accountable Care Organizations (ACOs) | | | | -10 | -10 | -10 | -10 | -20 | -20 | -20 | -20 | -30 | -120 | |
| Require prior authorization when physicians order certain services excessively relative to their peers ³ | | | | | | | | | | | | | | |
| Reform and expand durable medical equipment competitive bidding | | | -210 | -350 | -380 | -410 | -450 | -470 | -500 | -540 | -570 | -1,350 | -3,880 | |
| Reform physician self-referral law to better support and align with alternative payment models and to address overutilization ³ | | | | | | | | | | | | | | |
| Allow for Federal/State coordinated review of dual eligible Special Needs Plan marketing materials | | | | | | | | | | | | | | |
| Improve appeals notifications for dually eligible individuals in Integrated Health Plans | | | | | | | | | | | | | | |
| Clarify the Part D special enrollment period for dually eligible beneficiaries | | -20 | -20 | -30 | -30 | -30 | -40 | -40 | -40 | -50 | -50 | -130 | -350 | |
| Give Medicare beneficiaries with high deductible health plans the option to make tax deductible contributions to Health Savings Accounts or Medical Savings Accounts ¹ | | | | 610 | 1,071 | 1,305 | 1,513 | 1,619 | 1,694 | 1,776 | 1,847 | 2,986 | 11,435 | |
| Total, Eliminate wasteful Federal spending | | -2,620 | -12,520 | -17,400 | -22,199 | -27,335 | -30,707 | -34,461 | -38,286 | -42,244 | -46,943 | -82,074 | -274,715 | |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|---------------|-------|
| | | | | | | | | | | | | 2019– 2023 | 2019– 2028 | |
| Eliminate wasteful spending on Government-imposed provider burdens in Medicare: | | | | | | | | | | | | | | |
| Improve and tailor the way Medicare educates beneficiaries about the program | | | | | | | | | | | | | | |
| Eliminate the reporting burden and arbitrary requirements for use of electronic health records | | | | | | | | | | | | | | |
| Eliminate arbitrary thresholds and other burdens to encourage participation in advanced Alternative Payment Models ³ | | | | | | | | | | | | | | |
| Simplify and eliminate reporting burdens for clinicians participating in the Merit-based Incentive Payment System | | | | | | | | | | | | | | |
| Tailor the frequency of skilled nursing facility surveys to more efficiently use resources and alleviate burden for top-performing nursing homes | | | | | | | | | | | | | | |
| Eliminate the unnecessary requirement of a face-to-face provider visit for durable medical equipment | | | | | | | | | | | | | | |
| Total, Eliminate wasteful spending on Government-imposed provider burdens in Medicare | | | | | | | | | | | | | | |
| Address fraud and abuse in Medicare: | | | | | | | | | | | | | | |
| Suspend coverage and payment for questionable Part D prescriptions and incomplete clinical information | | -30 | -30 | -40 | -40 | -40 | -50 | -40 | -50 | -40 | -50 | -180 | -410 | |
| Prevent abuse of Medicare coverage when another source has primary responsibility for prescription drug coverage | | -10 | -30 | -30 | -30 | -40 | -40 | -50 | -50 | -60 | -70 | -140 | -410 | |
| Expand prior authorization to additional Medicare fee-for-service items at high risk of fraud, waste, and abuse ³ | | | | | | | | | | | | | | |

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|---------------|---------------|
| | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Prevent fraud by enforcing reporting of enrollment changes through civil monetary penalties for providers and suppliers who fail to update enrollment records | | -2 | -2 | -3 | -3 | -3 | -3 | -4 | -4 | -4 | -4 | -13 | -32 |
| Allow revocation and denial of provider enrollment based on affiliation with a sanctioned entity | | | | -6 | -6 | -6 | -6 | -6 | -6 | -6 | -11 | -18 | -53 |
| Require clearinghouses and billing agents acting on behalf of Medicare providers and suppliers to enroll in the program | | | | | | | | | | | | | |
| Ensure providers that violate Medicare’s safety requirements and have harmed patients cannot quickly re-enter the program | | | | | | | | | | | | | |
| Assess a penalty on physicians and practitioners who order services or supplies without proper documentation | | | | | | | | | | | | | |
| Clarify authority for the Healthcare Fraud Prevention Partnership | | | | | | | | | | | | | |
| Alter the Open Payments reporting and publication cycle | | | | | | | | | | | | | |
| Publish the National Provider Identifier for covered recipients in the Open Payments Program | | | | | | | | | | | | | |
| Improve the safety and quality of care by requiring accreditation organizations to publicly report Medicare survey and certification reports | | | | | | | | | | | | | |
| Total, Address fraud and abuse in Medicare | | -42 | -62 | -79 | -79 | -89 | -99 | -100 | -110 | -110 | -135 | -351 | -905 |
| Medicare Appeals: | | | | | | | | | | | | | |
| Improve the Medicare appeals system ⁴ | | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 560 | 1,120 |
| Strengthen Medicaid operations and increase State flexibility: | | | | | | | | | | | | | |
| Allow States to apply asset test to modified adjusted gross income standard populations | | -50 | -100 | -200 | -210 | -230 | -240 | -250 | -270 | -280 | -300 | -790 | -2,130 |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | | |
|--|------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|----------------|--|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 | |
| Reduce maximum allowable home equity for Medicaid eligibility | | | | | | | | | | | | | | |
| Require documentation of satisfactory immigration status before receipt of Medicaid benefits | | -180 | -190 | -200 | -210 | -220 | -230 | -240 | -250 | -270 | -280 | -1,000 | -2,270 | |
| Increase limit on Medicaid copayments for non-emergency use of emergency department ... | | -50 | -110 | -120 | -130 | -130 | -140 | -150 | -160 | -170 | -180 | -540 | -1,340 | |
| Define lottery winnings and other lump-sum payments as income for purpose of Medicaid eligibility | | | | | | | | | | | | | | |
| Increase flexibility in the duration of section 1915(b) managed care waivers | | | | | | | | | | | | | | |
| Provide a pathway to make permanent established Medicaid managed care waivers | | | | | | | | | | | | | | |
| Total, Strengthen Medicaid operations and increase State flexibility | | -280 | -400 | -520 | -550 | -580 | -610 | -640 | -680 | -720 | -760 | -2,330 | -5,740 | |
| Address wasteful spending, fraud and abuse in Medicaid: | | | | | | | | | | | | | | |
| Continue Medicaid Disproportionate Share Hospital (DSH) allotment reductions | | | | | | | | | -6,520 | -6,500 | -6,480 | | -19,500 | |
| Consolidate provider enrollment screening for Medicare, Medicaid, and CHIP | | | | | | | | | | | | | | |
| Implement pre-payment controls to prevent inappropriate personal care services payments ³ | | | | | | | | | | | | | | |
| Streamline the Medicaid terminations process | | | | | | | | | | | | | | |
| Expand Medicaid Fraud Control Unit review to additional care settings ³ | | | | | | | | | | | | | | |
| Prohibit Medicaid payments to public providers in excess of costs ³ | | | | | | | | | | | | | | |
| Total, Address wasteful spending, fraud and abuse in Medicaid | | | | | | | | | -6,520 | -6,500 | -6,480 | | -19,500 | |

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Other Health: | | | | | | | | | | | | | |
| Reform medical liability ^{1,10} | | -179 | -695 | -1,840 | -3,206 | -4,490 | -6,017 | -7,665 | -8,547 | -9,060 | -9,825 | -10,410 | -51,524 |
| Reduce the grace period for Exchange premiums ¹ | | -931 | -311 | | | | | | | | | -1,242 | -1,242 |
| Permit federally-facilitated Exchange States to conduct Qualified Health Plan certification | | | | | | | | | | | | | |
| Prohibit governmental discrimination against health care providers that refuse to cover abortion | | | | | | | | | | | | | |
| Provide CMS Program Management implementation funding | | 12 | 150 | 38 | | | | | | | | 200 | 200 |
| Total, Other Health | | -1,098 | -856 | -1,802 | -3,206 | -4,490 | -6,017 | -7,665 | -8,547 | -9,060 | -9,825 | -11,452 | -52,566 |
| Public Health: | | | | | | | | | | | | | |
| Provide tax exemption for Indian Health Service (IHS) Health Professions scholarship and loan repayment programs in Return for Obligatory Service Requirement ¹ | | 5 | 12 | 13 | 14 | 14 | 14 | 14 | 15 | 17 | 19 | 58 | 137 |
| Interactions: | | | | | | | | | | | | | |
| Medicare Interactions | | 184 | 393 | 491 | 550 | 616 | 663 | 707 | 742 | 784 | 832 | 2,234 | 5,962 |
| Medicaid Interactions | | | 146 | 252 | 367 | 472 | 557 | 657 | 743 | 843 | 958 | 1,237 | 4,995 |
| Total, Interactions | | 184 | 539 | 743 | 917 | 1,088 | 1,220 | 1,364 | 1,485 | 1,627 | 1,790 | 3,471 | 10,957 |
| Total, Health and Human Services (HHS) | | -6,424 | -16,985 | -21,264 | -28,253 | -34,650 | -38,225 | -44,389 | -55,745 | -60,270 | -66,719 | -107,576 | -372,924 |
| Homeland Security: | | | | | | | | | | | | | |
| Extend expiring Customs and Border Protection (CBP) fees | | | | | | | | | | -779 | -4,951 | | -5,730 |
| Increase Customs user fees | | -113 | -126 | -137 | -148 | -162 | -176 | -191 | -206 | -223 | -214 | -686 | -1,696 |
| Increase immigration user fees | | | | | | | | | | | | | |
| Establish Electronic Visa Update System user fee ¹ | | | | | | | | | | | | | |
| Eliminate BrandUSA; make revenue available to CBP | | 60 | 66 | | | | | | | | | 126 | 126 |
| Make full Electronic System for Travel Authorization (ESTA) receipts available to CBP ¹ | | | | | | | | | | | | | |
| Expand Authority of the Aviation Security Capital Fund | | | | | | | | | | | | | |
| Establish an immigration services surcharge ¹ | | -453 | -465 | -479 | -493 | -507 | -522 | -538 | -553 | -569 | -587 | -2,397 | -5,166 |
| Increase worksite enforcement penalties ¹ | | -13 | -14 | -15 | -15 | -15 | -15 | -15 | -15 | -15 | -15 | -72 | -147 |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|-----------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Establish National Flood Insurance Program affordability assistance ⁵ | | 1 | | 11 | 21 | 32 | 44 | 58 | 74 | 86 | 90 | 65 | 417 |
| Total, Homeland Security | | -518 | -539 | -620 | -635 | -652 | -669 | -686 | -700 | -1,500 | -5,677 | -2,964 | -12,196 |
| Interior: | | | | | | | | | | | | | |
| Cancel Southern Nevada Public Land Management Act (SNPLMA) balances | | -83 | -69 | -78 | | | | | | | | -230 | -230 |
| Repeal enhanced geothermal payments to counties | | -4 | -4 | -4 | -4 | -4 | -4 | -4 | -4 | -4 | -4 | -20 | -40 |
| Permanently reauthorize the Federal Lands Recreation Enhancement Act (FLREA) | | | | | | | | | | | | | |
| Establish a Public Lands Infrastructure Fund | | 152 | 420 | 614 | 766 | 764 | 766 | 781 | 810 | 842 | 878 | 2,716 | 6,793 |
| Total, Interior | | 65 | 347 | 532 | 762 | 760 | 762 | 777 | 806 | 838 | 874 | 2,466 | 6,523 |
| Justice: | | | | | | | | | | | | | |
| Establish a definite annual funding level for the Crime Victims Fund | | -4,224 | -2,769 | -2,180 | -1,647 | -200 | -200 | -200 | -200 | -200 | -200 | -11,020 | -12,020 |
| Labor: | | | | | | | | | | | | | |
| Establish a paid parental leave program: | | | | | | | | | | | | | |
| Provide paid parental leave benefits ^{1,6,7} | | 700 | 1,000 | 1,767 | 1,663 | 1,928 | 2,159 | 2,211 | 2,332 | 2,443 | 2,546 | 7,058 | 18,749 |
| Establish an Unemployment Insurance (UI) solvency standard ^{1,7} | | | | -489 | -1,315 | -1,887 | -796 | -1,399 | -778 | -1,025 | -1,524 | -3,691 | -9,213 |
| Improve UI program integrity ^{1,7} | | -83 | -176 | -187 | -186 | -180 | -173 | -170 | -173 | -148 | -178 | -812 | -1,654 |
| Provide for Reemployment Services and Eligibility Assessments ^{1,7} | | | -71 | -458 | -456 | -440 | -412 | -388 | -364 | -398 | -302 | -1,425 | -3,289 |
| Total, Establish a paid parental leave program | | 617 | 753 | 633 | -294 | -579 | 778 | 254 | 1,017 | 872 | 542 | 1,130 | 4,593 |
| Improve Pension Benefit Guaranty Corporation (PBGC) solvency | 32 | 74 | -1,470 | -1,564 | -1,663 | -1,760 | -1,810 | 1,428 | -5,128 | -1,901 | -1,936 | -6,383 | -15,730 |
| Expand Foreign Labor Certification fees | | | | | | | | | | | | | |
| Reform the Federal Employees' Compensation Act (FECA) | | -62 | -7 | -5 | -5 | -5 | -6 | -6 | -8 | -8 | -5 | -84 | -117 |
| Reform the Trade Adjustment Assistance program | | -40 | -139 | -219 | -235 | -167 | -71 | -45 | -53 | -81 | -110 | -800 | -1,160 |
| Total, Labor | 32 | 589 | -863 | -1,155 | -2,197 | -2,511 | -1,109 | 1,631 | -4,172 | -1,118 | -1,509 | -6,137 | -12,414 |
| Transportation: | | | | | | | | | | | | | |
| Air Traffic Control: | | | | | | | | | | | | | |
| Reform Air Traffic Control ¹ | | | | | 15,510 | 16,310 | 17,146 | 18,038 | 18,996 | 19,996 | 21,016 | 31,820 | 127,012 |

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|-------|-------|--------|--------|--------|--------|---------|---------|---------|---------|---------|-----------|-----------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Outlay savings from discretionary cap adjustment .. | | | | | -8,681 | -9,453 | -9,829 | -10,060 | -10,173 | -10,173 | -10,173 | -18,134 | -68,542 |
| Reform Essential Air Service ¹ | | | | | 61 | 1 | 2 | 2 | 1 | 2 | 2 | 62 | 71 |
| Total, Transportation | | | | | 6,890 | 6,858 | 7,319 | 7,980 | 8,824 | 9,825 | 10,845 | 13,748 | 58,541 |
| Treasury: | | | | | | | | | | | | | |
| Provide authority for Bureau of Engraving and Printing to construct new facility ¹ | | -12 | -32 | -3 | 89 | -360 | -53 | 20 | -3 | -222 | -3 | -318 | -579 |
| Increase and extend guarantee fee charged by GSEs | | -212 | -967 | -1,699 | -2,350 | -3,475 | -4,258 | -4,034 | -3,398 | -2,858 | -2,401 | -8,703 | -25,652 |
| Subject Financial Research Fund to appropriations with reforms to the Financial Stability Oversight Council and Office of Financial Research ^{1,7} | | -1 | 33 | -13 | -18 | -18 | -18 | -18 | -18 | -18 | -18 | -17 | -107 |
| Increase delinquent Federal non-tax debt collections | | -32 | -32 | -32 | -32 | -32 | -32 | -32 | -32 | -32 | -32 | -160 | -320 |
| Increase and streamline recovery of unclaimed assets | | -8 | -8 | -8 | -8 | -8 | -8 | -8 | -8 | -8 | -8 | -40 | -80 |
| Implement tax enforcement program integrity cap adjustment ¹ | | -152 | -787 | -1,825 | -3,033 | -4,330 | -5,554 | -6,416 | -6,931 | -7,270 | -7,505 | -10,127 | -43,803 |
| Discretionary outlays from tax enforcement program integrity cap adjustment (non-add) | | 320 | 693 | 1,040 | 1,386 | 1,737 | 1,850 | 1,865 | 1,875 | 1,885 | 1,893 | 5,176 | 14,544 |
| Increase oversight of paid tax return preparers ¹ | | -21 | -33 | -38 | -42 | -45 | -50 | -55 | -60 | -68 | -73 | -179 | -485 |
| Provide more flexible authority for the Internal Revenue Service to address correctable errors ¹ | | -42 | -61 | -64 | -67 | -69 | -72 | -74 | -77 | -85 | -89 | -303 | -700 |
| Total, Treasury | | -480 | -1,887 | -3,682 | -5,461 | -8,337 | -10,045 | -10,617 | -10,527 | -10,561 | -10,129 | -19,847 | -71,726 |
| Veterans Affairs (VA): | | | | | | | | | | | | | |
| Cap Post-9/11 GI Bill flight training programs at public schools | | -43 | -45 | -46 | -47 | -49 | -51 | -53 | -55 | -57 | -59 | -230 | -505 |
| Extension of home loan fees | | | | | | | | | | | -356 | ..... | -356 |
| Enhance burial benefits for veterans | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 10 | 23 |
| Reinstate COLA round-down | | -34 | -92 | -148 | -207 | -268 | -281 | -296 | -311 | -323 | -336 | -749 | -2,296 |
| Standardize and enhance VA Compensation and Pension benefit programs | | -78 | -80 | -83 | -85 | -88 | -90 | -93 | -95 | -98 | -397 | -414 | -1,187 |
| Standardize and improve veteran vocational rehabilitation and education benefit programs | | 72 | -20 | -22 | -25 | -26 | -33 | -35 | -37 | -39 | -41 | -21 | -206 |
| Extend authority for securization of vendee loans | | 89 | 19 | 52 | 3 | 50 | 3 | 55 | 4 | 58 | ..... | 213 | 333 |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|------|--------|--------|--------|--------|--------|---------|---------|---------|---------|-----------|-----------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Extend housing assistance for homeless veterans and include permanent housing options | | 29 | | | | | | | | | | 29 | 29 |
| Total, Veterans Affairs | | 37 | -216 | -245 | -359 | -379 | -450 | -420 | -491 | -456 | -1,186 | -1,162 | -4,165 |
| Corps of Engineers: | | | | | | | | | | | | | |
| Divest Washington Aqueduct | | | | -120 | | | | | | | | -120 | -120 |
| Reform inland waterways financing ¹ | | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -890 | -1,780 |
| Reduce the Harbor Maintenance Tax ^{1,7} | | 265 | 281 | 292 | 299 | 307 | 314 | 323 | 333 | 345 | 359 | 1,444 | 3,118 |
| Total, Corps of Engineers | | 87 | 103 | -6 | 121 | 129 | 136 | 145 | 155 | 167 | 181 | 434 | 1,218 |
| Environmental Protection Agency: | | | | | | | | | | | | | |
| Expand use of pesticide licensing fees | | 5 | 4 | 4 | 4 | 4 | 3 | 2 | 1 | 1 | 1 | 21 | 29 |
| International Assistance Programs: | | | | | | | | | | | | | |
| Transfer funds from Overseas Private Investment Corporation to Development Finance Institution | | | | | | | | | | | | | |
| Office of Personnel Management (OPM): | | | | | | | | | | | | | |
| Federal Employees Health Benefits (FEHB) Program: | | | | | | | | | | | | | |
| Provide OPM authority to incorporate provisions of the Anti-Kickback Act to the FEHB Program | | | | | | | | | | | | | |
| Modify the Government contribution to FEHB premiums | | | | -192 | -301 | -321 | -342 | -363 | -387 | -412 | -439 | -814 | -2,757 |
| Modify existing statute on indemnity benefit plans in FEHB | | | | | | | | | | | | | |
| Provide tax preemption for Federal Employees Dental/Vision Program | | | | | | | | | | | | | |
| Total, Federal Employees Health Benefits (FEHB) Program | | | | -192 | -301 | -321 | -342 | -363 | -387 | -412 | -439 | -814 | -2,757 |
| Reform retirement benefits for Federal employees: | | | | | | | | | | | | | |
| Increase employee contributions to 50% of cost, phased in at 1% per year ¹ | | | -2,267 | -2,318 | -4,718 | -7,086 | -8,942 | -10,516 | -11,822 | -12,114 | -12,153 | -16,389 | -71,936 |

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------------|---------------|
| | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Eliminate Federal Employee Retirement System COLA; reduce Civil Service Retirement System COLA by 0.5% | | -1,171 | -1,877 | -2,645 | -3,480 | -4,382 | -5,353 | -6,396 | -7,509 | -8,697 | -9,961 | -13,555 | -51,471 |
| Eliminate the Special Retirement Supplement | | -497 | -867 | -1,274 | -1,596 | -1,818 | -2,028 | -2,290 | -2,540 | -2,762 | -3,003 | -6,052 | -18,675 |
| Change retirement calculation from high-3 years to high-5 years | | -278 | -341 | -407 | -477 | -551 | -625 | -700 | -780 | -862 | -947 | -2,054 | -5,968 |
| Reduce the G-Fund interest rate | | -1,961 | -1,053 | -1,935 | -959 | -950 | -951 | -1,032 | -1,193 | -1,308 | -1,404 | -6,858 | -12,746 |
| Loss of mandatory offsetting receipts from retirement proposals | | | 9,606 | 11,786 | 14,436 | 16,447 | 18,176 | 19,815 | 20,124 | 20,297 | 20,462 | 52,275 | 151,149 |
| Discretionary effect of retirement proposals | | | -5,858 | -7,146 | -8,219 | -8,983 | -9,498 | -9,904 | -9,605 | -9,255 | -8,911 | -30,206 | -77,379 |
| Total, reform retirement benefits for Federal employees | | -3,907 | -2,657 | -3,939 | -5,013 | -7,323 | -9,221 | -11,023 | -13,325 | -14,701 | -15,917 | -22,839 | -87,026 |
| Total, Office of Personnel Management | | -3,907 | -2,657 | -4,131 | -5,314 | -7,644 | -9,563 | -11,386 | -13,712 | -15,113 | -16,356 | -23,653 | -89,783 |
| Other Independent Agencies: | | | | | | | | | | | | | |
| Federal Communications Commission: | | | | | | | | | | | | | |
| Enact Spectrum License User Fee | | -50 | -150 | -300 | -450 | -500 | -500 | -500 | -500 | -500 | -500 | -1,450 | -3,950 |
| Conduct spectrum auctions below 6 gigahertz | | | -300 | -300 | | | | | | | -6,000 | -600 | -6,600 |
| Total, Federal Communications Commission | | -50 | -450 | -600 | -450 | -500 | -500 | -500 | -500 | -500 | -6,500 | -2,050 | -10,550 |
| Restructure the Consumer Financial Protection Bureau | | -147 | -610 | -656 | -672 | -687 | -704 | -720 | -737 | -755 | -773 | -2,772 | -6,461 |
| Eliminate the Securities and Exchange Commission Reserve Fund | | | -17 | -41 | -50 | -50 | -50 | -50 | -50 | -50 | -50 | -158 | -408 |
| Allow District of Columbia (DC) Courts to retain bar exam and application fees ⁸ | | | | | | | | | | | | | |
| Reform the Postal Service | | -4,593 | -4,586 | -4,534 | -4,501 | -4,453 | -4,438 | -4,436 | -4,392 | -4,308 | -4,254 | -22,667 | -44,495 |
| Divest Tennessee Valley Authority (TVA) transmission assets | | 241 | -3,760 | -19 | -19 | -19 | -19 | -19 | -19 | -19 | -19 | -3,576 | -3,671 |
| Mandatory effects of agency eliminations | | | | | -1 | | | | | | | -1 | -1 |
| Total, Other Independent Agencies | | -4,549 | -9,423 | -5,850 | -5,693 | -5,709 | -5,711 | -5,725 | -5,698 | -5,632 | -11,596 | -31,224 | -65,586 |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|-----------|------------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Cross-cutting reforms: | | | | | | | | | | | | | |
| Repeal and replace Obamacare: | | | | | | | | | | | | | |
| Proposal modeled after the Graham-Cassidy-Heller-Johnson bill: ¹ | | | | | | | | | | | | | |
| Medicaid reforms | | -2,885 | -68,115 | -93,950 | -99,560 | -105,675 | -113,450 | -127,255 | -142,000 | -161,245 | -181,085 | -370,185 | -1,095,220 |
| Market-based Health Care Grant Program | | | 146,000 | 146,000 | 157,000 | 168,000 | 179,000 | 190,000 | 190,000 | 210,000 | 220,000 | 617,000 | 1,606,000 |
| Other | | 14,580 | -11,511 | -43,259 | -50,860 | -52,514 | -55,057 | -57,744 | -59,602 | -62,480 | -65,166 | -143,562 | -443,611 |
| Total, proposal modeled after the Graham-Cassidy-Heller-Johnson bill | | 11,695 | 66,375 | 8,792 | 6,581 | 9,812 | 10,493 | 5,001 | -11,602 | -13,725 | -26,251 | 103,253 | 67,169 |
| Additional deficit reduction: | | | | | | | | | | | | | |
| Medicaid reforms | | | -3,800 | -10,610 | -19,320 | -28,330 | -37,735 | -42,740 | -48,245 | -54,045 | -58,940 | -62,060 | -303,765 |
| Market-based Health Care Grant Program | | | -26,000 | -23,240 | -31,417 | -39,528 | -47,573 | -55,550 | -52,458 | -69,295 | -76,058 | -120,185 | -421,119 |
| State implementation | | 1,000 | 750 | 250 | | | | | | | | 2,000 | 2,000 |
| Other | | -10,000 | -21,000 | -5,000 | | -750 | -750 | -750 | -750 | -750 | -750 | -36,750 | -40,500 |
| Total, additional deficit reduction | | -9,000 | -50,050 | -38,600 | -50,737 | -68,608 | -86,058 | -99,040 | -101,453 | -124,090 | -135,748 | -216,995 | -763,384 |
| Total, Repeal and replace Obamacare | | 2,695 | 16,325 | -29,809 | -44,156 | -58,797 | -75,565 | -94,039 | -113,055 | -137,815 | -161,999 | -113,742 | -696,215 |
| Reform welfare programs: | | | | | | | | | | | | | |
| Reform the Supplemental Nutrition Assistance Program ... | | -17,169 | -18,521 | -20,451 | -20,468 | -21,615 | -22,213 | -22,353 | -23,686 | -23,893 | -23,157 | -98,224 | -213,526 |
| Reduce Temporary Assistance for Needy Families (TANF) block grant | | -1,155 | -1,435 | -1,514 | -1,552 | -1,584 | -1,600 | -1,600 | -1,600 | -1,600 | -1,600 | -7,240 | -15,240 |
| Strengthen TANF | | | | | | | | | | | | | |
| Eliminate the TANF Contingency Fund | | -545 | -608 | -608 | -608 | -608 | -608 | -608 | -608 | -608 | -608 | -2,977 | -6,017 |
| Get noncustodial parents to work ... | | 4 | 5 | 7 | 8 | 10 | 9 | 11 | 13 | 14 | 15 | 34 | 96 |
| Strengthen Child Support enforcement and establishment | | -21 | -40 | -57 | -67 | -78 | -85 | -87 | -90 | -92 | -99 | -263 | -716 |
| Establish a Child Support technology fund | | 63 | -12 | -20 | -28 | -37 | -110 | -120 | -131 | -194 | -205 | -34 | -794 |
| Eliminate Social Services Block Grant (SSBG) | | -1,324 | -1,634 | -1,697 | -1,700 | -1,700 | -1,700 | -1,700 | -1,700 | -1,700 | -1,700 | -8,055 | -16,555 |
| Shift SSBG expenditures to Foster Care and Permanency | | 18 | 21 | 22 | 22 | 22 | 23 | 23 | 23 | 23 | 23 | 105 | 220 |
| Require Social Security Number (SSN) for Child Tax Credit & Earned Income Tax Credit ¹ ... | | -483 | -3,776 | -3,894 | -3,998 | -4,078 | -4,252 | -4,351 | -4,452 | -4,610 | -4,696 | -16,229 | -38,590 |
| Promote Welfare to Work Projects ... | | | | | | | | | | | | | |
| Total, Reform welfare programs | | -20,612 | -26,000 | -28,212 | -28,391 | -29,668 | -30,536 | -30,785 | -32,231 | -32,660 | -32,027 | -132,883 | -291,122 |

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | | |
|--|------|------|--------|--------|--------|--------|--------|--------|---------|---------|---------|-----------|-----------|--|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 | |
| Reform disability programs and test new approaches: | | | | | | | | | | | | | | |
| Improve SSI youth transition to work | | -5 | -28 | 6 | 46 | 21 | -6 | -35 | -59 | -80 | -108 | 40 | -248 | |
| Simplify administration of the SSI program | | | -347 | -86 | -68 | -50 | -29 | -18 | -6 | 6 | 19 | -551 | -579 | |
| Test new approaches to increase labor force participation | | 100 | 100 | 100 | 100 | 100 | -2,384 | -5,070 | -9,171 | -13,610 | -18,632 | 500 | -48,367 | |
| Reduce 12 month retroactive Disability Insurance (DI) benefits to six months | | -362 | -669 | -846 | -992 | -1,057 | -1,126 | -1,198 | -1,268 | -1,337 | -1,401 | -3,926 | -10,256 | |
| Create sliding scale for multi-recipient Supplemental Security Income (SSI) families | | -588 | -618 | -636 | -693 | -661 | -631 | -702 | -720 | -738 | -814 | -3,196 | -6,801 | |
| Offset overlapping unemployment and disability payments ^{1,7} | | | -80 | -211 | -257 | -281 | -296 | -309 | -323 | -339 | -350 | -829 | -2,446 | |
| Reinstate the reconsideration review application stage in 10 States | | 91 | -76 | -295 | -424 | -362 | -354 | -420 | -469 | -519 | -579 | -1,066 | -3,407 | |
| Eliminate Workers Compensation (WC) Reverse Offsets | | | | -22 | -22 | -23 | -25 | -26 | -28 | -30 | -31 | -67 | -207 | |
| Change the representative fee and approval process | | | 3 | 16 | 29 | 43 | 41 | 45 | 44 | 44 | 45 | 91 | 310 | |
| Administrative Law Judge (ALJ) Reforms | | | | | | | | | | | | | | |
| Total, Reform disability programs and test new approaches | | -764 | -1,715 | -1,974 | -2,281 | -2,270 | -4,810 | -7,733 | -12,000 | -16,603 | -21,851 | -9,004 | -72,001 | |
| Reduce improper payments: | | | | | | | | | | | | | | |
| Reduce improper payments Government-wide | | | -719 | -1,482 | -2,383 | -4,288 | -4,549 | -9,652 | -20,480 | -38,024 | -57,633 | -8,872 | -139,210 | |
| Provide additional debt collection authority for civil monetary penalties (CMPs) and assessments | | | | | | | | | | | | | | |
| Allow Government-wide use of CBP entry/exit data to prevent improper payments | | | | -1 | -5 | -13 | -19 | -25 | -34 | -39 | -47 | -19 | -183 | |
| Authorize Social Security Administration (SSA) to use all collection tools to recover funds in certain scenarios | | -1 | -2 | -2 | -4 | -4 | -5 | -6 | -7 | -7 | -7 | -13 | -45 | |
| Hold fraud facilitators liable for overpayments | | | | | -1 | -1 | -1 | -1 | -1 | | -1 | -2 | -6 | |
| Increase overpayment collection threshold for Old Age, Survivors, and Disability Insurance | | -11 | -72 | -91 | -102 | -124 | -148 | -167 | -219 | -233 | -231 | -400 | -1,398 | |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|------|-----------|---------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Exclude SSA debts from discharge in bankruptcy | | -7 | -15 | -21 | -25 | -30 | -32 | -34 | -35 | -37 | -39 | -98 | -275 |
| Allow SSA to use commercial database to verify real property | | -26 | -40 | -50 | -61 | -62 | -62 | -70 | -73 | -77 | -83 | -239 | -604 |
| Improve collection of pension information from States and localities | | 18 | 28 | 24 | -441 | -1,058 | -1,505 | -1,618 | -1,534 | -1,442 | -1,332 | -1,429 | -8,860 |
| Total, Reduce improper payments | | -27 | -820 | -1,623 | -3,022 | -5,580 | -6,321 | -11,573 | -22,383 | -39,859 | -59,373 | -11,072 | -150,581 |
| Implement an infrastructure initiative: | | | | | | | | | | | | | |
| Encourage increased State, local, and private infrastructure by awarding competitive incentive grants | | 1,000 | 5,000 | 11,000 | 17,500 | 21,750 | 19,500 | 13,250 | 7,250 | 3,000 | 750 | 56,250 | 100,000 |
| Address the need for investment in rural infrastructure | | 41,350 | 3,407 | 2,851 | 1,058 | 399 | 300 | 245 | 200 | 145 | 45 | 49,065 | 50,000 |
| Support bold, innovative, and transformative projects | | 15 | 140 | 770 | 2,475 | 4,327 | 5,135 | 3,972 | 2,220 | 784 | 202 | 7,727 | 20,040 |
| Expand existing Federal infrastructure credit programs ... | | 311 | 933 | 1,556 | 2,178 | 2,800 | 2,489 | 1,867 | 1,244 | 622 | ..... | 7,778 | 14,000 |
| Establish a Federal Capital Revolving Fund ⁹ | | 1,867 | 1,733 | 1,600 | 1,467 | 1,333 | 1,200 | -53 | -57 | -61 | -65 | 8,000 | 8,964 |
| Expand flexibility and broaden eligibility for Private Activity Bonds ¹ | | 31 | 138 | 296 | 457 | 616 | 753 | 839 | 893 | 945 | 992 | 1,538 | 5,960 |
| Total, Implement an infrastructure initiative | | 44,574 | 11,351 | 18,073 | 25,135 | 31,225 | 29,377 | 20,120 | 11,750 | 5,435 | 1,924 | 130,358 | 198,964 |
| Authorize additional Afghan Special Immigrant Visas | | 22 | 25 | 26 | 23 | 22 | 23 | 20 | 18 | 18 | 19 | 118 | 216 |
| Eliminate allocations to the Housing Trust Fund and Capital Magnet Fund ¹ | | -263 | -158 | -227 | -296 | -357 | -385 | -399 | -419 | -426 | -433 | -1,301 | -3,363 |
| Extend Joint Committee mandatory sequestration | | | | | | | | | | 9,691 | -24,759 | ..... | -15,068 |
| Lease Shared Secondary Licenses | | -50 | -55 | -55 | -60 | -65 | -70 | -70 | -80 | -80 | -85 | -285 | -670 |
| Improve clarity in worker classification and information reporting requirements ¹ | | 100 | -100 | ..... | ..... | ..... | ..... | ..... | ..... | -100 | -105 | ..... | -205 |
| Total, Cross-cutting reforms | | 25,866 | -860 | -43,545 | -52,715 | -65,090 | -87,855 | -124,010 | -167,919 | -221,502 | -273,326 | -136,343 | -1,010,955 |
| Total, mandatory and receipt proposals | | 32 | -1,791 | -55,257 | -104,484 | -120,400 | -146,614 | -177,448 | -220,310 | -284,006 | -331,354 | -435,659 | -1,877,322 |

Note: For receipt effects, positive figures indicate lower receipts. For outlay effects, positive figures indicate higher outlays. For net costs, positive figures indicate higher deficits.

¹ The estimates for this proposal include effects on receipts. The receipt effects included in the totals above are as follows

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|------|------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| | | | | | | | | | | | | 2019– 2023 | 2019– 2028 |
| Give Medicare beneficiaries with high deductible health plans the option to make tax deductible contributions to Health Savings Accounts or Medical Savings Accounts | | | | 610 | 1,071 | 1,285 | 1,493 | 1,599 | 1,674 | 1,746 | 1,807 | 2,966 | 11,285 |
| Reform medical liability | | -24 | -222 | -548 | -987 | -1,476 | -2,067 | -2,687 | -3,079 | -3,290 | -3,475 | -3,257 | -17,855 |
| Reduce the grace period for Exchange premiums..... | | -128 | -43 | | | | | | | | | -171 | -171 |
| Provide tax exemption for Indian Health Service (IHS) Health Professions scholarship and loan repayment programs in Return for Obligatory Service Requirement | | 5 | 12 | 13 | 14 | 14 | 14 | 14 | 15 | 17 | 19 | 58 | 137 |
| Establish Electronic Visa Update System user fee | | -25 | -28 | -31 | -34 | -38 | -42 | -46 | -52 | -57 | -64 | -156 | -417 |
| Make full Electronic System for Travel Authorization (ESTA) receipts available to CBP..... | | | | -171 | -177 | -183 | -189 | -196 | -202 | -209 | -216 | -531 | -1,543 |
| Establish an immigration services surcharge..... | | -453 | -465 | -479 | -493 | -507 | -522 | -538 | -553 | -569 | -587 | -2,397 | -5,166 |
| Increase worksite enforcement penalties | | -13 | -14 | -15 | -15 | -15 | -15 | -15 | -15 | -15 | -15 | -72 | -147 |
| Provide paid parental leave benefits.... | | | | | -977 | -985 | -1,016 | -1,211 | -1,319 | -1,422 | -1,517 | -1,962 | -8,447 |
| Establish an Unemployment Insurance (UI) solvency standard.... | | | | -489 | -1,315 | -1,887 | -796 | -1,399 | -778 | -1,025 | -1,524 | -3,691 | -9,213 |
| Improve UI program integrity..... | | | 1 | 9 | 23 | 42 | 62 | 82 | 98 | 143 | 127 | 75 | 587 |
| Provide for Reemployment Services and Eligibility Assessments | | | 2 | 15 | 46 | 94 | 160 | 223 | 294 | 306 | 443 | 157 | 1,583 |
| Reform Air Traffic Control..... | | | | | 15,510 | 16,310 | 17,146 | 18,038 | 18,996 | 19,996 | 21,016 | 31,820 | 127,012 |
| Reform Essential Air Service | | | | | 152 | 156 | 160 | 164 | 168 | 172 | 177 | 308 | 1,149 |
| Provide authority for Bureau of Engraving and Printing to construct new facility | | -12 | -32 | -3 | 89 | -360 | -53 | 20 | -3 | -222 | -3 | -318 | -579 |
| Subject Financial Research Fund to appropriations with reforms to the Financial Stability Oversight Council and Office of Financial Research ^{1,7} | | -1 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 199 | 449 |
| Implement tax enforcement program integrity cap adjustment | | -152 | -787 | -1,825 | -3,033 | -4,330 | -5,554 | -6,416 | -6,931 | -7,270 | -7,505 | -10,127 | -43,803 |
| Increase oversight of paid tax return preparers | | -17 | -18 | -21 | -23 | -25 | -28 | -31 | -34 | -38 | -41 | -104 | -276 |
| Provide more flexible authority for the Internal Revenue Service to address correctable errors | | -8 | -12 | -13 | -14 | -15 | -16 | -17 | -18 | -19 | -21 | -62 | -153 |
| Reform inland waterways financing | | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -178 | -890 | -1,780 |
| Reduce the Harbor Maintenance Tax.... | | 265 | 281 | 292 | 299 | 307 | 314 | 323 | 333 | 345 | 359 | 1,444 | 3,118 |

SUMMARY TABLES

Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|--|------|-------|--------|--------|--------|--------|--------|---------|---------|---------|---------|-----------|-----------|
| | | | | | | | | | | | | 2019–2023 | 2019–2028 |
| Increase employee contributions to 50% of cost, phased in at 1% per year | | | -2,267 | -2,318 | -4,718 | -7,086 | -8,942 | -10,516 | -11,822 | -12,114 | -12,153 | -16,389 | -71,936 |
| Proposal modeled after the Graham-Cassidy-Heller-Johnson Bill | | 3,390 | 3,951 | 2,225 | 2,357 | 2,403 | 2,437 | 2,687 | 2,911 | 2,976 | 3,210 | 14,326 | 28,547 |
| Require Social Security Number (SSN) for Child Tax Credit & Earned Income Tax Credit | | -483 | -958 | -985 | -1,051 | -1,116 | -1,183 | -1,257 | -1,338 | -1,416 | -1,494 | -4,593 | -11,281 |
| Offset overlapping unemployment and disability payments | | | | | 3 | 6 | 13 | 19 | 26 | 32 | 36 | 9 | 135 |
| Expand flexibility and broaden eligibility for Private Activity Bonds | | 31 | 138 | 296 | 457 | 616 | 753 | 839 | 893 | 945 | 992 | 1,538 | 5,960 |
| Eliminate allocations to the Housing Trust Fund and Capital Magnet Fund | | -62 | -74 | -73 | -78 | -82 | -84 | -85 | -87 | -89 | -90 | -369 | -804 |
| Improve clarity in worker classification and information reporting requirements | | 100 | -100 | | | | | | | -100 | -105 | | -205 |
| Total receipt effects of mandatory proposals | | 2,235 | -763 | -3,639 | 6,978 | 3,000 | 1,917 | -534 | -951 | -1,305 | -752 | 7,811 | 6,186 |

² The single income-driven repayment plan proposal has sizable interactive effects with the proposals to eliminate subsidized loans and Public Service Loan Forgiveness. These effects, \$19.2 billion over 10 years, are included in the single income-driven repayment plan subtotal.

³ Estimates were not available at the time of publication

⁴ The FY 2019 Budget requests \$127 million in mandatory resources to support Medicare appeals adjudication at the Office of Medicare Hearings and Appeals and the Departmental Appeals Board. While the total mandatory request is \$127 million annually, the cost to the government is \$112 million annually, which reflects Medicare Part A and Part B contributions, net of premiums

⁵ While this proposal increases government outlays as the program provides means-tested assistance to low-income policyholders, the National Flood Insurance Program is also accelerating premium increases on other policyholders that currently do not pay full-risk premiums.

⁶ The paid parental leave proposal consists of \$27.196 billion in benefit and program administration costs, offset by \$8.447 billion in savings associated with increased State revenues.

⁷ Net of income offsets.

⁸ The proposal would allow the District of Columbia (DC) Courts to retain a portion of the bar examination and application fees it currently deposits into the DC Crime Victim's Compensation Fund. Retained fees are estimated at -\$360,000 annually beginning in 2019.

⁹ The Federal Capital Revolving Fund is capitalized with \$10 billion in mandatory funds in 2019. Agency repayments to the fund are reflected as offsetting collections, which reduce the total outlays estimated from the fund over the 10-year window. However, the initial \$10 billion in capitalization funding is fully expended by 2023.

¹⁰ In addition to the effects within HHS, the effects of the proposal include effects within OPM and Treasury.

Table S-7. PROPOSED DISCRETIONARY FUNDING LEVELS IN THE 2019 MID-SESSION REVIEW

(Net budget authority in billions of dollars)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals 2019- 2028 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|
| Discretionary Caps and Outyear Funding Levels under Current Law:¹ | | | | | | | | | | | |
| Defense | 647 | 576 | 590 | 605 | 620 | 635 | 651 | 667 | 684 | 701 | 6,375 |
| Non-Defense | 597 | 543 | 556 | 570 | 584 | 598 | 613 | 628 | 644 | 660 | 5,993 |
| Total, Base Current Law Caps | 1,244 | 1,119 | 1,146 | 1,174 | 1,203 | 1,233 | 1,264 | 1,296 | 1,328 | 1,361 | 12,368 |
| <i>Proposed Funding Changes:²</i> | | | | | | | | | | | |
| Defense | | +137 | +133 | +135 | +138 | +92 | +91 | +91 | +90 | +89 | +997 |
| Non-Defense | -57 | -14 | -38 | -62 | -86 | -110 | -135 | -160 | -185 | -210 | -1,057 |
| <i>Total, Base Cap Changes</i> | <i>-57</i> | <i>+123</i> | <i>+95</i> | <i>+74</i> | <i>+53</i> | <i>-18</i> | <i>-44</i> | <i>-70</i> | <i>-95</i> | <i>-121</i> | <i>-60</i> |
| Proposed 2019 Funding and Outyear Caps: | | | | | | | | | | | |
| Defense | 647 | 713 | 723 | 740 | 758 | 727 | 742 | 758 | 774 | 790 | 7,372 |
| Non-Defense | 540 | 529 | 518 | 508 | 498 | 488 | 478 | 468 | 459 | 450 | 4,936 |
| Total, Proposed Base Caps | 1,187 | 1,242 | 1,241 | 1,248 | 1,256 | 1,215 | 1,220 | 1,226 | 1,233 | 1,240 | 12,308 |
| <i>Additional Non-Defense (NDD) Cap Reductions for Budget Proposals:³</i> | | | | | | | | | | | |
| Air Traffic Control Reform | | | | -10 | -10 | -10 | -10 | -10 | -10 | -10 | -71 |
| Federal Employee Retirement Cost Share Reduction | | -6 | -7 | -8 | -9 | -9 | -10 | -10 | -9 | -9 | -77 |
| <i>Total, Proposed NDD Cap Reductions</i> | <i></i> | <i>-6</i> | <i>-7</i> | <i>-18</i> | <i>-19</i> | <i>-20</i> | <i>-20</i> | <i>-20</i> | <i>-19</i> | <i>-19</i> | <i>-149</i> |
| Proposed 2019 Funding and Outyear Caps with Additional NDD Adjustments: | | | | | | | | | | | |
| Defense | 647 | 713 | 723 | 740 | 758 | 727 | 742 | 758 | 774 | 790 | 7,372 |
| Non-Defense | 540 | 523 | 511 | 490 | 479 | 468 | 458 | 448 | 440 | 431 | 4,787 |
| Total, Proposed Base Caps with Adjustments | 1,187 | 1,236 | 1,234 | 1,230 | 1,237 | 1,195 | 1,200 | 1,206 | 1,214 | 1,221 | 12,159 |
| Cap Adjustments:⁴ | | | | | | | | | | | |
| Overseas Contingency Operations (OCO) | 69 | 20 | 20 | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 199 |
| Defense ⁵ | 69 | 20 | 20 | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 199 |
| Non-Defense ⁶ | -* | | | | | | | | | | -* |
| Program Integrity ⁷ | 2 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 35 |
| Disaster Relief ⁸ | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 67 |
| Wildfire Suppression ⁷ | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 15 |
| Total, Cap Adjustments | 79 | 31 | 31 | 31 | 32 | 22 | 22 | 22 | 22 | 22 | 315 |
| Total, Proposed Discretionary Funding: | | | | | | | | | | | |
| Defense | 716 | 733 | 743 | 760 | 778 | 737 | 752 | 768 | 784 | 800 | 7,571 |
| Non-Defense | 550 | 534 | 522 | 501 | 491 | 480 | 470 | 460 | 452 | 443 | 4,904 |
| Total, Proposed Discretionary Funding | 1,266 | 1,267 | 1,265 | 1,261 | 1,269 | 1,217 | 1,222 | 1,228 | 1,236 | 1,243 | 12,475 |

SUMMARY TABLES

Table S-7. PROPOSED DISCRETIONARY FUNDING LEVELS IN THE 2019 MID-SESSION REVIEW—Continued

(Net budget authority in billions of dollars)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals 2019- 2028 |
|---|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------------|
| <i>Memorandum - Appropriations Counted Outside of Discretionary Caps:</i> | | | | | | | | | | | |
| <i>21st Century CURES Appropriations</i> ⁹ | 1 | 1 | * | 1 | 1 | * | * | * | ..... | ..... | 4 |
| <i>Non-BBEDCA Emergency Funding</i> ¹⁰ | -5 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | -5 |
| <i>Net Zero CHIMPs</i> ¹¹ | -4 | -* | -* | -* | -* | -* | -* | -* | -* | -* | -4 |

* \$500 million or less.

¹ The levels through 2021 are equal to the caps included in the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) with separate categories of funding for “defense” (or Function 050) and “non-defense” programs. The 2019 amounts reflect the caps enacted in the Bipartisan Budget Act of 2018 (BBA of 2018) while 2020 and 2021 include OMB estimates of Joint Committee enforcement (also known as “sequestration”). For 2022 through 2028, the levels are assumed to grow at current services growth rates.

² Consistent with the *Addendum to the President’s FY 2019 Budget to Account for the Bipartisan Budget Act of 2018* (“the Addendum”), the 2019 Mid-Session Review (MSR) includes defense funding at the cap level provided in the BBA of 2018 while non-defense programs are held \$57 billion below the cap set in the BBA of 2018. After 2019, the Administration proposes defense caps through 2028 that resource the Administration’s National Security and National Defense Strategies and shift enduring OCO costs into the base. For non-defense, outyear caps are proposed that reflect an annual two percent (or “2-penny”) decrease each year from the proposed 2019 funding level.

³ These cap reductions are for proposed reforms that would shift the Federal Aviation Administration’s air traffic control function to an independent, non-governmental organization beginning in 2022 and reduce Federal agency costs through changes to current civilian employee retirement plans.

⁴ The funding amounts in this section are existing or proposed cap adjustments that are designated pursuant to Section 251(b)(2) of BBEDCA.

⁵ The outyear OCO amounts for defense for 2020 through 2023 are estimates of incremental war costs that are consistent with the National Security and National Defense Strategies. Amounts from 2024 through 2028 reflect notional placeholders consistent with a potential transition of further OCO costs into the base budget while continuing to fund contingency operations. The placeholder amounts for 2024 through 2028 do not reflect specific decisions or assumptions about OCO funding in any particular year.

⁶ As part of the Addendum, the 2019 Mid-Session Review reflects the shift of non-defense OCO amounts into base discretionary funding. The remaining non-defense OCO amount in 2019 reflects a proposed cancellation of balances.

⁷ The 2019 Mid-Session Review includes proposed cap adjustments related to program integrity in the Internal Revenue Service and wildfire suppression in the Departments of Agriculture and the Interior. For more information on these proposals, see the Budget Process chapter of the *Analytical Perspectives* volume of the 2019 Budget.

⁸ “Disaster Relief” appropriations are amounts designated as such by the Congress provided they are for activities carried out pursuant to a Presidential disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. These amounts are held to a funding ceiling that is determined one year at a time according to a statutory formula. The Administration is requesting \$6.7 billion for Disaster Relief in 2019, but does not explicitly request disaster-designated appropriations in any year after the budget year. A placeholder set at the budget year request level is included in each of the outyears.

⁹ The 21st Century CURES Act permitted funds to be appropriated each year and not counted towards the discretionary caps so long as the appropriations were specifically provided for the authorized purposes. These amounts are displayed outside of the discretionary cap totals for this reason and the levels included through the budget window reflect authorized levels.

¹⁰ The 2019 Budget includes permanent cancellations of balances of emergency funding in the Departments of Energy and Housing and Urban Development that are not designated pursuant to BBEDCA. These cancellations are not being re-designated as emergency, therefore no savings are being achieved under the caps nor will the caps be adjusted for these cancellations.

¹¹ The Addendum to the FY 2019 Budget proposed to amend budget enforcement law so that a provision in an appropriations Act that reduces the budget authority in a mandatory program would not be scored as an offset under the discretionary caps if the outlay savings from the provision net to zero over ten years. OMB’s estimate of these “net-zero CHIMPs” included in the FY 2019 Mid-Session Review are reflected here and are separated from funding counted under the discretionary caps.

Table S-8. 2019 DISCRETIONARY OVERVIEW BY MAJOR AGENCY

(Net budget authority in billions of dollars)

| | 2017 Actual ¹ | 2018 Enacted ¹ | 2019 Request | 2019 Request less 2018 Enacted | |
|---|-----------------------------|------------------------------|-----------------|-----------------------------------|--------------|
| | | | | Dollar | Percent |
| Base Discretionary Funding: | | | | | |
| Cabinet Departments: | | | | | |
| Agriculture ² | 22.7 | 24.4 | 18.5 | -5.9 | -24.2% |
| Commerce | 9.3 | 11.3 | 9.8 | -1.5 | -13.5% |
| Defense | 523.2 | 598.9 | 617.1 | +18.2 | +3.0% |
| Education | 66.9 | 70.5 | 63.2 | -7.3 | -10.4% |
| Energy | 30.2 | 34.5 | 30.6 | -3.9 | -11.3% |
| <i>National Nuclear Security Administration</i> | 12.8 | 14.6 | 15.1 | +0.5 | +3.5% |
| <i>Other Energy</i> | 17.3 | 19.9 | 15.5 | -4.4 | -22.2% |
| Health and Human Services ³ | 87.1 | 98.1 | 96.5 | -1.6 | -1.7% |
| Homeland Security (DHS) | 42.4 | 48.2 | 47.5 | -0.7 | -1.4% |
| Housing and Urban Development (HUD): | | | | | |
| <i>HUD gross total (excluding receipts)</i> | 48.0 | 52.7 | 41.2 | -11.5 | -21.8% |
| <i>HUD receipts</i> | -14.0 | -9.3 | -10.0 | -0.7 | +7.9% |
| Interior | 13.5 | 13.9 | 11.6 | -2.2 | -15.9% |
| Justice | 28.4 | 30.1 | 28.0 | -2.1 | -6.8% |
| Labor | 12.0 | 12.2 | 10.9 | -1.3 | -10.7% |
| State and Other International Programs ² | 38.7 | 43.7 | 42.1 | -1.6 | -3.6% |
| Transportation | 19.3 | 27.3 | 15.9 | -11.4 | -41.7% |
| Treasury | 12.7 | 12.9 | 12.3 | -0.5 | -4.2% |
| Veterans Affairs | 74.4 | 81.6 | 85.5 | +3.9 | +4.8% |
| Major Agencies: | | | | | |
| Corps of Engineers | 6.2 | 6.8 | 4.8 | -2.0 | -29.9% |
| Environmental Protection Agency | 8.2 | 8.8 | 6.1 | -2.7 | -30.3% |
| General Services Administration | -1.2 | -0.5 | 0.6 | +1.1 | N/A |
| National Aeronautics & Space Administration | 19.7 | 20.7 | 19.9 | -0.8 | -4.1% |
| National Science Foundation | 7.5 | 7.8 | 7.5 | -0.3 | -3.8% |
| Small Business Administration | 0.8 | 0.7 | 0.6 | -0.1 | -10.0% |
| Social Security Administration ³ | 9.3 | 9.1 | 8.8 | -0.3 | -3.0% |
| Other Agencies | 20.8 | 22.2 | 18.1 | -4.1 | -18.3% |
| Subtotal, Base Discretionary Funding | 1,085.9 | 1,226.3 | 1,187.0 | -39.3 | -3.2% |
| Cap Adjustment Funding: | | | | | |
| Overseas Contingency Operations: | | | | | |
| Defense | 82.8 | 65.9 | 69.0 | +3.1 | +4.7% |
| Homeland Security | 0.2 | 0.2 | ..... | -0.2 | -100.0% |
| State and Other International Programs | 20.8 | 12.0 | -0.3 | -12.3 | -102.5% |
| Subtotal, Overseas Contingency Operations | 103.7 | 78.1 | 68.7 | -9.4 | -12.0% |

Table S-8. 2019 DISCRETIONARY OVERVIEW BY MAJOR AGENCY—Continued

(Net budget authority in billions of dollars)

| | 2017 Actual ¹ | 2018 Enacted ¹ | 2019 Request | 2019 Request less 2018 Enacted | |
|---|-----------------------------|------------------------------|-----------------|-----------------------------------|----------------|
| | | | | Dollar | Percent |
| Emergency Requirements: | | | | | |
| Agriculture | 0.6 | 3.9 | ..... | -3.9 | -100.0% |
| Commerce ..... | ..... | 1.0 | ..... | -1.0 | -100.0% |
| Defense ..... | ..... | 5.8 | ..... | -5.8 | -100.0% |
| Education ..... | ..... | 2.8 | ..... | -2.8 | -100.0% |
| Health and Human Services ..... | ..... | 1.1 | ..... | -1.1 | -100.0% |
| Homeland Security | 7.4 | 43.3 | ..... | -43.3 | -100.0% |
| Housing and Urban Development | 8.2 | 28.0 | ..... | -28.0 | N/A |
| Transportation | 1.5 | 1.8 | ..... | -1.8 | N/A |
| Corps of Engineers | 1.0 | 17.4 | ..... | -17.4 | N/A |
| Small Business Administration | 0.5 | 1.7 | ..... | -1.7 | N/A |
| Other Agencies | 0.2 | 1.2 | ..... | -1.2 | N/A |
| Subtotal, Emergency Requirements | 19.4 | 108.0 | ..... | -108.0 | -100.0% |
| Program Integrity: | | | | | |
| Health and Human Services | 0.4 | 0.4 | 0.5 | * | +4.6% |
| Treasury ⁴ ..... | ..... | ..... | 0.4 | +0.4 | N/A |
| Social Security Administration | 1.5 | 1.5 | 1.4 | -0.1 | -3.6% |
| Subtotal, Program Integrity | 2.0 | 1.9 | 2.2 | +0.3 | +17.4% |
| Disaster Relief:⁵ | | | | | |
| Homeland Security | 6.7 | 7.4 | 6.7 | -0.7 | -9.7% |
| Housing and Urban Development | 1.4 | ..... | ..... | ..... | N/A |
| Subtotal, Disaster Relief | 8.1 | 7.4 | 6.7 | -0.7 | -9.7% |
| Wildfire Suppression Operations ⁴ ..... | ..... | ..... | 1.5 | +1.5 | N/A |
| Subtotal, Cap Adjustment Funding | 133.2 | 195.3 | 79.1 | -116.2 | -59.5% |
| Total, Discretionary Budget Authority Under the Caps | 1,219.1 | 1,421.6 | 1,266.1 | -155.5 | -10.9% |
| <i>Memorandum - Appropriations Counted Outside of Discretionary Caps:</i> | | | | | |
| <i>21st Century CURES Appropriations:⁶</i> | | | | | |
| Health and Human Services | 0.9 | 1.1 | 0.8 | -0.3 | -26.0% |
| <i>Non-BBEDCA Emergency Appropriations:⁷</i> | | | | | |
| Energy ..... | ..... | ..... | -4.7 | -4.7 | N/A |
| Housing and Urban Development ..... | ..... | ..... | -* | -* | N/A |
| <i>Net Zero Changes in Mandatory Programs:⁸</i> | | | | | |
| Agriculture ..... | ..... | ..... | -0.4 | -0.4 | N/A |
| Interior ..... | ..... | ..... | -* | -* | N/A |
| Health and Human Services ..... | ..... | ..... | -3.8 | -3.8 | N/A |

* \$50 million or less.

¹ 2017 Actual and 2018 Enacted include changes that occur after appropriations are enacted that are part of budget execution such as transfers, reestimates, and the rebasing as mandatory any changes in mandatory programs enacted in appropriations bills.

Table S-8. 2019 DISCRETIONARY OVERVIEW BY MAJOR AGENCY—Continued

² Funding for Food for Peace Title II Grants is included in the State and Other International Programs total. Although the funds are appropriated to the Department of Agriculture, the funds are administered by the U.S. Agency for International Development.

³ Funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for administrative expenses incurred by the Social Security Administration that support the Medicare program are included in the Health and Human Services total and not in the Social Security Administration total.

⁴ The 2019 Mid-Session Review includes proposed cap adjustments related to program integrity in the Internal Revenue Service and wildfire suppression in the Departments of Agriculture and the Interior. For more information on these proposals, see the Budget Process chapter of the *Analytical Perspectives* volume of the 2019 Budget.

⁵ “Disaster Relief” appropriations are amounts designated as such by the Congress provided they are for activities carried out pursuant to a Presidential disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. These amounts are held to a funding ceiling that is determined one year at a time according to a statutory formula. The Administration is requesting \$6.7 billion for Disaster Relief in 2019.

⁶ The 21st Century CURES Act permitted funds to be appropriated each year for certain activities and not counted toward the discretionary caps so long as the appropriations were specifically provided for the authorized purposes. These amounts are displayed outside of the discretionary caps totals for this reason.

⁷ The 2019 Budget includes permanent cancellations of balances of emergency funding in the Departments of Energy and Housing and Urban Development that are not designated pursuant to BBEDCA. These cancellations are not being re-designated as emergency, therefore no savings are being achieved under the caps nor will the caps be adjusted for these cancellations.

⁸ The Addendum to the 2019 Budget proposed to amend budget enforcement law so that a provision in an appropriations Act that reduces the budget authority in a mandatory program would not be scored as an offset under the discretionary caps if the outlay savings from the provision net to zero over ten years. OMB’s estimate of these “net-zero CHIMPs” included in the FY 2019 Mid-Session Review are reflected here and are separated from funding counted under the discretionary caps.

**Table S-9. ESTIMATED
SPENDING FROM 2019 BALANCES
OF BUDGET AUTHORITY:
DISCRETIONARY PROGRAMS**

(In billions of dollars)

| | Total |
|------------------------------------|-------|
| Outlays from end-of-2019 balances: | |
| 2020 | 711.0 |
| 2021 | 285.1 |
| 2022 | 128.6 |
| 2023 | 62.3 |
| 2024 | 34.0 |
| 2025 | 19.3 |
| 2026 | 9.8 |
| 2027 | 4.5 |
| 2028 | 3.0 |

Note: Required by 31 USC 1106(a)(3). Balances as of the end of 2019 include unspent balances of discretionary budget authority provided in 2019 and prior years, as well as unspent balances of mandatory contract authority that is subject to discretionary obligation limitations.

Table S-10. OUTLAYS FOR MANDATORY PROGRAMS UNDER CURRENT LAW¹

(In billions of dollars)

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Totals | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|-----------|
| | | | | | | | | | | | | | 2019-2023 | 2019-2028 |
| Outlays: | | | | | | | | | | | | | | |
| Human resources programs: | | | | | | | | | | | | | | |
| Education, training, employment and social services | 52 | 4 | 16 | 21 | 24 | 26 | 27 | 27 | 27 | 27 | 27 | 27 | 114 | 249 |
| Health | 473 | 512 | 534 | 550 | 570 | 602 | 637 | 674 | 714 | 762 | 805 | 852 | 2,891 | 6,698 |
| Medicare | 591 | 586 | 646 | 690 | 742 | 839 | 872 | 902 | 1,013 | 1,092 | 1,169 | 1,342 | 3,790 | 9,308 |
| Income security | 436 | 429 | 457 | 467 | 481 | 504 | 509 | 514 | 537 | 566 | 560 | 585 | 2,418 | 5,180 |
| Social security | 939 | 982 | 1,042 | 1,104 | 1,169 | 1,238 | 1,313 | 1,392 | 1,474 | 1,560 | 1,649 | 1,744 | 5,866 | 13,685 |
| Veterans' benefits and services | 105 | 102 | 120 | 127 | 132 | 148 | 146 | 143 | 162 | 171 | 179 | 204 | 673 | 1,533 |
| Subtotal, human resources programs | 2,596 | 2,615 | 2,813 | 2,959 | 3,118 | 3,358 | 3,504 | 3,652 | 3,928 | 4,177 | 4,389 | 4,754 | 15,752 | 36,651 |
| Other mandatory programs: | | | | | | | | | | | | | | |
| International affairs | -5 | -3 | * | 2 | 2 | 1 | * | -1 | -2 | -3 | -4 | -5 | 5 | 4 |
| Energy | -1 | -2 | -2 | -1 | -1 | -3 | -3 | -4 | -4 | -2 | -2 | -2 | -11 | -13 |
| Natural resources and environment | 1 | 3 | 4 | 5 | 5 | 4 | 5 | 4 | 4 | 4 | 4 | 3 | 23 | 23 |
| Agriculture | 13 | 16 | 16 | 14 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 82 | 83 |
| Commerce and housing credit | -18 | 5 | -8 | -10 | -10 | -10 | -10 | -10 | -9 | -7 | -7 | -6 | -48 | -50 |
| Transportation | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 7 | 7 |
| Justice | 3 | 8 | 12 | 8 | 6 | 5 | 2 | 2 | 2 | 1 | 2 | 6 | 33 | 23 |
| General government | 6 | 9 | 9 | 9 | 8 | 9 | 8 | 8 | 9 | 9 | 9 | 9 | 43 | 42 |
| Undistributed offsetting receipts | -90 | -97 | -101 | -103 | -104 | -106 | -107 | -109 | -123 | -113 | -115 | -118 | -520 | -528 |
| Other functions | 11 | 20 | 8 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 8 | 12 | 44 | 44 |
| Subtotal, other mandatory programs | -77 | -39 | -59 | -65 | -67 | -73 | -78 | -82 | -96 | -82 | -85 | -81 | -342 | -768 |
| Total, outlays for mandatory programs under current law | 2,519 | 2,575 | 2,754 | 2,894 | 3,051 | 3,286 | 3,426 | 3,570 | 3,831 | 4,094 | 4,304 | 4,673 | 15,410 | 35,883 |

¹ This table meets the requirements of 31 USC 1106(a)(2).

*\$500 million or less

Table S-11. FEDERAL GOVERNMENT FINANCING AND DEBT

(In billions of dollars)

| | Actual 2017 | Estimate | | | | | | | | | | |
|--|----------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Financing: | | | | | | | | | | | | |
| Unified budget deficit: | | | | | | | | | | | | |
| Primary deficit/surplus (-) | 403 | 527 | 693 | 607 | 479 | 415 | 228 | -6 | -69 | -149 | -237 | -271 |
| Net interest | 263 | 322 | 393 | 469 | 531 | 593 | 651 | 695 | 728 | 757 | 786 | 810 |
| Unified budget deficit | 665 | 849 | 1,085 | 1,076 | 1,011 | 1,008 | 879 | 689 | 659 | 608 | 549 | 539 |
| As a percent of GDP | 3.5% | 4.2% | 5.1% | 4.8% | 4.3% | 4.1% | 3.4% | 2.5% | 2.3% | 2.0% | 1.7% | 1.6% |
| Other transactions affecting borrowing from the public: | | | | | | | | | | | | |
| Changes in financial assets and liabilities: ¹ | | | | | | | | | | | | |
| Change in Treasury operating cash balance | -194 | 191 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Net disbursements of credit financing accounts: | | | | | | | | | | | | |
| Direct loan and Troubled Asset Relief Program (TARP) equity purchase accounts | 54 | 98 | 96 | 87 | 86 | 89 | 87 | 79 | 69 | 59 | 50 | 46 |
| Guaranteed loan accounts | -14 | -10 | 5 | 3 | 2 | -* | -2 | -4 | -5 | -9 | -8 | -1 |
| Net purchases of non-Federal securities by the National Railroad Retirement Investment Trust (NRRIT) | 1 | -* | -1 | -1 | -1 | -1 | -1 | -1 | -* | -* | -* | * |
| Net change in other financial assets and liabilities ² | -15 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Subtotal, changes in financial assets and liabilities | -167 | 279 | 100 | 88 | 88 | 88 | 84 | 75 | 63 | 50 | 42 | 45 |
| Seigniorage on coins | -* | -* | -* | -* | -* | -* | -* | -* | -* | -* | -* | -* |
| Total, other transactions affecting borrowing from the public | -168 | 278 | 100 | 88 | 87 | 88 | 84 | 74 | 63 | 49 | 41 | 45 |
| Total, requirement to borrow from the public (equals change in debt held by the public) ... | 498 | 1,127 | 1,185 | 1,164 | 1,098 | 1,095 | 963 | 764 | 721 | 658 | 590 | 583 |
| Changes in Debt Subject to Statutory Limitation: | | | | | | | | | | | | |
| Change in debt held by the public | 498 | 1,127 | 1,185 | 1,164 | 1,098 | 1,095 | 963 | 764 | 721 | 658 | 590 | 583 |
| Change in debt held by Government accounts | 168 | 144 | 156 | 136 | 133 | 93 | 116 | 154 | 91 | 84 | -21 | -79 |
| Change in other factors | 4 | 1 | 2 | 3 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 |
| Total, change in debt subject to statutory limitation | 670 | 1,272 | 1,344 | 1,302 | 1,233 | 1,191 | 1,081 | 919 | 814 | 743 | 570 | 506 |
| Debt Subject to Statutory Limitation, End of Year: | | | | | | | | | | | | |
| Debt issued by Treasury | 20,180 | 21,451 | 22,793 | 24,094 | 25,326 | 26,515 | 27,595 | 28,514 | 29,328 | 30,070 | 30,639 | 31,144 |
| Adjustment for discount, premium, and coverage ³ | 29 | 30 | 32 | 33 | 35 | 36 | 37 | 38 | 38 | 38 | 39 | 40 |
| Total, debt subject to statutory limitation ⁴ | 20,209 | 21,481 | 22,825 | 24,127 | 25,360 | 26,551 | 27,632 | 28,552 | 29,366 | 30,108 | 30,679 | 31,184 |
| Debt Outstanding, End of Year: | | | | | | | | | | | | |
| Gross Federal debt: ⁵ | | | | | | | | | | | | |
| Debt issued by Treasury | 20,180 | 21,451 | 22,793 | 24,094 | 25,326 | 26,515 | 27,595 | 28,514 | 29,328 | 30,070 | 30,639 | 31,144 |
| Debt issued by other agencies | 26 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 |
| Total, gross Federal debt | 20,206 | 21,477 | 22,818 | 24,118 | 25,349 | 26,537 | 27,617 | 28,534 | 29,347 | 30,088 | 30,656 | 31,160 |
| As a percent of GDP | 105.4% | 106.8% | 107.9% | 108.3% | 108.3% | 107.9% | 106.9% | 105.1% | 102.9% | 100.6% | 97.7% | 94.7% |

Table S-11. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued

(In billions of dollars)

| | Actual 2017 | Estimate | | | | | | | | | | |
|---|----------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Held by: | | | | | | | | | | | | |
| Debt held by Government accounts | 5,540 | 5,684 | 5,840 | 5,976 | 6,109 | 6,202 | 6,319 | 6,472 | 6,563 | 6,647 | 6,626 | 6,546 |
| Debt held by the public ⁶ | 14,665 | 15,793 | 16,978 | 18,142 | 19,240 | 20,335 | 21,298 | 22,062 | 22,783 | 23,441 | 24,030 | 24,614 |
| As a percent of GDP | 76.5% | 78.5% | 80.3% | 81.5% | 82.2% | 82.7% | 82.4% | 81.3% | 79.9% | 78.4% | 76.6% | 74.8% |
| Debt Held by the Public Net of Financial Assets: | | | | | | | | | | | | |
| Debt held by the public | 14,665 | 15,793 | 16,978 | 18,142 | 19,240 | 20,335 | 21,298 | 22,062 | 22,783 | 23,441 | 24,030 | 24,614 |
| Less financial assets net of liabilities: | | | | | | | | | | | | |
| Treasury operating cash balance | 159 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Credit financing account balances: | | | | | | | | | | | | |
| Direct loan and TARP equity purchase accounts | 1,281 | 1,379 | 1,475 | 1,562 | 1,648 | 1,738 | 1,824 | 1,903 | 1,972 | 2,031 | 2,081 | 2,126 |
| Guaranteed loan accounts | 14 | 4 | 9 | 12 | 14 | 14 | 12 | 8 | 3 | -6 | -14 | -15 |
| Government-sponsored enterprise preferred stock ... | 93 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| Non-Federal securities held by NRRIT | 25 | 25 | 24 | 23 | 22 | 21 | 21 | 20 | 20 | 19 | 19 | 19 |
| Other assets net of liabilities | -58 | -58 | -58 | -58 | -58 | -58 | -58 | -58 | -58 | -58 | -58 | -58 |
| Total, financial assets net of liabilities | 1,515 | 1,795 | 1,895 | 1,983 | 2,071 | 2,159 | 2,243 | 2,318 | 2,381 | 2,430 | 2,472 | 2,517 |
| Debt held by the public net of financial assets | 13,151 | 13,998 | 15,083 | 16,158 | 17,169 | 18,176 | 19,055 | 19,744 | 20,402 | 21,010 | 21,558 | 22,097 |
| As a percent of GDP | 68.6% | 69.6% | 71.3% | 72.6% | 73.4% | 73.9% | 73.8% | 72.7% | 71.6% | 70.2% | 68.7% | 67.2% |

* \$500 million or less.

¹ A decrease in the Treasury operating cash balance (which is an asset) is a means of financing a deficit and therefore has a negative sign; that is, the reduction in cash balances reduces the amount that would otherwise be borrowed from the public. An increase in checks outstanding (which is a liability) is also a means of financing a deficit and therefore also has a negative sign.

² Includes checks outstanding, accrued interest payable on Treasury debt, uninvested deposit fund balances, allocations of special drawing rights, and other liability accounts; and, as an offset, cash and monetary assets (other than the Treasury operating cash balance), other asset accounts, and profit on sale of gold.

³ Consists mainly of debt issued by the Federal Financing Bank (which is not subject to limit), the unamortized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds), and the unrealized discount on Government account series securities.

⁴ Legislation enacted February 9, 2018 (P.L. 115-123), temporarily suspends the debt limit through March 1, 2019.

⁵ Treasury securities held by the public and zero-coupon bonds held by Government accounts are almost all measured at sales price plus amortized discount or less amortized premium. Agency debt securities are almost all measured at face value. Treasury securities in the Government account series are otherwise measured at face value less unrealized discount (if any).

⁶ At the end of 2017, the Federal Reserve Banks held \$2,465 billion of Federal securities and the rest of the public held \$12,200 billion. Debt held by the Federal Reserve Banks is not estimated for future years.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C.