



FISCAL YEAR 2016

MID-SESSION REVIEW

BUDGET OF THE U.S. GOVERNMENT

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

July 14, 2015

The Honorable John A. Boehner
Speaker of the House of Representatives
Washington, D.C. 20510

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 2015 through 2025.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shaun Donovan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Shaun Donovan
Director

Enclosure

Identical Letter Sent to The President of the Senate

TABLE OF CONTENTS

	<i>Page</i>
List of Tables	iii
Summary	1
Economic Assumptions	5
Receipts	11
Expenditures	15
Summary Tables	21

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>*

LIST OF TABLES

	<i>Page</i>
Table 1. Changes in Deficits from the February Budget	4
Table 2. Economic Assumptions	6
Table 3. Comparison of Economic Assumptions	8
Table 4. Change in Receipts	13
Table 5. Change in Outlays	19
Table S-1. Budget Totals	23
Table S-2. Effect of Budget Proposals on Projected Deficits	24
Table S-3. Cumulative Deficit Reduction	26
Table S-4. Adjusted Baseline by Category	28
Table S-5. Proposed Budget by Category	30
Table S-6. Proposed Budget by Category as a Percent of GDP	32
Table S-7. Bridge from Balanced Budget and Emergency Deficit Control Act (BBEDCA) Baseline to Adjusted Baseline	34
Table S-8. Mandatory and Receipt Proposals	35
Table S-9. Funding Levels for Appropriated (“Discretionary”) Programs by Category	60
Table S-10. Funding Levels for Appropriated (“Discretionary”) Programs by Agency	62
Table S-11. Federal Government Financing and Debt	64

SUMMARY

This Mid-Session Review (MSR) updates the Administration's estimates for outlays, receipts, and the deficit for economic, legislative, and other changes that have occurred since the President's 2016 Budget (Budget) was released in February. The 2015 deficit is now projected to be \$455 billion, \$128 billion lower than the \$583 billion deficit projected in February. As a percentage of gross domestic product (GDP), the 2015 deficit is now projected to equal 2.6 percent, down from 2.8 percent of GDP last year and down from the 3.2 percent projected in February. Going forward, the MSR estimates that the deficit will fall to between 2.2 and 2.4 percent of GDP for 2016 through 2018 and stabilize at 2.7 percent of GDP in the second half of the 10-year budget window. The MSR also confirms that the Budget's policies meet the key test of fiscal sustainability by stabilizing Federal debt as a share of the economy. The Budget achieves that goal while also investing in growth and opportunity for all.

CONTINUING ECONOMIC GROWTH AND PROGRESS

Since taking office, the President has fought to strengthen the economy and expand opportunity for middle-class families. The President's decisive actions during the financial crisis brought the economy back from the brink, paving the way for the increasingly strong growth seen today. The Administration pushed the Recovery Act to jumpstart the economy and create jobs; rescued the auto industry from near collapse; secured the Dodd-Frank Wall Street Reform legislation to help prevent future financial crises; and fought for passage of the Affordable Care Act to provide insurance coverage to millions of Americans and help slow the growth of health care costs.

Today, the American people's determination and resilience, coupled with the Administration's efforts, are driving the economy full steam ahead. Businesses have added 12.8 million jobs over 64 straight months of private-sector job growth. Since the beginning of 2014, job growth has accelerated and the unemployment rate has fallen 1.4 percent to 5.3 percent. The United States is producing

more oil than it imports, and domestic natural gas and wind production has been setting record highs. After five years of implementation of the Affordable Care Act, more than 16 million people have gained health insurance coverage, bringing the uninsured rate to the lowest level on record. Meanwhile, health care prices have grown at the slowest rate in nearly 50 years during the period since the Affordable Care Act became law.

This represents significant progress, but more can be done to accelerate growth and expand opportunity for all Americans. The MSR shows how we can invest in America's future and commit ourselves to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America, while also finishing the task of putting the Nation on a sustainable fiscal path.

STRENGTHENING THE NATION'S FISCAL OUTLOOK

Under the President's leadership, the deficit has already been cut by more than two thirds as a share of the economy, representing the most rapid sustained deficit reduction since World War II. The medium-term and long-term budget outlook have also improved substantially over the last five years.

To further strengthen America's long-term fiscal outlook and the economy and set the Nation on a sustainable fiscal path, the Budget proposes \$1.75 trillion of deficit reduction over 10 years, primarily from health, tax, and immigration reforms. It includes about \$370 billion of health savings that grow over time, extending the life of the Medicare Trust Fund and building on the Affordable Care Act with further incentives to improve quality and control health care cost growth. It obtains about \$640 billion in deficit reduction from reducing tax benefits for high-income households. It also reflects the President's support for pro-growth, common-sense immigration reform, which the Congressional Budget Office estimates would reduce the deficit by about \$170 billion over 10 years and by almost \$1 trillion over two decades, and

the Social Security Administration estimates would reduce Social Security's 75-year shortfall by 8 percent.

The policies in the Budget show that investments in growth and opportunity are also compatible with putting the Nation's finances on a strong and sustainable path. The MSR shows that, under the Budget's policies, deficits decline to a low of 2.2 percent of GDP before stabilizing at 2.7 percent of GDP in the later years of the budget window, with the debt holding stable as a share of GDP starting in 2018.

INVESTING IN AMERICA'S FUTURE

America's promise has always been that if we work hard, we can change our circumstances for the better. The economy cannot truly succeed until we live up to that promise. The Budget lays out a strategy to reach that promise, by investing in the drivers of growth and opportunity for all Americans.

Because we cannot afford a return to mindless austerity, the Budget reverses the harmful spending cuts known as sequestration and makes needed investments in key priorities that are more than paid for with smart spending cuts, program integrity measures, and common-sense tax loophole closers. The Bipartisan Budget Act of 2013 reversed a portion of sequestration and allowed for higher investment levels in 2014 and 2015, but it did nothing to alleviate sequestration in 2016. In the absence of congressional action, both non-defense and base defense discretionary funding in 2016 will be at the lowest level in a decade, adjusted for inflation.

The Budget's paid-for increases in discretionary funding make room for a range of domestic and security investments that will help move the Nation forward. These include investments to strengthen the economy by improving the education and skills of the U.S. workforce, accelerating scientific discovery, and continuing to bolster manufacturing. The Budget also proposes to further accelerate growth and opportunity and create jobs through pro-work, pro-family tax reforms and through mandatory investments—in surface transportation infrastructure, universal pre-kindergarten, child care assistance for

middle-class and working families, and other initiatives.

To ensure America remains a magnet for jobs, the Budget builds on investments in manufacturing and innovation—including through clean energy technology programs and tax policies that position America as a global clean energy leader with a strong and modern energy infrastructure. To fix the Nation's roads and bridges and create more middle class jobs, it continues the progress toward building a 21st-Century infrastructure. The Budget invests in education and job training to give all Americans the skills they need to compete in the global economy. It also provides resources to programs that help create opportunity and economic mobility for all, and it reforms the tax system to better support and reward work.

To further the progress made to prevent another financial crisis such as the one the Nation saw in 2008, the Budget supports the financial stability efforts launched through the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Budget also invests in climate preparedness and resilience—providing necessary tools, technical assistance, and on-the-ground partnership to communities that are dealing with the effects of climate change today.

The Budget fully supports the President's Management Agenda, a comprehensive and forward-looking plan to modernize and improve government to ultimately deliver better, faster, and smarter services to citizens and businesses. It makes investments to drive forward progress on cross-agency management priorities, including funding to support the teams leading cross-agency priority goals and to promote Federal spending transparency. It also increases support for ongoing initiatives—such as the U.S. Digital Service, PortfolioStat, Freeze the Footprint, and Open Data—that have already had an impact on improving Government operations.

The Budget recognizes that while America is a world leader in domestic economic growth, it must also continue to promote U.S. national security interests while mobilizing the international community to address global challenges to the Nation's safety and security. That is why the Budget further ad-

vances national security priorities by proposing the funding increases needed to execute the President's defense strategy. The Budget supports America's continued fight to degrade and ultimately defeat the Islamic State of Iraq and the Levant. The Budget continues the transition in Afghanistan, while also supporting European reassurance efforts to counter Russia's aggressive actions. It advances security, prosperity, and economic growth in the Central America Region to address the root causes of migration, continues the progress made to reassert American leadership in the Asia-Pacific region, and strengthens U.S. global health security. The Budget also upholds the Nation's duty to care for its veterans who have risked their lives to serve America.

In contrast, Congressional Republicans' 2016 budget framework would lock in the mindless austerity of sequestration and weaken America's economy at a time of accelerating growth. Compared to the President's Budget, the cuts would result in tens of thousands of the Nation's most vulnerable children losing access to high quality early education and millions fewer workers receiving job training and employment services. By starving the Nation of investments that support long-term broadly

shared growth, sequestration would hurt the economy, the middle class, and Americans working hard to reach the middle class.

Sequestration funding levels in the base budget combined with the inappropriate use of Overseas Contingency Operations (OCO) funds for base requirements would also put our national security at unnecessary risk. This approach fails to provide the stable, multi-year budget on which defense planning is based, undermines a mechanism meant to fund incremental costs of overseas conflicts, and locks in unacceptable funding cuts for national security activities at non-defense agencies such as State, USAID, and Homeland Security. More broadly, the strength of our economy and the security of our Nation are linked. That is why the President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense.

The only path forward on the budget is a bipartisan, common-sense solution, one that reverses sequestration for defense and non-defense priorities, as Congress did on a bipartisan basis two years ago and as Members from both parties have urged. That is the approach that the President's 2016 Budget embodies.

Table 1. CHANGES IN DEFICITS FROM THE FEBRUARY BUDGET

(In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016– 2020	2016– 2025
2016 Budget deficit	583	474	463	479	518	554	600	626	635	639	687		
Percent of GDP	3.2%	2.5%	2.3%	2.3%	2.4%	2.5%	2.6%	2.6%	2.5%	2.4%	2.5%		
Enacted legislation and policy changes:													
Medicare Access and CHIP Reauthorization Act of 2015	*	-1	4	2	-2	-1	—*	*	2	2	4	1	8
Other enacted legislation ¹	—*	*	—*	-1	—*	*	*	*	—*	—*	—*	-1	-1
Proposals to reflect Military Compensation and Retirement Modernization Commission recommendations:													
Scoreable effect		*	*	*	*	*	*	*	*	*	*	1	3
Non-scoreable and discretionary effects		*	*	1	1	2	2	2	2	3	3	4	16
Debt service	—*	—*	*	*	*	*	*	*	*	1	1	*	3
Subtotal, enacted legislation and policy changes	—*	-1	3	3	-1	1	2	3	5	5	8	5	29
Economic and technical reestimates:													
Receipts	-72	-32	15	47	67	62	62	69	79	84	86	159	539
Outlays:													
Discretionary programs	-23	1	5	6	4	2	2	1	1	1	1	18	23
Mandatory:													
Social Security	-7	-14	-19	-21	-22	-24	-24	-25	-25	-26	-27	-100	-229
Medicare	7	1	9	12	9	10	10	11	13	11	12	41	97
Premium tax credits and cost- sharing reductions	-3	—*	6	7	5	6	7	7	7	7	8	24	59
Immigration reform		-3	-1	-3	-4	-8	-4	-5	-6	-8	-6	-19	-48
Unemployment compensation ..	-4	-3	-3	-4	-4	-4	-4	-4	-5	-5	-5	-18	-41
Medicaid	14	30	5	2	3	2	1	*	-1	-1	-1	41	39
Veterans programs	-3	-1	-1	-2	-2	-2	-3	-3	-3	-3	-3	-8	-22
Civilian and military retirement	1	1	1	1	1	2	2	2	2	2	3	7	18
Child Tax Credit	-1	1	1	1	2	2	2	2	2	2	2	7	17
Supplemental Security Income ...	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-7	-16
Other ²	-17	10	10	14	8	4	2	-5	—*	17	5	46	65
Total mandatory	-13	20	7	6	-5	-15	-13	-22	-17	-5	-15	13	-60
Net interest ³	-19	-33	-56	-59	-50	-41	-36	-33	-31	-28	-25	-239	-393
Subtotal, outlays	-56	-12	-45	-47	-51	-54	-48	-54	-48	-33	-39	-208	-430
Subtotal, economic and technical reestimates	-128	-44	-30	—*	17	8	14	15	32	51	47	-49	109
Total, changes	-128	-45	-26	2	16	9	16	18	37	56	55	-44	137
Mid-Session Review deficit	455	429	436	481	533	563	617	643	672	695	742		
Percent of GDP	2.6%	2.3%	2.2%	2.4%	2.5%	2.5%	2.7%	2.7%	2.7%	2.7%	2.7%		

Note: positive figures represent higher outlays or lower receipts.

*:\$500 million or less.

¹The Trade Preference Extension Act of 2015 (P.L. 114–27), which enacted a number of Administration proposals, including extensions of the African Growth and Opportunity Act, the Generalized System of Preferences, and Trade Adjustment Assistance, was enacted too late to be included in the MSR estimates.

²Includes change in allowance for future disaster costs.

³Includes debt service on all reestimates.

ECONOMIC ASSUMPTIONS

This Mid-Session Review (MSR) updates the economic forecast from the 2016 Budget, which was finalized in November and released with the Budget in February. The Budget forecast projected a strengthening economic recovery, with growth staying above the long-term potential growth rate over the next several years. Unemployment was expected to decline as the economy recovered, and inflation was expected to remain below 2 percent in the near term before rising to a stable and moderate pace. Interest rates were expected to remain low in the near term, but to rise gradually in the medium term. The MSR forecast, completed on June 2, maintains this overall outlook with modifications to take account of a pause in economic growth early this year, the drop in the unemployment rate since the Budget economic forecast was finalized in November, the rapid drop in oil prices since November, a reassessment of projected interest rates, and other factors.

From the second quarter of 2009 through the first quarter of 2015, real GDP increased by a cumulative 13.5 percent. In early 2010, following the resumption of real GDP growth, the private sector began adding jobs. Since then, private-sector employment has increased steadily, 12.8 million new jobs have been created, and the unemployment rate has declined from its peak of 10.0 percent in October 2009 to 5.3 percent in June. Labor market progress has accelerated, with more private-sector jobs created in 2014 than in any year since 1997, and with continued strong job growth in the first half of 2015. The housing market has also begun to contribute to the recovery. The steep decline in residential investment ended in 2010, and housing activity is recovering at a gradual pace.

Administration policies contributed to the economic revival, as did automatic fiscal stabilizers such as Unemployment Insurance. The American Recovery and Reinvestment Act was passed soon after the President took office, at a time when the economy was losing nearly 800,000 jobs per month and after real GDP fell at an annual rate of 8.2 percent in the fourth quarter of 2008. The Administration's prompt action helped to reverse these pre-

cipitous declines and opened the way to a sustained economic recovery. Additional actions by the Administration and Congress, including the passage of the temporary payroll tax holiday as part of legislation enacted in December 2010, provided additional support to demand and fostered continued growth.

Although Administration actions helped spark the initial stages of the ongoing recovery, restrictive fiscal policies, including the across-the-board cuts imposed under sequestration in 2013, and a series of manufactured crises, including a Government shutdown in October 2013, held back GDP and job growth. The Bipartisan Budget Act of 2013 and the subsequent Consolidated Appropriations Act of 2014 reduced the economic uncertainty created by fiscal policy and partially reversed the sharp cuts imposed under sequestration. Federal spending was approximately neutral for GDP growth last year, and is expected to make a moderate contribution to GDP growth this year.

Although the fiscal constraint on the economy lessened, the economy was affected early this year by unusually cold and snowy weather and labor disputes at West Coast ports, which dampened economic activity in the first quarter. Slow growth in the rest of the world and the relative strength of the dollar also held down net exports. Largely as a result of these factors, the economy contracted at a 0.2 percent annual rate during the first quarter. (At the time the economic assumptions were finalized, the Bureau of Economic Analysis (BEA) estimated a larger 0.7 percent decline.)

Following the temporary disruption in growth caused by these idiosyncratic factors, and assuming adoption of the President's proposed fiscal plan, the Administration projects economic growth to rebound in the second quarter and remain above trend during the second half of 2015 and through 2018. With strong labor market performance since the Budget economic assumptions were finalized in November, the Administration now projects a more rapid decline in the unemployment rate in the near term and also projects lower unemployment rates during the 10-year budget window than projected in the 2016 Budget.

Table 2. ECONOMIC ASSUMPTIONS¹

(Calendar years; dollar amounts in billions)

	Actual					Projections								
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Gross Domestic Product (GDP):														
Levels, dollar amounts in billions:														
Current dollars	16,768	17,419	17,941	18,762	19,626	20,527	21,416	22,350	23,322	24,335	25,392	26,494	27,645	
Real, chained (2009) dollars	15,710	16,086	16,429	16,915	17,396	17,860	18,277	18,698	19,128	19,568	20,018	20,478	20,949	
Chained price index (2009 = 100), annual average	106.7	108.3	109.2	110.9	112.9	115.0	117.2	119.6	122.0	124.4	126.9	129.4	132.0	
Percent change, fourth quarter over fourth quarter:														
Current dollars	4.6	3.7	3.0	4.6	4.7	4.4	4.3	4.4	4.3	4.3	4.3	4.3	4.3	
Real, chained (2009) dollars	3.1	2.4	2.0	2.9	2.8	2.5	2.3	2.3	2.3	2.3	2.3	2.3	2.3	
Chained price index (2009 = 100)	1.4	1.2	1.1	1.6	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Percent change, year over year:														
Current dollars	3.7	3.9	3.0	4.6	4.6	4.6	4.3	4.4	4.3	4.3	4.3	4.3	4.3	
Real, chained (2009) dollars	2.2	2.4	2.1	3.0	2.8	2.7	2.3	2.3	2.3	2.3	2.3	2.3	2.3	
Chained price index (2009 = 100)	1.5	1.5	0.8	1.6	1.7	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Incomes, billions of current dollars:														
Domestic corporate profits	1,704	1,696	1,778	1,835	1,854	1,873	1,900	1,958	2,018	2,060	2,112	2,162	2,217	
Employee compensation	8,845	9,228	9,625	10,011	10,455	10,938	11,443	11,966	12,518	13,100	13,710	14,363	15,003	
Wages and salaries	7,125	7,452	7,764	8,080	8,447	8,851	9,258	9,678	10,116	10,581	11,072	11,600	12,121	
Other taxable income ²	4,012	4,146	4,278	4,501	4,734	5,019	5,295	5,574	5,880	6,180	6,476	6,763	7,055	
Consumer Price Index (all urban):³														
Level (1982–84 = 100), annual average ...	233.0	236.7	237.3	241.8	246.5	251.8	257.4	263.2	269.2	275.3	281.5	287.9	294.4	
Percent change, fourth quarter over fourth quarter	1.2	1.2	0.8	1.9	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	
Percent change, year over year	1.5	1.6	0.2	1.9	2.0	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.3	
Unemployment rate, civilian, percent:														
Fourth quarter level	7.0	5.7	5.1	4.7	4.6	4.6	4.8	4.9	4.9	4.9	4.9	4.9	4.9	
Annual average	7.4	6.2	5.3	4.9	4.6	4.6	4.7	4.8	4.9	4.9	4.9	4.9	4.9	
Federal pay raises, January, percent:														
Military ⁴	1.7	1.0	1.0	1.3	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Civilian ⁵	0.0	1.0	1.0	1.3	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Interest rates, percent:														
91-day Treasury bills ⁶	0.1	*	0.1	0.5	1.2	1.9	2.6	3.1	3.2	3.2	3.2	3.2	3.2	
10-year Treasury notes	2.4	2.5	2.2	2.9	3.5	3.9	4.1	4.3	4.3	4.4	4.4	4.4	4.4	

* 0.05 percent or less.

NA = Not Available

¹ Based on information available as of late May 2015.² Rent, interest, dividend, and proprietors' income components of personal income.³ Seasonally adjusted CPI for all urban consumers.⁴ Percentages apply to basic pay only; percentages to be proposed for years after 2016 have not yet been determined.⁵ Overall average increase, including locality pay adjustments. Percentages to be proposed for years after 2016 have not yet been determined.⁶ Average rate, secondary market (bank discount basis).

Beyond the medium term (four to six years), the Administration's forecast is based on the long-run trends expected for real GDP growth, the unemployment rate, price inflation, and interest rates. Projected real GDP growth in the long run is below the historical average for the United States because of an expected decline in the growth of the labor force as the baby-boom generation retires.

ECONOMIC PROJECTIONS

The MSR economic projections are based on information available on June 2, and assume adoption of the policies in the President's Budget. The projections are summarized in Table 2.

Real Gross Domestic Product (GDP): Real GDP is expected to rise by 2.0 percent during the four quarters of 2015, and then to rebound to 2.9 percent for 2016, followed by deceleration to 2.8 percent during 2017 and 2.5 percent during 2018 as the economy reaches full employment. The average growth rate from 2014-2019 is somewhat below what was published in the Budget, because of the downward revision for 2015 GDP. Beyond 2018, real GDP growth is projected to moderate. The growth rate is steady at 2.3 percent per year in 2020-2025, the same as in the Budget.

Unemployment: The unemployment rate is projected to reach 5.1 percent by the fourth quarter of 2015, two-tenths of a percentage point below its level in June. With continued economic growth and accommodative monetary policy, the unemployment rate is projected to dip to 4.6 percent in 2017-18 before settling at 4.9 percent, the rate consistent with stable inflation in the long run. During the period when the unemployment rate is below 4.9 percent, the rate of inflation is expected to converge to the Federal Reserve target. Inflation was 1.2 percent as measured by the core PCE price index during the 12 months through May, and it is expected to gradually increase to the Federal Reserve target of 2.0 percent, and then to stabilize there. The unemployment rate is projected to stabilize at a slightly lower level than that projected in the 2016 Budget forecast. The downward revision reflects a reassessment of the determinants of the rate of unemployment consistent with stable inflation in the long run, taking into account demographic changes, for example.

Inflation: Recently, overall inflation, as measured by the consumer price index (CPI), has been well below the Federal Open Market Committee's (FOMC) 2 percent target partly due to the rapid drop in oil prices. (The difference is even larger, considering that the Federal Reserve has framed its inflation expectation in terms of the price index for personal consumption expenditures, a price index that tends to run 0.25 percentage point less than the CPI.) However, core CPI inflation (that is, excluding food and energy prices) has been fairly stable around a level modestly below 2 percent. In the long run, the overall CPI inflation rate is projected to be 2.25 percent per year (2.3 percent with rounding), unchanged from the Budget projection. (As discussed above, the forecast of 2.3 percent for CPI inflation is consistent with 2.0 percent inflation for the price index for personal consumption expenditures.) The chained price index for gross domestic product, another key measure of inflation, is projected to increase by 1.1 percent during the four quarters of 2015, with the rate of change rising steadily to 2.0 percent by 2019 and then staying at that rate through the forecast horizon.

Interest Rates: The projections for interest rates are based on financial market data, market expectations, and surveys of economic forecasters at the time the forecast was completed. The three-month Treasury bill rate is expected to average only 0.1 percent in 2015. It is expected to begin to rise in 2015 and to reach 3.2 percent in 2021. The yield on the 10-year Treasury note is expected to average 2.2 percent in 2015 and to rise to 4.4 percent in 2022. The ultimate level of the three-month Treasury rate is 24 basis points less than projected in the Budget, while the 10-year rate is 10 basis points less than previously projected. This change is informed by further analysis of market data and historical trends and is consistent with a downward revision to the consensus forecast of private economists.

Incomes and Income Shares: During the economic recovery, corporate profits rebounded more quickly than labor compensation (which consists of wages and salaries and employee fringe benefits) while interest rates remained low. As a result, corporate profits have risen as a share of total income, while the labor compensation share is below its long-run average. As the economy recovers fully, some

of this shift in shares is expected to reverse. Labor compensation and interest payments are projected to rise somewhat relative to total income, while the corporate profits share is projected to fall. The wage share (which excludes fringe benefits) also is expected to recover from its recent low level in step with the increase in total compensation. The wage share of GDP is slightly higher in this forecast than in the Budget forecast reflecting a higher jump-off level of wage and salary income and gross domestic income relative to GDP in the first quarter of 2015.

FORECAST COMPARISONS

Comparisons of the MSR forecast with the Budget, and with the June Blue Chip consensus (an average of about 50 private-sector forecasts), the Congressional Budget Office (CBO), and the FOMC forecasts from June are shown below in Table 3. The Administration's GDP forecast is very close to the Blue Chip consensus. The Administration and Blue Chip both forecast 2.0 percent for real GDP growth during the four quarters of 2015 and 2.3 percent for the growth rate of real GDP in the final five years of the Budget window, and the 10-year average is 2.4 percent in both forecasts. The Administration's GDP forecast is higher than those of CBO and FOMC, in part because of the assumption that the

Congress will enact the policies proposed in the President's 2016 Budget.

The Administration projects that unemployment will decline to 5.1 percent in the fourth quarter of 2015, and to 4.7 percent at the end of 2016. In comparison to the Administration forecast, the June Blue Chip consensus is the same for the fourth quarter of 2015 and slightly higher for the fourth quarter of 2016. The FOMC also projects that unemployment will fall. By the fourth quarter of 2016, the central tendency of the FOMC forecast is the range between 4.9 percent and 5.1 percent. (The CBO projections – last updated in January – assumed a higher trajectory for the unemployment rate, but do not reflect favorable labor market developments over the past several months, during which Blue Chip and FOMC revised their 2015 unemployment forecasts downward.)

The Administration projects inflation and interest rates that are similar to the Blue Chip consensus in the long run. These Administration forecasts are slightly below those forecasts by the CBO. Since the last CBO forecast was finalized in December and published in January, lower-than-expected inflation has led many forecasters to lower inflation and interest rate forecasts.

Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Nominal GDP:												
MSR	17,419	17,941	18,762	19,626	20,527	21,416	22,350	23,322	24,335	25,392	26,494	27,645
Budget	17,394	18,188	19,039	19,933	20,847	21,770	22,717	23,705	24,736	25,812	26,934	28,106
CBO	17,422	18,204	19,045	19,919	20,768	21,625	22,550	23,515	24,515	25,550	26,625	27,736
Blue Chip ¹	17,419	17,979	18,838	19,747	20,686	21,648	22,633	23,636	24,688	25,786	26,933	28,131
	<i>percent change, fourth quarter over fourth quarter</i>											
Real GDP:												
MSR	2.4	2.0	2.9	2.8	2.5	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Budget	2.1	3.0	3.0	2.7	2.5	2.3	2.3	2.3	2.3	2.3	2.3	2.3
CBO	2.1	2.9	2.9	2.5	2.1	2.1	2.2	2.2	2.2	2.1	2.1	2.1
Blue Chip ¹	2.4	2.0	2.7	2.7	2.5	2.3	2.4	2.3	2.3	2.3	2.3	2.3
FOMC ² .....	.....	1.8-2.0	2.4-2.7	2.1-2.5	.....	.....	2.0 to 2.3	'longer run'	.....	.....	.....	.....

Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS—Continued

(Calendar years; dollar amounts in billions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<i>percent change, year over year</i>												
Real GDP:												
MSR	2.4	2.1	3.0	2.8	2.7	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Budget	2.2	3.1	3.0	2.8	2.6	2.4	2.3	2.3	2.3	2.3	2.3	2.3
CBO	2.3	2.8	3.0	2.7	2.2	2.1	2.2	2.2	2.2	2.1	2.1	2.1
Blue Chip	2.4	2.2	2.8	2.7	2.6	2.4	2.4	2.3	2.3	2.3	2.3	2.3
GDP Price Index:												
MSR	1.5	0.8	1.6	1.7	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Budget	1.5	1.4	1.6	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
CBO	1.6	1.6	1.6	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.0
Blue Chip	1.5	1.0	1.9	2.1	2.1	2.2	2.1	2.1	2.1	2.1	2.1	2.1
Consumer Price Index (CPI-U):												
MSR	1.6	0.2	1.9	2.0	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Budget	1.7	1.4	1.9	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3
CBO	1.7	1.1	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Blue Chip	1.6	0.2	2.2	2.3	2.4	2.4	2.4	2.3	2.2	2.2	2.2	2.2
<i>annual average in percent</i>												
Unemployment Rate:												
MSR	6.2	5.3	4.9	4.6	4.6	4.7	4.8	4.9	4.9	4.9	4.9	4.9
Budget	6.2	5.4	5.1	4.9	4.9	5.0	5.1	5.2	5.2	5.2	5.2	5.2
CBO	6.2	5.6	5.4	5.3	5.4	5.5	5.5	5.5	5.4	5.4	5.4	5.4
Blue Chip	6.2	5.3	4.9	4.9	5.0	5.0	5.0	5.1	5.1	5.1	5.1	5.1
FOMC ³ .....	..... 5.2-5.3 4.9-5.1 4.9-5.1 5.0 to 5.2 'longer run'											
Interest Rates:												
91-Day Treasury Bills (discount basis):												
MSR	*	0.1	0.5	1.2	1.9	2.6	3.1	3.2	3.2	3.2	3.2	3.2
Budget	*	0.4	1.6	2.4	2.9	3.2	3.3	3.4	3.4	3.5	3.5	3.5
CBO	*	0.2	1.2	2.6	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Blue Chip	*	0.2	1.2	2.7	3.2	3.3	3.4	3.4	3.4	3.4	3.4	3.4
10-Year Treasury Notes:												
MSR	2.5	2.2	2.9	3.5	3.9	4.1	4.3	4.3	4.4	4.4	4.4	4.4
Budget	2.6	2.8	3.3	3.7	4.0	4.3	4.5	4.5	4.5	4.5	4.5	4.5
CBO	2.6	2.8	3.4	3.9	4.2	4.5	4.6	4.6	4.6	4.6	4.6	4.6
Blue Chip	2.5	2.2	3.0	3.9	4.2	4.3	4.3	4.3	4.4	4.4	4.4	4.4

* 0.05 percent or less.

MSR = 2016 Mid-Session Review (forecast date: June 2015)

Budget = 2016 Budget (forecast date: November 2014)

CBO = Congressional Budget Office January 2015 baseline economic forecast

FOMC = Federal Reserve Open Market Committee (forecast central tendency date: June 17, 2015)

Blue Chip = June 2015 Blue Chip Consensus Forecast extended with March 2015 Blue Chip long-run survey (publication date: June 10, 2015)

Sources: Administration; Federal Open Market Committee *Projections Materials*, June 17, 2015; *Blue Chip Economic Indicators*, March and June 2015, Aspen Publishers; CBO, *The Budget and Economic Outlook: January 2015*¹ Values for 2017–2025 interpolated by OMB from annual growth rates.² The FOMC's central tendency for longer term growth is 2.0% to 2.3%. Longer-run 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.³ Fourth quarter levels of unemployment.

RECEIPTS

The Mid-Session Review (MSR) estimates of receipts are above the 2016 Budget estimates by \$72 billion in 2015 and by \$32 billion in 2016. In each subsequent year, the MSR estimates of receipts are below the Budget estimates by \$15 billion to \$86 billion, for a decrease in receipts of \$539 billion over the 10-year budget horizon (2016 through 2025).

The net increase in 2015 receipts is in large part attributable to technical revisions based on new tax reporting data, collections to date, and other information, which increase receipts by \$95 billion. Revised economic assumptions partially offset this increase, reducing 2015 receipts by \$22 billion.

The estimate of 2016 receipts is also above the Budget estimate because a \$60 billion increase in receipts attributable to technical factors is only partially offset by a \$27 billion reduction in receipts attributable to revised economic assumptions.

The \$539 billion reduction in receipts over the 10-year budget horizon is largely the result of a \$590 billion loss in receipts attributable to revisions in the economic forecast. A reduction in the net gain in receipts from the Administration's proposals reduces receipts by an additional \$40 billion. These reductions are partially offset by technical revisions and enacted legislation, which increase receipts by \$90 billion and \$2 billion, respectively.

ECONOMIC CHANGES

Revisions in the economic forecast reduce receipts by \$22 billion in 2015, \$27 billion in 2016, and \$43 billion to \$74 billion in each subsequent year, for a total reduction of \$590 billion over the 10 years from 2016 through 2025. In 2015, revisions to the economic forecast have the greatest effect on individual and corporation income taxes, reducing those sources of receipts by \$6 billion and \$15 billion, respectively. The reduction in individual income taxes is primarily attributable to reductions in the forecast of proprietors' income. Changes in the forecasts of GDP and other economic measures that affect the profitability of corporations are primarily responsible

for the reduction in 2015 corporation income taxes.

Over the 10-year budget horizon, revisions in the economic forecast have the greatest effect on corporation income taxes, reducing collections by \$234 billion. The reduction is driven by net reductions in estimates of taxable corporate income relative to the Budget forecast due to downward revisions in the forecast of GDP, which are only partially offset by reductions in the forecast of wages and salaries (which are treated as deductions to corporate income). Revisions in the economic forecast also reduce collections of individual income taxes and social insurance and retirement receipts, reducing 10-year collections by \$231 billion and \$163 billion, respectively. Reductions in the economic forecasts of wages and salaries and nonwage sources of personal income are primarily responsible for the reduction in individual income taxes. Reductions in the forecasts of wages and salaries and proprietors' income, which are the tax base for Social Security and Medicare payroll taxes, the largest components of social insurance and retirement receipts, account for most of the reduction in this source of receipts. Revisions in the forecasts of GDP, interest rates, imports, and other sources of income increase all remaining sources of receipts by a net \$38 billion.

TECHNICAL CHANGES

Technical revisions in the estimates of receipts increase receipts by \$95 billion in 2015, \$60 billion in 2016, \$32 billion in 2017, and smaller amounts in each year, 2018 through 2021. Technical revisions reduce receipts by \$2 billion to \$10 billion in each subsequent year, for a net increase of \$90 billion over the 10 years, 2016 through 2025. Technical revisions increase collections of individual income taxes and social insurance and retirement receipts by \$120 billion and \$67 billion, respectively, over the 10-year budget horizon. These net increases reflect more recent collections data, revisions in estimating models based on updated tax and other data, and the gains in receipts due to the November 2014 immigration executive actions. In contrast,

more recent collections data and revisions in the corporation income tax model reduce collections of corporation income taxes by a net \$85 billion. Technical revisions in all other sources of 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 reduction in receipts of \$12 billion.

ENACTED LEGISLATION AND REVISIONS IN PROVISIONS EXTENDED IN THE ADJUSTED BASELINE AND PROPOSALS

Relative to the estimates in the Budget, legislation enacted since the Budget was completed has had only a modest impact on receipts, increasing 10-year collections by \$2 billion.¹

The adjusted baseline permanently continues the American Opportunity Tax Credit

and improvements to the Child Tax Credit and Earned Income Tax Credit that were initially enacted in the American Recovery and Reinvestment Act of 2009 and extended through tax year 2017 under the American Taxpayer Relief Act of 2012. There is little change in the 10-year cost of extending these provisions.

Revisions in the estimates of the net savings from the Administration's proposals reduce receipts by \$40 billion over the 10 years, 2016 through 2025. Revisions in the placeholder for the effect on receipts of the Administration's immigration reform proposal, which has been revised to reflect the Congressional Budget Office's March 2015 reestimate of immigration reform, account for \$36 billion of this reduction in receipts. (Additional information on the placeholder is contained in the "Expenditures" section of this MSR.) The remaining \$4 billion reduction in receipts reflects small revisions in the estimates of a number of provisions and the receipt impact of the Administration's recently-transmitted proposal to establish a blended military retirement system, as discussed in the next section.

¹ The Trade Preference Extension Act of 2015 (P.L. 114-27), which enacted a number of Administration proposals, including extensions of the African Growth and Opportunity Act, the Generalized System of Preferences, and Trade Adjustment Assistance, was enacted too late to be included in the MSR estimates.

Table 4. CHANGE IN RECEIPTS

(In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016- 2020	2016- 2025
2016 Budget estimate	3,176	3,525	3,755	3,944	4,135	4,332	4,525	4,746	4,986	5,236	5,478		
Changes in current law receipts due to revised economic assumptions:													
Individual income taxes	-6	-6	-15	-20	-21	-24	-25	-28	-31	-29	-32	-86	-231
Corporation income taxes	-15	-31	-34	-32	-26	-20	-16	-17	-18	-20	-21	-143	-234
Social insurance and retirement	*	-4	-12	-13	-15	-17	-19	-20	-22	-21	-21	-60	-163
Other	-1	14	18	12	1	-1	-1	-1	-1	-1	-*	44	38
Total, changes due to revised economic assumptions	-22	-27	-43	-53	-62	-61	-62	-65	-73	-71	-74	-246	-590
Changes in current law receipts due to technical reestimates:													
Individual income taxes	69	59	34	18	9	9	4	1	-2	-6	-6	128	120
Corporation income taxes	20	-14	-10	-12	-12	-10	-9	-7	-6	-4	-*	-58	-85
Social insurance and retirement	5	13	7	8	8	8	7	6	4	3	3	44	67
Other	*	1	1	1	-*	-1	-2	-2	-3	-3	-5	2	-12
Total, changes due to technical reestimates	95	60	32	14	5	5	1	-2	-6	-10	-9	116	90
Changes in current law receipts due to enacted legislation	*	*	*	1	*	*	*	*	*	*	*	2	2
Changes in provisions extended in the adjusted baseline due to economic and technical revisions				*	*	-*	*	-*	-*	-*	-*	*	-*
Changes in proposals due to enacted legislation and economic and technical revisions:													
Enact comprehensive immigration reform		-1	-5	-8	-9	-5	-2			-3	-3	-28	-36
Proposed blended military retirement system				-*	-*	-*	-*	-*	-*	-*	-*	-*	-2
Other proposals	-1	*	1	-*	-2	-*	1	-1	-1	-1	-*	-1	-3
Total, changes in proposals	-1	-1	-4	-8	-11	-5	-1	-1	-1	-4	-3	-30	-40
Total change in receipts	72	32	-15	-46	-67	-62	-62	-69	-79	-84	-86	-158	-539
2016 Mid-Session estimate	3,248	3,557	3,740	3,898	4,068	4,270	4,463	4,677	4,906	5,152	5,392		

* \$500 million or less.

EXPENDITURES

Outlays for 2015 in the Mid-Session Review (MSR) are estimated to be \$3,703 billion, \$56 billion lower than the 2016 Budget estimate, reflecting slower-than-expected spending across a range of discretionary and mandatory programs. Projected outlays have fallen by \$13 billion in 2016 relative to the Budget, and by \$401 billion over the 10-year budget horizon, 2016 to 2025. These decreases in spending are primarily the cumulative effect of economic and technical reestimates in a number of mandatory programs and net interest, as well as lower debt service associated with the changes in outlays and receipts.

ENACTED LEGISLATION AND REVISIONS IN PROPOSALS

Relative to the estimates in the Budget, legislation enacted since the Budget was completed has had a modest impact on outlays. In 2015, enacted legislation decreases spending by \$0.1 billion relative to the 2016 Budget policy levels. Enacted legislation continues to have a minimal effect on spending over the next 10 years, 2016 through 2025, increasing outlays by \$9 billion over that time period.¹

The Medicare Access and CHIP Reauthorization Act of 2015 (P.L. 114-10), enacted in April, accounts for nearly all of the changes due to enacted legislation. This bill replaced the sustainable growth rate formula with specified annual updates to fee-for-service payment rates for physicians' services in Medicare, established incentives to encourage Medicare providers to participate in alternate payment models, extended funding for the Children's Health Insurance Program (CHIP) through 2017, and made permanent a subsidy of Part B premiums for certain low-income Medicare beneficiaries. It temporarily extended other expiring provisions related to Medicare and Medicaid, along with certain other programs. To partially offset

¹ The Trade Preference Extension Act of 2015 (P.L. 114-27), which enacted a number of Administration proposals, including extensions of the African Growth and Opportunity Act, the Generalized System of Preferences, and Trade Adjustment Assistance, was enacted too late to be included in the MSR estimates.

the budgetary cost of these provisions, the bill reduced updates to Medicare's payment rates for services furnished by providers of post-acute care, increased premiums paid by higher-income Medicare enrollees, prohibited Medicare Supplemental Insurance policies from covering the Part B deductible for new beneficiaries beginning in 2020, and temporarily modified hospital payments.

In addition, three proposals submitted to the Congress by the Administration since publication of the Budget have modest impacts on estimated outlays. The Administration reviewed recommendations by the Military Compensation and Retirement Modernization Commission and submitted legislative proposals to offer a blended military retirement system and provide appropriate retirement benefits to survivors, and to sunset the Chapter 30 Montgomery GI Bill for Active Duty and the Chapter 1607 Reserve Educational Assistance Program to reduce redundancy with Post-9/11 GI Bill benefits. These three proposals will decrease discretionary outlays for military personnel benefits by \$7 billion over 10 years, and they will increase scoreable mandatory outlays by \$1 billion while reducing non-scoreable mandatory accrual receipts by \$17 billion over the same period.

ESTIMATING CHANGES

Estimating changes are due to factors other than enacted legislation or changes in proposals. 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 2015 by \$56 billion, and decrease outlays by \$430 billion from 2016 through 2025.

Discretionary programs. Outlays for discretionary programs decrease by \$23 billion in 2015 but rise by \$23 billion over the next 10 years relative to the Budget as a result of technical revisions. These changes reflect lower outlays in 2015 compared to the Budget for both defense and non-defense discretionary programs, due to slower-than-expected spending patterns. Of the \$23 bil-

lion reduction in 2015, \$5 billion is the net reduction in outlays for defense programs and overseas contingency operations, primarily reflecting slower-than-expected outlays for military personnel and in a variety of investment accounts, partially offset by faster-than-expected outlays in operation and maintenance accounts. The remaining \$19 billion reduction is in non-defense programs, most notably in the Department of Housing and Urban Development, due to slower-than-anticipated outlays and higher-than-expected Federal Housing Administration forward mortgage loan volume, and the Department of Homeland Security, due to lower-than-anticipated disaster events.

Social Security. Estimating changes reduce outlays for Social Security by \$7 billion in 2015 and by an additional \$229 billion over the next 10 years. The reduction for 2016 through 2025 is almost entirely due to the MSR's lower forecast for the Consumer Price Index, which results in lower cost-of-living adjustments for 2016 through 2020. The reduction in 2015 is due primarily to incorporating recent data showing lower-than-expected numbers of beneficiaries starting benefits at younger ages. These reductions continue through the early years of the budget window, adding to the outlay reductions due to lower COLAs. In later years, the decreases in awards at younger ages lead to increases in awards at higher ages, an effect which partially offsets the decreases due to economic assumptions.

Medicare. Economic and technical changes increase outlays for Medicare by \$7 billion in 2015, and by \$97 billion over the next 10 years. Technical changes include increases in Parts A and B spending due to an increased rate of beneficiary enrollment in Medicare Advantage and higher actual expenditure data in certain service lines compared to previous estimates. In addition, projected slower growth of market basket and price indices result in decreased outlays relative to the Budget. Increases in Part D are due to the net effect of lower-than-estimated enrollment, an increase in expected drug spending, particularly on specialty drugs such as Hepatitis C treatments and new cholesterol drugs, and higher-than-estimated average drug rebates.

Premium tax credit and cost-sharing reductions. Changes in technical assumptions and the incorporation of recent data from the marketplaces for the refundable portion of the premium tax credit and related payments for cost sharing reductions reduce net outlays by \$3 billion in 2015, and increase net outlays by \$59 billion (or 6.3 percent) from 2016 through 2025. This increase in outlays is partially offset by \$5 billion in increased receipts attributable to the premium tax credit, for a net increase of \$54 billion when outlay and revenue effects are taken into account.

Immigration reform. Outlays from the Budget's placeholder for comprehensive immigration reform are reduced by \$48 billion from 2016 to 2025, based on the Congressional Budget Office's March 2015 reestimate of immigration reform. (Additional information on the placeholder is contained in the "Revenues" section of this MSR.)

Unemployment compensation. Changes in economic and technical assumptions decrease outlays for unemployment benefits by \$4 billion in 2015. From 2016 through 2025, estimated outlays are reduced by an additional \$41 billion relative to the Budget estimate. The reduction is driven in large part by continued decline in insured unemployment rates relative to the overall unemployment rate as well as lower near-term civilian unemployment rates and a smaller labor force than was assumed in the President's Budget. In addition, lower actual spending in recent months than had been assumed in the Budget contributes to the downward revision in spending during the budget window.

Medicaid. Technical and economic revisions increase projected Federal outlays for Medicaid by \$14 billion in 2015 relative to the Budget estimates, and further increase outlays by \$39 billion over 2016 to 2025. The increase stems primarily from an increase in projected Medicaid per enrollee spending and enrollment. Economic factors partially offset this increase as a reduction in wage growth, the Consumer Price Index, and other medical economic indicators decrease costs.

Veterans programs. Outlays for mandatory veterans programs decrease by \$3 billion in 2015, and by \$22 billion from 2016 to 2025. In part, this decrease results from lower cost-

of-living adjustments. In addition, participation in the new Veterans Choice Program has been lower than anticipated in 2015.

Civilian and military retirement. Projected outlays for civilian and military retirement have increased by \$1 billion in 2015, and by \$18 billion from 2016 to 2025, due primarily to higher average annuity projections for civilian retirement, partially offset by lower projected cost-of-living adjustments for both programs.

Child Tax Credit (CTC). Estimating changes decrease outlays for the CTC by \$1 billion in 2015 and increase outlays by \$17 billion from 2016 through 2025. The increase results from improved modeling of the income distribution for taxpayers eligible for the credit.

Supplemental Security Income (SSI). Outlays for SSI decrease by \$1 billion in 2015, and further decrease by \$16 billion from 2016 to 2025, largely due to lower cost-of-living projections which result in lower benefit payments, along with fewer projected recipients.

Federal Employee Health Benefits Program (FEHB). Net outlays for the FEHB revolving fund increase by \$11 billion over the next 10 years from 2016 to 2025. Premium receipts have been lower following the last open season. In addition, year-to-date activity has demonstrated higher-than-anticipated payments to experience-rated carriers, particularly the expenses of the Service Benefit Plan. Finally, the revised MSR economic forecast projects lower interest rates on the purchase of new securities, resulting in lower projected interest earnings over that period.

Earned Income Tax Credit (EITC). Estimating changes increase outlays for the EITC by \$11 billion from 2016 through 2025. This is the net effect of decreased outlays relative to the Budget due to a lower projected unemployment rate that causes fewer beneficiaries to be projected to stay within the income eligibility requirements for shorter periods of time, and increased outlays from various technical changes.

Supplemental Nutrition Assistance Program (SNAP). Outlays for SNAP decrease by \$10 billion over the next 10 years relative to the Budget due to economic and

technical factors, including lower projections of participation based on actual participation in recent months.

Crop insurance. Outlays for crop insurance decrease by \$2 billion in 2015, due to a lower actual loss-ratio through May 2015 than was assumed in the Budget. An increase of \$8 billion from 2016 to 2025 is due to an increase in commodity price projections provided by the U.S. Department of Agriculture's World Agriculture Outlook Board in May 2015.

Child Nutrition. Child Nutrition outlays increase by \$7 billion over the next 10 years. Faster-than-anticipated increases in participation, likely due to expansion of the Community Eligibility Provision that streamlines certification, counting, and claiming procedures in low-income school districts, explains over two-thirds of the increase. The price index assumption for food away from home has increased compared to the Budget, further increasing outlays.

Pension Benefit Guaranty Corporation (PBGC). Net outlays for PBGC decrease by \$1 billion in 2015, and increase by \$6 billion between 2016 and 2025. These changes primarily result from a lower assumed interest rate, as well as updates and refinements to the models PBGC uses to project single-employer and multiemployer program outlays.

Higher education. Mandatory higher education outlays decrease by \$8 billion in 2015, and decrease by an additional \$5 billion for 2016 through 2025. The majority of the decrease in 2015 results from a revision to the reestimate of the cost of direct student loan originations in past years, partially offset by the effect of changes in estimates of volume for loan originations in the current year. Lower-than-expected 2014-2015 Pell grant award levels contribute to the decrease in 2015 and the forecast for 2016 and beyond. Lower cost-of-living adjustments lead to additional decreases in program costs in the outyears.

Foreign Military Sales (FMS) Trust Fund. Outlays for the FMS Trust Fund decrease by \$4 billion in 2015, due to reduced sales estimates and slower-than-expected expenditures for existing large sales.

Proceeds from Government Sponsored Enterprises (GSEs). The current-year forecast for GSE proceeds has been updated to reflect actual dividends received for the most recent two quarters, through the third quarter of 2015, leading to a \$6 billion decrease in receipts in 2015 relative to the Budget. This change is the result of lower valuations for financial derivatives that the companies hold to hedge against interest rate risk and does not represent a deterioration in housing market conditions. The estimated fair value of the GSEs' derivatives may fluctuate substantially from quarter to quarter because of changes in interest rates and other factors. The value of these investments in turn affects the GSEs' net worth, which forms the basis for the GSEs' quarterly dividend payments to Treasury.

Net interest. Excluding the debt service associated with enacted legislation and policy changes, outlays for net interest are projected to decrease by \$19 billion in 2015 and by \$393 billion over the next 10 years. The majority of the reduction, \$340 billion, is the result of revised economic assumptions, including lower interest rate and Consumer Price Index assumptions. Technical revisions of \$17 billion reflect actual data through May for marketable and nonmarketable securities and through March for other actuals, revised estimates of interest transactions with credit financing accounts, and updated projections of other transactions affecting borrowing from the public. Debt service on all changes in receipts and outlays compared to the Budget reduces interest outlays by \$34 billion.

Table 5. CHANGE IN OUTLAYS

(In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016- 2020	2016- 2025
2016 Budget estimate	3,759	3,999	4,218	4,423	4,653	4,886	5,126	5,372	5,621	5,875	6,165		
Changes due to enacted legislation and policy changes:													
Medicare Access and CHIP Reauthorization Act of 2015	*	-1	4	2	-2	-1	-*	*	2	2	4	1	8
Other enacted legislation	-*	*	*	*	*	*	*	*	*	*	*	*	1
Proposals to reflect Military Compensation and Retirement Modernization Commission recommendations:													
Scoreable effect		*	*	*	*	*	*	*	*	*	*	1	1
Non-scoreable and discretionary effects ..		*	*	1	1	2	2	2	2	3	3	4	16
Debt service	-*	-*	*	*	*	*	*	*	*	1	1	*	3
Subtotal, enacted legislation and policy changes	-*	-1	4	3	-1	1	2	3	5	5	8	6	29
Changes due to reestimates:													
Discretionary appropriations:													
Defense base programs	-5	-*	4	5	4	2	1	1	1	1	1	14	19
Non-defense base programs	-19	2	1	1	*	-*	*	-*	*	-*	*	4	5
Overseas contingency operations	1	-*	-*	*	*							-*	-*
Subtotal, discretionary appropriations ...	-23	1	5	6	4	2	2	1	1	1	1	18	23
Social Security	-7	-14	-19	-21	-22	-24	-24	-25	-25	-26	-27	-100	-229
Medicare	7	1	9	12	9	10	10	11	13	11	12	41	97
Premium tax credits and cost-sharing reductions	-3	-*	6	7	5	6	7	7	7	7	8	24	59
Immigration reform		-3	-1	-3	-4	-8	-4	-5	-6	-8	-6	-19	-48
Unemployment compensation	-4	-3	-3	-4	-4	-4	-4	-4	-5	-5	-5	-18	-41
Medicaid	14	30	5	2	3	2	1	*	-1	-1	-1	41	39
Veterans programs	-3	-1	-1	-2	-2	-2	-3	-3	-3	-3	-3	-8	-22
Civilian and military retirement	1	1	1	1	1	2	2	2	2	2	3	7	18
Child Tax Credit	-1	1	1	1	2	2	2	2	2	2	2	7	17
Supplemental Security Income	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-7	-16
Federal Employee Health Benefits Program ...	*	1	1	1	1	1	1	1	1	2	1	5	11
Earned Income Tax Credit	*	2	3	2	3	2	-*	*	1	-*	-1	12	11
Supplemental Nutritional Assistance Program		-1	-1	-1	-1	-1	-1	-1	-1	-*	-1	-5	-10
Crop insurance	-2	-*	-*	1	1	1	1	1	1	1	1	2	8
Child Nutrition	-*	1	1	1	1	1	1	1	1	1	1	3	7
Pension Benefit Guaranty Corporation	-1	*	*	1	1	1	1	1	1	1	1	3	6
Higher education	-8	1	-*	-*	-1	-1	-1	-1	-1	-1	-1	-1	-5
Foreign Military Sales Trust Fund	-4												
Proceeds from Government-Sponsored Enterprises	6												
Other programs ¹	-10	5	6	11	4	*	1	-7	-3	15	4	26	35
Net interest ²	-19	-33	-56	-59	-50	-41	-36	-33	-31	-28	-25	-239	-393
Subtotal, reestimates	-56	-12	-45	-47	-51	-54	-48	-54	-48	-33	-39	-208	-430
Total change in outlays	-56	-13	-41	-44	-51	-53	-46	-51	-43	-28	-31	-202	-401
Mid-Session estimate	3,703	3,987	4,177	4,379	4,601	4,833	5,080	5,320	5,578	5,847	6,134		

* \$500 million or less.

¹ Includes change in allowance for future disaster costs.² Includes debt service on all reestimates.

SUMMARY TABLES

Table S-1. BUDGET TOTALS

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
													2016-2020	2016-2025
Budget Totals in Billions of Dollars:														
Receipts	3,021	3,248	3,557	3,740	3,898	4,068	4,270	4,463	4,677	4,906	5,152	5,392	19,534	44,125
Outlays	3,506	3,703	3,987	4,177	4,379	4,601	4,833	5,080	5,320	5,578	5,847	6,134	21,978	49,937
Deficit	485	455	429	436	481	533	563	617	643	672	695	742	2,443	5,812
Debt held by the public	12,780	13,411	13,974	14,541	15,152	15,810	16,493	17,221	17,973	18,754	19,556	20,404		
Debt net of financial assets	11,455	11,910	12,339	12,775	13,256	13,789	14,351	14,967	15,610	16,281	16,976	17,717		
Gross domestic product (GDP)	17,263	17,806	18,554	19,404	20,305	21,190	22,113	23,075	24,078	25,124	26,214	27,353		
Budget Totals as a Percent of GDP:														
Receipts	17.5%	18.2%	19.2%	19.3%	19.2%	19.2%	19.3%	19.3%	19.4%	19.5%	19.7%	19.7%	19.2%	19.4%
Outlays	20.3%	20.8%	21.5%	21.5%	21.6%	21.7%	21.9%	22.0%	22.1%	22.2%	22.3%	22.4%	21.6%	21.9%
Deficit	2.8%	2.6%	2.3%	2.2%	2.4%	2.5%	2.5%	2.7%	2.7%	2.7%	2.7%	2.7%	2.4%	2.5%
Debt held by the public	74.0%	75.3%	75.3%	74.9%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%		
Debt net of financial assets	66.4%	66.9%	66.5%	65.8%	65.3%	65.1%	64.9%	64.9%	64.8%	64.8%	64.8%	64.8%		

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Projected deficits in the adjusted baseline¹	448	495	528	547	668	743	795	966	1,006	1,014	1,189	2,982	7,952
Percent of GDP	2.5%	2.7%	2.7%	2.7%	3.2%	3.4%	3.4%	4.0%	4.0%	3.9%	4.3%	2.9%	3.4%
Proposals in the 2016 MSR:²													
Tax reforms and investments to support working families:													
Middle-class and pro-work tax reforms		11	27	28	28	28	29	30	31	32	33	121	277
Child care for all low- and moderate-income families with young children		3	4	5	6	7	8	9	11	12	14	24	78
Partner with States to provide tuition-free quality community college		*	1	2	3	5	6	8	9	12	13	12	60
Capital gains tax reform		-12	-24	-20	-21	-22	-22	-24	-25	-26	-28	-99	-225
Financial fee		-6	-11	-11	-11	-11	-12	-12	-12	-12	-13	-50	-111
Proposals to address high-income tax avoidance ³		-5	-8	-8	-8	-9	-9	-10	-11	-11	-11	-38	-90
Debt service		-*	-*	-*	-1	-1	-1	-1	-1	-1	-1	-2	-8
Total, tax reforms and investments to support working families		-9	-11	-4	-5	-4	-1	*	2	5	9	-33	-18
Additional investments in growing the economy and creating opportunity:													
Surface transportation reauthorization		5	12	15	17	18	19	16	10	6	4	67	121
Transition revenue from business tax reform ⁴		-34	-56	-54	-52	-50	-20	.....	.....	.....	.....	-247	-266
Investments in early education and children's health ⁵		*	1	5	9	7	10	11	12	12	11	23	80
Tobacco tax financing		-8	-10	-10	-10	-10	-9	-9	-8	-8	-7	-49	-91
Additional investments in education, innovation, infrastructure, and security		37	51	57	56	49	40	-20	-46	-60	-69	250	95
Additional mandatory and tax proposals	1	-32	-15	22	-27	-32	-36	-98	-47	15	-48	-84	-298
Debt service	*	-*	-*	-1	-*	-1	-1	-3	-6	-9	-11	-2	-34
Total, additional investments	1	-32	-18	34	-8	-19	2	-102	-86	-43	-121	-42	-393
Additional deficit reduction from health, tax, and immigration reform:													
Health savings ⁶	6	4	-10	-17	-22	-31	-40	-49	-57	-69	-75	-77	-367
Reforms to high-income tax expenditures ⁷		-35	-46	-52	-58	-64	-68	-73	-78	-83	-88	-254	-644
Immigration reform		4	3	-5	-10	-20	-20	-25	-29	-34	-34	-28	-170
Debt service	*	-*	-1	-2	-5	-10	-15	-21	-27	-34	-42	-17	-156
Total, additional deficit reduction	6	-27	-54	-76	-95	-125	-143	-168	-191	-220	-239	-377	-1,337
Subtotal, tax reforms, investments, and additional deficit reduction	6	-68	-83	-46	-108	-148	-143	-270	-275	-258	-351	-452	-1,748
Other changes to deficits:													
Reductions in Overseas Contingency Operations		-11	-30	-41	-48	-51	-54	-71	-81	-85	-87	-181	-559
Replacement of mandatory sequestration		11	18	19	19	20	21	22	28	31	1	87	190

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Proposed Budget Control Act cap adjustment for disaster relief and wildfires		2	2	3	3	1	1	1	1	1	1	12	18
Debt service and indirect interest effects	*	-*	-*	-1	-1	-2	-4	-5	-7	-9	-12	-5	-41
Total, other changes to deficit	*	2	-9	-20	-27	-32	-35	-53	-59	-62	-97	-87	-392
Total proposals in the 2016 MSR	6	-66	-92	-66	-135	-180	-178	-323	-334	-320	-447	-539	-2,141
Resulting deficits in the 2016 MSR	455	429	436	481	533	563	617	643	672	695	742	2,443	5,812
Percent of GDP	2.6%	2.3%	2.2%	2.4%	2.5%	2.5%	2.7%	2.7%	2.7%	2.7%	2.7%	2.4%	2.5%
Memorandum:													
Debt held by the public in the adjusted baseline	13,405	14,028	14,676	15,342	16,123	16,972	17,864	18,930	20,035	21,143	22,423		
Percent of GDP	75.3%	75.6%	75.6%	75.6%	76.1%	76.8%	77.4%	78.6%	79.7%	80.7%	82.0%		
Debt held by the public in the 2016 MSR	13,411	13,974	14,541	15,152	15,810	16,493	17,221	17,973	18,754	19,556	20,404		
Percent of GDP	75.3%	75.3%	74.9%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%		

* \$500 million or less.

¹ See Tables S-4 and S-7 for information on the adjusted baseline.

² For total deficit reduction since January 2011, see Table S-3.

³ Includes proposals to limit the total accrual of tax-favored retirement benefits and conform SECA taxes for professional service businesses.

⁴ Business tax reform transition revenue of \$266.3 billion finances the \$126.5 billion in budget authority for new surface transportation investments (the PAYGO portion of the reauthorization proposal) plus \$111.9 billion of cash transfers necessary to ensure Transportation Trust Fund solvency for all programs proposed to be funded via the Transportation Trust Fund over the six-year reauthorization period, leaving an additional \$27.9 billion for deficit reduction.

⁵ Includes proposals to support preschool for all, extend the Maternal, Infant, and Early Childhood Home Visiting program, and extend CHIP funding through 2019.

⁶ Includes all HHS health savings and OPM FEHBP savings.

⁷ Includes proposals to reduce the value of certain tax expenditures and implement the Buffett Rule by imposing a new “Fair Share Tax.”

Table S-3. CUMULATIVE DEFICIT REDUCTION

(Deficit reduction (-) or increase (+) in billions of dollars)

	2016-2025
Deficit reduction achieved through July 2015, excluding Overseas Contingency Operations (OCO):	
Enacted deficit reduction excluding pending Joint Committee enforcement:	
Discretionary savings ¹	-1,634
Mandatory savings	-97
Revenues	-776
Debt service	-848
Subtotal, enacted deficit reduction excluding pending Joint Committee enforcement	-3,355
Pending Joint Committee enforcement: ²	
Discretionary cap reductions	-533
Mandatory sequestration	-190
Debt service	-154
Subtotal, pending Joint Committee enforcement	-877
Total, deficit reduction achieved, excluding OCO	-4,232
Tax reforms and investments to support working families:	
Tax reform and investment proposals ³	-11
Debt service	-8
Total, tax reforms and investments to support working families	-18
Additional investments in growing the economy and creating opportunity:	
Investment proposals and offsets ⁴	-360
Debt service	-34
Total, additional investments	-393
Additional deficit reduction from health, tax, and immigration reform:	
Health savings	-367
Reforms to high-income tax expenditures	-644
Immigration reform	-170
Debt service	-156
Total, additional deficit reduction	-1,337
Subtotal, tax reforms, investments, and additional deficit reduction	-1,748
Other changes to deficits:¹	
Replacement of mandatory sequestration	190
Proposed Budget Control Act cap adjustment for disaster relief and wildfires	18
Debt service and indirect interest effects	35
Total, other changes to deficits	243
Grand total, achieved and proposed deficit reduction excluding OCO	-5,738

Table S-3. CUMULATIVE DEFICIT REDUCTION—Continued

(Deficit reduction (-) or increase (+) in billions of dollars)

	2016–2025
Memorandum: revenue and outlay effects of achieved and proposed deficit reduction:	
Enacted outlay reductions and 2016 Budget spending proposals	-3,354
Enacted receipt increases and 2016 Budget tax proposals	-2,213
Immigration reform	-170
Memorandum, savings in Overseas Contingency Operations (OCO):	
Enacted reduction in OCO funding	-1,016
Proposed reductions in OCO	-559
Debt service	-347
Total, savings in overseas contingency operations (OCO)	-1,921

¹ Excludes savings from reductions in OCO.

² Consists of mandatory sequestration for 2016–2024 and discretionary cap reductions for 2016–2021.

³ See Table S-2 for details on tax reform and investment proposals.

⁴ See Table S-2 for details on additional investment proposals.

Table S-4. ADJUSTED BASELINE BY CATEGORY¹

(In billions of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
													2016-2020	2016-2025
Outlays:														
Appropriated (“discretionary”) programs:														
Defense	596	584	631	663	670	677	688	700	718	735	753	771	3,328	7,006
Non-defense	525	539	565	570	571	576	584	595	607	621	635	650	2,866	5,975
Subtotal, appropriated programs	1,121	1,123	1,196	1,233	1,240	1,253	1,273	1,295	1,325	1,356	1,389	1,421	6,194	12,981
Mandatory programs:														
Social Security	845	884	924	972	1,030	1,093	1,160	1,228	1,300	1,376	1,457	1,542	5,179	12,083
Medicare	505	537	589	607	614	676	730	785	882	915	942	1,048	3,215	7,786
Medicaid	301	341	370	369	387	408	427	449	473	500	529	561	1,960	4,471
Other mandatory programs	504	601	692	698	708	749	774	802	848	852	856	907	3,621	7,885
Subtotal, mandatory programs	2,156	2,363	2,575	2,646	2,738	2,927	3,090	3,264	3,504	3,642	3,783	4,057	13,975	32,226
Net interest	229	210	250	306	369	441	517	582	646	711	769	826	1,884	5,417
Adjustments for disaster costs ²		*	3	7	8	9	9	10	10	10	10	10	36	86
Joint Committee enforcement ³			-66	-96	-104	-107	-108	-108	-56	-40	-35	-3	-480	-723
Total outlays	3,506	3,697	3,958	4,095	4,252	4,523	4,781	5,042	5,428	5,679	5,915	6,312	21,609	49,985
Receipts:														
Individual income taxes	1,395	1,540	1,663	1,725	1,813	1,903	2,011	2,125	2,245	2,367	2,494	2,623	9,115	20,968
Corporation income taxes	321	347	389	390	397	410	424	441	457	472	486	500	2,010	4,367
Social insurance and retirement receipts:														
Social Security payroll taxes	736	771	805	837	877	916	953	1,003	1,052	1,097	1,150	1,199	4,388	9,889
Medicare payroll taxes	224	235	246	256	269	281	293	308	323	337	354	369	1,345	3,036
Unemployment insurance	55	55	54	52	52	49	50	50	50	51	52	52	257	512
Other retirement	9	10	10	10	11	11	12	12	13	14	14	15	54	122
Excise taxes	93	96	100	104	106	108	110	113	116	119	123	127	528	1,127
Estate and gift taxes	19	20	21	23	24	25	27	28	30	32	34	36	120	281
Customs duties	34	36	38	41	43	46	48	50	53	55	58	61	216	494
Deposits of earnings, Federal Reserve System	99	94	94	69	53	44	47	52	57	61	65	68	308	611
Other miscellaneous receipts	37	45	42	59	59	60	63	64	66	68	71	73	284	626
Total receipts	3,021	3,248	3,463	3,567	3,705	3,854	4,038	4,247	4,462	4,674	4,901	5,123	18,627	42,033
Deficit	485	448	495	528	547	668	743	795	966	1,006	1,014	1,189	2,982	7,952
Net interest	229	210	250	306	369	441	517	582	646	711	769	826	1,884	5,417
Primary deficit	256	238	246	222	178	227	226	213	320	295	246	363	1,099	2,535
On-budget deficit	514	475	512	531	535	637	683	720	871	879	862	1,003	2,898	7,234
Off-budget deficit / surplus (-)	-30	-27	-17	-3	12	31	60	75	95	126	152	186	84	719

Table S-4. ADJUSTED BASELINE BY CATEGORY¹—Continued

(In billions of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
													2016–2020	2016–2025
Memorandum, budget authority for appropriated programs:⁴														
Defense	606	586	642	657	671	685	701	716	734	752	770	789	3,357	7,117
Non-defense	523	526	537	547	559	572	584	596	611	626	641	657	2,798	5,930
Total, appropriated funding	1,129	1,112	1,179	1,203	1,230	1,257	1,285	1,313	1,345	1,377	1,411	1,446	6,155	13,046

* \$500 million or less.

¹ See Table S-7 for information on adjustments to the Balanced Budget and Emergency Deficit Control Act (BBEDCA) baseline.

² These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

³ Consists of mandatory sequestration for 2016–2024 and discretionary cap reductions for 2016–2021.

⁴ Excludes discretionary cap reductions for Joint Committee enforcement.

Table S-5. PROPOSED BUDGET BY CATEGORY

(In billions of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
													2016-2020	2016-2025
Outlays:														
Appropriated (“discretionary”) programs:														
Defense	596	584	604	598	587	585	590	596	608	621	634	647	2,964	6,071
Non-defense	525	539	565	582	587	592	594	599	594	597	608	619	2,921	5,938
Subtotal, appropriated programs	1,121	1,123	1,169	1,180	1,174	1,177	1,184	1,195	1,202	1,219	1,242	1,266	5,885	12,009
Mandatory programs:														
Social Security	845	884	924	973	1,030	1,092	1,158	1,226	1,298	1,374	1,455	1,539	5,177	12,069
Medicare	505	537	586	594	593	650	696	743	831	857	871	971	3,118	7,392
Medicaid	301	346	378	371	388	407	430	452	477	502	531	564	1,974	4,501
Other mandatory programs	504	602	672	738	806	813	833	867	857	911	981	973	3,861	8,450
Allowance for immigration reform			5	10	15	20	20	25	30	35	40	50	70	250
Subtotal, mandatory programs	2,156	2,369	2,564	2,685	2,832	2,982	3,137	3,314	3,492	3,680	3,879	4,097	14,200	32,662
Net interest	229	210	250	305	365	434	503	561	616	670	716	761	1,857	5,180
Adjustments for disaster costs ¹		*	3	7	8	9	9	10	10	10	10	10	36	86
Total outlays	3,506	3,703	3,987	4,177	4,379	4,601	4,833	5,080	5,320	5,578	5,847	6,134	21,978	49,937
Receipts:														
Individual income taxes	1,395	1,540	1,701	1,792	1,888	1,988	2,105	2,225	2,351	2,480	2,613	2,748	9,474	21,891
Corporation income taxes	321	347	429	455	458	469	482	468	466	481	495	509	2,293	4,712
Social insurance and retirement receipts:														
Social Security payroll taxes	736	771	808	841	882	921	958	1,008	1,058	1,103	1,157	1,205	4,409	9,940
Medicare payroll taxes	224	235	247	258	271	284	296	311	326	341	357	373	1,356	3,064
Unemployment insurance	55	55	56	59	59	57	58	58	59	60	61	62	290	590
Other retirement	9	10	10	10	11	11	12	12	13	14	14	15	54	122
Excise taxes	93	96	111	119	121	123	125	127	129	132	135	139	597	1,259
Estate and gift taxes	19	20	21	30	32	35	37	41	44	48	52	56	155	396
Customs duties	34	36	36	40	43	46	48	50	52	55	58	61	213	489
Deposits of earnings, Federal Reserve System	99	94	94	69	53	44	47	52	57	61	65	68	308	611
Other miscellaneous receipts	37	45	43	60	60	61	64	65	67	69	71	73	287	632
Allowance for immigration reform			1	7	20	30	40	45	55	64	74	84	98	420
Total receipts	3,021	3,248	3,557	3,740	3,898	4,068	4,270	4,463	4,677	4,906	5,152	5,392	19,534	44,125
Deficit	485	455	429	436	481	533	563	617	643	672	695	742	2,443	5,812
Net interest	229	210	250	305	365	434	503	561	616	670	716	761	1,857	5,180
Primary deficit / surplus (-)	256	244	180	132	116	100	60	56	27	2	-22	-19	586	631
On-budget deficit	514	482	452	442	470	508	509	549	556	554	552	565	2,380	5,156
Off-budget deficit / surplus (-)	-30	-28	-23	-5	11	26	54	67	87	118	143	177	63	655

Table S-5. PROPOSED BUDGET BY CATEGORY—Continued

(In billions of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
													2016-2020	2016-2025
Memorandum, budget authority for appropriated programs:														
Defense	606	586	612	573	584	592	598	610	622	635	648	661	2,959	6,135
Non-defense	523	526	543	565	575	584	590	601	586	599	612	625	2,856	5,878
Total, appropriated funding	1,129	1,112	1,155	1,138	1,159	1,176	1,188	1,211	1,208	1,234	1,260	1,286	5,815	12,013

* \$500 million or less.

¹These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

Table S-6. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP

(As a percent of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Averages	
													2016-2020	2016-2025
Outlays:														
Appropriated (“discretionary”) programs:														
Defense	3.5	3.3	3.3	3.1	2.9	2.8	2.7	2.6	2.5	2.5	2.4	2.4	2.9	2.7
Non-defense	3.0	3.0	3.0	3.0	2.9	2.8	2.7	2.6	2.5	2.4	2.3	2.3	2.9	2.6
Subtotal, appropriated programs	6.5	6.3	6.3	6.1	5.8	5.6	5.4	5.2	5.0	4.9	4.7	4.6	5.8	5.3
Mandatory programs:														
Social Security	4.9	5.0	5.0	5.0	5.1	5.2	5.2	5.3	5.4	5.5	5.5	5.6	5.1	5.3
Medicare	2.9	3.0	3.2	3.1	2.9	3.1	3.1	3.2	3.5	3.4	3.3	3.6	3.1	3.2
Medicaid	1.7	1.9	2.0	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.1	1.9	2.0
Other mandatory programs	2.9	3.4	3.6	3.8	4.0	3.8	3.8	3.8	3.6	3.6	3.7	3.6	3.8	3.7
Allowance for immigration reform			*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1
Subtotal, mandatory programs	12.5	13.3	13.8	13.8	13.9	14.1	14.2	14.4	14.5	14.6	14.8	15.0	14.0	14.3
Net interest	1.3	1.2	1.3	1.6	1.8	2.0	2.3	2.4	2.6	2.7	2.7	2.8	1.8	2.2
Adjustments for disaster costs ¹		*	*	*	*	*	*	*	*	*	*	*	*	*
Total outlays	20.3	20.8	21.5	21.5	21.6	21.7	21.9	22.0	22.1	22.2	22.3	22.4	21.6	21.9
Receipts:														
Individual income taxes	8.1	8.7	9.2	9.2	9.3	9.4	9.5	9.6	9.8	9.9	10.0	10.0	9.3	9.6
Corporation income taxes	1.9	1.9	2.3	2.3	2.3	2.2	2.2	2.0	1.9	1.9	1.9	1.9	2.3	2.1
Social insurance and retirement receipts:														
Social Security payroll taxes	4.3	4.3	4.4	4.3	4.3	4.3	4.3	4.4	4.4	4.4	4.4	4.4	4.3	4.4
Medicare payroll taxes	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.3	1.3
Unemployment insurance	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3
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	0.1
Excise taxes	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.6
Estate and gift taxes	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
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	0.6	0.5	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Other miscellaneous receipts	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Allowance for immigration reform			*	*	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.1	0.2
Total receipts	17.5	18.2	19.2	19.3	19.2	19.2	19.3	19.3	19.4	19.5	19.7	19.7	19.2	19.4
Deficit	2.8	2.6	2.3	2.2	2.4	2.5	2.5	2.7	2.7	2.7	2.7	2.7	2.4	2.5
Net interest	1.3	1.2	1.3	1.6	1.8	2.0	2.3	2.4	2.6	2.7	2.7	2.8	1.8	2.2
Primary deficit / surplus (-)	1.5	1.4	1.0	0.7	0.6	0.5	0.3	0.2	0.1	*	-0.1	-0.1	0.6	0.3
On-budget deficit	3.0	2.7	2.4	2.3	2.3	2.4	2.3	2.4	2.3	2.2	2.1	2.1	2.3	2.3
Off-budget deficit / surplus (-)	-0.2	-0.2	-0.1	-*	0.1	0.1	0.2	0.3	0.4	0.5	0.5	0.6	0.1	0.3

Table S-6. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP—Continued

(As a percent of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Averages		
													2016-2020	2016-2025	
Memorandum, budget authority for appropriated programs:															
Defense	3.5	3.3	3.3	3.0	2.9	2.8	2.7	2.6	2.6	2.5	2.5	2.4	2.9	2.7	
Non-defense	3.0	3.0	2.9	2.9	2.8	2.8	2.7	2.6	2.4	2.4	2.3	2.3	2.8	2.6	
Total, appropriated funding	6.5	6.2	6.2	5.9	5.7	5.6	5.4	5.2	5.0	4.9	4.8	4.7	5.7	5.3	

*0.05 percent of GDP or less.

¹These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

Table S-7. BRIDGE FROM BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT (BBEDCA) BASELINE TO ADJUSTED BASELINE

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
													2016-2020	2016-2025
BBEDCA baseline deficit	485	444	513	579	616	723	800	858	979	1,002	1,007	1,148	3,231	8,225
Adjustments for current policy:														
Continue tax benefits provided under the American Taxpayer Relief Act ¹						1	22	25	24	24	24	24	48	170
Reflect incremental cost of funding existing Pell maximum grant award			1	2	1	1	1	*	*	*	-*	-*	5	5
Reflect Postal Service default on retiree health benefit payments		3	7	*	-*	-1	-1	-1	-1	-1	-1	-1	5	2
Subtotal		3	7	2	2	22	24	24	24	24	23	23	58	177
Adjustments for provisions contained in the Budget Control Act:														
Set discretionary budget authority at cap levels ²			29	35	37	38	37	35	34	34	35	36	177	350
Reflect Joint Committee enforcement ³			-55	-89	-104	-107	-108	-108	-56	-40	-35	-3	-462	-705
Subtotal			-25	-53	-67	-69	-71	-74	-22	-6	-*	33	-285	-355
Adjustments for emergency and disaster costs:														
Remove non-recurring emergency costs			-3	-7	-10	-12	-13	-13	-14	-14	-14	-15	-45	-114
Add placeholder for future emergency costs ⁴		*	3	7	8	9	9	10	10	10	10	10	36	86
Reclassify surface transportation outlays:														
Remove outlays from appropriated category	-57	-56	-60	-60	-59	-59	-59	-59	-61	-62	-63	-64	-297	-606
Add outlays to mandatory category	57	56	60	60	59	59	59	59	61	62	63	64	297	606
Subtotal														
Total program adjustments		4	-17	-51	-67	-51	-51	-54	-2	14	19	51	-236	-207
Debt service on adjustments			-*	-*	-2	-4	-7	-9	-11	-11	-11	-10	-13	-65
Total adjustments		4	-17	-51	-68	-55	-57	-63	-13	3	8	41	-249	-273
Adjusted baseline deficit	485	448	495	528	547	668	743	795	966	1,006	1,014	1,189	2,982	7,952

*\$500 million or less.

¹The baseline permanently continues the tax benefits provided to individuals and families that were extended only through taxable year 2017 under ATRA.

²Includes adjustments for discretionary and mandatory program integrity.

³Consists of mandatory sequestration for 2017-2024 and discretionary cap reductions for 2016-2021.

⁴These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction.

Table S-8. MANDATORY AND RECEIPT PROPOSALS

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Mandatory Initiatives and Savings:													
Agriculture:													
Reduce premium subsidies for harvest price revenue protection and improve prevented planting coverage		-1,129	-1,374	-1,560	-1,614	-1,650	-1,675	-1,709	-1,739	-1,773	-1,776	-7,327	-15,999
Reauthorize Secure Rural Schools			74	60	37	8						179	179
Enact Food Safety and Inspection Service (FSIS) fee		-4	-4	-4	-5	-5	-5	-5	-5	-5	-5	-22	-47
Enact biobased labeling fee													
Enact Grain Inspection, Packers, and Stockyards Administration (GIPSA) fee		-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-150	-300
Enact Animal Plant and Health Inspection Service (APHIS) fee		-20	-27	-27	-28	-29	-30	-31	-32	-33	-34	-131	-291
Enact Natural Resource and Conservation Service (NRCS) Conservation user fee													
Establish Rural Housing Service (RHS) Guaranteed Underwriting System fee													
Increase funding for Supplemental Nutrition Assistance Program (SNAP) Employment & Training ¹			13	25	25	25	25	25	25	25	25	88	213
Create State option to improve SNAP access for elderly		9	21	34	41	48	54	60	67	74	80	153	488
Outyear mandatory effects of discretionary changes to the Conservation Stewardship Program				-54	-54	-54	-54	-54	-54	-54	-54	-162	-432
Total, Agriculture		-1,174	-1,327	-1,556	-1,628	-1,687	-1,715	-1,744	-1,768	-1,796	-1,794	-7,372	-16,189
Commerce:													
Enact Scale Up Manufacturing Initiative			163	365	365	365						1,258	1,258
Expand National Network of Manufacturing Innovation			90	190	280	390	390	290	200	100		950	1,930
Total, Commerce			253	555	645	755	390	290	200	100		2,208	3,188
Education:													
Support Preschool for All		130	1,235	3,110	5,456	7,360	8,773	9,787	10,560	10,275	9,356	17,291	66,042
Enact Teaching for Tomorrow		50	250	550	850	1,000	950	750	450	150		2,700	5,000
Partner with States to provide tuition-free quality community college		41	951	2,401	3,477	4,822	6,408	7,653	9,443	11,914	13,175	11,692	60,285
Extend Pell CPI Increase				226	1,104	2,055	3,044	4,095	5,208	6,389	7,624	3,385	29,745
Reform student loan Income-Based Repayment plans ²		-1,177	-666	-923	-1,317	-1,589	-1,660	-1,685	-1,713	-1,843	-1,910	-5,672	-14,483
Reform and expand Perkins loan program		-418	-1,138	-944	-830	-736	-652	-623	-602	-584	-560	-4,066	-7,087
Enact student aid reforms		-16	-57	-58	-83	-73	-50	-21	14	37	61	-287	-246
Implement College Opportunity and Graduation Bonus Program		123	360	481	671	684	692	702	709	719	727	2,319	5,868
Total, Education		-1,267	935	4,843	9,328	13,523	17,505	20,658	24,069	27,057	28,473	27,362	145,124

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Energy:													
Enact nuclear waste management program	90	170	400	520	760	-1,394	764	260	1,310
Reauthorize special assessment from domestic nuclear utilities ³	-204	-208	-213	-218	-223	-228	-233	-238	-244	-249	-1,066	-2,258
Establish Southwestern Power Administration Purchase Power Drought Fund	-15	-15	5	-15	-2	.....	.....	.....	24	-15	-42	-33
Total, Energy	-219	-223	-208	-143	-55	172	287	522	-1,614	500	-848	-981
Health and Human Services:													
HHS health savings:													
Medicare providers:													
Encourage delivery system reform:													
Make permanent the Medicare primary care incentive payment in a budget neutral manner
Encourage efficient care by improving incentives to provide care in the most appropriate ambulatory setting	-440	-1,220	-2,150	-3,300	-4,010	-4,490	-4,990	-5,530	-6,140	-7,110	-32,270
Allow ACOs to pay beneficiaries for primary care visits up to the applicable Medicare cost sharing amount	-10	-10	-10	-10	-10	-10	.....	.....	-10	-40	-70
Allow CMS to assign beneficiaries to Federally Qualified Health Centers and Rural Health Centers participating in the Medicare Shared Savings Program	-10	-10	-10	-10	-10	-10	-20	-20	-80
Expand basis for beneficiary assignment for Accountable Care Organizations to include Nurse Practitioners, Physician Assistants, and Clinical Nurse Specialists	-10	-10	-10	-20	-20	-20	-20	-20	-30	-130
Establish quality bonus payments for high-performing Part D plans
Implement bundled payment for post-acute care	-440	-1,020	-1,690	-1,920	-2,060	-2,230	-440	-9,360
Implement value-based purchasing for skilled nursing facilities (SNFs), home health agencies (HHAs), ambulatory surgical centers (ASCs), hospital outpatient departments (HOPDs), and community mental health centers (CMHCs)
Establish a hospital wide readmissions measure
Extend accountability for hospital-acquired conditions

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Improve beneficiary access:													
Eliminate the 190-day lifetime limit on inpatient psychiatric facility services		60	70	70	80	80	80	80	100	100	110	360	830
Expand coverage of dialysis services for beneficiaries with acute kidney injury		-20	-20	-20	-20	-20	-20	-20	-20	-30	-30	-100	-220
Bad debts:													
Reduce Medicare coverage of bad debts		-370	-1,260	-2,430	-3,100	-3,360	-3,590	-3,840	-4,110	-4,380	-4,680	-10,520	-31,120
Graduate medical education:													
Better align graduate medical education payments with patient care costs		-1,010	-1,280	-1,370	-1,460	-1,560	-1,680	-1,800	-1,930	-2,050	-2,180	-6,680	-16,320
Better align payments to rural providers with the cost of health care:													
Reduce Critical Access Hospital (CAH) payments from 101% of reasonable costs to 100% of reasonable costs		-110	-130	-150	-150	-170	-180	-190	-210	-230	-240	-710	-1,760
Prohibit CAH designation for facilities that are less than 10 miles from the nearest hospital		-60	-60	-70	-70	-70	-80	-80	-90	-100	-100	-330	-780
Cut waste, fraud, and improper payments in Medicare:													
Reduce waste, fraud, and abuse in Medicare		109	118	58	-43	-143	-173	-203	-224	-234	-254	99	-989
Drug rebates and additional Part D savings:													
Align Medicare drug payment policies with Medicaid policies for low-income enrollees			-3,400	-8,420	-9,730	-11,520	-13,480	-15,210	-18,170	-21,730	-24,230	-33,070	-125,890
Accelerate manufacturer discounts for brand drugs to provide relief to Medicare beneficiaries in the coverage gap			-50	-350	-620	-1,230	-1,380	-1,540	-1,470	-1,370	-1,610	-2,250	-9,620
Suspend coverage and payment for questionable Part D prescriptions and incomplete clinical information		-60	-60	-70	-60	-70	-80	-80	-90	-100	-110	-320	-780
Establish authority for a program to prevent prescription drug abuse in Medicare Part D													
Require mandatory reporting of other prescription drug coverage		-10	-30	-40	-40	-50	-50	-60	-60	-70	-70	-170	-480
Allow the Secretary to negotiate prices for biologics and high cost prescription drugs													
Encourage efficient post-acute care:													
Adjust payment updates for certain post-acute care providers		-1,080	-3,260	-3,840	-5,190	-6,930	-8,850	-11,360	-13,570	-15,240	-17,680	-20,300	-87,000

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Encourage appropriate use of inpatient rehabilitation hospitals (IRFs) by requiring that 75 percent of IRF patients require intensive rehabilitation services		-170	-200	-210	-220	-230	-230	-240	-260	-260	-270	-1,030	-2,290
Additional provider efficiencies:													
Exclude certain services from the in-office ancillary services exception ...			-260	-410	-460	-490	-520	-560	-590	-640	-670	-1,620	-4,600
Modify reimbursement of Part B drugs ..		-330	-590	-630	-680	-740	-800	-870	-950	-1,030	-1,120	-2,970	-7,740
Improve payment accuracy for Medicare Advantage (MA):													
Increase the minimum MA coding intensity adjustment			-430	-1,050	-2,020	-3,260	-4,740	-5,500	-5,990	-6,470	-7,170	-6,760	-36,630
Align employer group waiver plan payments with average MA plan bids			-480	-660	-680	-720	-740	-760	-770	-800	-860	-2,540	-6,470
Other Medicare:													
Clarify calculation of the late enrollment penalty for Medicare Part B premiums													
Clarify the Medicare Fraction in the Medicare DSH statute													
Strengthen the Independent Payment Advisory Board (IPAB) to reduce long-term drivers of Medicare cost growth								-995	-1,402	-4,661	-6,080	-9,481	-22,619
Total, Medicare providers		-3,051	-11,772	-20,832	-26,643	-34,253	-42,578	-49,855	-60,005	-68,334	-79,065	-96,551	-396,388
Medicare structural reforms:													
Increase income-related premiums under Medicare Parts B and D					-1,180	-2,130	-3,050	-4,100	-5,400	-6,880	-6,820	-3,310	-29,560
Modify the Part B deductible for new beneficiaries					-60	-70	-300	-420	-900	-1,050	-1,130	-130	-3,930
Introduce a Part B premium surcharge for new beneficiaries who purchase near first-dollar Medigap coverage					-90	-130	-130	-140	-150	-150	-160	-220	-950
Introduce home health co-payments for new beneficiaries					-20	-70	-110	-170	-230	-290	-360	-90	-1,250
Encourage the use of generic drugs by low-income beneficiaries			-530	-760	-820	-900	-960	-1,040	-1,130	-1,210	-1,300	-3,010	-8,650
Total, Medicare structural reforms			-530	-760	-2,170	-3,300	-4,550	-5,870	-7,810	-9,580	-9,770	-6,760	-44,340
Interactions		38	84	1,555	4,291	5,374	7,124	6,974	12,379	10,444	15,260	11,342	63,523
Medicaid and other:													
Medicaid:													
Limit Medicaid reimbursement of durable medical equipment based on Medicare rates		-310	-330	-350	-370	-390	-410	-430	-455	-475	-500	-1,750	-4,020

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Reduce waste, fraud, and abuse in Medicaid		-63	-94	-125	-126	-125	-121	-121	-116	-117	-117	-533	-1,125
Strengthen the Medicaid Drug Rebate program		-247	-467	-482	-502	-527	-567	-607	-662	-732	-822	-2,223	-5,610
Exclude brand-name and authorized generic drug prices from Medicaid Federal upper limit (FUL)		-30	-60	-90	-90	-90	-90	-90	-90	-90	-90	-360	-810
Increase access to and transparency of Medicaid drug pricing data		6	6	6	6	6	.....	.....	.....	.....	.....	30	30
Create demonstration to address over-prescription of psychotropic medications for children in foster care		114	211	211	218	225	83	-14	-11	-9	-6	979	1,022
Allow States to develop age-specific health home programs		200	210	90	90	90	80	90	90	90	90	680	1,120
Improve and extend Money Follows the Person Rebalancing Demonstration through 2020
Provide home and community-based services (HCBS) to children eligible for psychiatric residential treatment facilities	73	151	157	165	172	180	188	197	206	546	1,489
Allow full Medicaid benefits for individuals in a home and community-based services (HCBS) State plan option	1	1	1	1	1	1	1	1	1	4	10
Expand eligibility for the 1915(i) HCBS State plan option		7	15	23	32	42	44	46	49	51	53	119	362
Expand eligibility under the Community First Choice option		238	255	296	319	343	368	395	424	455	488	1,451	3,581
Pilot comprehensive long-term care State plan option	763	795	829	865	903	.....	.....	.....	2,388	4,156
Permanently extend Express Lane Eligibility (ELE) for children	30	55	60	75	90	105	115	130	145	660
Create State option to provide 12-month continuous Medicaid eligibility for adults ³		317	433	932	737	709	687	759	830	788	942	3,128	7,134
Allow pregnant women choice of Medicaid eligibility category
Expand State flexibility to provide benchmark benefit packages
Require full coverage of preventive health and tobacco cessation services for adults in traditional Medicaid		94	91	86	81	76	71	67	64	62	61	428	754
Require coverage of EPSDT for children in inpatient psychiatric treatment facilities		35	35	40	40	45	45	50	50	55	60	195	455
Total, Medicaid		362	379	1,582	1,444	1,459	1,304	1,320	467	392	498	5,227	9,208

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals		
												2016-2020	2016-2025	
Medicare - Medicaid enrollees:														
Ensure retroactive Part D coverage of newly-eligible low-income beneficiaries												10		10
Establish integrated appeals process for Medicare-Medicaid enrollees														
Create pilot to expand PACE eligibility to individuals between ages 21 and 55														
Allow for Federal/State coordinated review of Duals Special Need Plan marketing materials														
Total, Medicare - Medicaid enrollees												10		10
Pharmaceutical savings:														
Prohibit brand and generic drug manufacturers from delaying the availability of new generic drugs and biologics		-850	-900	-970	-1,070	-1,150	-1,230	-1,340	-1,440	-1,540	-1,650		-4,940	-12,140
Modify length of exclusivity to facilitate faster development of generic biologics			30	-70	-340	-520	-600	-650	-740	-760	-770		-900	-4,420
Total, pharmaceutical savings		-850	-870	-1,040	-1,410	-1,670	-1,830	-1,990	-2,180	-2,300	-2,420		-5,840	-16,560
Allow CMS to reinvest civil monetary penalties recovered from home health agencies		1	1	1	1	1	1	1	1	1	1		5	10
Allow CMS to assess a fee on Medicare providers for payments subject to the Federal Levy Program														
Reauthorize Special Diabetes Program ..				180	86	26	4	4					292	300
Extend Health Centers				1,350	1,188	81	54	27					2,619	2,700
Total, Medicaid and other		-487	-490	2,073	1,309	-103	-467	-638	-1,712	-1,907	-1,911		2,303	-4,332
Medicare appeals:														
Provide Office of Medicare Hearings and Appeals and Department Appeals Board authority to use RAC collections		127	127	127	127	127	127	127	127	127	127		635	1,270
Establish Medicare appeals refundable filing fee														
Remand appeals to the redetermination level with the introduction of new evidence														
Sample and consolidate similar claims for administrative efficiency														
Increase minimum amount in controversy for Administrative Law Judge (ALJ) adjudication of claims to equal amount required for judicial review														

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals		
												2016-2020	2016-2025	
Establish magistrate adjudication for claims with amount in controversy below new ALJ amount in controversy threshold														
Expedite procedures for claims with no material fact in dispute														
Total, Medicare appeals		127	127	127	127	127	127	127	127	127	127	635	1,270	
Health workforce investments:														
Create a competitive, value-based graduate medical education program		40	165	280	398	465	487	515	538	565	587	1,348	4,040	
Extend the Medicaid primary care payment increase through CY 2016 and include additional providers	5,580	7,450	1,860									9,310	9,310	
Invest in the National Health Service Corps				262	487	508	256	37	16	5		1,257	1,571	
Total, health workforce investments ...	5,580	7,490	2,025	542	885	973	743	552	554	570	587	11,915	14,921	
Provide CMS Program Management implementation funding		25	300	75								400	400	
Provide CMS Program Management implementation funding for Physician Payment Reform		10	30	35	15	5	5					95	100	
Total, HHS health savings ⁴	5,580	4,152	-10,226	-17,185	-22,185	-31,177	-39,596	-48,710	-56,467	-68,680	-74,772	-76,621	-364,846	
Provide mandatory funding for Tribal contract support costs:														
PAYGO effects			69	180	340							589	589	
Nonscoreable reclassification			731	745	760	775	790	806	822	839	856	3,011	7,124	
Total, provide mandatory funding for tribal contract support costs			800	925	1,100	775	790	806	822	839	856	3,600	7,713	
Annual reduction to discretionary spending limits (non-add)			-731	-745	-760	-775	-790	-806	-822	-839	-856	-3,011	-7,124	
Extend CHIP funding through 2019 ³			205	1,884	3,607	-670	145					5,026	5,171	
Promote Family Based Care		78	43	19	1	-19	-29	-39	-41	-43	-38	122	-68	
Provide enhanced funding for Tribes to implement Title IV-E programs		27	30	28	5	4	4	4	4	4	4	94	114	
Establish Title IV-E funding for prevention and permanency services		30	41	41	51	57	58	56	61	84	108	220	587	
Expand eligibility through age 23 for Chafee Foster Care Independence Program														
Modernize child support and create a Child Support Research Fund		150	169	269	290	360	396	438	436	433	305	1,238	3,246	
Reauthorize Family Connection Grants			10	3	1							14	14	
Repurpose Temporary Assistance for Needy Families (TANF) Contingency Fund to support Pathways to Jobs initiative														
Reauthorize the Personal Responsibility Education Program (PREP)				2	24	57	72	51	18	1		83	225	

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Reauthorize Health Profession and Opportunity Grants				78	85	81	39	7				244	290
Support demonstration to address over-prescription of psychotropic drugs for children in foster care (Funding in Administration for Children and Families) ...		1	20	55	71	52	28	16	6	1	1	199	251
Expand access to high-quality, affordable care for young children		2,969	3,889	4,632	5,599	6,639	7,709	9,205	10,787	12,476	14,422	23,728	78,327
Establish LIHEAP Contingency Fund		755	972	860	742	661	627	629	643	657	671	3,990	7,217
Fund Upward Mobility Project		300	300	300	300	300						1,500	1,500
Provide researcher access to National Directory of New Hires (NDNH)													
Extend and expand the Maternal, Infant, and Early Childhood Home Visiting Program ...				40	210	770	1,005	1,395	1,555	1,895	2,055	1,020	8,925
Total, Health and Human Services	5,580	8,462	-3,747	-8,049	-10,099	-22,110	-28,752	-36,142	-42,176	-52,333	-56,388	-35,543	-251,334
Homeland Security:													
Reform the aviation passenger security user fee to more accurately reflect the costs of aviation security		-195	-200	-350	-600	-625	-650	-675	-680	-690	-700	-1,970	-5,365
Increase customs user fees													
Increase immigration inspection user fees													
Increase Express Consignment Courier fees ..													
Total, Homeland Security	-195	-200	-350	-600	-625	-650	-675	-680	-690	-700	-700	-1,970	-5,365
Housing and Urban Development:													
Provide funding for grants to reduce local barriers to housing development		6	30	45	81	81	51	6				243	300
Interior:													
Provide a fair return to taxpayers for the use of public resources:													
Enact Federal oil and gas management reforms		-50	-120	-125	-150	-170	-185	-200	-215	-225	-240	-615	-1,680
Reform hardrock mining on public lands ...			-2	-4	-5	-5	-6	-6	-11	-17	-24	-16	-80
Repeal geothermal payments to counties ...		-4	-4	-4	-5	-5	-5	-5	-5	-5	-5	-22	-47
Enact offshore revenue reform				-367	-375	-376	-378	-380	-385	-393	-415	-1,118	-3,069
Total, provide a fair return to taxpayers for the use of public resources	-54	-126	-500	-535	-556	-574	-591	-616	-640	-684	-684	-1,771	-4,876
Ensure industry is held responsible for legacy pollution and risks to safety:													
Establish an abandoned mine lands (AML) hardrock reclamation fund ³			-200	-150	-100	-50						-500	-500
Increase coal AML fee to pre-2006 levels ³ ...		-49	-36	-27	-17	-9	-1	51	37	27	16	-138	-8
Terminate AML payments to certified States		-34	-26	-35	-36	-30	-27	-25	-10	-1		-161	-224
Fund AML reclamation and economic revitalization		55	95	140	170	200	145	105	60	30		660	1,000

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Total, ensure industry is held responsible for legacy pollution and risks to safety	-28	-167	-72	17	111	117	131	87	56	16	-139	268
Conserve natural resources for future generations and provide recreation access to the public:													
Establish dedicated funding for Land and Water Conservation Fund (LWCF) programs	156	522	1,000	969	914	900	900	900	900	900	3,561	8,061
Reauthorize the Federal Land Transaction Facilitation Act of 2000 (FLTFA)	-5	-6	-10	-12	-3	.....	.....	.....	.....	.....	-36	-36
Permanently reauthorize the Federal Lands Recreation Enhancement Act (FLREA)
Provide funding for a National Park Service Centennial Initiative	95	360	500	405	140	.....	.....	.....	.....	.....	1,500	1,500
Total, conserve natural resources for future generations and provide recreation access to the public	246	876	1,490	1,362	1,051	900	900	900	900	900	5,025	9,525
Maintain commitments to communities and insular territories:													
Provide mandatory funding for Tribal contract support costs:													
PAYGO effects	19	32	43	11	.....	.....	.....	.....	.....	105	105
Nonscoreable reclassification	212	285	292	297	304	309	316	322	329	1,086	2,666
Total, provide mandatory funding for tribal contract support costs	231	317	335	308	304	309	316	322	329	1,191	2,771
Annual reduction to discretionary spending limits (non-add)	-212	-285	-292	-297	-304	-309	-316	-322	-329	-1,086	-2,666
Extend the Palau Compact of Free Association	41	29	22	19	17	16	10	7	5	.....	128	166
Extend funding for Payments in Lieu of Taxes (PILT)	452	.....	.....	.....	.....	.....	.....	.....	.....	.....	452	452
Improve coal miner retiree health and pension benefits	363	375	380	385	389	389	404	408	411	411	1,892	3,915
Total, maintain commitments to communities and insular territories	856	635	719	739	714	709	723	731	738	740	3,663	7,304
Total, Interior	1,020	1,218	1,637	1,583	1,320	1,152	1,163	1,102	1,054	972	6,778	12,221
Labor:													
Unemployment Insurance reform: ⁵													
Strengthen Unemployment Insurance (UI) system solvency ^{3,6}	-3,889	-4,263	-4,207	-4,643	-4,877	-5,154	-5,143	-5,110	-5,663	-17,002	-42,949
Improve UI Extended Benefits ^{3,6}	2,722	2,417	2,997	4,210	5,268	6,076	5,462	5,556	6,010	5,692	17,614	46,410
Modernize UI ^{3,6}	2,253	1,647	455	394	97	-35	.....	.....	.....	.....	4,845	4,810
Reform the Federal Employees' Compensation Act	-19	-9	-14	-21	-29	-34	-41	-49	-56	-64	-92	-336
Improve Pension Benefit Guaranty Corporation (PBGC) solvency	146	197	-1,145	-1,401	-1,763	-2,080	-2,527	-2,922	-3,334	-3,684	-3,966	-18,513

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Extend the Trade Adjustment Assistance program ⁷		141	233	317	359	408	464	533	575	607	619	1,458	4,256
Implement cap adjustments for UI program integrity ^{3,6}		-34	-95	-109	-115	-129	-141	-146	-163	-179	-191	-482	-1,302
<i>Outlays from discretionary cap adjustment (non-add)</i>		30	35	40	45	50	55	60	65	70	75	200	525
Improve UI program integrity (mandatory SIDES) ^{3,6}		-5	-10	-15	-15	-16	-15	-13	-12	-12	-11	-61	-124
Create Connecting for Opportunity program ...		1,125	1,125	375	375	.....	.....	.....	.....	.....	.....	3,000	3,000
Allow use of prisoner database for UI program integrity ^{3,6}		-3	-6	-7	-8	-6	-6	-5	-5	-5	-4	-30	-55
Expand Foreign Labor Certification fees
Create an Apprenticeship Training Fund		500	500	500	500	.....	.....	.....	.....	.....	.....	2,000	2,000
Provide High-Growth Sector Training and Credentialing Grants		1,920	2,160	1,568	1,520	1,472	1,472	1,472	1,472	1,472	1,472	8,640	16,000
Establish Paid Leave Partnership Initiative		221	664	664	664	.....	.....	.....	.....	.....	.....	2,213	2,213
Total, Labor		8,967	4,934	1,322	2,254	659	823	-418	-691	-608	-1,834	18,137	15,410
Transportation:													
Invest in surface transportation reauthorization		4,914	11,561	15,229	16,883	17,986	18,978	15,686	9,553	6,009	4,121	66,573	120,920
<i>Transfer to achieve trust fund solvency (non-add)</i>		18,490	18,394	18,584	18,692	18,831	18,910	.....	.....	.....	.....	92,991	111,901
Treasury:													
Establish a Pay for Success Incentive Fund ...		29	21	10	24	40	56	46	42	24	8	124	300
Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of recovery		-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
Increase delinquent federal non-tax debt collections by authorizing administrative bank garnishment for non-tax debts		-32	-32	-32	-32	-32	-32	-32	-32	-32	-32	-160	-320
Allow offset of Federal income tax refunds to collect delinquent State income taxes for out-of-state residents
Reduce costs for States collecting delinquent income tax obligations
Provide authority to contact delinquent debtors via their cell phones		-12	-12	-12	-12	-12	-12	-12	-12	-12	-12	-60	-120
Reauthorize the State Small Business Credit Initiative		216	735	525	6	6	6	6	.....	.....	.....	1,488	1,500
Implement tax enforcement program integrity cap adjustment ³		-432	-1,451	-2,926	-4,476	-6,095	-7,481	-8,475	-9,077	-9,503	-9,819	-15,380	-59,735
<i>Outlays from discretionary cap adjustment (non-add)</i>		667	1,039	1,403	1,781	2,170	2,232	2,276	2,329	2,382	2,437	7,060	18,716
Total, Treasury		-234	-742	-2,438	-4,493	-6,096	-7,466	-8,470	-9,082	-9,526	-9,858	-14,003	-58,405

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Veterans Affairs:													
Extend round-down of cost of living adjustments (compensation)		-36	-74	-121	-159	-192	-204	-214	-225	-234	-244	-582	-1,703
Extend round-down of cost of living adjustments (education)			-1	-1	-1	-1	-1	-1	-1	-1	-2	-4	-10
Provide burial receptacles for certain new casketed gravesites		4	1	7	2	1	4	4	5	.....	2	15	30
Improve housing grant program		3	3	3	3	3	1	1	1	1	1	15	20
Increase cap on vocational rehabilitation contract counseling		1	1	1	1	1	1	1	1	1	1	5	10
Extend supplemental service disabled veterans insurance coverage						1	.....	.....	1	1	1	1	4
Clarify evidentiary threshold at which VA is required to provide medical examination ...		-38	-39	-41	-42	-43	-44	-46	-47	-48	-50	-203	-438
Cap Post-9/11 GI Bill benefits for flight training		-26	-27	-28	-30	-31	-33	-35	-36	-39	-41	-142	-326
Expand eligibility for Montgomery GI Bill refund		4	4	4	5	5	4	4	4	4	5	22	43
Extend authorization of work-study activities ...		1	1	1	1	1	1	1	1	2	2	5	12
Pro-rate GI Bill benefit usage for certification tests							1	1	1	1	1	.....	5
Modernize the definition of Automobile Adaptive Equipment (AAE)		-2	-2	-2	-2	-2	-2	-1	-1	-1	-1	-10	-16
Eliminate reductions of special monthly compensation for hospitalized veterans				1	1	1	.....	1	1	1	1	3	7
Restore the eligibility of certain veterans for special aid and attendance allowance		2	2	2	2	2	3	3	3	3	3	10	25
Reissue VA benefit payments to all victims of fiduciary misuse		2	2	2	2	2	2	2	2	2	2	10	20
Total, Veterans Affairs		-85	-129	-172	-217	-252	-267	-279	-290	-307	-319	-855	-2,317
Corps of Engineers:													
Reform inland waterways funding ³		-113	-113	-113	-113	-113	-113	-113	-113	-113	-113	-565	-1,130
Environmental Protection Agency:													
Eliminate statutory cap on pre-manufacture notice fee		-4	-8	-8	-8	-8	-8	-8	-8	-8	-8	-36	-76
Enact confidential business information management fee			-2	-2	.....	.....	.....	.....	.....	.....	.....	-4	-4
Create Clean Power State Incentive Fund			1,670	1,000	190	190	190	190	190	190	190	3,050	4,000
Total, Environmental Protection Agency		-4	1,660	990	182	182	182	182	182	182	182	3,010	3,920
Executive Office of the President:													
Promote Spectrum Relocation Fund flexibility ⁸ ...		50	-45	-75	-100	-160	-190	-230	-200	-50	.....	-330	-1,000
International Assistance Programs:													
Mandatory effects of discretionary proposal to implement 2010 International Monetary Fund (IMF) agreement (non-scoreable)		-224	.....	.....	.....	.....	.....	.....	.....	.....	.....	-224	-224

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Other Defense—Civil Programs:													
Increase TRICARE pharmacy copayments		-71	-89	-115	-344	-424	-483	-576	-676	-786	-832	-1,043	-4,396
Increase annual premiums for TRICARE-For-Life (TFL) enrollment		-3	-15	-43	-83	-111	-141	-173	-206	-240	-276	-255	-1,291
Increase TRICARE pharmacy copayments (accrual effects)		315	328	343	361	382	403	426	451	476	505	1,729	3,990
Increase annual premiums for TFL enrollment (accrual effects)		83	85	87	89	92	97	103	109	115	123	436	983
Total, Other Defense—Civil Programs		324	309	272	23	-61	-124	-220	-322	-435	-480	867	-714
Office of Personnel Management:													
Streamline Federal Employee Health Benefit Plan (FEHBP) pharmacy benefit contracting			-59	-124	-143	-153	-164	-176	-187	-200	-213	-479	-1,419
Provide FEHBP benefits to domestic partners			-7	6	18	29	40	54	69	85	103	46	397
Expand FEHBP plan types			-1	-3	-4	-7	-9	-10	-14	-19	-21	-15	-88
Adjust FEHBP premiums for wellness			3	-12	-40	-78	-124	-177	-252	-344	-456	-127	-1,480
Total, Office of Personnel Management			-64	-133	-169	-209	-257	-309	-384	-478	-587	-575	-2,590
Social Security Administration (SSA):													
Provide dedicated, mandatory funding for program integrity:													
Administrative costs			1,805	1,728	1,676	1,582	1,575	1,631	1,688	1,747	1,808	6,791	15,240
Benefit savings			-238	-2,003	-3,163	-3,902	-4,532	-5,394	-5,714	-5,950	-6,796	-9,306	-37,692
Total, provide dedicated, mandatory funding for program integrity			1,567	-275	-1,487	-2,320	-2,957	-3,763	-4,026	-4,203	-4,988	-2,515	-22,452
<i>Annual reduction to discretionary spending limits (non-add)</i>			<i>-273</i>	<i>-273</i>	<i>-273</i>	<i>-273</i>	<i>-273</i>	<i>-273</i>	<i>-273</i>	<i>-273</i>	<i>-273</i>	<i>-1,092</i>	<i>-2,457</i>
Allow SSA to use commercial databases to verify wages in SSI					-71	-36	-24	-21	-19	-17	-18	-107	-206
Expand authority to require authorization to verify financial information for overpayment waiver requests ⁹		-5	-16	-17	-18	-19	-20	-20	-21	-22	-22	-75	-180
Hold fraud facilitators liable for overpayments ⁹				-1	-1	-1	-1	-1	-1	-1	-1	-3	-8
Allow Government-wide use of CBP entry/exit data to prevent improper payments				-2	-7	-14	-22	-33	-40	-43	-52	-23	-213
Clarify penalties and prohibitions for misleading Internet advertising													
Allow Social Security benefits for same sex married couples	1	5	8	9	11	13	13	14	14	14	14	46	115
Lower electronic wage reporting threshold to five employees													
Move from annual to quarterly wage reporting		20	30	90	-131	-138	-168	-224	-257	-260	-301	-129	-1,339
Improve collection of pension information from States and localities		18	28	24	-351	-776	-1,047	-1,142	-1,085	-1,075	-1,054	-1,057	-6,460

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Establish workers compensation information reporting		5	5									10	10
Extend SSI time limits for qualified refugees		45	50									95	95
Conform treatment of State and local government Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) for SSI ¹⁰													
Terminate step-child benefits in the same month as step-parent ¹¹													
Allow SSA to electronically certify certain RRB payments													
Use the Death Master File to prevent Federal improper payments													
Offset DI benefits for period of concurrent UI receipt ^{3,6}			-35	-171	-253	-252	-249	-258	-265	-272	-275	-712	-2,031
Eliminate aggressive SSA claiming strategies													
Reauthorize and expand demonstration authority for DI and SSI			70	105	115	60						350	350
Reallocate payroll taxes to address DI trust fund reserve depletion													
Total, Social Security Administration (SSA) ...	1	88	1,707	-238	-2,193	-3,483	-4,475	-5,448	-5,700	-5,879	-6,697	-4,120	-32,319
Other Independent Agencies:													
Federal Communications Commission (FCC):													
Enact Spectrum License User Fee and allow the FCC to auction predominantly domestic satellite services		-225	-325	-425	-550	-550	-550	-550	-550	-550	-550	-2,075	-4,825
Postal Service:													
Enact Postal Service financial relief and reform:													
PAYGO effect	769	-1,234	-2,182	-2,353	-4,226	-4,399	-4,472	-4,495	-4,419	-4,344	-4,318	-14,394	-36,442
Non-scoreable effect		11	2,823	5,379	4,202	4,399	4,472	4,495	4,419	4,344	4,318	16,814	38,862
Total, enact Postal Service financial relief and reform	769	-1,223	641	3,026	-24							2,420	2,420
Railroad Retirement Board (RRB):													
Amend Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for fraud													
Promote RRB program integrity		3	2	2	2	2	2	2	2	2	2	11	21
Total, Railroad Retirement Board (RRB) ...		3	2	2	2	2	2	2	2	2	2	11	21
National Infrastructure Bank:													
Create infrastructure bank		33	153	373	595	831	1,058	1,158	1,233	1,207	1,062	1,985	7,703
Civilian Property Realignment Board:													
Dispose of unneeded real property		-87	-63	-136	-495	-65	-50	-60	-60	-40	-40	-846	-1,096
Total, Other Independent Agencies	769	-1,499	408	2,840	-472	218	460	550	625	619	474	1,495	4,223

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Multi-Agency:													
Enact immigration reform ³		4,000	3,000	-5,000	-10,000	-20,000	-20,000	-25,000	-29,000	-34,000	-34,000	-28,000	-170,000
Establish a consolidated TRICARE program (mandatory effects in Coast Guard, Public Health Service, and National Oceanic and Atmospheric Administration)		1	-7	-14	-14	-15	-17	-17	-19	-20	-21	-49	-143
Modernize Military Retirement:													
PAYGO effect ³				157	182	225	253	269	282	298	309	564	1,975
Non-scoreable effect				1,296	1,491	1,726	1,975	2,203	2,423	2,646	2,870	4,513	16,630
Sunset Montgomery GI Bill and Chapter 1607 Reserve Education Assistance Programs (REAP):													
PAYGO effect		131	96	65	48	90	75	61	57	49	46	430	718
Non-scoreable effect		18	9	9	9	9	9	9	9	9	9	54	99
Auction or assign via fee 1675-1680 megahertz			-150	-150								-300	-300
Reconcile OPM/SSA retroactive disability payments	6			-48	-48	-48	-48	-48	-48	-48	-48	-144	-384
Index the \$750 benefit protection threshold for inflation		1,890	9	14	21	27	33	40	46	53	60	1,961	2,193
Establish hold harmless for Federal poverty guidelines													
Adjust payment timing		-38,608	-2,684	41,292				-57,173	-4,420	61,593			
Mandatory effects of proposal to authorize additional Afghan SIVs			21	20	18	19	18	17	15	16	16	78	160
Total, Multi-Agency	6	-32,568	294	37,641	-8,293	-17,967	-17,702	-79,639	-30,655	30,596	-30,759	-20,893	-149,052
Total, mandatory initiatives and savings ...	6,356	-13,750	16,719	52,043	2,459	-18,094	-21,998	-94,865	-55,809	-8,212	-74,806	39,376	-216,314
Tax proposals:													
Middle-class and pro-work tax reforms:													
Reform child care tax incentives ¹²		2,024	4,110	4,276	4,491	4,730	4,948	5,163	5,374	5,583	6,005	19,631	46,704
Simplify and better target tax benefits for education ¹²		6	1,867	4,777	4,726	5,127	5,315	5,871	5,835	6,475	6,527	16,503	46,526
Provide for automatic enrollment in IRAs, including a small employer tax credit, increase the tax credit for small employer plan start-up costs, and provide an additional tax credit for small employer plans newly offering auto-enrollment ¹²			987	1,548	1,620	1,627	1,683	1,845	1,979	2,177	2,393	5,782	15,859
Expand penalty-free withdrawals for long- term unemployed		156	226	231	235	240	245	250	255	260	265	1,088	2,363
Require retirement plans to allow long-term part-time workers to participate		39	55	54	53	52	50	47	44	40	34	253	468
Facilitate annuity portability													
Simplify minimum required distribution rules ...		5	5	2	-3	-17	-35	-56	-84	-118	-159	-8	-460

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals		
												2016-2020	2016-2025	
Allow all inherited plan and IRA balances to be rolled over within 60 days														
Expand EITC for workers without qualifying children ¹²		468	6,269	6,285	6,326	6,422	6,541	6,656	6,776	6,896	7,013	25,770	59,652	
Simplify the rules for claiming the EITC for workers without qualifying children ¹²		52	743	736	725	734	750	768	787	806	825	2,990	6,926	
Provide a second-earner tax credit ¹²		2,059	8,976	9,071	9,393	9,536	9,660	9,798	9,920	10,068	10,222	39,035	88,703	
Extend exclusion from income for cancellation of certain home mortgage debt		5,841	3,309	829								9,979	9,979	
Total, middle-class and pro-work tax reforms		10,650	26,547	27,809	27,566	28,451	29,157	30,342	30,886	32,187	33,125	121,023	276,720	
Reforms to capital gains taxation, upper-income tax benefits, and the taxation of financial institutions:														
Reduce the value of certain tax expenditures		-28,133	-46,047	-50,581	-55,198	-59,807	-64,447	-69,126	-73,802	-78,460	-83,098	-239,766	-608,699	
Reform the taxation of capital income		-11,935	-23,810	-20,001	-21,122	-22,294	-22,479	-23,754	-25,029	-26,408	-27,859	-99,162	-224,691	
Implement the Buffett Rule by imposing a new "Fair Share Tax"		-6,518	19	-1,215	-2,833	-3,710	-3,946	-4,070	-4,210	-4,354	-4,481	-14,257	-35,318	
Impose a financial fee		-5,590	-10,980	-10,881	-11,112	-11,370	-11,631	-11,899	-12,173	-12,453	-12,739	-49,933	-110,828	
Total, reforms to capital gains taxation, upper-income tax benefits, and the taxation of financial institutions		-52,176	-80,818	-82,678	-90,265	-97,181	-102,503	-108,849	-115,214	-121,675	-128,177	-403,118	-979,536	
Loophole closers:														
Require current inclusion in income of accrued market discount and limit the accrual amount for distressed debt		-4	-12	-20	-27	-34	-41	-49	-58	-68	-78	-97	-391	
Require that the cost basis of stock that is a covered security must be determined using an average cost basis method			-67	-204	-349	-504	-596	-619	-645	-673	-702	-1,124	-4,359	
Tax carried (profits) interests as ordinary income		-1,297	-2,428	-2,437	-2,332	-2,227	-2,146	-1,754	-1,334	-1,098	-1,015	-10,721	-18,068	
Require non-spouse beneficiaries of deceased IRA owners and retirement plan participants to take inherited distributions over no more than five years		-87	-237	-400	-567	-737	-786	-748	-694	-640	-583	-2,028	-5,479	
Limit the total accrual of tax-favored retirement benefits		-1,418	-2,044	-2,170	-2,223	-2,455	-2,631	-2,783	-3,074	-3,157	-3,322	-10,310	-25,277	
Conform SECA taxes for professional service businesses		-3,979	-5,532	-5,807	-6,084	-6,413	-6,840	-7,296	-7,707	-8,058	-7,420	-27,815	-65,136	
Limit Roth conversions to pre-tax dollars			-14	-23	-24	-38	-49	-50	-51	-67	-79	-99	-395	
Eliminate deduction for dividends on stock of publicly-traded corporations held in ESOPs		-589	-830	-851	-865	-879	-892	-907	-922	-936	-951	-4,014	-8,622	
Repeal exclusion of net unrealized appreciation in employer securities		-27	-33	-25	-25	-12	-4	-4	10	20	21	-122	-79	
Disallow the deduction for charitable contributions that are a prerequisite for purchasing tickets to college sporting events		-127	-201	-220	-238	-255	-272	-288	-307	-326	-346	-1,041	-2,580	
Total, loophole closers		-7,528	-11,398	-12,157	-12,734	-13,554	-14,257	-14,498	-14,782	-15,003	-14,475	-57,371	-130,386	

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Incentives for job creation, clean energy, and manufacturing:													
Designate Promise Zones ¹²		494	925	834	778	745	719	690	674	678	692	3,776	7,229
Provide a tax credit for the production of advanced technology vehicles		506	495	505	520	405	329	204	-27	-199	-213	2,431	2,525
Provide a tax credit for medium- and heavy-duty alternative-fuel commercial vehicles		40	71	76	80	61	26	5	.....	.....	.....	328	359
Modify and extend the tax credit for the construction of energy-efficient new homes ...		192	164	195	227	252	270	286	302	329	341	1,030	2,558
Reduce excise taxes on LNG to bring into parity with diesel ¹³		4	6	7	7	8	8	8	9	9	10	32	76
Enhance and modify the conservation easement deduction		58	150	87	-8	-39	-41	-43	-48	-51	-54	248	11
Total, incentives for job creation, clean energy, and manufacturing		1,294	1,811	1,704	1,604	1,432	1,311	1,150	910	766	776	7,845	12,758
Modify estate and gift tax provisions:													
Restore the estate, gift, and generation-skipping transfer (GST) tax parameters in effect in 2009	-14,540	-15,844	-17,221	-18,629	-20,325	-22,102	-24,107	-26,444	-28,996	-66,234	-188,208
Require consistency in value for transfer and income tax purposes	-266	-312	-337	-336	-353	-380	-405	-435	-464	-1,251	-3,288
Modify transfer tax rules for grantor retained annuity trusts (GRATs) and other grantor trusts	-1,049	-1,246	-1,412	-1,566	-1,885	-2,277	-2,622	-3,049	-3,251	-5,273	-18,357
Limit duration of GST tax exemption
Extend the lien on estate tax deferrals where estate consists largely of interest in closely held business	-23	-23	-24	-25	-26	-29	-30	-32	-34	-95	-246
Modify GST tax treatment of Health and Education Exclusion Trusts	32	31	29	28	25	24	22	21	19	120	231
Simplify gift tax exclusion for annual gifts	-78	-173	-245	-320	-389	-428	-517	-617	-724	-816	-3,491
Expand applicability of definition of executor
Total, modify estate and gift tax provisions	-15,924	-17,567	-19,210	-20,848	-22,953	-25,192	-27,659	-30,556	-33,450	-73,549	-213,359
Other revenue raisers:													
Increase and modify Oil Spill Liability Trust Fund financing ¹³		-91	-132	-137	-140	-144	-146	-148	-154	-157	-158	-644	-1,407
Reinstate Superfund taxes ¹³		-1,555	-2,010	-2,036	-2,081	-2,109	-2,166	-2,226	-2,285	-2,341	-2,401	-9,791	-21,210
Increase tobacco taxes and index for inflation ¹³		-8,051	-10,358	-10,195	-10,138	-9,853	-9,448	-9,005	-8,433	-7,967	-7,457	-48,595	-90,905
Make unemployment insurance surtax permanent ⁶		-1,111	-1,531	-1,554	-1,576	-1,597	-1,621	-1,644	-1,669	-1,696	-1,703	-7,369	-15,702
Total, other revenue raisers		-10,808	-14,031	-13,922	-13,935	-13,703	-13,381	-13,023	-12,541	-12,161	-11,719	-66,399	-129,224
Reduce the tax gap and make reforms:													
Expand information reporting:													
Improve information reporting for certain businesses and contractors		-16	-39	-65	-89	-93	-97	-101	-106	-110	-116	-302	-832

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Provide an exception to the limitation on disclosing tax return information to expand TIN matching beyond forms where payments are subject to backup withholding
Provide for reciprocal reporting of information in connection with the implementation of FATCA
Improve mortgage interest deduction reporting	-101	-157	-168	-180	-190	-200	-210	-219	-229	-238	-796	-1,892
Require Form W-2 reporting for employer contributions to defined contribution plans
Improve compliance by businesses:													
Increase certainty with respect to worker classification	-85	-416	-809	-967	-1,053	-1,141	-1,237	-1,338	-1,449	-1,565	-3,330	-10,060
Increase information sharing to administer excise taxes ¹³	-4	-9	-13	-14	-16	-16	-17	-18	-19	-20	-56	-146
Provide authority to readily share information about beneficial ownership information of U.S. companies with law enforcement	-1	-2	-9	-6	-4	-3	-3	-3	-3	-18	-34
Strengthen tax administration:													
Impose liability on shareholders to collect unpaid income taxes of applicable corporations	-390	-448	-450	-457	-466	-480	-498	-523	-552	-587	-2,211	-4,851
Streamline audit and adjustment procedures for large partnerships	-190	-252	-249	-242	-236	-238	-243	-248	-253	-256	-1,169	-2,407
Revise offer-in-compromise application rules	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-8	-18
Expand IRS access to information in the National Directory of New Hires for tax administration purposes
Make repeated willful failure to file a tax return a felony	-1	-1	-1	-1	-2	-2	-2	-2	-10
Facilitate tax compliance with local jurisdictions	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-7	-17
Extend statute of limitations for assessment for overstated basis and State adjustments	-77	-90	-103	-118	-135	-155	-178	-167	-856
Improve investigative disclosure statute	-1	-1	-1	-1	-2	-2	-2	-2	-10
Allow the IRS to absorb credit and debit card processing fees for certain tax payments	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-10	-20
Provide the IRS with greater flexibility to address correctable errors ¹²	-29	-62	-64	-65	-67	-69	-69	-71	-73	-75	-287	-644
Enhance electronic filing of returns	-1	-1	-1	-1	-2	-2	-2	-2	-10
Improve the whistleblower program

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals		
												2016-2020	2016-2025	
Index all civil tax penalties for inflation														
Extend IRS authority to require truncated Social Security Numbers on Form W-2														
Combat tax-related identity theft														
Allow States to send notices of intent to offset Federal tax refunds to collect State tax obligations by regular first-class mail instead of certified mail														
Rationalize tax return filing due dates so they are staggered ¹²		-166	-174	-182	-189	-197	-204	-212	-221	-229	-239	-908	-2,013	
Increase oversight and due diligence of tax return preparers:														
Extend paid preparer EITC due diligence requirements to the Child Tax Credit ...														
Explicitly provide that the Department of the Treasury and IRS have authority to regulate all paid return preparers ¹²		-15	-31	-35	-38	-43	-46	-50	-54	-58	-63	-162	-433	
Increase the penalty applicable to paid tax preparers who engage in willful or reckless conduct				-1	-1	-1	-1	-1	-1	-1	-1	-3	-8	
Enhance administrability of the appraiser penalty														
Total, reduce the tax gap and make reforms		-1,000	-1,593	-2,043	-2,337	-2,467	-2,608	-2,768	-2,949	-3,143	-3,353	-9,440	-24,261	
Simplify the tax system:														
Modify adoption credit to allow tribal determination of special needs						1	1	1	1	1	1	1	6	
Repeal non-qualified preferred stock designation		-26	-44	-43	-41	-38	-35	-30	-26	-23	-20	-192	-326	
Repeal preferential dividend rule for publicly traded and publicly offered REITs														
Reform excise tax based on investment income of private foundations			6	5	5	6	6	6	6	6	7	22	53	
Remove bonding requirements for certain taxpayers subject to Federal excise taxes on distilled spirits, wine, and beer														
Simplify arbitrage investment restrictions			2	10	18	28	38	46	58	68	76	58	344	
Simplify single-family housing mortgage bond targeting requirements			1	3	5	7	10	12	17	20	22	16	97	
Streamline private business limits on governmental bonds			1	3	5	7	9	11	13	15	17	16	81	
Repeal technical terminations of partnerships ...		-11	-16	-19	-21	-23	-25	-27	-29	-30	-32	-90	-233	
Repeal anti-churning rules of section 197		24	99	198	281	338	370	378	378	378	378	940	2,822	
Repeal special estimated tax payment provision for certain insurance companies ...														
Repeal the telephone excise tax ¹³		309	370	330	289	251	210	172	134	97	59	1,549	2,221	

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals		
												2016-2020	2016-2025	
Increase the standard mileage rate for automobile use by volunteers		16	49	51	53	54	55	56	58	59	61	223	512	
Consolidate contribution limitations for charitable deductions and extend the carryforward period for excess charitable contribution deduction amounts		90	50	6	6	6	6	492	1,195	1,844	2,435	158	6,130	
Exclude from gross income subsidies from public utilities for purchase of water runoff management														
Provide relief for certain accidental dual citizens		60	103	55	23	24	25	26	28	29	30	265	403	
Total, simplify the tax system		462	621	599	623	661	670	1,143	1,833	2,464	3,034	2,966	12,110	
Trade initiatives:														
Extend GSP ^{7,13}		1,670	158									1,828	1,828	
Extend AGOA ^{7,13}		155	157	167	176	185	195	206	216	227	239	840	1,923	
Total, trade initiatives		1,825	315	167	176	185	195	206	216	227	239	2,668	3,751	
Other initiatives:														
Authorize the limited sharing of business tax return information to improve the accuracy of important measures of the economy														
Eliminate certain reviews conducted by the U.S. Treasury Inspector General for Tax Administration														
Modify indexing to prevent deflationary adjustments														
Impose a 14-percent one-time tax on previously untaxed foreign income		-34,323	-56,021	-54,049	-52,076	-50,103	-19,725					-246,572	-266,297	
Total, other initiatives		-34,323	-56,021	-54,049	-52,076	-50,103	-19,725					-246,572	-266,297	
Total, tax proposals		-91,604	-150,491	-152,137	-160,588	-167,127	-144,094	-131,489	-139,300	-146,894	-154,000	-721,947	-1,437,724	
Grand total		6,356	-105,354	-133,772	-100,094	-158,129	-185,221	-166,092	-226,354	-195,109	-155,106	-228,806	-682,571	-1,654,038
Addendum, Reserve for long-run revenue-neutral business tax reform:														
Reform the U.S. international tax system:														
Restrict deductions for excessive interest of members of financial reporting groups		-2,566	-4,533	-4,987	-5,485	-6,034	-6,637	-7,301	-8,031	-8,834	-9,718	-23,605	-64,126	
Provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas		11	18	19	20	20	22	22	24	24	26	88	206	
Repeal delay in the implementation of worldwide interest allocation		1,352	2,308	2,400	2,496	2,596	1,055					11,152	12,207	
Extend the exception under subpart F for active financing income		4,081	7,006	7,356	7,724	8,110	8,516	8,942	9,389	9,858	10,351	34,277	81,333	
Extend the look-through treatment of payments between related CFCs		488	838	880	924	971	1,019	1,070	1,124	1,180	1,239	4,101	9,733	

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals		
												2016-2020	2016-2025	
Impose a 19-percent minimum tax on foreign income	-11,395	-18,884	-19,045	-19,392	-19,758	-20,314	-20,901	-21,763	-22,540	-23,503	-88,474	-197,495		
Impose a 14-percent one-time tax on previously untaxed foreign income ¹⁴														
Limit shifting of income through intangible property transfers	-88	-177	-214	-252	-293	-336	-385	-441	-505	-579	-1,024	-3,270		
Disallow the deduction for excess non-taxed reinsurance premiums paid to affiliates	-341	-607	-657	-697	-732	-771	-815	-849	-882	-918	-3,034	-7,269		
Modify tax rules for dual capacity taxpayers	-437	-768	-831	-890	-939	-976	-1,001	-1,042	-1,087	-1,135	-3,865	-9,106		
Tax gain from the sale of a partnership interest on look-through basis	-183	-253	-266	-279	-293	-308	-323	-339	-356	-374	-1,274	-2,974		
Modify sections 338(h)(16) and 902 to limit credits when non-double taxation exists	-54	-95	-102	-105	-105	-105	-105	-105	-105	-106	-461	-987		
Close loopholes under subpart F	-1,449	-2,519	-2,699	-2,890	-3,094	-3,312	-3,543	-3,789	-4,051	-4,330	-12,651	-31,676		
Restrict the use of hybrid arrangements that create stateless income	-116	-201	-215	-230	-246	-264	-283	-304	-326	-350	-1,008	-2,535		
Limit the ability of domestic entities to expatriate	-113	-311	-530	-769	-1,031	-1,317	-1,630	-1,970	-2,340	-2,743	-2,754	-12,754		
Total, reform the U.S. international tax system	-10,810	-18,178	-18,891	-19,825	-20,828	-23,728	-26,253	-28,096	-29,964	-32,140	-88,532	-228,713		
Simplification and tax relief for small business:														
Expand and permanently extend increased expensing for small business	19,923	9,902	8,175	7,133	6,343	5,916	5,775	5,695	5,758	5,906	51,476	80,526		
Expand simplified accounting for small business and establish a uniform definition of small business for accounting methods	4,773	3,941	2,309	1,592	1,290	1,241	1,322	1,395	1,195	1,186	13,905	20,244		
Eliminate capital gains taxation on investments in small business stock					237	820	1,476	2,094	2,709	3,321	237	10,657		
Increase the limitations for deductible new business expenditures and consolidate provisions for start-up and organizational expenditures	387	481	475	468	464	462	460	456	452	447	2,275	4,552		
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance ¹²	63	184	176	152	137	98	111	75	58	25	712	1,079		
Total, simplification and tax relief for small business	25,146	14,508	11,135	9,345	8,471	8,537	9,144	9,715	10,172	10,885	68,605	117,058		
Incentives for manufacturing, research, and clean energy:														
Enhance and make permanent research incentives	10,927	9,151	10,198	11,211	12,198	13,173	14,141	15,105	16,072	17,045	53,685	129,221		
Extend and modify certain employment tax credits, including incentives for hiring veterans	1,199	885	950	997	1,033	1,074	1,121	1,167	1,210	1,255	5,064	10,891		
Modify and permanently extend renewable electricity production tax credit and investment tax credit ¹²	-618	836	2,286	2,738	3,248	3,647	3,970	4,413	6,133	10,131	8,490	36,784		

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Modify and permanently extend the deduction for energy-efficient commercial building property		104	230	288	304	302	298	292	282	270	260	1,228	2,630
Provide a carbon dioxide investment and sequestration tax credit ¹²				174	1,092	1,144	593	459	489	514	534	2,410	4,999
Provide additional tax credits for investment in qualified property used in a qualifying advanced energy manufacturing project			73	192	1,111	772	94	-14	-48	-40	-37	2,148	2,103
Provide new Manufacturing Communities tax credit		87	256	457	600	683	745	784	689	447	145	2,083	4,893
Extend the tax credit for second generation biofuel production		104	125	157	172	175	153	118	83	48	13	733	1,148
Total, incentives for manufacturing, research, and clean energy		11,803	11,556	14,702	18,225	19,555	19,777	20,871	22,180	24,654	29,346	75,841	192,669
Incentives to promote regional growth:													
Modify and permanently extend the New Markets tax credit		127	283	485	714	962	1,222	1,471	1,610	1,625	1,591	2,571	10,090
Reform and expand the Low-Income Housing tax credit		13	63	189	361	536	713	895	1,074	1,264	1,468	1,162	6,576
Total, incentives to promote regional growth		140	346	674	1,075	1,498	1,935	2,366	2,684	2,889	3,059	3,733	16,666
Incentives for investment in infrastructure:													
Provide America Fast Forward Bonds and expand eligible uses ¹²		1	5	11	14	22	28	35	41	48	53	53	258
Allow current refundings of State and local governmental bonds		1	5	5	5	5	5	5	5	5	5	21	46
Repeal the \$150 million non-hospital bond limitation on all qualified 501(c)(3) bonds ..			1	3	5	7	9	11	13	16	17	16	82
Increase national limitation amount for qualified highway or surface freight transfer facility bonds	6	34	60	93	125	153	167	163	136	96	55	465	1,082
Provide a new category of qualified private activity bonds for infrastructure projects referred to as qualified public infrastructure bonds		25	117	251	386	524	638	695	714	733	751	1,303	4,834
Modify qualified private activity bonds for public education facilities													
Modify treatment of banks investing in tax-exempt bonds		5	38	131	225	317	405	493	574	630	616	716	3,434
Repeal tax-exempt bond financing of professional sports facilities		-3	-11	-23	-35	-47	-60	-72	-85	-97	-109	-119	-542
Allow more flexible research arrangements for purposes of private business use limits					1	1	1	3	3	3	4	2	16
Modify tax-exempt bonds for Indian tribal governments		4	12	12	12	12	12	12	12	12	12	52	112
Exempt foreign pension funds from the application of FIRPTA		120	206	216	227	238	250	263	276	290	304	1,007	2,390
Total, incentives for investment in infrastructure	6	187	433	699	965	1,232	1,455	1,608	1,689	1,736	1,708	3,516	11,712

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals		
												2016-2020	2016-2025	
Eliminate fossil fuel tax preferences:														
Treat publicly-traded partnerships for fossil fuels as C corporations								-243	-339	-358	-377	-395	-1,712
Eliminate oil and natural gas preferences:														
Repeal enhanced oil recovery credit ¹⁵
Repeal credit for oil and natural gas produced from marginal wells ¹⁵
Repeal expensing of intangible drilling costs		-2,381	-3,349	-2,477	-1,964	-1,649	-1,304	-890	-729	-758	-789	-11,820	-16,290	
Repeal deduction for tertiary injectants		-7	-10	-10	-10	-10	-10	-10	-10	-10	-10	-47	-97	
Repeal exception to passive loss limitations for working interests in oil and natural gas properties		-9	-18	-21	-21	-22	-21	-21	-21	-20	-19	-91	-193	
Repeal percentage depletion for oil and natural gas wells		-877	-1,418	-1,327	-1,243	-1,136	-996	-861	-733	-604	-468	-6,001	-9,663	
Repeal domestic manufacturing deduction for oil and natural gas production		-497	-923	-987	-1,020	-1,052	-1,083	-1,117	-1,154	-1,194	-1,234	-4,479	-10,261	
Increase geological and geophysical amortization period for independent producers to seven years		-94	-350	-553	-547	-450	-342	-226	-142	-111	-69	-1,994	-2,884	
Subtotal, eliminate oil and natural gas preferences		-3,865	-6,068	-5,375	-4,805	-4,319	-3,756	-3,125	-2,789	-2,697	-2,589	-24,432	-39,388	
Eliminate coal preferences:														
Repeal expensing of exploration and development costs		-36	-64	-61	-59	-60	-57	-53	-49	-47	-45	-280	-531	
Repeal percentage depletion for hard mineral fossil fuels		-176	-287	-275	-266	-234	-203	-187	-172	-154	-140	-1,238	-2,094	
Repeal capital gains treatment for royalties		-14	-27	-28	-30	-31	-32	-34	-35	-36	-38	-130	-305	
Repeal domestic manufacturing deduction for the production of coal and other hard mineral fossil fuels		-19	-19	-20	-21	-22	-23	-24	-25	-26	-27	-101	-226	
Subtotal, eliminate coal preferences		-245	-397	-384	-376	-347	-315	-298	-281	-263	-250	-1,749	-3,156	
Total, eliminate fossil fuel tax preferences		-4,110	-6,465	-5,759	-5,181	-4,666	-4,314	-3,762	-3,428	-3,337	-3,234	-26,181	-44,256	
Reform the treatment of financial and insurance industry products:														
Require that derivative contracts be marked to market with resulting gain or loss treated as ordinary		-2,901	-4,699	-4,012	-2,565	-1,552	-1,036	-639	-466	-467	-445	-15,729	-18,782	
Modify rules that apply to sales of life insurance contracts		-22	-42	-45	-47	-49	-53	-55	-57	-60	-63	-205	-493	
Modify proration rules for life insurance company general and separate accounts		-426	-730	-759	-776	-782	-805	-842	-868	-892	-919	-3,473	-7,799	
Expand pro rata interest expense disallowance for corporate-owned life insurance		-62	-151	-238	-343	-465	-608	-770	-933	-1,106	-1,291	-1,259	-5,967	

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Conform net operating loss (NOL) rules of life insurance companies to those of other corporations		-15	-26	-28	-30	-31	-33	-35	-37	-38	-39	-130	-312
Total, reform the treatment of financial and insurance industry products		-3,426	-5,648	-5,082	-3,761	-2,879	-2,535	-2,341	-2,361	-2,563	-2,757	-20,796	-33,353
Other revenue changes and loophole closers:													
Repeal LIFO method of accounting for inventories		-6,055	-8,653	-8,593	-8,814	-8,700	-8,877	-8,527	-8,408	-8,724	-8,352	-40,815	-83,703
Repeal lower-of-cost-or-market inventory accounting method		-717	-1,440	-1,450	-1,453	-847	-248	-258	-270	-281	-293	-5,907	-7,257
Modify like-kind exchange rules for real property and collectibles		-659	-2,005	-2,026	-2,048	-2,070	-2,094	-2,119	-2,145	-2,174	-2,202	-8,808	-19,542
Modify depreciation rules for purchases of general aviation passenger aircraft		-98	-308	-456	-492	-560	-561	-373	-187	-131	-132	-1,914	-3,298
Expand the definition of substantial built-in loss for purposes of partnership loss transfers		-6	-7	-7	-7	-7	-8	-8	-10	-10	-10	-34	-80
Extend partnership basis limitation rules to nondeductible expenditures		-69	-97	-102	-105	-108	-110	-112	-114	-116	-118	-481	-1,051
Limit the importation of losses under related party loss limitation rules		-63	-87	-92	-95	-97	-99	-100	-102	-104	-106	-434	-945
Deny deduction for punitive damages		-30	-43	-44	-45	-46	-47	-48	-49	-51	-52	-208	-455
Conform corporate ownership standards		-1	-17	-32	-33	-34	-35	-36	-38	-40	-42	-117	-308
Tax corporate distributions as dividends		-48	-82	-86	-90	-94	-98	-103	-108	-113	-118	-400	-940
Repeal FICA tip credit		-490	-868	-908	-947	-989	-1,032	-1,077	-1,123	-1,172	-1,223	-4,202	-9,829
Repeal the excise tax credit for distilled spirits with flavor and wine additives ¹³		-85	-112	-112	-112	-112	-112	-112	-112	-112	-112	-533	-1,093
Total, other revenue changes and loophole closers		-8,321	-13,719	-13,908	-14,241	-13,664	-13,321	-12,873	-12,666	-13,028	-12,760	-63,853	-128,501
Total, reserve for business tax reform that is revenue neutral in the long run	6	10,609	-17,167	-16,430	-13,398	-11,281	-12,194	-11,240	-10,283	-9,441	-5,893	-47,667	-96,718

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 For FY 2016, the additional funding is proposed as a CHIMP.

² In the summer of 2015, the President took action within his existing authority to implement eligibility expansions to income-based repayment plans proposed in the 2015 Budget. However, the Administration continues to seek to work with Congress to create a unified, simple, and better targeted PAYE program. The Budget would use the resulting savings presented in this table to help students and expand college access.

³ The estimates for this proposal include effects on receipts. The receipt effects included in the totals above are as follows:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Reauthorize special assessment from domestic nuclear utilities		-204	-208	-213	-218	-223	-228	-233	-238	-244	-249	-1,066	-2,258
Create State option to provide 12-month continuous Medicaid eligibility for adults			-33	-73	-154	-160	-166	-173	-179	-188	-198	-420	-1,324
Extend CHIP funding through 2019				-129	-564	-538						-1,231	-1,231
Establish an AML hardrock reclamation fund ...			-200	-200	-200	-200	-200	-200	-200	-200	-200	-800	-1,800

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Increase coal AML fee to pre-2006 levels		-49	-50	-51	-52	-52	-52	.....	.....	.....	.....	-254	-306
Strengthen Unemployment Insurance (UI) system solvency			-3,889	-4,263	-4,207	-4,643	-4,877	-5,154	-5,143	-5,110	-5,663	-17,002	-42,949
Improve UI Extended Benefits		-50	-191	-195	-251	-343	-416	-457	-423	-435	-455	-1,030	-3,216
Modernize UI				-190	-107	-36	-36	.....	.....	.....	.....	-333	-369
Implement cap adjustments for UI program integrity			1	4	15	19	28	43	46	54	64	39	274
Improve UI program integrity (mandatory SIDES)				1	2	2	4	6	8	9	10	5	42
Allow use of prisoner database for UI program integrity						2	2	2	3	4	5	2	18
Implement tax enforcement program integrity cap adjustment		-432	-1,451	-2,926	-4,476	-6,095	-7,481	-8,475	-9,077	-9,503	-9,819	-15,380	-59,735
Reform inland waterways funding		-113	-113	-113	-113	-113	-113	-113	-113	-113	-113	-565	-1,130
Offset DI benefits for period of concurrent UI receipt				1	2	6	15	18	22	27	36	8	126
Enact immigration reform		-1,000	-7,000	-20,000	-30,000	-40,000	-45,000	-55,000	-64,000	-74,000	-84,000	-98,000	-420,000
Modernize military retirement				122	176	185	200	219	236	257	273	483	1,668
Total receipt effects of mandatory proposals ..		-1,848	-13,134	-28,225	-40,148	-52,189	-58,320	-69,516	-79,059	-89,442	-100,309	-135,544	-532,191

⁴Health savings in S-2 includes all HHS health savings and OPM FEHBP savings.

⁵Unemployment insurance reform also includes the proposal to make the unemployment insurance surtax permanent. On net, the package reduces the deficit by \$7.4 billion over 10 years.

⁶Revenues are net of the 20% Treasury offset.

⁷A version of this proposal was included in the Trade Preference Extension Act of 2015 (P.L. 114-27), which was enacted too late to be included in the Mid-Session Review estimates.

⁸Deficit savings achieved through the increased value of monetized spectrum achieved via targeted investments that will enhance Federal spectrum efficiency and create more opportunity for spectrum sharing.

⁹This proposal also saves less than \$500,000 in SSI over 10 years.

¹⁰This proposal costs less than \$500,000 in each year and over 5 and 10 years.

¹¹Savings of \$1 million over 5 years and \$4 million over 10 years.

¹²The estimates for this proposal include effects on outlays. The outlay effects included in the totals above are as follows:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Reform child care tax incentives		945	975	1,020	1,061	1,117	1,155	1,196	1,237	1,268	1,268	5,118	11,242
Simplify and better target tax benefits for education			1,852	4,804	4,784	4,826	5,140	5,448	5,511	5,936	6,095	16,266	44,396
Provide for automatic enrollment in IRAs, including a small employer tax credit, increase the tax credit for small employer plan start-up costs, and provide an additional tax credit for small employer plans newly offering auto-enrollment			129	199	201	209	210	215	219	228	232	738	1,842
Expand EITC for workers without qualifying children		275	5,495	5,506	5,538	5,619	5,722	5,822	5,930	6,031	6,131	22,433	52,069

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals	
												2016-2020	2016-2025
Simplify the rules for claiming the EITC for workers without qualifying children		34	671	665	655	663	677	693	710	727	745	2,688	6,240
Provide a second-earner tax credit			739	737	747	754	762	770	770	777	777	2,977	6,833
Designate Promise Zones		13	27	28	29	31	32	34	35	37	38	128	304
Provide the IRS with greater flexibility to address correctable errors		-25	-53	-55	-55	-57	-58	-58	-59	-61	-62	-245	-543
Rationalize tax return filing due dates so they are staggered		-21	-22	-23	-23	-24	-24	-24	-25	-25	-26	-113	-237
Explicitly provide that the Department of the Treasury and IRS have authority to regulate all paid return preparers		-3	-14	-16	-17	-20	-21	-23	-24	-26	-28	-70	-192
Total, outlay effects of receipt proposals		1,218	9,799	12,865	12,920	13,118	13,595	14,073	14,304	14,892	15,170	49,920	121,954
Addendum, reserve for long-run revenue-neutral business tax reform:													
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance		22	35	31	22	19	11	11	6	6	4	129	167
Modify and permanently extend renewable electricity production tax credit and investment tax credit			19	46	61	73	86	105	132	160	187	199	869
Provide a carbon dioxide investment and sequestration tax credit					727	723	163	21	42	58	69	1,450	1,803
Provide America Fast Forward Bonds and expand eligible uses		306	1,397	3,006	4,689	6,438	8,244	10,101	11,994	13,911	15,845	15,836	75,931

¹³ Revenues are net of the 25% Treasury offset.

¹⁴ The effect of this proposal on receipts is shown above under tax proposals.

¹⁵ This provision is estimated to have zero receipt effect under the Administration's current economic projections.

Table S-9. FUNDING LEVELS FOR APPROPRIATED (“DISCRETIONARY”) PROGRAMS BY CATEGORY

(Budget authority in billions of dollars)

	Actual		Enacted Request					Outyears						Totals	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025	
Discretionary Adjusted Baseline by Category:¹															
Defense Category	521	521	523	536	549	562	576	590	660	676	693	710	2,746	6,075	
Non-Defense Category	514	508	493	504	516	530	543	556	604	619	635	650	2,587	5,652	
Total, Base Discretionary Funding	1,035	1,029	1,017	1,040	1,065	1,092	1,119	1,146	1,264	1,295	1,327	1,360	5,334	11,727	
Discretionary Policy Changes to Baseline Caps:															
Proposed Cap Changes: ²															
Defense Category			+38	+37	+35	+30	+22	+20	-38	-41	-45	-49	+162	+9	
Non-Defense Category			+37	+37	+35	+30	+22	+20	-16	-18	-21	-23	+160	+101	
Non-Defense Category Reclassifications:															
Surface Transportation Programs	-4	-4	-4	-4	-4	-4	-5	-5	-5	-5	-5	-5	-22	-46	
Program Integrity				*	*	*	*	*	*	*	*	*	-1	-2	
Contract Support Costs				-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-10	
Proposed Discretionary Policy by Category:															
Defense Category	521	521	561	573	584	592	598	610	622	635	648	661	2,908	6,084	
Non-Defense Category	510	504	526	535	545	554	559	570	582	595	608	620	2,720	5,694	
Total, Base Discretionary Funding	1,031	1,025	1,087	1,108	1,129	1,146	1,157	1,180	1,204	1,230	1,256	1,281	5,628	11,778	
Discretionary Cap Adjustments and Other Funding (not included above):³															
Overseas Contingency Operations ⁴	92	74	58	27	27	27	27	27					165	191	
Disaster Relief	6	7	7										7	7	
Program Integrity	1	1	2	1	2	2	3	3	3	3	3	3	11	25	
Wildfire Suppression			1	1	1	1	1	1	1	1	1	1	5	11	
Other Emergency/Supplemental Funding	*	5													
Total, Cap Adjustments and Other	99	87	68	29	30	30	30	31	4	4	4	4	188	235	
Grand Total, Discretionary Budget Authority															
Budget Authority	1,129	1,112	1,155	1,138	1,159	1,176	1,188	1,211	1,208	1,234	1,260	1,286	5,815	12,013	

**Table S-9. FUNDING LEVELS FOR APPROPRIATED
 (“DISCRETIONARY”) PROGRAMS BY CATEGORY—Continued**

(Budget authority in billions of dollars)

<i>Memorandum: Current Law and Proposed Changes to Existing BBEDCA Caps⁵</i>							
	2016	2017	2018	2019	2020	2021	2016-2021
Joint Committee Reductions	-90	-91	-91	-90	-89	-88	-538
2016 Budget Proposed Addback to caps ...	+74	+74	+70	+60	+44	+40	+361

* Less than \$500 million.

¹ The discretionary funding levels from OMB’s adjusted baseline are consistent with the caps in the Balanced Budget and Emergency Deficit Control Act (BBEDCA) with separate categories of funding for “defense” (or Function 050) and “non-defense” for 2015-2021. These baseline levels assume Joint Committee enforcement cap reductions are in effect through 2021. For 2022 through 2025, programs are assumed to grow at current services growth rates with Joint Committee enforcement no longer in effect, consistent with current law. The levels shown here for the non-defense category do not include the reclassification of surface transportation programs shown later in the table.

² The 2016 Budget provides a detailed request for 2016 at the cap levels requested in the 2015 Budget and, after 2016, continues the 2015 Budget framework of providing additional investments in both defense and non-defense programs above the baseline levels that include Joint Committee enforcement.

³ Where applicable, amounts in 2014 through 2025 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of BBEDCA. The 2016 Budget proposes new cap adjustments for program integrity and wildfire suppression activities. For 2017 through 2025, the cap adjustment levels for wildfire suppression are a placeholder that increase at the policy growth rates in the President’s Budget. The existing disaster relief cap adjustment ceiling (which is determined one year at a time) would be reduced by the amount provided for wildfire suppression activities under the cap adjustment for the preceding fiscal year. The amounts will be refined in subsequent Budgets as data on the average costs for wildfire suppression are updated annually.

⁴ The 2016 Budget includes placeholder amounts of nearly \$27 billion per year for Government-wide OCO funding from 2017 to 2021. The placeholder amounts continue to reflect a total OCO budget authority cap from 2013 to 2021 of \$450 billion, in line with previous years’ policy, but do not reflect any specific decisions or assumptions about OCO funding in any particular year. These amounts do not reflect the Administration’s intent to transition all enduring costs currently funded in the OCO budget to the base budget beginning in FY 2017 and ending by FY 2020. Those amounts will be refined in subsequent Budgets as the Administration develops its OCO transition plan.

⁵ Under Joint Committee enforcement, the current law defense and non-defense discretionary caps specified in BBEDCA are estimated to be reduced by a combined \$538 billion over the 2016 through 2021 period. The 2016 Budget proposes to restore approximately two-thirds of those reductions.

**Table S-10. FUNDING LEVELS FOR APPROPRIATED
("DISCRETIONARY") PROGRAMS BY AGENCY**

(Budget authority in billions of dollars)

	Actual Enacted Request					Outyears							Totals	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
Base Discretionary Funding by Agency:¹														
Agriculture	24.3	24.2	23.5	25.2	25.5	25.7	26.0	26.5	27.1	27.6	28.2	28.7	125.9	264.0
Commerce	8.3	8.6	9.8	10.3	10.7	11.9	15.5	10.6	10.4	10.7	10.8	11.3	58.3	112.1
<i>Census Bureau</i>	0.9	1.1	1.5	1.8	2.1	3.2	6.7	1.6	1.2	1.3	1.3	1.5	15.2	22.1
Defense ²	496.0	496.1	534.3	547.3	556.4	564.4	570.0	581.4	593.0	604.9	617.0	629.3	2,772.4	5,798.1
Education	67.3	67.1	70.7	71.7	72.7	73.2	73.7	74.7	75.8	76.8	77.9	79.0	362.0	746.3
Energy	27.2	27.3	29.9	29.3	30.0	30.7	31.0	31.6	32.3	32.9	33.6	34.3	151.0	315.7
<i>National Nuclear Security Administration</i> ²	11.2	11.4	12.6	11.5	11.7	12.2	12.3	12.6	12.8	13.1	13.3	13.6	60.3	125.7
Health & Human Services ³	79.8	80.2	79.9	86.3	88.0	88.8	89.7	91.5	93.3	95.2	97.1	99.0	432.6	908.9
Homeland Security	39.8	39.8	41.2	41.6	42.2	42.5	42.9	43.8	44.8	45.7	45.0	45.9	210.4	435.6
Housing and Urban Development	34.2	31.6	41.1	41.8	42.6	43.0	43.4	44.2	45.0	45.8	46.7	47.5	211.9	441.1
Interior	11.7	12.1	12.9	12.9	13.1	13.3	13.4	13.7	14.0	14.2	14.5	14.8	65.6	136.8
Justice	27.3	26.2	14.9	29.4	30.0	30.3	30.6	31.2	31.9	32.5	33.1	33.8	135.3	297.8
Labor	12.0	11.9	13.2	13.4	13.6	13.7	13.8	14.1	14.3	14.6	14.8	15.1	67.7	140.6
State and Other International Programs	42.9	40.1	46.3	47.2	48.1	48.6	48.9	49.9	50.9	51.9	52.9	54.0	239.0	498.5
Transportation	13.6	13.8	14.4	14.6	14.9	15.1	15.2	15.5	15.8	16.2	16.5	16.8	74.2	155.1
Treasury	12.7	12.3	12.8	14.0	14.3	14.5	14.8	15.1	15.5	15.8	16.2	16.5	70.4	149.5
Veterans Affairs	63.3	65.1	70.2	75.1	76.7	78.3	79.9	81.6	83.5	85.6	87.6	89.7	380.1	808.1
Corps of Engineers	5.7	5.5	4.7	4.8	4.9	5.0	5.0	5.1	5.2	5.3	5.4	5.5	24.5	51.1
Environmental Protection Agency	8.2	8.1	8.6	8.8	8.9	9.0	9.1	9.3	9.5	9.7	9.9	10.1	44.4	92.8
General Services Administration	2.0	-0.4	0.8	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.9	3.4
National Aeronautics & Space Administration	17.6	18.0	18.5	18.9	19.3	19.5	19.7	20.1	20.5	20.9	21.3	21.7	95.8	200.2
National Science Foundation	7.2	7.3	7.7	7.9	8.0	8.1	8.2	8.4	8.5	8.7	8.9	9.1	39.9	83.5
Small Business Administration	0.9	0.9	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	3.6	7.6
Social Security Administration ³	8.9	9.0	9.6	9.4	9.6	9.7	9.8	10.0	10.2	10.4	10.6	10.8	48.1	100.1
Corporation for National & Community Service	1.0	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	6.1	12.8
Other Agencies	18.8	19.0	20.0	20.0	20.4	20.7	20.8	21.2	21.6	22.1	22.5	22.9	101.9	212.2
Allowances ⁴			-0.1	-23.5	-23.0	-22.1	-26.9	-22.0	-21.6	-20.0	-17.3	-17.0	-95.5	-193.4
Subtotal, Base Discretionary Funding ...	1,030.8	1,024.9	1,086.8	1,108.4	1,129.3	1,146.2	1,157.1	1,180.0	1,203.8	1,229.7	1,255.6	1,281.5	5,627.7	11,778.3
Discretionary Cap Adjustments and Other Funding (not included above):⁵														
Overseas Contingency Operations	91.9	73.7	58.0	26.7	26.7	26.7	26.7	26.7	26.7	.....	.....	.....	164.7	191.3
Defense	85.2	64.2	50.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	50.9	50.9

Table S-10. FUNDING LEVELS FOR APPROPRIATED (“DISCRETIONARY”) PROGRAMS BY AGENCY—Continued

(Budget authority in billions of dollars)

	Actual Enacted		Request										Totals	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
Homeland Security	0.2	0.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Other International Programs	6.5	9.3	7.0	.....	.....	.....	.....	.....	.....	.....	.....	.....	7.0	7.0
Overseas Contingency Operations Outyears ⁶ .....	.....	.....	.....	26.7	26.7	26.7	26.7	26.7	.....	.....	.....	.....	106.7	133.3
Program Integrity	0.9	1.5	2.3	1.5	1.9	2.3	2.7	2.8	2.8	2.9	3.0	3.1	10.6	25.1
Health & Human Services .....	.....	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	2.2	4.9
Labor .....	.....	.....	*	*	*	*	*	0.1	0.1	0.1	0.1	0.1	0.2	0.5
Treasury .....	.....	.....	0.7	1.0	1.4	1.8	2.2	2.2	2.3	2.3	2.4	2.4	7.0	18.6
SSA	0.9	1.1	1.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.2	1.2
Disaster Relief	5.6	6.5	6.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	6.9	6.9
Agriculture .....	.....	0.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Homeland Security	5.6	6.4	6.7	.....	.....	.....	.....	.....	.....	.....	.....	.....	6.7	6.7
Small Business Administration .....	.....	.....	0.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.2	0.2
Wildfire Suppression⁷ .....	.....	.....	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	5.5	11.4
Agriculture .....	.....	.....	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	4.4	9.2
Interior .....	.....	.....	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.0	2.2
Other Emergency Funding	0.2	5.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Defense	0.2	0.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Health & Human Services .....	.....	2.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Other International Programs .....	.....	2.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grand Total, Discretionary Funding	1,129.5	1,112.0	1,154.9	1,137.6	1,158.9	1,176.2	1,187.5	1,210.5	1,207.8	1,233.8	1,259.8	1,285.8	5,815.3	12,013.0

* \$50 million or less.

¹ Amounts in the actual and enacted years of 2014 and 2015 exclude changes in mandatory programs enacted in appropriations bills since those amounts have been rebased as mandatory, whereas amounts in 2016 are net of these proposals.

² The Department of Defense (DOD) levels in 2017–2025 include funding that will be allocated, in annual increments, to the National Nuclear Security Administration (NNSA). Current estimates by which DOD’s budget authority will decrease and NNSA’s will increase are, in millions of dollars: 2017: \$1,602; 2018: \$1,665; 2019: \$1,698; 2020: \$1,735; 2017–2025: \$15,910. DOD and NNSA are reviewing NNSA’s outyear requirements and these will be included in future reports to the Congress.

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 2016 Budget includes allowances, similar to the Function 920 allowances used in Budget Resolutions, to represent amounts to be allocated among the respective agencies to reach the proposed defense and non-defense caps for 2017 and beyond. These levels are determined for illustrative purposes but do not reflect specific policy decisions.

⁵ Where applicable, amounts in 2014 through 2025 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of BBEDCA.

⁶ The 2016 Budget includes placeholder amounts of nearly \$27 billion per year for Government-wide OCO funding from 2017 to 2021. The placeholder amounts continue to reflect a total OCO budget authority cap from 2013 to 2021 of \$450 billion, in line with previous years’ policy, but do not reflect any specific decisions or assumptions about OCO funding in any particular year. These amounts do not reflect the Administration’s intent to transition all enduring costs currently funded in the OCO budget to the base budget beginning in 2017 and ending by 2020. Those amounts will be refined in subsequent Budgets as the Administration develops its OCO transition plan.

⁷ For 2017 through 2025, the cap adjustment levels are a placeholder that increase at the policy growth rates in the President’s Budget. The existing disaster relief cap adjustment ceiling (which is determined one year at a time) would be reduced by the amount provided for wildfire suppression activities under the cap adjustment for the preceding fiscal year. Those amounts will be refined in subsequent Budgets as data on the average costs for wildfire suppression are updated annually.

Table S-11. FEDERAL GOVERNMENT FINANCING AND DEBT

(Dollar amounts in billions)

	Actual 2014	Estimate										
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Financing:												
Unified budget deficit:												
Primary deficit (+)/surplus (-)	256	244	180	132	116	100	60	56	27	2	-22	-19
Net interest	229	210	250	305	365	434	503	561	616	670	716	761
Unified budget deficit	485	455	429	436	481	533	563	617	643	672	695	742
As a percent of GDP	2.8%	2.6%	2.3%	2.2%	2.4%	2.5%	2.5%	2.7%	2.7%	2.7%	2.7%	2.7%
Other transactions affecting borrowing from the public:												
Changes in financial assets and liabilities: ¹												
Change in Treasury operating cash balance	70	42	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net disbursements of credit financing accounts:												
Direct loan accounts	121	125	138	135	131	127	122	117	115	118	116	116
Guaranteed loan accounts	12	11	-3	-3	-1	-2	-2	-4	-5	-8	-8	-9
Troubled Asset Relief Program (TARP)												
equity purchase accounts	-6	-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	114	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, changes in financial assets and liabilities	313	177	134	131	130	125	120	112	109	110	108	107
Seigniorage on coins	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*
Total, other transactions affecting borrowing from the public	313	177	134	131	129	125	120	112	108	109	107	106
Total, requirement to borrow from the public (equals change in debt held by the public)	797	631	563	567	611	658	682	729	752	781	802	848
Changes in Debt Subject to Statutory Limitation:												
Change in debt held by the public	797	631	563	567	611	658	682	729	752	781	802	848
Change in debt held by Government accounts	278	115	132	175	169	130	96	81	-9	-17	-3	-65
Change in other factors	7	1	2	2	2	3	2	2	2	2	1	*
Total, change in debt subject to statutory limitation	1,082	746	697	744	782	791	781	812	744	765	801	783
Debt Subject to Statutory Limitation, End of Year:												
Debt issued by Treasury	17,768	18,513	19,208	19,951	20,732	21,522	22,301	23,112	23,854	24,619	25,419	26,202
Adjustment for discount, premium, and coverage ³	13	15	17	18	19	21	22	24	25	26	27	27
Total, debt subject to statutory limitation ⁴	17,781	18,528	19,225	19,969	20,751	21,542	22,323	23,135	23,879	24,645	25,446	26,229
Debt Outstanding, End of Year:												
Gross Federal debt: ⁵												
Debt issued by Treasury	17,768	18,513	19,208	19,951	20,732	21,522	22,301	23,112	23,854	24,619	25,419	26,202
Debt issued by other agencies	26	27	27	27	25	24	24	23	22	22	21	21
Total, gross Federal debt	17,794	18,540	19,235	19,978	20,757	21,546	22,324	23,134	23,877	24,640	25,440	26,222

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

(Dollar amounts in billions)

	Actual 2014	Estimate										
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Held by:												
Debt held by Government accounts	5,015	5,129	5,261	5,436	5,605	5,735	5,832	5,913	5,903	5,886	5,883	5,818
Debt held by the public ⁶	12,780	13,411	13,974	14,541	15,152	15,810	16,493	17,221	17,973	18,754	19,556	20,404
As a percent of GDP	74.0%	75.3%	75.3%	74.9%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%	74.6%
Debt Held by the Public Net of Financial Assets:												
Debt held by the public	12,780	13,411	13,974	14,541	15,152	15,810	16,493	17,221	17,973	18,754	19,556	20,404
Less financial assets net of liabilities:												
Treasury operating cash balance	158	200	200	200	200	200	200	200	200	200	200	200
Credit financing account balances:												
Direct loan accounts	1,065	1,190	1,327	1,462	1,593	1,721	1,843	1,960	2,075	2,193	2,309	2,425
Guaranteed loan accounts	2	13	10	8	7	6	4	—*	—6	—13	—22	—30
TARP equity purchase accounts	1	*	*	*	—*	—*	—*	—*	—*	—1	—1	—1
Government-sponsored enterprise preferred stock	96	96	96	96	96	96	96	96	96	96	96	96
Non-Federal securities held by NRRIT	25	25	25	24	23	23	22	22	21	21	21	21
Other assets net of liabilities	—23	—23	—23	—23	—23	—23	—23	—23	—23	—23	—23	—23
Total, financial assets net of liabilities	1,324	1,501	1,636	1,767	1,897	2,022	2,142	2,254	2,363	2,473	2,580	2,687
Debt held by the public net of financial assets	11,455	11,910	12,339	12,775	13,256	13,789	14,351	14,967	15,610	16,281	16,976	17,717
As a percent of GDP	66.4%	66.9%	66.5%	65.8%	65.3%	65.1%	64.9%	64.9%	64.8%	64.8%	64.8%	64.8%

* \$500 million or less.

¹A 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.

²Includes 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.

³Consists mainly of debt issued by the Federal Financing Bank (which is not subject to limit), Treasury securities held by the Federal Financing Bank, 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.

⁴Legislation enacted February 15, 2014, suspended the debt limit through March 15, 2015. In accordance with that legislation (P.L. 113-83), the debt limit was increased to \$18,113 billion effective March 16, 2015.

⁵Treasury 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).

⁶At the end of 2014, the Federal Reserve Banks held \$2,451.7 billion of Federal securities and the rest of the public held \$10,328.1 billion. Debt held by the Federal Reserve Banks is not estimated for future years.



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