



MID-SESSION REVIEW

BUDGET OF THE U.S. GOVERNMENT

FISCAL YEAR 2017

OFFICE OF MANAGEMENT AND BUDGET

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

THE DIRECTOR

July 15, 2016

The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

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 2016 through 2026.

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 Speaker of the House of Representatives

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GENERAL NOTES

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

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SUMMARY

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 2017 Budget (Budget) was released in February. The 2016 deficit is now projected to be \$600 billion, \$16 billion lower than the \$616 billion deficit projected in February. As a percentage of gross domestic product (GDP), the 2016 deficit is projected to be 3.3 percent, equal to the February projection. Going forward, the MSR estimates that the deficit will fall to 2.3 percent of GDP in 2017 and remain below 3 percent of GDP through the end of the 10-year budget window. The MSR also shows that the Budget's policies achieve the core goal of fiscal sustainability by stabilizing Federal debt as a share of the economy and putting it on a declining path.

BUILDING ON OUR ECONOMIC GROWTH AND PROGRESS

When the President took office in January 2009, he faced an economy shrinking at its fastest rate in over 50 years. Nearly 800,000 Americans lost their jobs in that month alone. The President and the entire Administration acted quickly to jumpstart the economy and create jobs through the Recovery Act; rescue the auto industry from near collapse; fight for passage of the Affordable Care Act (ACA) to provide quality, affordable insurance coverage to millions of Americans and help slow the growth of health care costs; and secure the Dodd-Frank Wall Street Reform and Consumer Protection Act to help prevent future financial crises.

Under the President's leadership, the U.S. economy has become an engine of job growth and economic expansion, outpacing other advanced economies in recovery from the Great Recession. In total, American businesses have added 14.8 million new jobs since February 2010, including 843,000 new manufacturing jobs—the first sustained job growth in the sector since the 1990s. Since October 2009, the unemployment rate has been cut by more than half. The President has made the largest investments in clean energy in American

history, and America is less reliant on foreign oil than at any point in the previous four decades. Under the ACA, health care prices have risen at the slowest pace in 50 years, while the rate of uninsured Americans has dropped to its lowest level on record.

Even as the Administration made critical investments to support economic growth, it also succeeded in putting the Nation on a sound fiscal path. Since 2009, Federal deficits have fallen by nearly three-quarters as a share of the economy—the most rapid sustained reduction since just after World War II. Actual and projected deficits have fallen due to three main factors: economic growth; deficit reduction measures, including restoring Clinton-era tax rates on the highest-income Americans and restraint in discretionary spending; and exceptionally slow growth in health care costs, due in part to the health reforms contained in the ACA (see text box).

To further strengthen America's long-term fiscal outlook and the economy, the Budget proposes \$2.8 trillion of deficit reduction over 10 years, from health, tax, and immigration reforms, and other proposals. It includes roughly \$380 billion of health savings that grow over time and build on the ACA with further incentives to improve quality and control health care cost growth. The Budget achieves more than \$900 billion in deficit reduction from reducing tax benefits for high-income households. It also reflects the President's support for commonsense, comprehensive immigration reform, which the Congressional Budget Office has estimated would reduce the deficit by about \$170 billion over 10 years and by almost \$1 trillion over two decades.

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 demonstrates that, under the Budget's policies, deficits remain below three percent of GDP while debt is stabilized and put on a declining path for the next decade – key measures of fiscal progress.

MEETING OUR GREATEST CHALLENGES: HEALTH REFORM'S SIGNIFICANT, POSITIVE IMPACT

When the President took office, he immediately identified health care costs as one of the major drivers of the Nation's long-term fiscal challenges. In his Address to a Joint Session of the Congress in February 2009, he called for health reform as "a step we must take if we hope to bring down our deficit in the years to come." In the months that followed, the President fought to enact comprehensive health care reform even as the Administration took aggressive actions to bolster the economy and help Americans get back to work.

Since the President signed the Affordable Care Act (ACA) into law in 2010, there has been significant progress toward providing all Americans with quality, affordable health care and slowing health care cost growth. Thanks to the ACA, 20 million more Americans have health insurance, reducing the uninsured rate to 9.1 percent—the lowest level on record. These gains—along with reforms that improved coverage for all Americans—are improving access to care, health, and families' financial security. At the same time, the ACA's reforms to the health care delivery system are contributing to slower growth in health care costs and improving health care quality.

We have seen prolonged slow growth in per-beneficiary health care spending in both private insurance and public programs in recent years. In 2014, in both Medicare and private health insurance, per-enrollee spending grew by less than one-third the rate seen over the preceding decade, adjusting for inflation. While some of the slowdown can be attributed to the Great Recession and its aftermath, there is increasing evidence that much of it is the result of structural changes, including the reforms enacted in the ACA.

The health care cost slowdown is already yielding substantial fiscal dividends. Based on current budget estimates, aggregate projected Federal health care spending for 2020 has decreased by \$224 billion above and beyond the deficit reduction directly attributed to the ACA when it was passed. This is a reduction of 15 percent in projected Federal health care spending in 2020. Since the 2009 trustees' report, the insolvency date for Medicare's Hospital Insurance Trust Fund has been pushed back 11 years, an improvement due in large part to Medicare payment reforms enacted in the ACA.

Health care quality is also improving under the ACA. Due in part to incentives created by the law, the number of hospital acquired conditions, such as ulcers, infections, and avoidable traumas, declined by 17 percent from 2010 to 2014, representing an estimated 87,000 lives saved and \$20 billion in cost savings. A sharp reduction in the hospital readmission rate for Medicare patients has also resulted in a cumulative 565,000 fewer readmissions through May 2015.

These effects will grow as the Center for Medicare and Medicaid Innovation, which was created by the ACA, tests and scales up additional alternative payment models that incentivize quality and efficiency. But, even the progress made to date marks a significant achievement in implementing reforms to our health care system that contribute to slowing the growth in health care costs, while at the same time providing affordable, high-quality coverage to millions more Americans.

THE PRESIDENT'S 2017 BUDGET: MEETING OUR GREATEST CHALLENGES

Over the last seven years, the Administration and the American people have worked to rebuild our economy and ensure that it is the strongest, most durable economy in the world. The Budget builds on that progress. It lays out a path to meet our greatest challenges

and secure a future that embodies America's values and aspirations: a future of opportunity and security for all of our families; a rising standard of living; and a sustainable, peaceful planet for our children. It focuses on making sure our economy works for everybody, not just those at the top. It focuses on choosing investments that not only make us stronger today, but for decades to come.

As the American people work to continue our economic and fiscal progress, it is critical that the Federal Government support, rather than impede, economic growth. That means ending the harmful spending cuts known as sequestration, which limit the ability to invest in the building blocks of long-term economic growth, like research and development (R&D), infrastructure, job training, and education. In October 2015, the President worked with congressional leaders from both parties to secure the Bipartisan Budget Act of 2015 (BBA), which partially reversed harmful sequestration cuts slated for 2016 and 2017. Because of the sequestration relief secured in the BBA, the President and congressional leaders were able to come together to invest in many of the key priorities from the President's 2016 Budget that will help the economy and middle-class families, including research, job-training, early learning, clean energy, and manufacturing.

The 2017 Budget builds on the achievements secured for 2016. It makes critical investments in our domestic and national security priorities while adhering to the discretionary funding levels agreed to for 2017 in the BBA. Still, not fully reversing sequestration in 2017 hinders the ability to make needed investments that are critical to building durable economic growth in the future. For that reason, the Budget puts forward paid-for mandatory investments in R&D, education and other areas that are critical to building that growth and maintaining America's edge as the leader in innovation. The Budget also finishes the job the past two bipartisan agreements started by preventing the return of harmful sequestration funding levels in 2018 and beyond for both defense and non-defense spending, replacing the savings by closing tax loopholes and reforming tax expenditures, and with smart spending reforms.

The Budget makes significant investments to make technology work for us as we strive to meet the Nation's biggest challenges. It increases investment in our transition to climate solutions like clean energy, which will help to grow the economy and create new jobs. It invests in a new, sustainable transportation system that speeds goods to market while reducing America's reliance on oil, cuts carbon pollution, and strengthens our resilience to the effects of the changing climate. It invests in medical research to help develop treatments and cures

that have the potential to save millions of lives. It also provides critical funding to ensure that R&D keeps us on the cutting edge from manufacturing to space exploration to agriculture.

The Budget makes investments to ensure that if you work hard, you have a chance to get ahead and ensure a better future for your children. It invests in education, from our youngest learners to those striving to complete college. It invests in job training to help workers get the skills they need to secure better paying jobs, updates worker benefits to reflect today's workforce and economy, and calls for a higher minimum wage and expanded working family tax credits. The Budget also takes new steps to reduce poverty and reinvigorate distressed communities. It builds on the success of the ACA to improve Americans' health with investments in mental health treatment and treatment for opioid use disorders. It supports criminal justice reform to break the cycle of poverty, criminality, and incarceration that traps too many Americans and weakens communities. The Budget also reforms the Nation's immigration system to make American society safer and more just, and to boost economic growth.

Economic growth and opportunity can only be achieved if America is safe and secure. The Budget provides the resources to address security threats wherever they arise and continue to demonstrate American leadership around the world. It increases support for our comprehensive strategy to destroy the Islamic State of Iraq and the Levant (ISIL), our efforts to counter Russian aggression, and our work to defend the Nation from cyber threats. It sustains and builds the strength of our unmatched military forces. Because they are essential to our national security, the Budget also continues to advance the Administration's development and democracy initiatives to reduce extreme poverty, encourage broad-based economic growth, and support democratic governance and human rights. It also makes investments to ensure that our men and women in uniform get the support they have earned to succeed and thrive when they return home.

The Budget includes investments to continue driving the President's Management Agenda by improving and modernizing the services the Federal Government provides to the American public; leveraging the Government's buying power to bring more value and efficiency to its

use of taxpayer dollars; opening Government data and research to the private sector to drive innovation and economic growth; promoting smarter information technology; modernizing permitting and environmental review processes; and, attracting and retaining the best talent in the Federal workforce.

The Administration urges the Congress to enact appropriations that are consistent with

the bipartisan agreement reached last fall; fully support economic growth, opportunity, and our national security priorities; and are free of problematic ideological provisions that are beyond the scope of funding legislation. The Administration also urges the Congress to swiftly pass a bipartisan bill that provides emergency supplemental funding to protect the American people from the Zika virus.

Table 1. CHANGES IN DEFICITS FROM THE FEBRUARY BUDGET

(In billions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017-2021	2017-2026
2017 Budget deficit	616	503	454	549	534	552	660	677	650	741	793		
Percent of GDP	3.3%	2.6%	2.3%	2.6%	2.4%	2.4%	2.8%	2.7%	2.5%	2.7%	2.8%		
Enacted legislation and policy changes:													
Enacted legislation ¹	*	*	—	—	—	—	—	—	—	—	—	—	—
Emergency supplemental appropriations	*	1	*	*	*	*	.....	.....	.....	.....	.....	2	2
Debt service	*	*	*	*	*	*	*	*	*	*	*	*	1
Subtotal, enacted legislation and policy changes	*	1	*	*	*	*	*	*	*	—	*	2	2
Economic and technical reestimates:													
Receipts	59	11	–17	8	36	50	54	62	68	75	90	88	436
Outlays:													
Discretionary programs	–31	7	3	1	–1	1	4	7	8	9	9	11	48
Mandatory programs:													
Premium tax credits and cost-sharing reductions	–6	–16	–28	–34	–31	–29	–31	–33	–34	–36	–37	–137	–308
Social Security	–12	–19	–23	–25	–26	–27	–25	–23	–19	–16	–14	–118	–216
Medicare	–3	–7	–9	–9	–8	–7	–7	–8	–7	–13	–13	–39	–87
Outer Continental Shelf receipts	1	1	1	2	2	1	2	2	2	2	2	7	16
Supplemental Security Income	–1	–1	–1	–1	–1	–1	–1	–1	–1	–1	–1	–6	–11
FHA-Mutual Mortgage Insurance Capital Reserve ..	*	*	1	1	1	1	1	1	2	2	2	3	10
Other ²	–17	–4	5	–1	2	—	*	–1	2	3	3	2	8
Subtotal, mandatory programs	–38	–45	–54	–68	–63	–63	–63	–63	–58	–61	–59	–293	–597
Net interest ³	–7	–37	–56	–64	–71	–77	–83	–89	–94	–98	–102	–304	–770
Subtotal, outlays	–76	–75	–107	–131	–134	–139	–141	–145	–143	–151	–152	–586	–1,319
Subtotal, economic and technical reestimates	–16	–63	–124	–123	–99	–89	–88	–84	–76	–76	–62	–498	–882
Total, changes	–16	–63	–123	–123	–98	–89	–88	–84	–75	–76	–62	–496	–881
Mid-Session Review deficit	600	441	330	427	436	463	572	593	575	665	731		
Percent of GDP	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.5%	2.6%		

Note: positive figures represent higher outlays or lower receipts.

*\$500 million or less.

¹ Includes outlay and receipt effects.

² Includes change in allowance for future disaster costs.

³ Includes debt service on all reestimates.

ECONOMIC ASSUMPTIONS

This Mid-Session Review (MSR) updates the economic assumptions published with the President's 2017 Budget in February, which used information available as of November 2015. The Budget forecast projected Gross Domestic Product (GDP) growth to exceed its long-run potential growth rate over the next few years, before settling back down to that long-run growth rate. The Budget forecast also expected that the unemployment rate would continue to decline through late 2016 and slowly rise from there to the Administration's estimate of the non-accelerating inflation rate of unemployment (also known as the NAIRU). Inflation measured by the Consumer Price Index for all Urban Consumers (CPI) was expected to gradually increase from its near-zero rate of 2015 to a rate consistent with the target of the Federal Reserve's Federal Open Market Committee (FOMC). Accordingly, both short- and long-term interest rates were projected to slowly increase over the course of the forecast interval. Based on information available as of the beginning of June, the Mid-Session Review forecast is qualitatively consistent with the Budget forecast, but there are some quantitative differences in both the short run and the long run. Growth in output and productivity in the first quarter of 2016 was more modest than had been anticipated, while the labor market has generally been strong. This forecast takes into account these near-term dynamics, as well as other factors that have altered the economic landscape since the Budget forecast was finalized last November.

Since the Administration took office in 2009, the economy has made considerable progress. Real GDP in the first quarter of 2016 was 15.0 percent higher than at the end of the Great Recession in the second quarter of 2009 and 10.2 percent higher than at the business cycle peak in the fourth quarter of 2007. The unemployment rate peaked at 10.0 percent in October of 2009, but it had fallen by more than half, to 4.9 percent by June 2016. In the early months of 2009, the economy was hemorrhaging jobs at a rate exceeding 800,000 private sector jobs per month, but from early 2010 to June 2016, private sector employers added 14.8 million new jobs. The continuing

improvement in the labor market has started to feed into higher wages. Real average hourly earnings were up 0.8 percent in May relative to the end of 2015 and 1.4 percent compared with a year earlier.

The Administration's policies have helped foster the economic recovery and ongoing growth. In particular, the American Recovery and Reinvestment Act (ARRA) was vital in putting Americans back to work and arresting the decline in output taking hold during the depths of the global financial crisis. Additional actions, such as the Cash-for-Clunkers program, the temporary payroll tax holiday in 2011 and 2012, and extended emergency unemployment compensation, also had positive impacts.

In spite of these efforts, the recovery was impeded by a series of unnecessary and avoidable fiscal tightening episodes, such as across-the-board cuts that took hold in 2013 under sequestration and the shutdown of the Federal Government that occurred in October of that year. Such events have introduced an unhelpful fiscal drag on the economy. The President and congressional leaders from both parties have, however, worked together to reverse some of these negative effects. The Bipartisan Budget Act of 2015 and the associated Consolidated Appropriations Act of 2016, among other things, avoid some of the cuts under sequestration-related reductions in the discretionary caps and suspend the statutory debt limit until March 2017. Based on analysis by the Congressional Budget Office (CBO), the Council of Economic Advisers has estimated that these measures will add 340,000 jobs in 2016 and a total of 500,000 job-years over 2016 and 2017.

Since the Budget forecast was finalized, the early part of 2016 saw a number of headwinds that may have contributed to the relatively modest growth in the first quarter. Stock markets were especially volatile early in the year, as many investors contended with concerns about the state of the world economy and slow, or even negative, growth in a number of large emerging economies. Domestic productivity growth also remained below its long-run average rate.

Despite this slow start, GDP growth is expected to gradually pick up in the next couple of years. The Administration still anticipates GDP growth a bit in excess of its long-run potential rate in 2017 and 2018. The Administration has, however, revised down the projected long-run growth rate slightly, mostly due to a downward revision in the long-run rate of productivity growth. The unemployment rate has fallen more quickly than many forecasters thought it would, and the Administration's forecast revises the long-run expectation for unemployment down slightly. The forecasts for interest rates on short- and long-term Treasury securities at the end of the forecast horizon are also lower than they were when the Administration finalized its Budget forecast.

ECONOMIC PROJECTIONS

The Administration's forecast is based on information available to forecasters at the beginning of June, and it also assumes that the President's policy proposals in the 2017 Budget will be fully enacted. The projections for a set of key variables can be found in Table 2.

Real Gross Domestic Product: Real GDP growth in 2016 is expected to be 2.2 percent on a fourth quarter-over-fourth quarter (Q4/Q4) basis, and the forecast calls for a slight uptick in growth (to 2.4 percent) during 2017 and 2018. This medium-term picture takes into account the relatively weak GDP and productivity data seen in the early part of 2016 and it represents a downward revision in forecasted growth relative to that published in the Budget, where Q4/Q4 growth was projected to be 2.7 percent during 2016 and 2.5 percent during 2017. The Administration has lowered its expectation for long-run economic growth, for years after 2018, from 2.3 percent when the Budget was published to 2.2 percent.

Unemployment: The unemployment rate is expected to finish the year at 4.7 percent and then decline to 4.6 percent from the end of 2017 through 2019. After that, the Administration expects that it will settle back to the long-run NAIRU, the unemployment rate at which inflationary pressures are broadly balanced, of 4.8 percent. The Administration has revised its Budget forecast for unemployment to reach a low of 4.6 percent and a long-run level of 4.8 percent.

The revision of NAIRU from 4.9 to 4.8 percent is consistent with revisions made by other forecasters in response to recent data. There has been little sign of inflation despite low interest rates and low unemployment rates.

Inflation: Rapidly declining oil prices during the last half of 2014 and most of 2015 led to a CPI inflation rate that was well below a rate consistent with the Federal Reserve's target for a closely related price index, the Price Index for Personal Consumption Expenditures (PCE). As the price of crude oil has stabilized after a turbulent start to 2016, CPI inflation is projected to rise back to 2.3 percent. (Note that the Federal Reserve targets 2.0 percent inflation in the price index for personal consumption expenditures, not the CPI. Over the long run, inflation in the central bank's preferred price index tends to be about 0.25 to 0.30 percentage points less than that in the CPI.) The forecast for inflation is broadly similar to that published in the Budget.

Interest Rates: At the end of 2015, the FOMC raised its target for the Federal funds rate from a range of 0.00 to 0.25 percent. This helps inform the current interest rate forecast, which is also based on futures market data, other private forecasters' expectations, and long-run historical experience. The 91-day Treasury bill is expected to average 0.4 percent over 2016 and climb gradually to reach 3.2 percent in 2021. At the end of the forecast horizon, the rate on the 91-day Treasury bill is expected to be 3.0 percent, about 25 basis points lower than the terminal rate published in the Budget. In the medium term, the short-term rate "overshoots" its terminal value, because the unemployment rate drops below its long-run rate before slowly rising back by the end of the forecast window. Like the short-term rate, the rate on 10-year Treasury notes is also expected to be lower at the end of the forecast horizon than was expected in the Budget. The Administration expects rates on the 10-year note to be 4.0 percent in 2026, down from the 4.2 percent expected in the autumn, roughly similar to the recent consensus forecast of private economists.

Incomes and Income Shares: At the start of the recovery from the global financial crisis, corporate profits rebounded more quickly than compensation to labor, while low

Table 2. ECONOMIC ASSUMPTIONS¹

(Calendar Years, Dollar Amounts in Billions)

	Actual					Projections							
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Gross Domestic Product (GDP):													
Levels, Dollar Amounts in Billions:													
Current Dollars	17,348	17,947	18,502	19,264	20,125	20,967	21,870	22,790	23,761	24,765	25,818	26,912	28,055
Real, Chained (2009) Dollars	15,962	16,349	16,667	17,085	17,495	17,893	18,286	18,689	19,100	19,520	19,950	20,388	20,837
Chained Price Index (2009=100), Annual Average	108.7	109.8	111.0	112.8	115.0	117.2	119.6	121.9	124.4	126.9	129.4	132.0	134.6
Percent Change, Fourth Quarter over Fourth Quarter:													
Current Dollars	3.9	3.1	3.4	4.3	4.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Real, Chained (2009) Dollars	2.5	2.0	2.2	2.4	2.4	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Chained Price Index (2009=100)	1.3	1.1	1.2	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Percent Change, Year over Year:													
Current Dollars	4.1	3.5	3.1	4.1	4.5	4.2	4.3	4.2	4.2	4.2	4.2	4.2	4.2
Real, Chained (2009) Dollars	2.4	2.4	1.9	2.5	2.4	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Chained Price Index (2009=100)	1.6	1.0	1.1	1.6	2.0	1.9	2.1	2.0	2.0	2.0	2.0	2.0	2.0
Incomes, Billions of Current Dollars:													
Domestic Corporate Profits	1,655	1,620	1,596	1,676	1,807	1,884	1,939	1,999	2,059	2,128	2,190	2,245	2,336
Employee Compensation	9,249	9,667	10,099	10,490	10,902	11,361	11,860	12,390	12,945	13,525	14,131	14,775	15,424
Wages and Salaries	7,478	7,835	8,178	8,503	8,848	9,219	9,624	10,045	10,489	10,953	11,439	11,962	12,483
Other Taxable Income ²	4,075	4,225	4,393	4,503	4,672	4,926	5,237	5,540	5,834	6,130	6,392	6,629	6,874
Consumer Price Index (All Urban)³:													
Level (1982–1984 = 100), Annual Average	236.7	237.0	239.9	245.2	250.2	255.9	261.6	267.5	273.6	279.8	286.2	292.6	299.2
Percent Change, Fourth Quarter over Fourth Quarter	1.2	0.4	1.6	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Percent Change, Year over Year	1.6	0.1	1.2	2.2	2.1	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Unemployment Rate, Civilian, Percent:													
Fourth Quarter Level	5.7	5.0	4.7	4.6	4.6	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8
Annual Average	6.2	5.3	4.8	4.7	4.6	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8
Federal Pay Raises, January, Percent:													
Military ⁴	1.0	1.0	1.3	1.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
Civilian ⁵	1.0	1.0	1.3	1.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest Rates, Percent:													
91-Day Treasury Bills ⁶	*	*	0.4	1.2	2.1	2.7	3.1	3.2	3.1	3.0	3.0	3.0	3.0
10-Year Treasury Notes	2.5	2.1	2.0	2.8	3.3	3.6	3.8	3.9	3.9	3.9	4.0	4.0	4.0

* 0.05 percent or less

¹ Based on information available as of early June 2016² Rent, interest, dividend, and proprietors' income components of personal income³ Seasonally adjusted CPI for all urban consumers⁴ Percentages apply to basic pay only; percentages to be proposed for years after 2017 have not yet been determined.⁵ Overall average increase, including locality pay adjustments. Percentages to be proposed for years after 2017 have not yet been determined.⁶ Average rate, secondary market (bank discount basis)

Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS—Continued
(Calendar Years)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Unemployment Rate (Annual Average in Percent):												
MSR	5.3	4.8	4.7	4.6	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8
Budget	5.3	4.7	4.5	4.6	4.6	4.7	4.7	4.8	4.9	4.9	4.9	4.9
CBO	5.3	4.7	4.4	4.6	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Blue Chip	5.3	4.8	4.5	4.6	4.7	4.7	4.8	4.8	4.9	4.9	4.9	4.9
FOMC ³	4.6–4.8		4.5–4.7	4.4–4.8				4.7–5.0				
Interest Rates (Annual Average in Percent):												
91-Day Treasury Bills (discount basis):												
MSR	*	0.4	1.2	2.1	2.7	3.1	3.2	3.1	3.0	3.0	3.0	3.0
Budget	*	0.7	1.8	2.6	3.1	3.3	3.4	3.4	3.3	3.3	3.2	3.2
CBO	0.1	0.7	1.6	2.5	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Blue Chip	*	0.4	1.2	2.3	2.7	2.9	3.0	3.0	3.0	3.0	3.0	3.0
10-Year Treasury Notes:												
MSR	2.1	2.0	2.8	3.3	3.6	3.8	3.9	3.9	3.9	4.0	4.0	4.0
Budget	2.1	2.9	3.5	3.9	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2
CBO	2.1	2.8	3.5	3.9	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Blue Chip	2.1	2.0	2.6	3.4	3.7	3.8	3.9	3.9	3.9	3.9	3.9	3.9

* 0.05 percent or less

Sources: Administration; CBO, The Budget and Economic Outlook: 2016 to 2026, January 2016; March 2016 and June 2016 Blue Chip Economic Indicators, Aspen Publishers, Inc.; Federal Reserve Open Market Committee, June 15, 2015

MSR = 2017 Mid-Session Review (forecast date: June 2016)

Budget = 2017 Budget (forecast date: November 2015)

CBO = Congressional Budget Office January 2016 baseline economic forecast

Blue Chip = June 2016 Blue Chip Consensus Forecast extended with March 2016 Blue Chip long-run survey (publication date: June 10, 2016)

FOMC = Federal Reserve Open Market Committee (forecast central tendency date: June 15, 2016)

¹ Values for 2018–2026 interpolated by OMB from annual growth rates.

² The FOMC's central tendency for longer term growth is 1.8% to 2.0%. Longer term growth represents each participant's assessment of the rate to which GDP growth would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy.

³ Fourth quarter levels of unemployment.

gous figures for the Blue Chip consensus are 2.3 percent in 2017 and 2.2 percent in 2018. The FOMC expects a still lower growth rate of between 1.9 percent and 2.2 percent in 2017 and 1.8 percent and 2.1 percent in 2018. In the long run, the Administration's forecast for growth is 2.2 percent, which is higher than the 2.1 percent projected by Blue Chip and the 2.0 percent that CBO forecasts and that is at the high end of the FOMC central tendency. The Administration's higher forecast is explained in part by the assumption that all of the President's productivity-enhancing policies will be adopted. CBO makes its forecast assuming that current law will hold, while it is not clear to what extent the other forecasts incorporate the President's policies.

Unemployment: Compared with other forecasters, the Administration expects somewhat higher unemployment in the near term, with a 2017 average unemployment rate of 4.7 percent, whereas the other forecasters expect the unemployment rate to fall to 4.5 percent or lower. After 2017, the Administration's forecast mostly tracks those of the other forecasters, although CBO sees a higher unemployment rate (5 percent) in the medium to long run, possibly due to earlier release of its forecast. The Administration expects a long-run unemployment rate of 4.8 percent. This estimate of the NAIRU is lower than that put forward by Blue Chip (4.9 percent) and in line with the central tendency of the forecast of the FOMC.

Inflation: The Administration's forecast for CPI inflation is close to those of CBO and the Blue Chip consensus. Blue Chip expects a slightly faster regression to the long-run expectation for consumer price inflation after this recent period of low inflation than the Administration, but the forecasts are otherwise similar.

Interest Rates: On interest rates, the Administration's forecast closely tracks the Blue Chip projections. CBO expects slightly higher interest rates over the forecast window, although this may be due to January release of the CBO's forecast together with the subsequent decline in rates. For short-term interest rates, represented by the rate on the 91-day Treasury bill, both the Administration and Blue Chip expect a rate of 3.0 percent near the

end of the projection interval. Differences arise in the medium term, when the Administration expects the Treasury bill interest rate to briefly rise above its terminal level, producing higher rates in this period than those projected by the Blue Chip consensus. For interest rates on 10-year Treasury notes, with the exception of a slight divergence in 2017, the Administration and Blue Chip have fairly similar projections. The main difference is that Blue Chip expects long-term interest rates to peak at 3.9 percent, which is the expected terminal level, but the Administration expects a slightly higher rate on 10-year Treasuries in the long run (4.0 percent). The Administration also expects higher real GDP growth in the long run, and there is some theoretical support for the notion that higher growth rates should be accompanied by higher interest rates.

RECEIPTS

The Mid-Session Review (MSR) estimates of receipts are below the 2017 Budget estimates by \$59 billion in 2016 and by \$11 billion in 2017. The MSR estimates of receipts are above the Budget estimates by \$17 billion in 2018, but below the Budget estimates by \$8 billion to \$90 billion in each subsequent year, for a net decrease in receipts of \$436 billion over the 10-year budget horizon (2017 through 2026).

The net decrease in 2016 receipts is in large part attributable to technical revisions based on new tax reporting data, collections to date, and other information, which decrease receipts by \$53 billion. Revised economic assumptions reduce 2016 receipts by an additional \$6 billion.

The estimate of 2017 receipts is also below the Budget estimate largely due to an \$11 billion decrease in receipts attributable to technical factors.

The \$436 billion reduction in receipts over the 10-year budget horizon is largely the result of a \$391 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 \$58 billion. These reductions are partially offset by technical revisions, which increase receipts by \$13 billion.

ECONOMIC CHANGES

Revisions in the economic forecast reduce receipts by \$6 billion in 2016, increase receipts by \$2 billion in 2017, and reduce receipts by \$6 billion to \$80 billion in each subsequent year, for a total reduction of \$391 billion over 10 years from 2017 through 2026.

In 2016, revisions to the economic forecast have the greatest effect on individual and corporation income taxes, increasing individual income taxes by \$7 billion and reducing corporation income taxes by \$16 billion. The increase in individual income taxes is primarily attributable to increases in the forecast of personal income from wages and salaries. Changes in the forecasts of Gross Domestic Product (GDP) and other economic measures that affect the profitability of corporations are

primarily responsible for the reduction in corporation income taxes.

Over the 10-year budget horizon, revisions in the economic forecast have the greatest effect on corporation income taxes, reducing collections by \$235 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. Revisions in the economic forecast also reduce collections of individual income taxes and social insurance and retirement receipts, reducing 10-year collections by \$76 billion and \$73 billion, respectively. Reductions in the economic forecasts of nonwage sources of personal income, such as personal interest income, are primarily responsible for the reduction in individual income taxes. Reductions in the forecast of proprietors' income, which is subject to 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 decrease all remaining sources of receipts by a net \$7 billion.

TECHNICAL CHANGES

Technical revisions in the estimates of receipts decrease receipts by \$53 billion in 2016 and \$11 billion in 2017, and increase receipts by \$28 billion in 2018 and \$15 billion in 2019. Technical revisions reduce or slightly increase receipts in each subsequent year, for a net increase in receipts of \$13 billion over the 10 years, 2017 through 2026. The downward technical revisions in 2016 are driven by a \$91 billion reduction in the estimate for individual income tax collections. This reduction is due to lower-than-expected final payments, net of refunds, on individual income tax liability for tax year 2015, as well as lower-than-expected withholdings and estimated payments for tax year 2016, relative to expectations in the 2017 Budget estimate.

Over the 10-year budget horizon, technical revisions decrease collections of individual income taxes and corporation income taxes by \$116 bil-

lion and \$108 billion, respectively. These net decreases reflect more recent collections data and revisions in estimating models based on updated tax and other data. In contrast, technical revisions increase collections of social insurance and retirement receipts by \$173 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 increase in receipts of \$63 billion.

ENACTED LEGISLATION AND REVISIONS IN PROPOSALS

The Trade Facilitation and Trade Enforcement Act of 2015 is the only signifi-

cant piece of legislation enacted since the 2017 Budget with an effect on receipts, but is expected to have only a minor impact, increasing 10-year collections by \$63 million.

Revisions in the estimates of the net gains in receipts from the Administration's proposals reduce receipts by \$58 billion over the 10 years, 2017 through 2026. Revisions in the effect on receipts of the Administration's proposal to rationalize net investment income and Self Employed Contributions Act (SECA) taxes account for \$28 billion of this reduction in receipts. The remaining \$30 billion reduction in receipts reflects small revisions in the estimates of numerous provisions.

Table 4. CHANGE IN RECEIPTS

(In billions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017-2021	2017-2026
2017 Budget estimate	3,336	3,644	3,899	4,095	4,346	4,572	4,756	4,949	5,177	5,411	5,669		
Changes in current law receipts due to revised economic assumptions:													
Individual income taxes	7	9	5	1	-1	-4	-8	-12	-17	-21	-28	10	-76
Corporation income taxes	-16	-24	-22	-22	-23	-23	-23	-24	-24	-25	-25	-114	-235
Social insurance and retirement	*	1	2	-*	-2	-5	-7	-10	-14	-15	-22	-4	-73
Other	2	15	9	2	-2	-4	-5	-6	-6	-5	-5	20	-7
Total, changes due to revised economic assumptions	-6	2	-6	-20	-28	-36	-44	-52	-61	-66	-80	-89	-391
Changes in current law receipts due to technical reestimates:													
Individual income taxes	-91	-50	-4	-1	-2	-7	-8	-10	-10	-11	-13	-63	-116
Corporation income taxes	21	15	7	-8	-24	-25	-18	-15	-13	-13	-13	-35	-108
Social insurance and retirement	15	17	20	17	17	17	17	17	17	18	18	87	173
Other	1	6	5	7	7	7	6	6	7	6	5	32	63
Total, changes due to technical reestimates	-53	-11	28	15	-2	-8	-4	-1	*	-1	-3	21	13
Changes in current law receipts due to enacted legislation	_*	_*	*	*	*	*	*	*	*	*	*	*	*
Changes in proposals due to enacted legislation and economic and technical revisions:													
Rationalize net investment income and SECA taxes		-2	-2	-3	-2	-2	-3	-3	-3	-3	-4	-12	-28
Other proposals	*	*	-2	-1	-3	-3	-4	-6	-4	-4	-4	-8	-30
Total, changes in proposals	*	-2	-4	-3	-5	-5	-7	-9	-7	-8	-7	-20	-58
Total change in receipts	-59	-11	17	-8	-36	-50	-54	-62	-68	-75	-90	-88	-436
2017 Mid-Session estimate	3,276	3,632	3,916	4,087	4,310	4,522	4,702	4,887	5,109	5,336	5,579		

* \$500 million or less.

EXPENDITURES

Outlays for 2016 in the Mid-Session Review (MSR) are estimated to be \$3,876 billion, \$75 billion lower than the 2017 Budget estimate, reflecting slower-than-expected spending across a large number of discretionary and mandatory programs. Projected outlays have fallen by \$74 billion in 2017 relative to the Budget, and by \$1,317 billion over the 10-year budget horizon, 2017 to 2026. These decreases in spending are almost entirely due to the 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 POLICY CHANGES

One new law enacted since the Budget was completed has an impact on outlays as estimated in the MSR. The Trade Facilitation and Trade Enforcement Act of 2015, P.L. 114-125, enacted in February 2016, increases offsetting receipts from customs fees (which net against outlays) by \$0.4 billion over the next 10 years.¹

In addition, in February the Administration transmitted an FY 2016 Emergency Supplemental appropriations request for additional funding to respond to the Zika virus. This funding is urgently needed to undertake immediate efforts to bolster domestic preparedness, accelerate the procurement and testing of vaccines, diagnostics, and new mosquito control methods, and enhance global capability to detect and respond to the Zika virus. This request increases discretionary outlays by \$2 billion.

ESTIMATING CHANGES

Estimating changes are due to factors other than enacted legislation or changes in policy. These result from changes in economic assumptions, discussed earlier in this MSR, and changes in technical factors. Relative to the

¹ The Puerto Rico Oversight, Management, and Economic Stability Act (H.R. 5278) was not enacted in time to be included in the Mid-Session Review estimates. This legislation is estimated to have minimal deficit effects.

Budget estimates, economic and technical changes decrease estimated outlays for 2016 by \$76 billion, and decrease outlays by \$1,319 billion from 2017 through 2026.

Discretionary programs. Outlays for discretionary programs decrease by \$31 billion in 2016, but increase by \$48 billion over the next 10 years relative to the Budget as a result of technical revisions. The changes in 2016 reflect lower outlays compared to the Budget for both defense (\$11 billion) and non-defense (\$19 billion) discretionary programs, due to slower-than-expected spending patterns. Within defense programs, the decrease is due to slower-than-expected spending for operation and maintenance; research, development, test, and evaluation; and procurement. Within non-defense programs, the decrease in the current year is primarily due to slower-than-expected spending for disaster relief, veterans medical services, and education for the disadvantaged. Outlays over the 10-year period increase by \$43 billion for defense programs and by \$5 billion for non-defense programs. The increase within defense programs is primarily due to higher outlays for shipbuilding and conversion, aircraft procurement, and military construction. Higher-than-expected outlays for disaster relief, innovation and improvement programs, the community development fund, and children and families services also contribute to the overall increase.

Premium tax credit and cost-sharing reductions. The incorporation of new data on spending and enrollment and changes in technical assumptions for the refundable premium tax credit, cost sharing reductions, and Basic Health Program reduce net outlays by \$6 billion in 2016 and by \$308 billion (or 28 percent) from 2017 through 2026. This decrease in outlays is accompanied by \$21 billion in increased receipts attributable to revised estimates for the premium tax credit. The 10-year decrease reflects recent data from the Marketplaces, including lower enrollment than previously projected, as well as other technical changes.

Social Security. Estimating changes reduce outlays for Social Security by \$12 billion in 2016 and by an additional \$216 billion over the next 10 years. The decrease is partially the result of the MSR's lower forecast for the Consumer Price Index (CPI), which results in lower cost-of-living adjustments. In addition, revised short-term disabled worker incidence rates based on continuing lower-than-expected levels of disabled worker applications and awards also lower outlays.

Medicare. Outlays for Medicare decrease by \$3 billion in 2016, and by \$87 billion over the next 10 years. This decrease is primarily due to technical factors that reduce projected Medicare Part A spending, such as a decline in estimated enrollment and updated data on utilization (e.g., hospital discharges, home health utilization, and skilled nursing facility utilization). These reductions are partially offset by an increase in inpatient hospital case mix and increased hospice utilization, among other factors. Economic factors also partially offset the decrease in Part A. These decreases are partially offset by increases in Medicare Part B due to changes in assumptions about market baskets, CPI inflation, and productivity growth. Changes in Part B are also due to updated information on actual spending, changes to beneficiary enrollment, and other modeling improvements, which include effects from recent rulemaking.

Outer Continental Shelf receipts. Economic and technical changes increase net outlays by reducing offsetting receipts for royalties on outer continental shelf lands by \$1 billion in 2016, and by \$16 billion over the next 10 years. The decrease in offshore royalties is due to a decrease in energy price assumptions as updated in MSR economic assumptions and accounting for data from the Energy Information Administration's (EIA) 2016 Annual Energy Outlook, which was released after the Budget was final. Technical updates were also made to reflect new production estimates from the Department of the Interior and the EIA.

Supplemental Security Income (SSI). Outlays for SSI decrease by \$1 billion in 2016, and further decrease by \$11 billion from 2017 to 2026, largely due to lower cost-of-living projections which result in lower benefit pay-

ments. A lower recipient population projection, primarily due to lower initial caseloads and overall lower applications and awards, partially offset by lower net case closings, also contributes to the decrease in outlays.

Mutual Mortgage Insurance Capital Reserve. Outlays for the Mutual Mortgage Capital Reserve increase by \$10 billion from 2017 to 2026 due to revised economic factors leading to lower-than-expected interest income on Federal securities.

Higher education. Mandatory higher education outlays decrease by \$1 billion in 2016, and increase by \$9 billion from 2017 through 2026. The increase in outlays is due to changes that reflect a loan volume update, which reduces the volume of Consolidation Loans, and Unsubsidized Stafford Loans. Consolidation loans have a positive subsidy rate, which results in positive outlays when loans are disbursed, whereas Unsubsidized loans have a negative subsidy rate and generate offsetting receipts (negative outlays). As a result of the volume changes, the net cost of the Direct Loan program over the 10-year budget window is estimated to be about \$4.6 billion higher than in the Budget.

Children's Health Insurance Program (CHIP). Outlays for CHIP are \$1 billion higher in 2016 due to higher projections of State CHIP spending. Projected outlays increased by \$9 billion from 2017 to 2026 relative to the Budget estimate due primarily to revised estimates of the Budget proposal to extend CHIP through 2019, which resulted in additional spending from carryover balances.

Victims programs. Outlays for three victims compensation programs decrease by \$2 billion in 2016 and increase by \$8 billion over the next 10 years due to technical factors. The decrease in the current year is due to slower-than-expected spending in the Crime Victims Fund. The increase in outlays over the next 10 years is primarily the result of new programs, the Victims Compensation Fund and the United States Victims of State Sponsored Terrorism Fund, which were established and provided an appropriation in Public Law 114-113, the Consolidated Appropriations Act of 2016, estimates for which were not included in the Budget.

Table 5. CHANGE IN OUTLAYS

(In billions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017-2021	2017-2026
2017 Budget estimate	3,951	4,147	4,352	4,644	4,880	5,124	5,415	5,626	5,827	6,152	6,462		
Changes due to enacted legislation and policy changes:													
Enacted legislation*	..*
Emergency supplemental appropriations	*	1	*	*	*	*							2 2
Debt service	*	*	*	*	*	*	*	*	*	*	*	*	* 1
Subtotal, enacted legislation and policy changes	*	1	*	*	*	*	*	*	*	*	..*	*	2 2
Changes due to reestimates:													
Discretionary appropriations:													
Defense base programs	-11	2	2	2	1	*	4	7	8	9	9	6	43
Non-defense base programs	-19	6	1	-1	-1	*	*	*	*	..*	..*	4	5
Overseas contingency operations .....	..*	*	*	.....	.....	.....	*	*	*	*	.....	*	1
Subtotal, discretionary appropriations	-31	7	3	1	-1	1	4	7	8	9	9	11	48
Premium tax credits and cost-sharing reductions	-6	-16	-28	-34	-31	-29	-31	-33	-34	-36	-37	-137	-308
Social Security	-12	-19	-23	-25	-26	-27	-25	-23	-19	-16	-14	-118	-216
Medicare	-3	-7	-9	-9	-8	-7	-7	-8	-7	-13	-13	-39	-87
Outer Continental Shelf receipts	1	1	1	2	2	1	2	2	2	2	2	7	16
Supplemental Security Income	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-11
FHA-Mutual Mortgage Insurance Capital Reserve	*	*	1	1	1	1	1	1	2	2	2	3	10
Higher education	-1	-1	..*	..*	*	1	1	2	2	2	3	..*	9
Childrens Health Insurance Program	1	1	1	1	6	.....	.....	.....	.....	.....	.....	9	9
Victims programs	-2	*	1	2	3	1	1	*	*	*	*	7	8
Rural Electrification and Telecommunications loans	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-8
Commodity Credit Corporation	1	1	2	..*	-1	-2	-2	-2	-1	-2	-1	*	-8
Crop insurance	-4	1	..*	..*	..*	..*	-1	-1	-1	-1	-1	.....	-4
Medicaid	2	..*	1	-2	-4	*	1	1	2	2	1	.....	1
Other programs ¹	-13	-5	2	-1	-2	1	-1	-2	-1	..*	*	-6	-10
Net interest ²	-7	-37	-56	-64	-71	-77	-83	-89	-94	-98	-102	-304	-770
Subtotal, reestimates	-76	-75	-107	-131	-134	-139	-141	-145	-143	-151	-152	-586	-1,319
Total change in outlays	-75	-74	-106	-131	-134	-139	-141	-145	-143	-151	-152	-584	-1,317
Mid-Session estimate	3,876	4,073	4,246	4,513	4,746	4,986	5,274	5,480	5,684	6,001	6,310		

* \$500 million or less.

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

Rural Electrification and Telecommunications loans. Outlays for rural electrification and telecommunications loan programs decrease by \$1 billion in 2016 and by an additional \$8 billion from 2017 to 2026 due to technical factors. The decrease from the Budget is primarily due to higher-than-anticipated Cushion of Credit deposits received from borrowers and lower-than-expected loan payments by borrowers.

Commodity Credit Corporation. Outlays for the Commodity Credit Corporation increase by \$1 billion in 2016 and decrease by \$8 billion from 2017 to 2026 due to a number of technical factors. A reduction in the price of corn and wheat since the Budget lead to higher-than-expected commodity payments in 2017 and 2018, but lower-than-expected payments from 2019 to 2026. Due to the lower price guarantee, com-

modity program participation is also lower than expected after 2019. Partially offsetting these decreases are increases in the livestock disaster program due to adverse weather conditions, and increases in the Conservation Reserve Program due to the lower commodity prices.

Crop insurance. Outlays for crop insurance decrease by \$4 billion in 2016 and by an additional \$4 billion from 2017 to 2026 due to technical factors. The decrease in the current year is primarily due to a lower loss-ratio through May 2015 reflecting a favorable growing season for the crops covered by the Risk Management Agency. In addition, advances in agriculture production such as drought-resistant seed technology have lowered losses for some commodities even when there are less favorable conditions. The outyear decreases are due to lower-than-expected participation in recently enacted Farm Bill programs as well as projected decreases in commodity prices provided by the U.S. Department of Agriculture's World Agriculture Outlook Board in May 2016.

Medicaid. Economic and technical revisions increase projected Federal outlays for

Medicaid by \$2 billion in 2016 relative to the Budget estimates, and further increase outlays by \$1 billion from 2017 to 2026 due to higher-than-expected State spending partially offset by a reduction in projected outlays due to economic factors and a lower projected cost of the Budget proposals.

Net interest. Excluding the debt service associated with enacted legislation and policy changes, outlays for net interest are projected to decrease by \$7 billion in 2016 and by \$770 billion over the next 10 years. The majority of the reduction, \$547 billion, is the result of revised economic assumptions, including lower projections for Treasury interest rates and lower growth in the CPI. Technical revisions of \$70 billion are primarily due to updating for actual issuance through May for marketable and nonmarketable securities and through March for other actuals, as well as revised projections of marketable financing assumptions, issuance of nonmarketable securities, other means of financing, and other factors. Debt service on all economic and technical changes in receipts and outlays compared to the Budget reduces interest outlays by \$152 billion.

SUMMARY TABLES

Table S-1. BUDGET TOTALS

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017– 2021	2017– 2026
Budget Totals in Billions of Dollars:														
Receipts	3,250	3,276	3,632	3,916	4,087	4,310	4,522	4,702	4,887	5,109	5,336	5,579	20,468	46,081
Outlays	3,688	3,876	4,073	4,246	4,513	4,746	4,986	5,274	5,480	5,684	6,001	6,310	22,564	51,313
Deficit	438	600	441	330	427	436	463	572	593	575	665	731	2,096	5,232
Debt held by the public	13,117	14,128	14,700	15,135	15,668	16,198	16,747	17,399	18,066	18,715	19,453	20,261		
Debt net of financial assets	11,882	12,482	12,922	13,252	13,678	14,113	14,576	15,147	15,740	16,314	16,978	17,709		
Gross domestic product (GDP)	17,810	18,349	19,063	19,912	20,751	21,644	22,554	23,516	24,510	25,551	26,634	27,765		
Budget Totals as a Percent of GDP:														
Receipts	18.2%	17.9%	19.1%	19.7%	19.7%	19.9%	20.1%	20.0%	19.9%	20.0%	20.0%	20.1%	19.7%	19.8%
Outlays	20.7%	21.1%	21.4%	21.3%	21.8%	21.9%	22.1%	22.4%	22.4%	22.2%	22.5%	22.7%	21.7%	22.1%
Deficit	2.5%	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.5%	2.6%	2.0%	2.2%
Debt held by the public	73.6%	77.0%	77.1%	76.0%	75.5%	74.8%	74.3%	74.0%	73.7%	73.2%	73.0%	73.0%		
Debt net of financial assets	66.7%	68.0%	67.8%	66.6%	65.9%	65.2%	64.6%	64.4%	64.2%	63.8%	63.7%	63.8%		

SUMMARY TABLES

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017-2021	2017-2026
Projected deficits in the adjusted baseline¹	600	543	528	662	709	781	954	1,020	1,049	1,179	1,333	3,224	8,758
Percent of GDP	3.3%	2.8%	2.7%	3.2%	3.3%	3.5%	4.1%	4.2%	4.1%	4.4%	4.8%	3.1%	3.7%
Proposals in the 2017 MSR:²													
Tax reforms and investments in innovation, opportunity, and economic growth:													
Mission Innovation			*	1	2	3	4	4	5	5	5	6	29
Investments in a 21st Century infrastructure ³		7	18	27	36	43	44	42	38	32	26	130	312
Impose an oil fee		-7	-14	-21	-28	-35	-41	-41	-42	-42	-42	-106	-314
Transition to a reformed business tax system		-36	-60	-60	-60	-60	-24					-278	-302
Elements of business tax reform ⁴		-33	-61	-59	-54	-52	-53	-57	-57	-58	-59	-259	-544
Middle-class and pro-work tax reforms		6	25	25	25	26	27	28	29	30	30	108	252
Fund America's College Promise ⁵		*	1	2	3	4	5	6	9	14	17	9	61
Child care for all low-and moderate-income families with young children		3	4	5	6	7	8	9	11	12	14	24	78
Capital gains tax reform		-15	-24	-20	-22	-23	-23	-24	-26	-27	-28	-105	-234
Focus retirement tax incentives on working and middle-class families		-2	-2	-2	-3	-3	-3	-3	-4	-4	-4	-12	-30
Financial fee		-6	-11	-11	-11	-11	-12	-12	-12	-12	-13	-50	-110
Investments in early education and children's health ⁶		*	1	3	6	8	10	11	12	12	11	19	76
Tobacco tax financing		-10	-13	-13	-13	-12	-12	-11	-11	-10	-10	-61	-115
Replacement of mandatory sequestration		10	18	19	20	21	23	24	25	34	7	88	201
Additional discretionary proposals, including investments in education, infrastructure, innovation, and security	*	21	46	52	49	43	-17	-46	-60	-70	-78	210	-61
Additional mandatory and tax proposals	-*	4	-17	-23	-26	-33	-40	-41	-41	-43	-46	-96	-306
Debt service and indirect interest effects	-*	-*	-2	-5	-9	-12	-15	-19	-23	-28	-34	-28	-147
Total, tax reforms and investments in innovation, opportunity, and economic growth	*	-59	-92	-83	-79	-87	-119	-130	-146	-154	-204	-400	-1,154
Additional deficit reduction from health, tax, and immigration reform:													
Health savings		6	-1	-10	-25	-33	-42	-52	-63	-72	-90	-63	-382
Curbing inefficient tax breaks for the wealthy and closing loopholes ⁷		-53	-70	-77	-84	-91	-96	-101	-106	-112	-117	-374	-906
Immigration reform		4	3	-5	-10	-20	-20	-25	-29	-34	-34	-28	-170
Debt service		-*	-1	-4	-9	-14	-19	-25	-31	-39	-48	-28	-190
Total, additional deficit reduction		-43	-69	-96	-128	-158	-177	-203	-230	-256	-289	-493	-1,649
Subtotal, tax reforms, investments, and additional deficit reduction	*	-102	-161	-179	-207	-244	-297	-333	-376	-411	-493	-893	-2,803

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017-2021	2017-2026
Other changes to deficits:													
Reductions in Overseas Contingency Operations		—*	-37	-55	-63	-67	-76	-81	-84	-86	-88	-221	-636
Debt service		—*	—*	-2	-4	-6	-9	-12	-15	-18	-21	-13	-87
Total, other changes to deficits		—*	-37	-56	-67	-74	-85	-93	-98	-104	-109	-234	-723
Total proposals in the 2017 MSR	*	-102	-198	-235	-274	-318	-382	-426	-474	-514	-602	-1,127	-3,526
Resulting deficits in 2017 MSR	600	441	330	427	436	463	572	593	575	665	731	2,096	5,232
Percent of GDP	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.5%	2.6%	2.0%	2.2%
Memorandum:													
Debt held by the public in the adjusted baseline	14,128	14,798	15,421	16,177	16,965	17,816	18,831	19,905	21,010	22,244	23,635		
Percent of GDP	77.0%	77.6%	77.4%	78.0%	78.4%	79.0%	80.1%	81.2%	82.2%	83.5%	85.1%		
Debt held by the public in the 2017 MSR	14,128	14,700	15,135	15,668	16,198	16,747	17,399	18,066	18,715	19,453	20,261		
Percent of GDP	77.0%	77.1%	76.0%	75.5%	74.8%	74.3%	74.0%	73.7%	73.2%	73.0%	73.0%		

* \$500 million or less.

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

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

³Investments in a 21st Century infrastructure include \$385 billion in new resources over 10 years for investments in a more innovative, cleaner, and safer transportation system through the 21st Century Clean Transportation Plan and assistance to families with burdensome energy costs. These investments, and an existing \$97 billion Highway Trust Fund solvency gap, are fully paid for, including outlays outside the 10-year budget window, with \$314 billion in net revenues from a new oil fee and \$168 billion in transition revenues from business tax reform. The remaining \$134 billion of transition revenues would be available for deficit reduction.

⁴The cost of business-related tax provisions enacted in December 2015 is projected to be nearly \$500 billion over the 2016 to 2026 period.

⁵Including grants to Historically Black Colleges and Universities, Hispanic-Serving Institutions, and other Minority-Serving Institutions.

⁶Includes proposals to expand home visiting and enact Preschool for All.

⁷Includes proposals to implement the Buffett Rule by imposing a new “Fair Share Tax,” rationalize Net Investment Income and Self-Employment Contributions Act (SECA) taxes, and reduce the value of certain tax expenditures.

Table S-3. CUMULATIVE DEFICIT REDUCTION SINCE 2011

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

	2017- 2026
Deficit reduction achieved through July 2016, excluding Overseas Contingency Operations (OCO):	
Enacted deficit reduction excluding pending Joint Committee enforcement:	
Discretionary savings ¹	-1,758
Mandatory savings	-157
Revenues	-814
Debt service	-1,061
Subtotal, enacted deficit reduction excluding pending Joint Committee enforcement	-3,790
Pending Joint Committee enforcement: ²	
Discretionary cap reductions	-356
Mandatory sequestration	-201
Debt service	-113
Subtotal, pending Joint Committee enforcement	-670
Total, deficit reduction achieved, excluding OCO	-4,461
Tax reforms and investments in innovation, opportunity, and economic growth:³	
Mission Innovation	29
Investments in a 21st Century infrastructure	312
Impose an oil fee	-314
Transition to a reformed business tax system	-302
Elements of business tax reform ⁴	-544
Middle-class and pro-work tax reforms	252
Fund America's College Promise	61
Child care for all low-and moderate-income families with young children	78
Capital gains tax reform	-234
Focus retirement tax incentives on working and middle-class families	-30
Financial fee	-110
Investments in early education and children's health	76
Tobacco tax financing	-115
Replacement of mandatory sequestration	201
Additional discretionary proposals, including investments in education, infrastructure, innovation, and security	-61
Additional mandatory and tax proposals	-306
Debt service and indirect interest effects	-147
Total, tax reforms and investments in innovation, opportunity, and economic growth	-1,154
Additional deficit reduction from health, tax, and immigration reform:⁵	
Health savings	-382
Curbing inefficient tax breaks for the wealthy and closing loopholes	-906
Immigration reform	-170
Debt service	-190
Total, additional deficit reduction	-1,649
Subtotal, tax reforms, investments, and additional deficit reduction	-2,803
Grand total, achieved and proposed deficit reduction excluding OCO	-7,264

Table S-3. CUMULATIVE DEFICIT REDUCTION SINCE 2011—Continued

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

	2017– 2026
Memoranda:	
Revenue and outlay effects of achieved and proposed deficit reduction:	
Enacted outlay reductions and 2017 MSR spending proposals	–3,704
Enacted receipt increases and 2017 MSR tax proposals	–3,390
Immigration reform	–170
Savings in Overseas Contingency Operations (OCO):	
Enacted reduction in OCO funding	–1,050
Proposed reductions in OCO	–636
Debt service	–358
Total, savings in overseas contingency operations (OCO)	–2,044

¹ Excludes savings from reductions in OCO.

² Consists of mandatory sequestration for 2017–2025 and discretionary cap reductions for 2018–2021.

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

⁴ The cost of business-related tax provisions enacted in December 2015 is projected to be nearly \$500 billion over the 2016 to 2026 period.

⁵ See Table S-2 for details on additional deficit reduction proposals.

Table S-4. ADJUSTED BASELINE BY CATEGORY¹

(In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017– 2021	2017– 2026
Outlays:														
Appropriated (“discretionary”) programs:														
Defense	583	584	603	640	668	683	696	706	726	744	762	780	3,290	7,007
Non-defense	581	608	617	627	638	648	661	674	689	705	721	738	3,190	6,717
Subtotal, appropriated programs	1,165	1,192	1,219	1,267	1,306	1,331	1,357	1,380	1,415	1,449	1,482	1,518	6,480	13,724
Mandatory programs:														
Social Security	882	911	948	1,003	1,065	1,131	1,198	1,271	1,351	1,435	1,522	1,612	5,344	12,535
Medicare	540	586	594	605	670	718	774	871	903	928	1,034	1,102	3,361	8,199
Medicaid	350	369	376	400	424	444	470	497	526	557	591	633	2,115	4,918
Other mandatory programs	529	584	612	622	657	682	711	753	757	760	792	843	3,285	7,191
Subtotal, mandatory programs	2,301	2,450	2,531	2,630	2,816	2,976	3,153	3,392	3,537	3,679	3,939	4,190	14,105	32,843
Net interest	223	233	266	333	407	474	529	582	634	681	730	787	2,009	5,422
Adjustments for disaster costs ²		*	3	7	8	9	9	10	10	10	10	10	36	86
Joint Committee enforcement ³			-10	-73	-96	-104	-107	-57	-36	-30	-37	-8	-390	-557
Total outlays	3,688	3,876	4,010	4,164	4,440	4,684	4,941	5,307	5,560	5,790	6,124	6,497	22,240	51,517
Receipts:														
Individual income taxes	1,541	1,545	1,684	1,794	1,878	1,985	2,085	2,189	2,297	2,409	2,527	2,648	9,425	21,494
Corporation income taxes	344	298	334	349	371	407	412	425	433	441	448	457	1,873	4,076
Social insurance and retirement receipts:														
Social Security payroll taxes	770	810	841	879	913	946	994	1,039	1,082	1,130	1,179	1,233	4,573	10,236
Medicare payroll taxes	234	247	256	268	279	290	305	319	332	348	363	380	1,398	3,139
Unemployment insurance	51	49	50	49	46	47	47	48	49	50	51	52	240	489
Other retirement	10	9	10	10	11	11	12	12	13	14	14	15	53	122
Excise taxes	98	97	87	107	108	110	115	118	121	125	130	135	527	1,156
Estate and gift taxes	19	21	22	24	25	26	28	29	31	33	35	37	125	291
Customs duties	35	36	37	39	41	42	44	45	47	49	50	53	203	447
Deposits of earnings, Federal Reserve System	96	120	88	61	49	49	54	59	65	70	74	78	300	646
Other miscellaneous receipts	51	43	58	57	59	62	65	68	70	73	74	77	301	662
Total receipts	3,250	3,276	3,467	3,636	3,778	3,975	4,160	4,353	4,540	4,741	4,945	5,164	19,016	42,759
Deficit	438	600	543	528	662	709	781	954	1,020	1,049	1,179	1,333	3,224	8,758
Net interest	223	233	266	333	407	474	529	582	634	681	730	787	2,009	5,422
Primary deficit	215	366	277	195	255	236	252	372	386	368	449	546	1,215	3,336
On-budget deficit	466	633	568	544	653	671	725	872	903	898	992	1,113	3,160	7,940
Off-budget deficit / surplus (-)	-27	-33	-25	-15	9	39	56	82	116	151	187	219	63	819

Table S-4. ADJUSTED BASELINE BY CATEGORY—Continued

(In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017– 2021	2017– 2026
Memorandum, budget authority for appropriated programs:⁴														
Defense	586	607	611	664	678	693	709	726	743	761	780	798	3,355	7,163
Non-defense	527	555	531	566	579	591	603	618	633	649	665	681	2,871	6,116
Total, appropriated funding	1,113	1,162	1,142	1,230	1,257	1,285	1,312	1,344	1,376	1,410	1,444	1,479	6,226	13,279

* \$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 2017-2025 and discretionary cap reductions for 2018-2021.

⁴ Excludes discretionary cap reductions for Joint Committee enforcement.

Table S-5. PROPOSED BUDGET BY CATEGORY

(In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017-2021	2017-2026
Outlays:														
Appropriated ("discretionary") programs:														
Defense	583	584	609	591	593	597	603	606	621	634	646	659	2,994	6,161
Non-defense	581	608	631	631	634	638	647	651	660	671	684	698	3,181	6,545
Subtotal, appropriated programs	1,165	1,193	1,241	1,222	1,227	1,235	1,250	1,257	1,281	1,306	1,330	1,357	6,175	12,705
Mandatory programs:														
Social Security	882	911	948	1,003	1,065	1,130	1,197	1,270	1,349	1,433	1,520	1,610	5,343	12,525
Medicare	540	586	592	592	648	688	736	825	849	863	961	1,017	3,255	7,771
Medicaid	350	369	385	406	424	446	475	502	530	561	595	632	2,135	4,953
Other mandatory programs	529	583	633	678	732	766	802	847	853	864	899	949	3,611	8,023
Allowance for immigration reform			5	10	15	20	20	25	30	35	40	50	70	250
Subtotal, mandatory programs	2,301	2,450	2,563	2,688	2,883	3,050	3,229	3,469	3,611	3,756	4,015	4,258	14,413	33,523
Net interest	223	233	266	329	396	453	497	538	578	612	646	685	1,940	5,000
Adjustments for disaster costs ¹		*	3	7	8	9	9	10	10	10	10	10	36	86
Total outlays	3,688	3,876	4,073	4,246	4,513	4,746	4,986	5,274	5,480	5,684	6,001	6,310	22,564	51,313
Receipts:														
Individual income taxes	1,541	1,545	1,747	1,888	1,981	2,099	2,207	2,318	2,433	2,552	2,678	2,806	9,922	22,710
Corporation income taxes	344	298	410	478	496	528	534	512	499	509	518	530	2,445	5,014
Social insurance and retirement receipts:														
Social Security payroll taxes	770	810	841	878	912	944	991	1,036	1,078	1,127	1,175	1,230	4,566	10,212
Medicare payroll taxes	234	247	257	268	280	291	306	320	334	349	364	382	1,401	3,149
Unemployment insurance	51	49	51	56	55	54	56	57	58	59	62	64	272	572
Other retirement	10	9	10	10	11	11	12	12	13	14	14	15	53	122
Excise taxes	98	97	111	144	154	166	179	190	193	197	201	206	754	1,740
Estate and gift taxes	19	21	22	31	34	36	39	43	46	50	55	59	163	416
Customs duties	35	36	37	37	38	39	40	41	43	44	45	47	191	412
Deposits of earnings, Federal Reserve System	96	120	88	61	49	49	54	59	65	70	74	78	300	646
Other miscellaneous receipts	51	43	58	57	60	63	65	68	71	74	75	77	303	668
Allowance for immigration reform			1	7	20	30	40	45	55	64	74	84	98	420
Total receipts	3,250	3,276	3,632	3,916	4,087	4,310	4,522	4,702	4,887	5,109	5,336	5,579	20,468	46,081
Deficit	438	600	441	330	427	436	463	572	593	575	665	731	2,096	5,232
Net interest	223	233	266	329	396	453	497	538	578	612	646	685	1,940	5,000
Primary deficit / surplus (-)	215	367	175	1	31	-17	-34	34	15	-37	19	46	156	233
On-budget deficit	466	634	468	345	418	397	408	491	478	424	479	513	2,037	4,421
Off-budget deficit / surplus (-)	-27	-34	-27	-15	8	38	55	81	116	150	186	218	60	811

Table S-5. PROPOSED BUDGET BY CATEGORY—Continued

(In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017– 2021	2017– 2026
Memorandum, budget authority for appropriated programs:														
Defense	586	607	610	584	593	599	614	624	636	648	661	674	3,000	6,243
Non-defense	527	557	540	561	570	575	590	589	601	613	626	639	2,836	5,904
Total, appropriated funding	1,113	1,164	1,150	1,145	1,163	1,174	1,205	1,213	1,237	1,261	1,287	1,313	5,836	12,147

* \$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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Averages	
													2017– 2021	2017– 2026
Outlays:														
Appropriated (“discretionary”) programs:														
Defense	3.3	3.2	3.2	3.0	2.9	2.8	2.7	2.6	2.5	2.5	2.4	2.4	2.9	2.7
Non-defense	3.3	3.3	3.3	3.2	3.1	2.9	2.9	2.8	2.7	2.6	2.6	2.5	3.1	2.9
Subtotal, appropriated programs	6.5	6.5	6.5	6.1	5.9	5.7	5.5	5.3	5.2	5.1	5.0	4.9	6.0	5.5
Mandatory programs:														
Social Security	5.0	5.0	5.0	5.0	5.1	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.1	5.4
Medicare	3.0	3.2	3.1	3.0	3.1	3.2	3.3	3.5	3.5	3.4	3.6	3.7	3.1	3.3
Medicaid	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.1	2.1
Other mandatory programs	3.0	3.2	3.3	3.4	3.5	3.5	3.6	3.6	3.5	3.4	3.4	3.4	3.5	3.5
Allowance for immigration reform			*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1
Subtotal, mandatory programs	12.9	13.4	13.4	13.5	13.9	14.1	14.3	14.8	14.7	14.7	15.1	15.3	13.8	14.4
Net interest	1.3	1.3	1.4	1.7	1.9	2.1	2.2	2.3	2.4	2.4	2.4	2.5	1.8	2.1
Adjustments for disaster costs ¹		*	*	*	*	*	*	*	*	*	*	*	*	*
Total outlays	20.7	21.1	21.4	21.3	21.8	21.9	22.1	22.4	22.4	22.2	22.5	22.7	21.7	22.1
Receipts:														
Individual income taxes	8.7	8.4	9.2	9.5	9.5	9.7	9.8	9.9	9.9	10.0	10.1	10.1	9.5	9.8
Corporation income taxes	1.9	1.6	2.2	2.4	2.4	2.4	2.4	2.2	2.0	2.0	1.9	1.9	2.3	2.2
Social insurance and retirement receipts:														
Social Security payroll taxes	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Medicare payroll taxes	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.4
Unemployment insurance	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2
Other retirement	0.1	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Excise taxes	0.6	0.5	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7
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	0.5	0.7	0.5	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other miscellaneous receipts	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	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	18.2	17.9	19.1	19.7	19.7	19.9	20.1	20.0	19.9	20.0	20.0	20.1	19.7	19.8
Deficit	2.5	3.3	2.3	1.7	2.1	2.0	2.1	2.4	2.4	2.2	2.5	2.6	2.0	2.2
Net interest	1.3	1.3	1.4	1.7	1.9	2.1	2.2	2.3	2.4	2.4	2.4	2.5	1.8	2.1
Primary deficit / surplus (-)	1.2	2.0	0.9	*	0.1	-0.1	-0.2	0.1	0.1	-0.1	0.1	0.2	0.2	0.1
On-budget deficit	2.6	3.5	2.5	1.7	2.0	1.8	1.8	2.1	1.9	1.7	1.8	1.8	2.0	1.9
Off-budget deficit / surplus (-)	-0.2	-0.2	-0.1	-0.1	*	0.2	0.2	0.3	0.5	0.6	0.7	0.8	*	0.3

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

(As a percent of GDP)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Averages	
													2017– 2021	2017– 2026
Memorandum, budget authority for appropriated programs:														
Defense	3.3	3.3	3.2	2.9	2.9	2.8	2.7	2.7	2.6	2.5	2.5	2.4	2.9	2.7
Non-defense	3.0	3.0	2.8	2.8	2.7	2.7	2.6	2.5	2.5	2.4	2.4	2.3	2.7	2.6
Total, appropriated funding	6.2	6.3	6.0	5.8	5.6	5.4	5.3	5.2	5.0	4.9	4.8	4.7	5.6	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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017-2021	2017-2026
BBEDCA baseline deficit	438	599	569	592	752	812	893	1,019	1,066	1,090	1,230	1,356	3,619	9,380
Adjustments for provisions contained in the Budget Control Act:														
Set discretionary budget authority at cap levels ¹			-28	-3	7	7	5	4	4	4	3	3	-11	7
Reflect Joint Committee enforcement ²				-63	-96	-104	-107	-57	-36	-30	-37	-8	-370	-537
Subtotal			-28	-66	-89	-97	-102	-53	-32	-26	-34	-5	-381	-531
Adjustments for emergency and disaster costs:														
Remove disaster and non-recurring emergency costs			-2	-3	-6	-8	-8	-8	-8	-9	-9	-9	-26	-70
Add placeholder for future emergency costs ³		*	3	7	8	9	9	10	10	10	10	10	36	86
Reclassify surface transportation outlays:														
Remove outlays from appropriated category	-4	-4	-4	-5	-5	-5	-5	-5	-5	-5	-5	-5	-23	-48
Add outlays to mandatory category	4	4	4	5	5	5	5	5	5	5	5	5	23	48
Subtotal														
Total program adjustments		*	-26	-63	-86	-96	-101	-51	-30	-25	-32	-4	-372	-515
Debt service on adjustments		*	-*	-1	-4	-7	-11	-14	-16	-17	-18	-19	-23	-107
Total adjustments		1	-26	-64	-90	-103	-112	-65	-46	-41	-50	-24	-395	-622
Adjusted baseline deficit	438	600	543	528	662	709	781	954	1,020	1,049	1,179	1,333	3,224	8,758

*\$500 million or less.

¹Includes adjustments for discretionary and mandatory program integrity.

²Consists of mandatory sequestration for 2018–2025 and discretionary cap reductions for 2018–2021.

³These 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017-2021	2017-2026	
Mandatory Initiatives and Savings:														
Legislative Branch:														
Provide additional funding for the World War I Centennial Commission		6	7	6									19	19
Agriculture:														
Reduce premium subsidies for harvest price revenue protection and improve prevented planting coverage		-1,259	-1,575	-1,794	-1,843	-1,878	-1,891	-1,910	-1,937	-1,961	-1,963		-8,349	-18,011
Reauthorize Secure Rural Schools		178	188	105	63	40	7						574	581
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 Conservation Service (NRCS) Conservation User Fee														
Establish Rural Housing Service Guaranteed Underwriting System Fee														
Fund the Agriculture and Food Research Initiative at the authorized level of \$700 million		16	114	114	81								325	325
Create State option to improve Supplemental Nutrition Assistance Program (SNAP) access for elderly		10	23	36	44	50	57	64	71	77	85		163	517
Establish a summer Electronic Benefits Transfer program ...		127	214	326	462	625	1,053	1,521	2,038	2,595	3,209		1,754	12,170
Increase The Emergency Food Assistance Program funding to equal 2015 levels		30	35	50	50	50	50	50	50	50	50		215	465
Modify SNAP simplified reporting requirements to include out-of- State moves														
Total, Agriculture		-952	-1,062	-1,224	-1,206	-1,177	-789	-341	155	693	1,312		-5,621	-4,591
Commerce:														
Enact Scale-Up Manufacturing Investment Initiative ¹			155	365	365	365							1,250	1,250
Create National Network for Manufacturing Innovation ..			100	200	300	350	350	300	200	90			950	1,890
Recapitalize National Oceanic and Atmospheric Administration research fleet		70	25	5									100	100
Renovate lab facilities at the National Institute of Standards and Technology (NIST)		12	14	16	32	16	10						90	100
Support Lab to Market efforts in the Economic Development Administration		30	15	5									50	50
Total, Commerce		112	309	591	697	731	360	300	200	90			2,440	3,390
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 RESPECT: Best Job in the World		50	200	300	300	150							1,000	1,000
Create Computer Science for All		40	720	1,070	1,200	660	280	30					3,690	4,000

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Fund America’s College Promise, including grants to Historically Black Colleges and Universities, Hispanic-Serving Institutions, and other Minority-Serving Institutions		38	847	1,616	2,887	3,911	5,249	6,033	9,189	14,362	16,669	9,299	60,801
Enact Pell completion and reform policies		65	248	238	235	255	277	307	325	336	349	1,041	2,635
Shift mandatory funds to support Pell policies		-65	-248	-238	-235	-255	-277	-307	-325	-336	-349	-1,041	-2,635
Extend Pell CPI increase			186	920	1,721	2,600	3,528	4,492	5,522	6,609	7,746	5,427	33,324
Implement College Opportunity and Graduation Bonus Program		104	307	420	600	635	668	699	731	765	801	2,066	5,730
Reform student loan Income-Based Repayment plans ²		-1,136	-2,213	-3,139	-4,027	-4,676	-5,128	-5,507	-5,943	-6,189	-6,287	-15,192	-44,246
Reform teacher loan forgiveness benefits						101	233	280	283	287	296	101	1,480
Limit Federal revenue to 85 percent of total revenue at for-profit universities (loan effects)			-0	2	-1	-4	-13	-15	-11	-2	-1	-3	-45
Reform and expand Perkins loan program		-305	-795	-595	-497	-431	-404	-408	-409	-392	-339	-2,623	-4,575
Total, Education		-1,079	487	3,703	7,640	10,305	13,186	15,391	19,923	25,715	28,241	21,056	123,510
Energy:													
Enact nuclear waste management program			56	94	107	169	267	233	317	1,115	-1,656	426	702
Reauthorize special assessment from domestic nuclear utilities ³		-208	-212	-217	-222	-227	-232	-237	-243	-248	-254	-1,086	-2,300
Allow the United States Enrichment Corporation Fund to use balances to support Uranium Enrichment Decontamination and Decommissioning		472	674	394	82							1,622	1,622
Provide additional research and development (R&D) funding for Advanced Research Project Agency-Energy Trust		8	39	102	186	304	384	371	276	174	6	639	1,850
Provide additional R&D funding for Office of Science		45	45	7	3							100	100
Establish Southwestern Power Administration Purchase Power Drought Fund ⁴		-15	-15	5	-15	-2				24	-15	-42	-33
Total, Energy		302	587	385	141	244	419	367	350	1,065	-1,919	1,659	1,941
Health and Human Services:													
HHS health savings:													
Medicare providers:													
Encourage delivery system reform:													
Allow the Secretary to introduce primary care payments under the Physician Fee Schedule in a budget neutral manner													
Allow Accountable Care Organizations (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 Centers for Medicare and Medicaid Services (CMS) to assign beneficiaries to Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) participating in the Medicare Shared Savings Program					-10	-10	-10	-10	-10	-10	-20	-20	-80

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017– 2021	2017– 2026
Expand basis for beneficiary assignment for ACOs to include Nurse Practitioners, Physician Assistants, and Clinical Nurse Specialists				-10	-10	-20	-20	-20	-20	-20	-20	-40	-140
Establish quality bonus payments for high-performing Part D plans													
Implement bundled payment for post-acute care ...						-450	-1,030	-1,710	-1,940	-2,070	-2,230	-450	-9,430
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													
Establish a hospital-wide readmissions reduction measure													
Extend accountability for hospital-acquired conditions													
Encourage workforce development through targeted and more accurate indirect medical education payments		-800	-1,330	-1,460	-1,560	-1,660	-1,790	-1,910	-2,040	-2,170	-2,300	-6,810	-17,020
Allow the Secretary to determine Hospital-Acquired Condition Reduction Program penalty amounts and distribution													
Establish a bonus payment for hospitals cooperating with certain alternative payment models (APMs)													
Enhance competition in Medicare Advantage (MA):													
Reform MA payments to increase the efficiency and sustainability of the program			-2,640	-4,220	-5,690	-6,470	-6,940	-7,260	-7,690	-8,040	-8,730	-19,020	-57,680
Improve beneficiary access:													
Eliminate the 190-day lifetime limit on inpatient psychiatric facility services		90	110	120	130	130	140	150	150	160	170	580	1,350
Repeal the rental cap for oxygen equipment													
Eliminate beneficiary coinsurance for screening colonoscopies with polyp removal		60	170	230	260	280	300	330	360	380	420	1,000	2,790
Expand the ability of Medicare Advantage organizations to pay for services delivered via telehealth										-10	-20		-30
Establish RHC and FQHC telehealth services													
Cut waste, fraud, and improper payments in Medicare:													
Suspend coverage and payment for questionable Part D prescriptions and incomplete clinical information			-50	-60	-70	-60	-70	-70	-80	-90	-100	-240	-650
Retain a portion of Medicare Recovery Audit Contractor (RAC) recoveries to implement actions that prevent fraud and abuse		110	130	70	-20	-120	-150	-180	-200	-210	-230	170	-800
Allow prior authorization for Medicare fee-for-service items		-5	-5	-5	-5	-5	-10	-10	-10	-10	-10	-25	-75

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Permit exclusion from Federal Health Care Programs if affiliated with sanctioned entities					-10	-10	-10	-10	-10	-10	-10	-20	-70
Protect program integrity algorithms from disclosure		-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-45	-90
Allow the Secretary to reject claims for new providers and suppliers located outside moratorium areas		-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-25	-50
Allow civil monetary penalties for providers and suppliers who fail to update enrollment records		-2	-2	-3	-3	-3	-3	-4	-4	-4	-4	-13	-32
Allow collection of application fees from individual providers and suppliers													
Assess a fee on physicians and practitioners who order services or supplies without proper documentation													
Establish gifting authority for the Healthcare Fraud Prevention Partnership													
Establish registration process for clearinghouses and billing agents													
Pay recovery auditor after a Qualified Independent Contractor (QIC) decision on appealed claims													
Publish the National Provider Identifier for covered recipients in the Open Payments Program													
Require a surety bond or escrow account to cover overturned recovery auditor decisions													
Address the rising cost of pharmaceuticals:													
Align Medicare drug payment policies with Medicaid policies for low-income beneficiaries ...			-3,050	-7,210	-8,810	-10,570	-12,090	-14,770	-17,900	-20,170	-23,200	-29,640	-117,770
Accelerate manufacturer discounts for brand drugs to provide relief to Medicare beneficiaries in the coverage gap			-250	-620	-1,050	-1,200	-1,330	-1,260	-1,180	-1,380	-1,440	-3,120	-9,710
Require mandatory reporting of other prescription drug coverage		-10	-30	-40	-40	-50	-50	-60	-60	-70	-70	-170	-480
Establish authority for a program to prevent prescription drug abuse in Medicare Part D													
Allow the Secretary to negotiate prices for biologics and high cost prescription drugs													
Modify reimbursement of Part B drugs			-410	-720	-780	-850	-920	-1,000	-1,080	-1,170	-1,260	-2,760	-8,190
Require evidence development for coverage of high cost drugs													
Increase Part D plan sponsors' risk for catastrophic drug costs													
Change the Part D coverage gap discount program agreements from annually to quarterly													
Enhance efficiency in the Medicare program:													
Reduce Medicare coverage of bad debts		-270	-1,360	-2,640	-3,350	-3,610	-3,840	-4,080	-4,340	-4,600	-4,860	-11,230	-32,950

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017– 2021	2017– 2026
Adjust payment updates for certain post-acute care providers		-1,020	-2,000	-3,340	-4,900	-6,570	-8,740	-10,800	-12,900	-15,170	-17,190	-17,830	-82,630
Encourage appropriate use of inpatient rehabilitation hospitals by requiring that 75 percent of inpatient rehabilitation facility (IRF) patients require intensive rehabilitation services		-110	-180	-200	-200	-210	-220	-230	-240	-240	-250	-900	-2,080
Exclude certain services from the in-office ancillary services exception			-280	-440	-490	-530	-560	-600	-640	-680	-710	-1,740	-4,930
Reform Medicare hospice payments			-150	-510	-910	-980	-1,090	-1,200	-1,320	-1,460	-1,570	-2,550	-9,190
Recoup initial Clinical Laboratory Fee Schedule payments for advanced diagnostic laboratory tests in excess of 100 percent of the final payment amount													
Provide authority to expand competitive bidding for certain durable medical equipment		-100	-220	-270	-290	-320	-350	-370	-400	-430	-460	-1,200	-3,210
Reduce Critical Access Hospital (CAH) payments from 101 percent of reasonable costs to 100 percent of reasonable costs		-70	-130	-140	-150	-160	-170	-170	-190	-210	-230	-650	-1,620
Prohibit CAH designation for facilities that are less than 10 miles from the nearest hospital		-40	-80	-80	-90	-90	-100	-110	-120	-120	-140	-380	-970
Other Medicare:													
Strengthen the Independent Payment Advisory Board (IPAB) to reduce long-term drivers of Medicare cost growth							-3,108	-4,387	-7,626	-9,181	-12,503		-36,806
Clarify the calculation of the late enrollment penalty for Medicare Part B premiums													
Clarify the Medicare Fraction in the Medicare Disproportionate Share Hospital (DSH) statute													
Update Medicare Disproportionate Share formula for hospitals in Puerto Rico					10	10	10	10	10	10	10	20	70
Allow beneficiaries to pay a sum certain to Medicare for future medical items and services			-5	-20	-20	-20						-65	-65
Modernize funding for End Stage Renal Disease Networks													
Total, Medicare providers		-2,181	-11,786	-21,592	-28,082	-33,572	-42,175	-49,755	-59,494	-66,989	-76,981	-97,213	-392,608
Medicare structural reforms:													
Increase income-related premiums under Medicare Parts B and D					-1,430	-2,650	-3,740	-4,990	-6,430	-8,060	-10,200	-4,080	-37,500
Modify the Part B deductible for new beneficiaries					-60	-80	-320	-430	-960	-1,110	-1,180	-140	-4,140
Introduce home health copayments for new beneficiaries					-30	-80	-120	-180	-240	-310	-380	-110	-1,340
Encourage the use of generic drugs by low-income beneficiaries			-490	-690	-760	-820	-890	-950	-1,030	-1,100	-1,180	-2,760	-7,910
Total, Medicare structural reforms			-490	-690	-2,280	-3,630	-5,070	-6,550	-8,660	-10,580	-12,940	-7,090	-50,890

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Interactions		26	106	662	975	1,091	3,675	4,827	6,228	7,049	7,533	2,860	32,171
Medicaid and Children’s Health Insurance Program (CHIP):													
Improve access to coverage and services:													
Ensure access to enhanced Federal match for all Medicaid expansion States		410	430	450	500	320	220	50	.....	.....	.....	2,110	2,380
Strengthen Medicaid in Puerto Rico and other U.S. Territories		320	1,433	1,761	2,741	2,960	3,189	3,418	3,918	4,207	5,247	9,215	29,194
Permanently extend Express Lane Eligibility (ELE) for children	30	50	70	85	100	115	130	145	155	235	880
Require full coverage of preventive health and tobacco cessation services for adults in traditional Medicaid		99	95	91	85	80	75	70	67	64	63	450	789
Require coverage of Early and Periodic Screening, Diagnostic, and Treatment program for children in inpatient psychiatric treatment facilities		45	50	55	60	60	65	70	75	80	80	270	640
Create State option to provide 12-month continuous Medicaid eligibility for adults ³		406	661	1,436	1,163	1,143	1,217	1,191	1,354	1,415	1,472	4,809	11,458
Extend 100 percent Federal match to all Indian health programs		6	6	7	7	8	8	9	9	10	10	34	80
Provide full Medicaid coverage to pregnant and post-partum beneficiaries		30	30	35	35	35	40	40	40	45	45	165	375
Create demonstration to address over-prescription of psychotropic medications for children in foster care		119	216	221	228	235	88	-14	-11	-9	-6	1,019	1,067
Streamline certain Medicaid appeals processes
Expand State flexibility to provide benchmark benefit packages
Preserve coverage in CHIP:													
Extend CHIP funding through 2019 ³	1,484	2,952	-587	5	.....	.....	.....	.....	.....	3,854	3,854
Extend the performance bonus fund		180	350	350	350	170	.....	.....	.....	.....	.....	1,400	1,400
Extend the child enrollment contingency fund
Strengthen the integrity of the Medicaid program:													
Expand funding for the Medicaid Integrity Program		-60	-60	-65	-65	-65	-65	-70	-70	-75	-80	-315	-675
Expand Medicaid Fraud Control Unit (MFCU) authority review to additional care settings		-6	-6	-6	-7	-7	-7	-8	-8	-8	-9	-32	-72
Require States to suspend Medicaid payments when there is a significant risk of fraud
Track high prescribers and utilizers of prescription drugs in Medicaid		-30	-50	-80	-80	-80	-90	-90	-90	-90	-90	-320	-770
Prevent use of Federal funds to pay State share of Medicaid or CHIP
Consolidate redundant error rate measurement programs

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017– 2021	2017– 2026	
Require manufacturers that improperly report items for Medicaid drug coverage to fully repay States														
Increase penalties on drug manufacturers for fraudulent noncompliance with Medicaid drug rebate agreements														
Require drugs be properly listed with the Food and Drug Administration (FDA) to receive Medicaid coverage														
Require drug wholesalers to report wholesale acquisition costs to CMS														
Enforce manufacturer compliance with drug rebate requirements														
Strengthen CMS compliance tools in Medicaid managed care														
Improve quality and cost-effectiveness:														
Rebase future Medicaid Disproportionate Share Hospital (DSH) allotments											-6,640			-6,640
Require remittances for medical loss ratios for Medicaid and CHIP managed care				-1,350	-2,750	-2,850	-2,850	-3,100	-3,350	-3,650	-3,900	-6,950	-23,800	
Extend funding for the Adult Health Quality Measures Program		14	14	14	14	14						70	70	
Encourage delivery system reform:														
Reestablish the Medicaid primary care payment increase through CY 2017 and include additional providers		7,500	1,870										9,370	9,370
Allow States to develop age-specific health home programs		210	210	90	90	90	90	80	80	80	80	690	1,100	
Provide home and community-based services (HCBS) to children eligible for psychiatric residential treatment facilities			78	161	169	177	185	194	204	215	226	585	1,609	
Allow full Medicaid benefits for individuals in a HCBS State plan option			1	1	1	1	1	1	1	1	1	4	9	
Expand eligibility for the 1915(i) HCBS State plan option		7	15	24	34	44	46	48	50	52	54	124	374	
Expand eligibility under the Community First Choice option		255	296	319	343	368	395	424	455	488	523	1,581	3,866	
Pilot comprehensive long-term care State plan option			753	779	809	840	872					3,181	4,053	
Strengthen Medicaid drug coverage and reimbursement:														
Create a Federal-State Medicaid negotiating pool for high-cost drugs		-200	-410	-630	-630	-640	-650	-660	-660	-670	-680	-2,510	-5,830	
Correct Affordable Care Act (ACA) Medicaid rebate formula for new drug formulations and exempt abuse deterrent formulations		-410	-410	-415	-425	-425	-435	-440	-440	-440	-445	-2,085	-4,285	
Exclude authorized generics from Medicaid brand-name rebate calculations		-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-100	-200	

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Exclude brand-name and authorized generic drug prices from Medicaid Federal upper limit (FUL)	-30	-60	-90	-90	-100	-100	-100	-100	-100	-100	-370	-870
Clarify the Medicaid definition of brand drugs to prevent inappropriately low rebates	-21	-21	-21	-26	-26	-26	-26	-31	-31	-31	-115	-260
Additional improvements to the Medicaid drug rebate program
Total, Medicaid and Children’s Health Insurance Program	8,824	6,985	6,119	2,019	2,422	2,348	1,182	1,603	1,709	-4,045	26,369	29,166
Other health:													
Medicare-Medicaid enrollees:													
Ensure retroactive Part D coverage of newly-eligible low-income beneficiaries	-40	-50	-60	-60	-70	-70	-80	-90	-430
Establish integrated appeals process for Medicare-Medicaid enrollees
Allow for Federal/State coordinated review of Duals Special Need Plan marketing materials
Align Medicare Savings Program income and asset definitions with Part D low-income subsidy definitions	31	32	34	35	38	40	42	45	48	51	169	394
Total, Medicare-Medicaid enrollees	31	32	34	-5	-12	-20	-18	-25	-22	-29	79	-36
Pharmaceutical savings:													
Prohibit brand and generic drug companies from delaying the availability of new generic drugs and biologics	-930	-1,010	-1,100	-1,190	-1,290	-1,400	-1,500	-1,610	-1,730	-1,840	-5,520	-13,600
Modify length of exclusivity to facilitate faster development of generic biologics	-10	-240	-630	-810	-910	-1,040	-1,100	-1,160	-1,280	-1,690	-7,180
Establish transparency and reporting requirements in pharmaceutical drug pricing
Total, pharmaceutical savings	-930	-1,020	-1,340	-1,820	-2,100	-2,310	-2,540	-2,710	-2,890	-3,120	-7,210	-20,780
Public health and workforce investments:													
Support Teaching Health Centers Graduate Medical Education (GME)	74	214	141	99	.....	.....	.....	.....	.....	528	528
Support Children’s Hospital GME	130	269	286	292	295	165	27	9	2	.....	1,272	1,475
Invest in the National Health Service Corps	227	729	770	575	81	40	8	.....	.....	2,301	2,430
Extend Health Centers	75	1,867	3,388	1,695	181	108	36	.....	.....	.....	7,206	7,350
Extend special diabetes program at National Institutes of Health (NIH) and the Indian Health Service (IHS) permanently	180	266	291	296	298	300	300	300	300	1,033	2,531
Fund a dedicated Mental Health Initiative	87	218	150	37	8	.....	.....	.....	.....	.....	500	500
Expand access to treatment for prescription drug abuse and heroin use	154	426	321	68	25	6	.....	.....	.....	.....	994	1,000
Total, public health and workforce investments	446	3,261	5,354	3,294	1,479	658	403	317	302	300	13,834	15,814
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

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017–2021	2017–2026	
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														
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 information technology (IT):														
Add certain behavioral health providers to the Electronic Health Record (EHR) Incentive Programs			1,710	910	910	910	490	330	50	40	30	4,440	5,380	
Establish health IT governance certification														
Prohibit information blocking and associated business practices														
Require health IT transparency														
Provide the Office of the National Coordinator for Health IT (ONC) authority to use contracts, grants, or cooperative agreements to establish a Health IT Safety Collaborative and provide adequate confidentiality protections														
Total, health information technology			1,710	910	910	910	490	330	50	40	30	4,440	5,380	
Program implementation investments:														
Provide CMS Program Management implementation funding		25	300	75								400	400	
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 Payment Levy Program														
Total, program implementation investments		26	301	76	1	1	1	1	1	1	1	405	410	
Private health insurance:														
Standardize definition of American Indian and Alaska Native in the ACA		40	50	50	60	60	60	60	70	70	70	260	590	
Increase access to consumer protections in non-Federal governmental self-insured health plans														
Eliminate surprise out-of-network health care charges for privately insured patients														
Develop uniform and transparent consumer health care bills														

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Total, private health insurance		40	50	50	60	60	60	60	70	70	70	260	590
Total, HHS health savings ⁵		6,409	-724	-10,291	-24,800	-33,224	-42,217	-51,933	-62,493	-71,183	-89,055	-62,631	-379,512
Provide mandatory funding for tribal contract support costs:													
PAYGO effects			111	269	453							833	833
Nonscoreable reclassification			814	831	847	864	882	899	917	935	954	3,356	7,943
Total, provide mandatory funding for tribal contract support costs			925	1,100	1,300	864	882	899	917	935	954	4,189	8,776
<i>Annual reduction to discretionary spending limits (non-add)</i>			-814	-831	-847	-864	-882	-899	-917	-935	-954	-3,356	-7,943
Support medical research and development at the National Institutes of Health and the FDA		562	1,004	252	48	26	8					1,892	1,900
Promote family based care		76	45	20	7	-9	-23	-36	-44	-52	-52	139	-68
Enhance support for tribal child welfare programs		37	34	38	32	27	14	14	16	16	14	168	242
Extend and Expand the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program			20	135	450	745	1,340	1,585	1,910	1,995	2,135	1,350	10,315
Establish Title IV-E funding for prevention and permanency services		29	40	41	52	59	61	59	65	91	119	221	616
Expand eligibility through age 23 for Chafee Foster Care Independence Program		1	4	4	4	4	3					17	20
Reauthorize Family Connection Grants		1	10	14	15	15	14	5	1			55	75
Reauthorize the Personal Responsibility Education Program (PREP)			2	24	57	74	75	73	51	18	1	157	375
Reauthorize Health Profession and Opportunity Grants			4	46	78	85	85	81	39	7		213	425
Support demonstration to address over-prescription of psychotropic drugs for children in foster care		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 Low Income Home Energy Assistance (LIHEAP) contingency fund		560	377	63								1,000	1,000
Fund Upward Mobility Project		300	300	300	300	300						1,500	1,500
Apply Child Care and Development Fund health and safety standards to Temporary Assistance for Needy Families- (TANF) and Social Service Block Grant-funded child care													
Apply set-asides in the Child Care and Development Block Grant to the Child Care Entitlement funding													
Enhance Title IV-E administrative costs for IT systems updates		13	13	14	13	13	13	13	13	13	13	66	131
Invest in child welfare workforce development		50	59	64	70	80	141	162	193	222	799	323	1,840
Promote responsible parenthood by modernizing Child Support		54	75	179	203	274	313	354	355	352	228	785	2,387
Strengthen Child Support enforcement		-22	-35	-53	-68	-85	-86	-87	-90	-90	-91	-263	-707
Establish a Child Support Technology Fund		-78	-89	-85	-86	-100	-6	-10	-16	4	-1	-438	-467
Establish a Child Support Research Fund		100	100	100	100	100	100	100	100	100	100	500	1,000

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017–2021	2017–2026	
Eliminate Abstinence Education Program		-1	-50	-23	-1								-75	-75
Expand Child Welfare Regional Partnership Grants and the Tribal Court Improvement Program		1	25	38	41	42	43	43	43	43	43		147	362
Repurpose TANF contingency fund to support Pathways to Jobs initiative														
Increase TANF Block Grant		585	1,087	1,567	1,862	2,130	445	132	102	65	22		7,231	7,997
Establish TANF Economic Response Fund		29	96	148	168	195							636	636
Fund Emergency Aid and Service Connection Grants		1	40	388	454	486	480	108	39	5			1,369	2,001
Provide grants for Statewide Human Services Data Systems		5	25	37	45	50	45	25	12	5			162	249
Total, Health and Human Services		11,682	7,296	-1,193	-13,986	-21,158	-30,533	-39,192	-47,994	-54,977	-70,348		-17,360	-260,404
Homeland Security:														
Reform the aviation passenger security user fee to more accurately reflect the costs of aviation security			-410	-490	-550	-410	-400	-390	-380	-370	-2,000		-1,860	-5,400
Increase customs user fees ⁶		-86	-93	-102	-112	-125	-135	-146	-158	-170			-518	-1,127
Increase immigration inspection user fees														
Increase Express Consignment Courier fees ⁶		-6	-6	-7	-7	-9	-9	-10	-10	-10			-35	-74
Establish user fee for Electronic Visa Update System ³														
Total, Homeland Security		-92	-509	-599	-669	-544	-544	-546	-548	-550	-2,000		-2,413	-6,601
Housing and Urban Development:														
Provide funding for grants to reduce local barriers to housing development		6	30	45	81	81	51	6					243	300
End family homelessness		79	359	616	813	998	1,204	1,410	1,618	1,829	2,041		2,865	10,967
Total, Housing and Urban Development		85	389	661	894	1,079	1,255	1,416	1,618	1,829	2,041		3,108	11,267
Interior:														
Provide a fair return to taxpayers for the use of public resources:														
Enact Federal oil and gas management reforms		-20	-70	-90	-110	-120	-140	-150	-170	-180	-190		-410	-1,240
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	-4	-4	-4	-4	-4	-4	-5		-20	-41
Enact offshore energy revenue reform			-286	-310	-339	-376	-376	-380	-384	-393	-410		-1,311	-3,254
Total, provide a fair return to taxpayers for the use of public resources		-24	-362	-408	-458	-505	-526	-540	-569	-594	-629		-1,757	-4,615
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	-38	-25	-15	-8	52	40	23	13	5		-135	-2
Terminate AML payments to certified States		-6	-31	-63	-82	-90	-92	-73	-41	-28	-14		-272	-520
Fund abandoned mine lands reclamation and economic revitalization		50	112	152	182	200	150	88	48	18			696	1,000
Total, ensure industry is held responsible for legacy pollution and risks to safety		-5	-157	-86	-15	52	110	55	30	3	-9		-211	-22

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017–2021	2017–2026	
Conserve natural resources for future generations and provide recreation access to the public:														
Establish dedicated funding for Land and Water Conservation Fund (LWCF) programs		129	474	988	977	918	900	900	900	900	900	900	3,486	7,986
Establish a dedicated Coastal Climate Resilience Fund from offshore energy revenues		40	100	140	170	200	200	200	200	200	200	200	650	1,650
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		28	275	473	431	177	-1	-9	-9	-8	-4		1,384	1,353
Total, conserve natural resources for future generations and provide recreation access to the public		192	843	1,591	1,566	1,292	1,099	1,091	1,091	1,092	1,096		5,484	10,953
Maintain commitments to communities and insular territories:														
Provide mandatory funding for tribal contract support costs:														
PAYGO effects			19	32	43	11							105	105
Non-scoreable reclassification			212	287	293	299	305	311	317	324	329		1,091	2,677
Total, provide mandatory funding for tribal contract support costs			231	319	336	310	305	311	317	324	329		1,196	2,782
<i>Annual reduction to discretionary spending limits (non-add)</i>			-212	-287	-293	-299	-305	-311	-317	-324	-329		-1,091	-2,677
Extend the Palau Compact of Free Association		46	26	20	17	15	14	6	5				124	149
Extend funding for Payments in Lieu of Taxes (PILT)		480											480	480
Improve coal miner retiree health and pension benefits		375	394	407	414	418	428	430	431	434	436		2,008	4,167
Total, maintain commitments to communities and insular territories		901	651	746	767	743	747	747	753	758	765		3,808	7,578
Total, Interior		1,064	975	1,843	1,860	1,582	1,430	1,353	1,305	1,259	1,223		7,324	13,894
Justice:														
Provide funding for 21st Century Justice grants to incentivize justice reform		110	300	475	500	500	500	500	500	500	500		1,885	4,385
Labor:														
Establish an American Talent Compact		600	600	600	600	600							3,000	3,000
Create Career Navigators program		400	400	400	400	400							2,000	2,000
Create Opening Doors for Youth program		2,035	2,035	715	715								5,500	5,500
Create an Apprenticeship Training Fund		400	400	400	400	400							2,000	2,000
Establish Paid Leave Partnership Initiative		221	664	664	664								2,213	2,213
Improve Pension Benefit Guaranty Corporation (PBGC) solvency		-1,119	-1,128	-1,181	-1,283	-1,319	-1,520	-1,774	-1,874	-3,285	-957		-6,030	-15,440
Unemployment Insurance Modernization and Reform: ⁷														
Strengthen Unemployment Insurance (UI) system solvency ^{3,8}			-3,556	-4,356	-3,846	-4,686	-5,449	-5,273	-5,752	-6,822	-7,832		-16,444	-47,572

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Improve UI Extended Benefits		770	2,045	2,539	2,965	3,473	3,970	4,186	5,423	5,953	5,751	11,792	37,075
Modernize UI ^{3,8}		2,056	2,527	1,194	1,141	920	825	1,307	1,233	1,277	1,332	7,838	13,812
Expand Short-Time Compensation		27	37	40	43	47	52	53	62	69	70	194	500
Create a wage insurance program			294	912	1,245	1,294	1,339	1,387	1,428	1,477	1,521	3,745	10,897
Improve UI program integrity ³		–68	–135	–178	–204	–183	–166	–149	–137	–121	–123	–768	–1,464
Implement cap adjustments for UI program integrity ^{3,8}		–79	–60	7	11	12	11	10	9	7	7	–109	–65
<i>Outlays from reduction to discretionary spending limits (non-add)</i>			–154	–157	–160	–163	–167	–170	–173	–177	–180	–634	–1,501
<i>Outlays from program integrity discretionary cap adjustment (non-add)</i>		30	5									35	35
Create mandatory Reemployment Services and Eligibility Assessment program ³			–35	–330	–343	–321	–304	–255	–267	–241	–185	–1,029	–2,281
Pilot models for providing multiple-employer benefits		25	50	25								100	100
Expand Foreign Labor Certification fees													
Total, Labor		5,268	4,138	1,451	2,508	637	–1,242	–508	125	–1,686	–416	14,002	10,275
Treasury:													
Establish a Pay for Success Incentive Fund		29	21	10	24	40	56	46	42	27	5	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		–8	–8	–8	–8	–8	–9	–9	–9	–9	–9	–40	–85
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													
Reauthorize the State Small Business Credit Initiative		219	578	241	318	135	5	4				1,491	1,500
Implement tax enforcement program integrity cap adjustment ³		–278	–1,585	–3,263	–5,008	–6,763	–8,327	–9,264	–9,590	–9,737	–9,814	–16,897	–63,629
<i>Outlays from discretionary cap adjustment (non-add)</i>		458	890	1,255	1,622	1,996	2,125	2,153	2,180	2,206	2,231	6,221	17,116
Create a Financing America’s Infrastructure Renewal (FAIR) program		2	2	2	2	2	2	2	2	2	2	10	20
Establish Financial Innovation for Working Families Challenge and Demonstration Grants		15	45	40								100	100
Provide allotment for Puerto Rico earned income tax credit (EITC) payments		601	613	626	640	655	670	685	701	717	734	3,135	6,642
Total, Treasury		548	–366	–2,384	–4,064	–5,971	–7,635	–8,568	–8,886	–9,032	–9,114	–12,237	–55,472
Veterans Affairs (VA):													
Extend round-down of cost of living adjustments (compensation)		–21	–64	–120	–169	–225	–246	–258	–272	–286	–291	–599	–1,952
Extend round-down of cost of living adjustments (education)		–1	–1	–1	–2	–2	–2	–2	–2	–3	–2	–7	–18

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017-2021	2017-2026
Provide burial receptacles for certain new casketed gravesites		2	3	1	2	3	2	4	2	7	1	11	27
Improve housing grant program		1	1	1	1	1	1	1	1	1	1	5	10
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		-120	-125	-130	-135	-140	-146	-152	-158	-164	-171	-650	-1,441
Cap Post-9/11 GI Bill benefits for flight training		-44	-45	-47	-50	-52	-54	-57	-59	-62	-65	-238	-535
Expand eligibility for Montgomery GI Bill refund		2	2	2	2	1	2	3	2	2	2	9	20
Extend authorization of work-study activities		1	1	1	1	1	1	1	2	1	1	5	11
Pro-rate GI Bill benefit usage for certification tests		2	1	1	1	1	1	1	1	2	2	6	13
Modernize the definition of Automobile Adaptive Equipment (AAE)		-3	-3	-2	-1	-2	-2	-2	-1	-1	-1	-11	-18
Eliminate reductions of special monthly compensation for hospitalized veterans			1	1	1		1	1	1	1	1	3	8
Restore the eligibility of certain veterans for special aid and attendance allowance		2	2	2	2	3	3	3	3	3	3	11	26
Reissue VA benefit payments to all victims of fiduciary misuse		2	2	2	2	2	2	2	2	2	2	10	20
Increase Burial Benefit Allowances with increases in CPI		1	2	3	5	7	9	11	13	15	18	18	84
Remove annual income from net worth calculation						1			1	1	1	1	4
Restore program entitlement when approval is withdrawn during enrollment						1				1	1	1	3
Add Section 12304b of Title 10 as qualification for active duty for GI Bill eligibility			17	32	36	38	40	42	43	45	47	123	340
Move home modifications under a rehabilitation program to the Specially Adapted Housing (SAH) Program		-1	-1	-1	-1			-1	-1	-1	-1	-4	-8
Expand eligibility for Medal of Honor marker													
Eliminate sunset date for vocational rehabilitation for servicemembers		11	-2	-2	-2	-1	-1	-1	-1	-1	-1	4	-1
Allow extension of a period of employment services		1						1				1	2
Sunset Montgomery GI Bill Active Duty program								19	69	45	34		167
Expansion of eligibility for medallion or other device to signify status of deceased veteran			1	1	1	1	1	1	1	1	1	4	9
Expansion of Specially Adapted Housing Assistance for certain veterans with disabilities		2	3	3	3	2						13	13
Authorize the Secretary to establish debts for breaching 38 U.S.C. Section 2101 (Specially Adapted Housing) contractual obligation													
Total, Veterans Affairs		-162	-204	-252	-302	-358	-387	-382	-351	-389	-415	-1,278	-3,202
Corps of Engineers:													
Reform inland waterways financing ³		-3	-78	-118	-156	-156	-156	-156	-156	-155	-155	-511	-1,289
Environmental Protection Agency (EPA):													

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
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
Lift restrictions on EPA spending of Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) pesticide fees ...		6	6	1	1							14	14
Total, Environmental Protection Agency		2	-4	-9	-7	-8	-8	-8	-8	-8	-8	-26	-66
General Services Administration:													
Establish an Information Technology Modernization Fund ...		1,500	600	750								2,850	2,850
National Aeronautics and Space Administration (NASA):													
Provide additional R&D funding for NASA		325	283	56								664	664
National Science Foundation (NSF):													
Provide additional R&D funding for NSF		77	157	88	34	13	4	4	23			369	400
Other Defense—Civil Programs:													
Increase TRICARE pharmacy copayments		-35	-54	-93	-351	-394	-433	-507	-601	-724	-767	-927	-3,959
Increase annual premiums for TRICARE-For-Life (TFL) enrollment		-3	-16	-44	-85	-117	-153	-192	-235	-281	-332	-265	-1,458
Increase TRICARE pharmacy copayments (accrual effects)		322	338	355	374	394	415	438	463	487	514	1,783	4,100
Increase annual premiums for TFL enrollment (accrual effects)		281	286	294	303	311	328	346	366	385	408	1,475	3,308
Enact changes to the military retirement reform enacted in the 2016 National Defense Authorization Act ³		-394	-398	-381	-373	-311	-303	-299	-294	-287	-281	-1,857	-3,321
Total, Other Defense—Civil Programs		171	156	131	-132	-117	-146	-214	-301	-420	-458	209	-1,330
Office of Personnel Management:													
Streamline Federal Employee Health Benefit Plan (FEHBP) pharmacy benefit contracting			-69	-127	-141	-151	-161	-173	-184	-198	-212	-488	-1,416
Expand FEHBP plan types			-1	-3	-5	-7	-8	-12	-15	-18	-19	-16	-88
Adjust FEHBP premiums for wellness			5	-11	-47	-81	-119	-164	-233	-315	-421	-134	-1,386
Extend FEHBP to infants born to daughters of FEHBP enrollees for 30 days			11	31	36	37	39	43	45	52	51	115	345
Add FEHBP to the Federal Anti-Kickback Statute													
Total, Office of Personnel Management			-54	-110	-157	-202	-249	-306	-387	-479	-601	-523	-2,545
Social Security Administration (SSA):													
Hold fraud facilitators liable for overpayments ⁹				-1	-1	-1	-1	-1	-1	-1	-1	-3	-8
Allow Government-wide use of Customs and Border Protection (CBP) entry/exit data to prevent improper payments				-1	-5	-11	-20	-26	-31	-40	-43	-17	-177
Lower electronic wage reporting threshold to five employees													
Move from annual to quarterly wage reporting		20	30	90	-119	-126	-148	-178	-203	-225	-270	-105	-1,129
Improve collection of pension information and transition to an alternative approach based on years of non-covered earnings after 10 years		18	28	24	-433	-1,002	-1,350	-1,421	-1,318	-1,246	-1,142	-1,365	-7,842
Establish workers compensation information reporting ...		5	5									10	10

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017–2021	2017–2026	
Extend Supplemental Security Income (SSI) time limits for qualified refugees		48	57										105	105
Conform treatment of State and local government EITC and child tax credit (CTC) for SSI ¹⁰														
Terminate step-child benefits in the same month as step-parent ¹¹								-1	-1	-1	-1			-4
Use the Death Master File to prevent Federal improper payments														
Modernize SSA information technology			80	80	80								240	240
Authorize SSA to conduct a new continuing disability review (CDR) when fraud was involved in a prior CDR														
Authorize SSA to use all collection tools to recover funds in certain scenarios, such as when someone improperly cashes a beneficiary's check or removes a benefit from a joint account			-2	-2	-3	-4	-4	-5	-5	-5	-5		-11	-35
Allow SSA to use commercial databases to verify real property data in the SSI program		-12	-28	-44	-53	-60	-69	-70	-68	-76	-79		-197	-559
Increase the minimum monthly Old-Age and Survivors Disability Insurance (OASDI) overpayment collection from \$10 a month to 10 percent		-8	-26	-43	-59	-77	-93	-107	-135	-144	-156		-213	-848
Exclude SSA debts from discharge in bankruptcy		-9	-18	-23	-29	-34	-36	-38	-40	-43	-45		-113	-315
Eliminate SSI dedicated accounts		5	3										8	8
Modify the treatment of certain debt referrals to the Treasury Offset Program			6	5	6	5	6	5	6	5	6		22	50
Total, Social Security Administration		67	135	85	-616	-1,310	-1,715	-1,842	-1,796	-1,776	-1,736		-1,639	-10,504
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	-150	-1,374	-2,132	-4,219	-4,192	-4,359	-4,428	-4,457	-4,384	-4,312	-4,291		-16,276	-38,148
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		4	4	4	4	4	4	4	5	5	5		20	43
Total, Railroad Retirement Board		4	4	4	4	4	4	4	5	5	5		20	43
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
Total, Other Independent Agencies	-150	-1,562	-2,300	-4,267	-4,143	-4,074	-3,916	-3,845	-3,696	-3,650	-3,774		-16,346	-35,227
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 hold harmless for Federal poverty guidelines														
Expand access to the National Directory of New Hires (NDNH)														

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017–2021	2017–2026	
Auction or assign via fee 1675–1680 megahertz				-150	-150								-300	-300
Establish a consolidated TRICARE program (mandatory effects in Coast Guard, Public Health Service, and National Oceanic and Atmospheric Administration)		1	-6	-11	-12	-13	-15	-17	-18	-20	-22		-41	-133
Establish Interagency Coordinating Council on Workforce Attachment		51	51	51	51								204	204
Index the \$750 offset of SSA benefits to inflation (Student Aid Bill of Rights proposal)		1,890	9	14	21	27	33	40	46	53	60		1,961	2,193
Enact 21st Century Clean Transportation Plan		5,313	14,615	22,468	30,462	35,484	35,875	33,846	29,477	22,728	16,668		108,342	246,936
Establish Family Energy Assistance Fund		1,445	2,903	4,343	5,770	7,157	8,465	8,624	8,766	8,892	9,022		21,618	65,387
Mandatory effects of proposal to authorize additional Afghan Special Immigrant Visas			18	18	16	15	16	16	15	15	16		67	145
Total, Multi-Agency		12,700	20,590	21,733	26,158	22,670	24,374	17,509	9,286	-2,332	-8,256		103,851	144,432
Total, mandatory initiatives and savings	-150	30,168	31,832	21,803	14,993	2,686	-5,792	-19,069	-30,638	-44,303	-65,883		101,482	-64,204
Tax proposals:														
Elements of business tax reform:														
Reform the U.S. international tax system:														
Restrict deductions for excessive interest of members of financial reporting groups		-2,822	-4,986	-5,485	-6,033	-6,637	-7,300	-8,030	-8,833	-9,717	-10,688		-25,963	-70,531
Provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas		18	23	23	24	25	26	28	28	29	31		113	255
Repeal delay in the implementation of worldwide interest allocation		1,406	2,400	2,496	2,596	1,055							9,953	9,953
Impose a 19-percent minimum tax on foreign income ...		-23,212	-37,457	-35,690	-33,677	-33,513	-34,655	-35,943	-37,325	-38,747	-40,268		-163,549	-350,487
Limit shifting of income through intangible property transfers		-79	-158	-194	-240	-279	-318	-364	-412	-464	-525		-950	-3,033
Disallow the deduction for excess non-taxed reinsurance premiums paid to affiliates		-406	-649	-688	-721	-760	-803	-835	-867	-901	-940		-3,224	-7,570
Modify tax rules for dual capacity taxpayers		-419	-771	-847	-943	-986	-1,003	-1,040	-1,071	-1,101	-1,315		-3,966	-9,496
Tax gain from the sale of a partnership interest on look-through basis		-146	-251	-264	-277	-291	-305	-321	-337	-354	-371		-1,229	-2,917
Modify sections 338(h)(16) and 902 to limit credits when non-double taxation exists		-59	-102	-105	-105	-105	-105	-105	-106	-106	-107		-476	-1,005
Close loopholes under subpart F		-1,399	-2,431	-2,605	-2,789	-2,981	-3,187	-3,405	-3,634	-3,877	-4,133		-12,205	-30,441
Restrict the use of hybrid arrangements that create stateless income		-115	-201	-215	-230	-247	-264	-283	-304	-326	-350		-1,008	-2,535
Limit the ability of domestic entities to expatriate		-311	-530	-769	-1,031	-1,317	-1,630	-1,970	-2,340	-2,743	-3,179		-3,958	-15,820
Total, reform the U.S. international tax system		-27,544	-45,113	-44,343	-43,426	-46,036	-49,544	-52,268	-55,201	-58,307	-61,845		-206,462	-483,627
Simplification and tax relief for small business:														
Expand expensing for small business		1,375	1,992	1,753	2,132	2,057	1,643	1,423	1,308	1,271	1,294		9,309	16,248
Expand simplified accounting for small business and establish a uniform definition of small business for accounting methods		6,142	4,767	2,793	2,050	1,923	1,863	1,848	1,951	1,980	1,995		17,675	27,312

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017– 2021	2017– 2026
Increase the limitations for deductible new business expenditures and consolidate provisions for start-up and organizational expenditures		487	481	474	470	468	466	463	458	453	449	2,380	4,669
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance ¹²		56	60	60	57	45	55	36	29	11	7	278	416
Total, simplification and tax relief for small business		8,060	7,300	5,080	4,709	4,493	4,027	3,770	3,746	3,715	3,745	29,642	48,645
Incentives for job creation, manufacturing, research, and clean energy:													
Enhance and simplify research incentives		946	1,875	2,131	2,378	2,625	2,873	3,120	3,371	3,629	3,896	9,955	26,844
Extend and modify certain employment tax credits, including incentives for hiring veterans		2	7	9	511	1,062	1,194	1,308	1,406	1,492	1,573	1,591	8,564
Provide new Manufacturing Communities tax credit		97	277	483	619	693	751	788	677	417	107	2,169	4,909
Provide Community College Partnership Tax Credit		109	277	380	406	405	273	124	96	79	64	1,577	2,213
Designate Promise Zones ¹²		287	597	662	795	865	798	751	716	697	688	3,206	6,856
Modify and permanently extend renewable electricity production tax credit and investment tax credit ¹²		133	324	689	1,377	2,925	2,473	766	2,966	5,950	7,362	5,448	24,965
Modify and permanently extend the deduction for energy-efficient commercial building property		171	294	296	292	285	277	272	266	262	260	1,338	2,675
Provide a carbon dioxide investment and sequestration tax credit ¹²		9	34	47	48	386	707	407	787	672	333	524	3,430
Provide additional tax credits for investment in qualified property used in a qualifying advanced energy manufacturing project		74	194	1,118	787	111	4	-34	-28	-14	-3	2,284	2,209
Extend the tax credit for second generation biofuel production		12	22	27	34	43	53	51	39	27	16	138	324
Provide a tax credit for the production of advanced technology vehicles		316	260	405	705	632	382	198	-53	-190	-203	2,318	2,452
Provide a tax credit for medium- and heavy-duty alternative-fuel commercial vehicles		74	126	125	121	120	78	19	.....	.....	.....	566	663
Modify and extend the tax credit for the construction of energy-efficient new homes		82	182	238	268	288	306	323	351	382	405	1,058	2,825
Total, incentives for job creation, manufacturing, research, and clean energy		2,312	4,469	6,610	8,341	10,440	10,169	8,093	10,594	13,403	14,498	32,172	88,929
Incentives to promote regional growth:													
Modify and permanently extend the New Markets tax credit	97	278	483	716	970	1,235	1,505	375	5,284
Reform and expand the Low-Income Housing tax credit		11	102	276	512	776	1,041	1,319	1,586	1,874	2,178	1,677	9,675
Total, incentives to promote regional growth		11	102	276	609	1,054	1,524	2,035	2,556	3,109	3,683	2,052	14,959
Incentives for investment in infrastructure:													
Provide America Fast Forward Bonds and expand eligible uses ¹²		-1	.....	.....	.....	.....	.....	.....	-1	.....	-1	-1	-3
Allow eligible uses of America Fast Forward Bonds to include financing all qualified private activity bond program categories ¹²		1	4	10	15	20	26	32	38	44	48	50	238
Allow current refundings of State and local governmental bonds		1	5	5	5	5	5	5	5	5	5	21	46

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
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		2	10	25	43	58	67	65	63	59	55	138	447
Provide a new category of qualified private activity bonds for infrastructure projects referred to as “qualified public infrastructure bonds”		25	113	240	369	496	601	651	668	683	696	1,243	4,542
Modify qualified private activity bonds for public education facilities													
Modify treatment of banks investing in tax-exempt bonds		9	35	128	223	315	402	489	570	625	616	710	3,412
Repeal tax-exempt bond financing of professional sports facilities		-3	-11	-21	-35	-47	-59	-71	-83	-95	-107	-117	-532
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
Total, incentives for investment in infrastructure		38	169	402	638	867	1,064	1,197	1,288	1,352	1,345	2,114	8,360
Eliminate fossil fuel tax preferences:													
Treat publicly-traded partnerships for fossil fuels as C corporations							-204	-284	-299	-313	-326		-1,426
Eliminate oil and natural gas preferences:													
Repeal enhanced oil recovery credit		-108	-275	-435	-601	-729	-806	-844	-866	-885	-906	-2,148	-6,455
Repeal credit for oil and natural gas produced from marginal wells													
Repeal expensing of intangible drilling costs		-794	-1,293	-1,228	-1,436	-1,359	-1,045	-764	-545	-437	-399	-6,110	-9,300
Repeal deduction for tertiary injectants		-2	-4	-4	-4	-4	-4	-4	-4	-4	-4	-18	-38
Repeal exception to passive loss limitations for working interests in oil and natural gas properties		-7	-12	-12	-11	-11	-10	-10	-10	-9	-9	-53	-101
Repeal percentage depletion for oil and natural gas wells		-329	-525	-494	-471	-424	-376	-331	-283	-284	-165	-2,243	-3,682
Repeal domestic manufacturing deduction for oil and natural gas production		-405	-723	-750	-777	-804	-831	-860	-890	-920	-951	-3,459	-7,911
Increase geological and geophysical amortization period for independent producers to seven years		-52	-192	-293	-271	-202	-136	-70	-23	-11	-14	-1,010	-1,264
Subtotal, eliminate oil and natural gas preferences		-1,697	-3,024	-3,216	-3,571	-3,533	-3,208	-2,883	-2,621	-2,550	-2,448	-15,041	-28,751
Eliminate coal preferences:													
Repeal expensing of exploration and development costs		-13	-23	-23	-24	-25	-27	-28	-26	-25	-24	-108	-238
Repeal percentage depletion for hard mineral fossil fuels		-65	-112	-107	-111	-88	-79	-72	-64	-56	-51	-483	-805
Repeal capital gains treatment for royalties		-26	-52	-53	-55	-58	-61	-61	-62	-62	-63	-244	-553
Repeal domestic manufacturing deduction for the production of coal and other hard mineral fossil fuels		-6	-12	-12	-13	-13	-14	-14	-15	-15	-16	-56	-130
Subtotal, eliminate coal preferences		-110	-199	-195	-203	-184	-181	-175	-167	-158	-154	-891	-1,726
Total, eliminate fossil fuel tax preferences		-1,807	-3,223	-3,411	-3,774	-3,717	-3,593	-3,342	-3,087	-3,021	-2,928	-15,932	-31,903

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals		
												2017–2021	2017–2026	
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		-3,735	-5,487	-4,384	-2,741	-1,650	-1,109	-669	-460	-429	-403	-17,997	-21,067	
Modify rules that apply to sales of life insurance contracts		-25	-43	-46	-47	-50	-53	-55	-57	-60	-62	-211	-498	
Modify proration rules for life insurance company general and separate accounts		-391	-600	-620	-660	-708	-752	-790	-824	-850	-879	-2,979	-7,074	
Expand pro rata interest expense disallowance for corporate-owned life insurance		-111	-220	-310	-416	-544	-689	-834	-981	-1,131	-1,292	-1,601	-6,528	
Conform net operating loss (NOL) rules of life insurance companies to those of other corporations		-17	-28	-30	-31	-33	-34	-36	-37	-39	-40	-139	-325	
Total, reform the treatment of financial and insurance industry products		-4,279	-6,378	-5,390	-3,895	-2,985	-2,637	-2,384	-2,359	-2,509	-2,676	-22,927	-35,492	
Other business revenue changes and loophole closers:														
Repeal LIFO method of accounting for inventories		-5,753	-8,194	-8,902	-8,995	-9,227	-8,660	-8,606	-9,060	-10,151	-9,602	-41,071	-87,150	
Repeal lower-of-cost-or-market inventory accounting method		-867	-1,311	-1,360	-1,369	-509	-230	-239	-250	-260	-271	-5,416	-6,666	
Modify like-kind exchange rules		-2,519	-7,325	-6,381	-5,409	-4,409	-3,563	-3,248	-3,299	-3,352	-3,406	-26,043	-42,911	
Modify depreciation rules for purchases of general aviation passenger aircraft		-47	-157	-254	-336	-447	-494	-419	-334	-276	-202	-1,241	-2,966	
Expand the definition of substantial built-in loss for purposes of partnership loss transfers		-7	-8	-8	-8	-8	-9	-10	-10	-10	-10	-39	-88	
Extend partnership basis limitation rules to nondeductible expenditures		-89	-122	-126	-129	-132	-134	-136	-139	-141	-144	-598	-1,292	
Deny deduction for punitive damages		-49	-71	-73	-74	-77	-78	-80	-81	-82	-85	-344	-750	
Conform corporate ownership standards		-1	-16	-31	-32	-33	-34	-35	-36	-38	-40	-113	-296	
Tax corporate distributions as dividends		-48	-82	-87	-91	-95	-99	-104	-109	-114	-119	-403	-948	
Repeal FICA tip credit		-494	-863	-901	-938	-978	-1,020	-1,063	-1,108	-1,156	-1,204	-4,174	-9,725	
Repeal the excise tax credit for distilled spirits with flavor and wine additives ¹³		-82	-109	-109	-109	-109	-109	-109	-109	-109	-109	-518	-1,063	
Total, other revenue changes and loophole closers		-9,956	-18,258	-18,232	-17,490	-16,024	-14,430	-14,049	-14,535	-15,689	-15,192	-79,960	-153,855	
Total, elements of business tax reform		-33,165	-60,932	-59,008	-54,288	-51,908	-53,420	-56,948	-56,998	-57,947	-59,370	-259,301	-543,984	
Transition to a reformed business tax system:														
Impose a 14-percent one-time tax on previously untaxed foreign income		-36,293	-60,489	-60,489	-60,489	-60,489	-24,195					-278,249	-302,444	
Middle-class and pro-work tax reforms:														
Reform child care tax incentives ¹²		1,070	4,134	4,335	4,545	4,740	4,973	5,183	5,418	5,603	5,746	18,824	45,747	
Simplify and better target tax benefits for education ¹²		17	4,526	4,632	4,581	5,089	5,398	5,801	6,100	6,470	6,281	18,845	48,895	
Expand the EITC for workers without qualifying children ¹²		476	6,332	6,431	6,537	6,657	6,794	6,937	7,090	7,227	7,378	26,433	61,859	
Simplify the rules for claiming the EITC for workers without qualifying children ¹²		41	550	540	547	560	572	587	601	615	627	2,238	5,240	
Provide a second-earner tax credit ¹²		2,035	8,909	9,030	9,124	9,237	9,377	9,509	9,649	9,786	9,944	38,335	86,600	
Extend exclusion from income for cancellation of certain home mortgage debt		2,403	801									3,204	3,204	

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017– 2021	2017– 2026
Total, middle-class and pro-work tax reforms		6,042	25,252	24,968	25,334	26,283	27,114	28,017	28,858	29,701	29,976	107,879	251,545
Reforms to retirement and health benefit plans:													
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			963	1,556	1,684	1,736	1,784	1,886	1,984	2,124	2,233	5,939	15,950
Expand penalty-free withdrawals for long-term unemployed		226	231	235	240	245	250	255	260	265	270	1,177	2,477
Require retirement plans to allow long-term part-time workers to participate		46	47	49	50	51	52	53	55	56	57	243	516
Facilitate annuity portability													
Simplify minimum required distribution rules		5	6	2	–4	–19	–38	–62	–91	–127	–173	–10	–501
Allow all inherited plan and IRA balances to be rolled over within 60 days													
Permit unaffiliated employers to maintain a single multi-employer defined contribution plan		68	119	142	155	173	183	194	203	212	233	657	1,682
Improve the excise tax on high cost employer-sponsored health coverage					69	112	141	176	212	256	321	181	1,287
Total, reforms to retirement and health benefit plans ...		345	1,366	1,984	2,194	2,298	2,372	2,502	2,623	2,786	2,941	8,187	21,411
Reforms to capital gains taxation, upper-income tax benefits, and the taxation of financial institutions:													
Reduce the value of certain tax expenditures		–30,231	–49,050	–53,193	–57,898	–62,344	–66,505	–70,733	–74,913	–79,079	–83,366	–252,716	–627,312
Reform the taxation of capital income		–14,960	–24,374	–20,364	–21,792	–23,073	–23,280	–24,487	–25,768	–27,036	–28,414	–104,563	–233,548
Implement the Buffett Rule by imposing a new “Fair Share Tax”		–7,981	270	–1,102	–2,829	–3,688	–3,788	–3,878	–3,937	–4,029	–4,119	–15,330	–35,081
Impose a financial fee		–5,613	–11,004	–10,864	–11,068	–11,311	–11,560	–11,815	–12,075	–12,340	–12,612	–49,860	–110,262
Total, reforms to capital gains taxation, upper-income tax benefits, and the taxation of financial institutions		–58,785	–84,158	–85,523	–93,587	–100,416	–105,133	–110,913	–116,693	–122,484	–128,511	–422,469	–1,006,203
Loophole closers:													
Require current inclusion in income of accrued market discount and limit the accrual amount for distressed debt		–4	–12	–20	–28	–34	–42	–50	–58	–69	–79	–98	–396
Require that the cost basis of stock that is a covered security must be determined using an average cost basis method			–76	–228	–383	–546	–639	–660	–686	–714	–744	–1,233	–4,676
Tax carried (profits) interests as ordinary income		–3,492	–3,508	–3,359	–3,225	–3,121	–2,557	–1,939	–1,592	–1,468	–1,346	–16,705	–25,607
Require non-spouse beneficiaries of deceased IRA owners and retirement plan participants to take inherited distributions over no more than five years		–111	–285	–471	–660	–853	–891	–841	–780	–718	–654	–2,380	–6,264
Limit the total accrual of tax-favored retirement benefits		–1,638	–2,349	–2,493	–2,672	–2,942	–3,104	–3,453	–3,564	–3,879	–4,217	–12,094	–30,311
Rationalize Net Investment Income and SECA taxes		–14,721	–20,787	–22,237	–23,618	–24,474	–25,379	–26,409	–27,622	–28,702	–30,010	–105,837	–243,959
Limit Roth conversions to pre-tax dollars			–5	–10	–16	–20	–20	–21	–28	–32	–99	–51	–251
Eliminate deduction for dividends on stock of publicly-traded corporations held in ESOPs		–702	–945	–962	–978	–995	–1,011	–1,028	–1,044	–1,062	–1,079	–4,582	–9,806

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Repeal exclusion of net unrealized appreciation in employer securities		-16	-27	-28	-13	-4	-4	12	23	23	24	-88	-10
Disallow the deduction for charitable contributions that are a prerequisite for purchasing tickets to college sporting events		-147	-232	-250	-267	-284	-301	-319	-339	-359	-380	-1,180	-2,878
Total, loophole closers		-20,831	-28,226	-30,058	-31,860	-33,273	-33,948	-34,708	-35,690	-36,980	-38,584	-144,248	-324,158
Modify estate and gift tax provisions:													
Restore the estate, gift, and generation-skipping transfer (GST) tax parameters in effect in 2009			-15,574	-16,986	-18,255	-19,858	-21,498	-23,438	-25,559	-28,004	-30,675	-70,673	-199,847
Expand requirement of consistency in value for transfer and income tax purposes			-141	-141	-167	-173	-183	-197	-208	-226	-241	-622	-1,677
Modify transfer tax rules for grantor retained annuity trusts (GRATs) and other grantor trusts			-1,116	-1,224	-1,464	-1,611	-1,948	-2,358	-2,711	-3,166	-3,371	-5,415	-18,969
Limit duration of GST tax exemption													
Extend the lien on estate tax deferrals where estate consists largely of interest in closely held business			-24	-25	-25	-27	-28	-29	-31	-33	-35	-101	-257
Modify GST tax treatment of Health and Education Exclusion Trusts			35	32	30	29	27	26	24	23	20	126	246
Simplify gift tax exclusion for annual gifts			-84	-158	-258	-336	-413	-453	-548	-656	-769	-836	-3,675
Expand applicability of definition of executor													
Total, modify estate and gift tax provisions			-16,904	-18,502	-20,139	-21,976	-24,043	-26,449	-29,033	-32,062	-35,071	-77,521	-224,179
Other revenue raisers:													
Impose an oil fee ¹³		-7,447	-14,320	-21,332	-28,075	-34,554	-40,832	-41,421	-41,830	-42,159	-42,439	-105,728	-314,409
Increase and modify Oil Spill Liability Trust Fund financing ¹³		-88	-120	-127	-135	-138	-146	-149	-155	-160	-162	-608	-1,380
Reinstate Superfund taxes ¹³		-1,431	-1,889	-1,960	-2,004	-2,101	-2,130	-2,177	-2,209	-2,245	-2,282	-9,385	-20,428
Increase tobacco taxes and index for inflation ¹³		-9,982	-12,910	-12,715	-12,719	-12,329	-11,880	-11,436	-10,877	-10,399	-9,902	-60,655	-115,149
Make unemployment insurance surtax permanent ¹³		-1,186	-1,625	-1,645	-1,667	-1,687	-1,710	-1,732	-1,754	-1,779	-1,804	-7,810	-16,589
Total, other revenue raisers		-20,134	-30,864	-37,779	-44,600	-50,809	-56,698	-56,915	-56,825	-56,742	-56,589	-184,186	-467,955
Reduce the tax gap and make reforms:													
Expand information reporting:													
Improve information reporting for certain businesses and contractors		-14	-32	-54	-74	-77	-80	-84	-88	-92	-97	-251	-692
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													
Require Form W-2 reporting for employer contributions to defined contribution plans													
Improve compliance by businesses:													
Increase certainty with respect to worker classification		-5	-102	-771	-1,046	-1,133	-1,226	-1,325	-1,430	-1,544	-1,663	-3,057	-10,245
Increase information sharing to administer excise taxes ¹³		-4	-9	-13	-14	-14	-15	-15	-16	-16	-17	-54	-133

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017– 2021	2017– 2026
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:													
Modify the conservation easement deduction and pilot a conservation credit		-22	-46	-63	-72	-79	-83	-89	-94	-101	-105	-282	-754
Impose liability on shareholders to collect unpaid income taxes of applicable corporations		-352	-473	-481	-493	-510	-533	-561	-594	-635	-686	-2,309	-5,318
Revise offer-in-compromise application rules		-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-9	-19
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
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		-31	-62	-63	-62	-64	-66	-68	-70	-71	-73	-282	-630
Enhance electronic filing of returns					-1	-1	-1	-1	-2	-2	-2	-2	-10
Improve the whistleblower program													
Index all civil tax penalties for inflation													
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													
Accelerate information return filing due dates ¹²		-3	-5	-11	-12	-12	-13	-13	-13	-13	-14	-43	-109
Increase oversight of tax return preparers ¹²		-14	-31	-34	-37	-40	-44	-48	-52	-57	-62	-156	-419
Enhance administrability of the appraiser penalty													
Total, reduce the tax gap and make reforms		-449	-766	-1,497	-1,828	-1,944	-2,073	-2,215	-2,372	-2,544	-2,732	-6,484	-18,420
Simplify the tax system:													
Modify adoption credit to allow tribal determination of special needs					1	1	1	1	1	1	1	2	7
Repeal non-qualified preferred stock designation		-33	-55	-55	-53	-50	-46	-41	-36	-32	-29	-246	-430
Reform excise tax based on investment income of private foundations		5	5	5	6	6	6	6	7	7	7	27	60
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 activity limits on governmental bonds			1	3	5	7	9	11	13	15	17	16	81
Repeal technical terminations of partnerships		-13	-20	-22	-24	-26	-28	-30	-32	-33	-35	-105	-263
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		408	367	321	280	235	194	153	110	69	27	1,611	2,164

SUMMARY TABLES

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Increase the standard mileage rate for automobile use by volunteers		21	66	69	72	74	77	80	82	84	87	302	712
Consolidate contribution limitations for charitable deductions and extend the carryforward period for excess charitable contribution deduction amounts			96	52	5	6	6	505	1,221	1,878	2,478	159	6,247
Exclude from gross income subsidies from public utilities for purchase of water runoff management													
Provide relief for certain accidental dual citizens		63	108	58	24	25	26	28	29	30	32	278	423
Total, simplify the tax system		475	670	642	620	651	663	1,149	1,848	2,485	3,061	3,058	12,264
Trade initiatives:													
Enact the Trans-Pacific Partnership Trade Agreement ¹³ ..			1,556	2,171	2,408	2,665	2,939	3,235	3,525	3,831	4,186	8,800	26,516
Other initiatives:													
Allow offset of Federal income tax refunds to collect delinquent State income taxes for out-of-State residents													
Improve disclosure for child support enforcement													
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 (TIGTA)													
Modify indexing to prevent deflationary adjustments													
Total, other initiatives													
Total, tax proposals		-162,795	-253,495	-263,091	-276,235	-288,918	-266,422	-253,245	-260,757	-269,956	-280,693	-1,244,534	-2,575,607
Grand total, mandatory and receipt proposals		-150	-132,627	-221,663	-241,288	-261,242	-286,232	-272,214	-272,314	-291,395	-314,259	-346,576	-1,143,052

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 Based on placeholder credit subsidy rate. Actual approvals would be evaluated and estimated for each fund application individually.

² In the Fall 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 the Congress to create a unified, simple, and better targeted PAYE program.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Reauthorize special assessment from domestic nuclear utilities		-208	-212	-217	-222	-227	-232	-237	-243	-248	-254	-1,086	-2,300
Create State option to provide 12-month continuous Medicaid eligibility for adults			-36	-73	-149	-156	-164	-169	-181	-189	-196	-414	-1,313
Extend CHIP funding through 2019			-176	-758	-801	-226						-1,961	-1,961
Establish user fee for Electronic Visa Update System		-31	-25	-27	-31	-27	-31	-29	-34	-24	-28	-141	-287
Establish an AML hardrock reclamation fund			-200	-200	-200	-200	-200	-200	-200	-200	-200	-800	-1,800
Increase coal AML fee to pre-2006 levels		-49	-50	-52	-53	-54						-258	-258
Strengthen Unemployment Insurance (UI) system solvency			-3,556	-4,356	-3,846	-4,686	-5,449	-5,273	-5,752	-6,822	-7,832	-16,444	-47,572

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Modernize UI				-502	-450	-400	-417	-400	-545	-574	-595	-1,352	-3,883
Improve UI program integrity			2	8	19	37	59	80	99	126	136	66	566
Implement cap adjustments for UI program integrity			1	7	11	12	11	10	9	7	7	31	75
Create mandatory Reemployment Services and Eligibility Assessment program				4	23	68	111	186	209	263	357	95	1,221
Implement tax enforcement program integrity cap adjustment		-278	-1,585	-3,263	-5,008	-6,763	-8,327	-9,264	-9,590	-9,737	-9,814	-16,897	-63,629
Reform inland waterways financing		-3	-78	-118	-156	-156	-156	-156	-156	-155	-155	-511	-1,289
Enact changes to the military retirement reform enacted in the 2016 National Defense Authorization Act			63	92	101	114	131	144	158	174	190	370	1,167
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	
Total receipt effects of mandatory proposals	-1,569	-12,852	-29,455	-40,762	-52,664	-59,664	-70,308	-80,226	-91,379	-102,384	-137,302	-541,263	

⁴ Makes assumptions regarding the timing and magnitudes of future droughts in the SWPA region.

⁵ Health savings in Table S-2 includes all HHS health savings and OPM FEHBP savings.

⁶ Authorization expires in 2025.

⁷ Unemployment insurance reform also includes the proposal to make the unemployment insurance surtax permanent. On net, the package reduces the deficit by \$1.9 billion over 10 years.

⁸ Revenues are net of the 20 percent Treasury offset.

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

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

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017–2021	2017–2026
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance		14	16	16	14	11	14	9	8	2	2	71	106
Designate Promise Zones		7	9	10	10	12	12	13	14	14	15	48	116
Modify and permanently extend renewable electricity production tax credit and investment tax credit		77	217	656	1,269	2,336	1,671	574	1,695	2,117	2,629	4,555	13,241
Provide a carbon dioxide investment and sequestration tax credit						142	280	123	338	226		142	1,109
Provide America Fast Forward Bonds and expand eligible uses		230	1,047	2,247	3,497	4,792	6,125	7,488	8,874	10,280	11,702	11,813	56,282
Allow eligible uses of America Fast Forward Bonds to include financing all qualified private activity bond program categories		49	221	475	742	1,020	1,307	1,599	1,894	2,192	2,492	2,507	11,991
Reform child care tax incentives			977	1,014	1,058	1,093	1,157	1,191	1,239	1,273	1,276	4,142	10,278
Simplify and better target tax benefits for education			4,392	4,542	4,492	4,674	5,089	5,282	5,698	5,885	5,852	18,100	45,906
Expand the EITC for workers without qualifying children		276	5,532	5,622	5,718	5,823	5,940	6,061	6,189	6,304	6,434	22,971	53,899

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Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017– 2021	2017– 2026
Simplify the rules for claiming the EITC for workers without qualifying children		24	484	475	481	492	503	516	528	541	552	1,956	4,596
Provide a second-earner tax credit			735	728	727	731	742	751	751	747	742	2,921	6,654
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			127	196	204	210	217	223	223	224	230	737	1,854
Provide the IRS with greater flexibility to address correctable errors		-26	-53	-53	-52	-53	-55	-56	-58	-59	-60	-237	-525
Accelerate information return filing due dates		-1	-3	-6	-7	-7	-8	-8	-8	-8	-8	-24	-64
Increase oversight of tax return preparers		-2	-14	-15	-16	-17	-19	-20	-22	-24	-26	-64	-175
Total, outlay effects of receipt proposals		648	13,687	15,907	18,137	21,259	22,975	23,746	27,363	29,714	31,832	69,638	205,268

¹³ Net of income offsets.

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

(Budget authority in billions of dollars)

	Actual		Enacted Request					Outyears					Totals	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2021	2017–2026
Discretionary Adjusted Baseline by Category:¹														
Defense Category	521	548	551	549	562	576	590	660	676	692	709	727	2,828	6,292
Non-Defense Category	508	535	519	516	530	543	556	604	619	634	650	666	2,662	5,836
Total, Base Discretionary Funding	1,030	1,083	1,070	1,065	1,092	1,119	1,146	1,264	1,295	1,327	1,359	1,392	5,490	12,128
Discretionary Policy Changes to Baseline Caps:														
Proposed Cap Changes: ²														
Defense Category				+35	+31	+23	+24	-36	-40	-44	-48	-53	+113	-108
Non-Defense Category				+36	+31	+23	+25	-14	-17	-20	-23	-26	+114	+14
Non-Defense Category Reclassifications:														
Surface Transportation Programs	-4	-4	-4	-4	-5	-5	-5	-5	-5	-5	-5	-5	-23	-48
Program Integrity				_*	_*	_*	_*	_*	_*	_*	_*	_*	-1	-2
Contract Support Costs				-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-11
Proposed Discretionary Policy by Category:														
Defense Category	521	548	551	584	593	599	614	624	636	648	661	674	2,941	6,184
Non-Defense Category	504	531	514	546	555	560	574	584	596	608	620	633	2,748	5,789
Total, Base Discretionary Funding	1,025	1,079	1,065	1,130	1,147	1,158	1,188	1,208	1,232	1,256	1,281	1,307	5,690	11,973
Discretionary Cap Adjustments and Other Funding (not included above):³														
Overseas Contingency Operations ⁴	74	74	74	11	11	11	11	.....	.....	.....	.....	.....	118	118
Disaster Relief	7	7	7	.....	.....	.....	.....	.....	.....	.....	.....	.....	7	7
Program Integrity	1	2	3	3	3	3	4	4	4	4	4	4	16	37
Wildfire Suppression .....	.....	.....	1	1	1	1	1	1	1	1	1	1	6	13
Other Emergency/Supplemental Funding	5	2	*	.....	.....	.....	.....	.....	.....	.....	.....	.....	*	*
Total, Cap Adjustments and Other	87	84	84	15	15	16	16	5	5	5	6	6	147	174
Grand Total, Discretionary														
Budget Authority	1,113	1,164	1,150	1,145	1,163	1,174	1,205	1,213	1,237	1,261	1,287	1,313	5,836	12,147

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<i>Memorandum: Current Law and Proposed Changes to Existing BBEDCA Caps⁵</i>	2017	2018	2019	2020	2021	2018–2021
<i>Joint Committee Reductions</i>	<i>N/A</i>	<i>-91</i>	<i>-90</i>	<i>-89</i>	<i>-88</i>	<i>-359</i>
<i>2017 Budget Proposed Addback to caps</i>	<i>N/A</i>	<i>+71</i>	<i>+61</i>	<i>+46</i>	<i>+49</i>	<i>+227</i>

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

(Budget authority in billions of dollars)

* 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 of 1985 (BBEDCA) with separate categories of funding for “defense” (or Function 050) and “non-defense” for 2016–2021. These baseline levels assume Joint Committee enforcement cap reductions are in effect through 2021. For 2022 through 2026, 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 2017 Budget provides a detailed request for 2017 at the cap levels enacted in the Bipartisan Budget Act of 2015 and, after 2017, continues the framework of previous President’s Budgets by providing additional investments in both defense and non-defense programs above the baseline levels that include Joint Committee enforcement.

³ Where applicable, amounts in 2015 through 2026 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of BBEDCA. The 2017 Budget proposes new cap adjustments for program integrity and wildfire suppression activities. For 2018 through 2026, 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 2017 Budget includes placeholder amounts of nearly \$11 billion per year for Government-wide OCO funding from 2018 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.

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 \$359 billion over 2018 through 2021. The 2017 Budget proposes to restore more than three-fifths 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	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2021	2017–2026
Base Discretionary Funding by Agency:¹														
Agriculture	24.9	25.2	23.4	24.9	25.2	25.8	26.2	26.8	27.3	27.9	28.5	29.1	125.4	265.0
Commerce	8.6	9.4	9.7	10.1	11.4	15.7	10.4	10.2	10.4	10.6	11.1	11.4	57.3	111.0
<i>Census Bureau</i>	1.1	1.4	1.6	1.8	2.9	7.1	1.6	1.2	1.3	1.3	1.5	1.7	15.1	22.1
Defense ²	496.1	521.7	523.9	556.7	564.8	570.4	585.2	597.2	609.4	621.9	634.7	647.7	2,801.1	5,912.1
Education	66.9	68.3	69.4	70.3	71.3	72.3	73.2	74.3	75.3	76.3	77.4	78.5	356.5	738.3
Energy	27.4	29.6	30.2	30.1	32.2	34.0	35.8	36.5	37.2	38.0	38.7	39.5	162.4	352.4
<i>National Nuclear Security Administration</i> ² ...	11.4	12.5	12.9	11.9	12.4	12.6	13.0	13.3	13.5	13.8	14.1	14.4	62.8	131.8
Health & Human Services ³	80.3	84.6	77.9	87.2	88.9	90.7	92.5	94.3	96.2	98.2	100.1	102.1	437.2	928.1
Homeland Security	39.9	41.1	40.6	41.8	42.5	43.3	44.0	44.9	45.8	46.7	47.6	48.5	212.2	445.6
Housing and Urban Development	30.4	36.3	38.0	39.0	39.7	40.5	41.2	42.0	42.7	43.5	44.3	45.1	198.4	416.0
Interior	12.2	13.2	12.9	13.0	13.2	13.5	13.7	14.0	14.3	14.6	14.9	15.2	66.3	139.3
Justice	26.3	28.7	18.1	30.0	30.6	31.2	31.8	32.4	33.1	33.7	34.4	35.1	141.6	310.4
Labor	11.9	12.2	12.8	12.8	13.1	13.3	13.5	13.7	14.0	14.2	14.5	14.7	65.4	136.6
State and Other International Programs	40.9	37.9	37.8	46.5	47.4	48.3	49.2	50.2	51.2	52.2	53.3	54.3	229.1	490.3
Transportation	13.8	14.3	12.0	14.7	15.0	15.3	15.6	15.9	16.2	16.6	16.9	17.2	72.6	155.5
Treasury	12.2	12.6	12.6	13.6	13.9	14.2	14.5	14.8	15.1	15.5	15.8	16.2	68.7	146.1
Veterans Affairs	65.1	71.6	75.1	78.5	79.4	81.0	82.6	84.3	86.0	87.7	89.4	91.2	396.7	835.2
Corps of Engineers	5.6	6.0	4.6	4.7	4.8	4.9	5.0	5.1	5.2	5.3	5.4	5.5	24.0	50.5
Environmental Protection Agency	8.1	8.1	8.3	8.4	8.6	8.8	8.9	9.1	9.3	9.5	9.7	9.9	43.0	90.5
General Services Administration	-0.4	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.9	4.0
National Aeronautics & Space Administration	18.0	19.3	18.3	18.6	19.0	19.4	19.8	20.2	20.6	21.0	21.4	21.8	95.0	200.0
National Science Foundation	7.3	7.5	7.6	8.1	8.3	8.5	8.6	8.8	9.0	9.1	9.3	9.5	41.0	86.8
Small Business Administration	0.9	0.9	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9	3.7	7.8
Social Security Administration ³	9.0	9.3	9.6	9.8	10.1	10.5	10.7	10.9	11.1	11.3	11.5	11.7	50.7	107.0
Corporation for National & Community Service	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	5.7	12.0
Other Agencies	18.9	19.5	20.3	20.5	21.2	21.9	22.6	23.1	23.6	24.0	24.5	25.0	106.5	226.8
Allowances ⁴ .....	.....	.....	.....	-11.4	-15.4	-26.9	-19.1	-23.3	-23.9	-24.8	-24.6	-24.6	-72.9	-194.0
Subtotal, Base Discretionary Funding	1,025.4	1,079.1	1,065.2	1,130.2	1,147.4	1,158.4	1,188.4	1,207.8	1,231.7	1,255.5	1,281.4	1,307.3	5,689.6	11,973.2
Discretionary Cap Adjustments and Other Funding (not included above):⁵														
Overseas Contingency Operations	73.7	73.7	73.7	11.0	11.0	11.0	11.0	.....	.....	.....	.....	.....	117.6	117.6
Defense	64.2	58.6	58.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	58.8	58.8
Homeland Security	0.2	0.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Other International Programs ..	9.3	14.9	14.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	14.9	14.9
Overseas Contingency Operations Outyears ⁶ .....	.....	.....	.....	11.0	11.0	11.0	11.0	.....	.....	.....	.....	.....	43.9	43.9

SUMMARY TABLES

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

(Budget authority in billions of dollars)

	Actual Enacted Request			Outyears									Totals	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2021	2017–2026
Program Integrity	1.5	1.5	2.5	2.8	3.2	3.5	3.8	4.0	4.1	4.2	4.3	4.4	15.8	36.7
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	0.6	2.3	5.1
Labor			*										*	*
Treasury			0.5	0.9	1.3	1.7	2.0	2.1	2.2	2.2	2.2	2.2	6.5	17.4
SSA	1.1	1.2	1.5	1.5	1.4	1.3	1.3	1.3	1.4	1.4	1.5	1.5	7.0	14.2
Disaster Relief	6.5	7.1	6.9										6.9	6.9
Agriculture	0.1	0.1												
Homeland Security	6.4	6.7	6.7										6.7	6.7
Housing and Urban Development		0.3												
Small Business Administration			0.2										0.2	0.2
Wildfire Suppression ⁷			1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	6.0	12.6
Agriculture			0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	4.5	9.5
Interior			0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.5	3.2
Other Emergency Funding	5.4	2.1	0.2										0.2	0.2
Agriculture		0.3												
Defense	0.1													
Health & Human Services	2.8													
State and Other International Programs ..	2.5	0.1												
Proposed Emergency Supplemental		1.7	0.2										0.2	0.2
Health & Human Services		1.3	0.2										0.2	0.2
State and Other International Programs ...		0.4												
Grand Total, Discretionary Funding	1,112.5	1,163.5	1,149.6	1,145.2	1,162.7	1,174.0	1,204.5	1,213.1	1,237.0	1,261.0	1,287.0	1,313.0	5,836.1	12,147.2

* Less than \$50 million.

¹ Amounts in the actual and enacted years of 2015 and 2016 exclude changes in mandatory programs enacted in appropriations bills since those amounts have been rebased as mandatory, whereas amounts in 2017 are net of these proposals.

² The Department of Defense (DOD) levels in 2018–2026 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: 2018: \$1,665; 2019: \$1,698; 2020: \$1,735; 2021: \$1,770; 2018–2026: \$16,263. 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 2017 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 2018 and beyond. These levels are determined for illustrative purposes but do not reflect specific policy decisions.

⁵ Where applicable, amounts in 2015 through 2026 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of BBEDCA.

⁶ The 2017 Budget includes placeholder amounts of nearly \$11 billion per year for Government-wide OCO funding from 2018 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.

⁷ For 2018 through 2026, 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 2015	Estimate										
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Financing:												
Unified budget deficit:												
Primary deficit (+)/surplus (-)	215	367	175	1	31	-17	-34	34	15	-37	19	46
Net interest	223	233	266	329	396	453	497	538	578	612	646	685
Unified budget deficit	438	600	441	330	427	436	463	572	593	575	665	731
As a percent of GDP	2.5%	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.5%	2.6%
Other transactions affecting borrowing from the public:												
Changes in financial assets and liabilities: ¹												
Change in Treasury operating cash balance	40	101	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net disbursements of credit financing accounts:												
Direct loan accounts	79	95	129	107	108	98	94	89	88	89	87	84
Guaranteed loan accounts	9	12	4	-*	*	-2	-6	-7	-14	-13	-12	-6
Troubled Asset Relief Program (TARP) equity purchase accounts	-1	*	-*	-*	-*	-*	-*	-*	-*	-*	-*	-*
Net purchases of non-Federal securities by the National Railroad Retirement Investment Trust (NRRIT)	-1	-*	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Net change in other financial assets and liabilities ²	-228	203	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, changes in financial assets and liabilities	-101	412	132	106	107	94	87	80	74	75	74	77
Seigniorage on coins	-1	-*	-*	-*	-*	-1	-1	-1	-1	-1	-1	-1
Total, other transactions affecting borrowing from the public	-102	411	131	105	107	94	86	80	74	75	74	77
Total, requirement to borrow from the public (equals change in debt held by the public)	337	1,011	572	435	533	530	549	652	667	649	738	808
Changes in Debt Subject to Statutory Limitation:												
Change in debt held by the public	337	1,011	572	435	533	530	549	652	667	649	738	808
Change in debt held by Government accounts	-11	321	120	226	187	155	139	79	81	102	32	*
Change in other factors	6	-1	2	2	3	3	2	2	2	2	1	2
Total, change in debt subject to statutory limitation	332	1,331	693	663	723	687	690	732	750	754	772	810
Debt Subject to Statutory Limitation, End of Year:												
Debt issued by Treasury	18,094	19,425	20,117	20,778	21,500	22,185	22,874	23,605	24,354	25,106	25,878	26,688
Adjustment for discount, premium, and coverage ³	19	19	21	22	23	25	26	27	28	29	29	30
Total, debt subject to statutory limitation ⁴	18,113	19,444	20,137	20,800	21,523	22,210	22,900	23,632	24,382	25,136	25,907	26,717
Debt Outstanding, End of Year:												
Gross Federal debt: ⁵												
Debt issued by Treasury	18,094	19,425	20,117	20,778	21,500	22,185	22,874	23,605	24,354	25,106	25,878	26,688
Debt issued by other agencies	26	27	27	26	25	24	23	22	21	20	19	17
Total, gross Federal debt	18,120	19,452	20,144	20,805	21,525	22,209	22,897	23,628	24,375	25,127	25,897	26,705

SUMMARY TABLES

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

(Dollar amounts in billions)

	Actual 2015	Estimate										
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Held by:												
Debt held by Government accounts	5,003	5,324	5,444	5,669	5,856	6,011	6,150	6,229	6,309	6,412	6,444	6,444
Debt held by the public ⁶	13,117	14,128	14,700	15,135	15,668	16,198	16,747	17,399	18,066	18,715	19,453	20,261
As a percent of GDP	73.6%	77.0%	77.1%	76.0%	75.5%	74.8%	74.3%	74.0%	73.7%	73.2%	73.0%	73.0%
Debt Held by the Public Net of Financial Assets:												
Debt held by the public	13,117	14,128	14,700	15,135	15,668	16,198	16,747	17,399	18,066	18,715	19,453	20,261
Less financial assets net of liabilities:												
Treasury operating cash balance	199	300	300	300	300	300	300	300	300	300	300	300
Credit financing account balances:												
Direct loan accounts	1,144	1,239	1,369	1,476	1,584	1,681	1,775	1,864	1,953	2,041	2,128	2,213
Guaranteed loan accounts	11	24	27	27	28	25	19	12	-2	-14	-27	-33
TARP equity purchase accounts	*	*	*	*	*	*	*	*	*	*	*	*
Government-sponsored enterprise preferred stock	106	106	106	106	106	106	106	106	106	106	106	106
Non-Federal securities held by NRRIT	24	23	22	21	20	19	18	16	16	15	14	13
Other assets net of liabilities	-250	-47	-47	-47	-47	-47	-47	-47	-47	-47	-47	-47
Total, financial assets net of liabilities	1,234	1,646	1,778	1,883	1,991	2,085	2,171	2,252	2,326	2,401	2,475	2,552
Debt held by the public net of financial assets	11,882	12,482	12,922	13,252	13,678	14,113	14,576	15,147	15,740	16,314	16,978	17,709
As a percent of GDP	66.7%	68.0%	67.8%	66.6%	65.9%	65.2%	64.6%	64.4%	64.2%	63.8%	63.7%	63.8%

* \$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 November 2, 2015 (P.L. 114-74), temporarily suspends the debt limit through March 15, 2017.

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 2015, the Federal Reserve Banks held \$2,461.9 billion of Federal securities and the rest of the public held \$10,654.8 billion. Debt held by the Federal Reserve Banks is not estimated for future years.



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