

# **The Federal Budget Procedures & Challenges**

**Agricultural & Applied Economics Association**

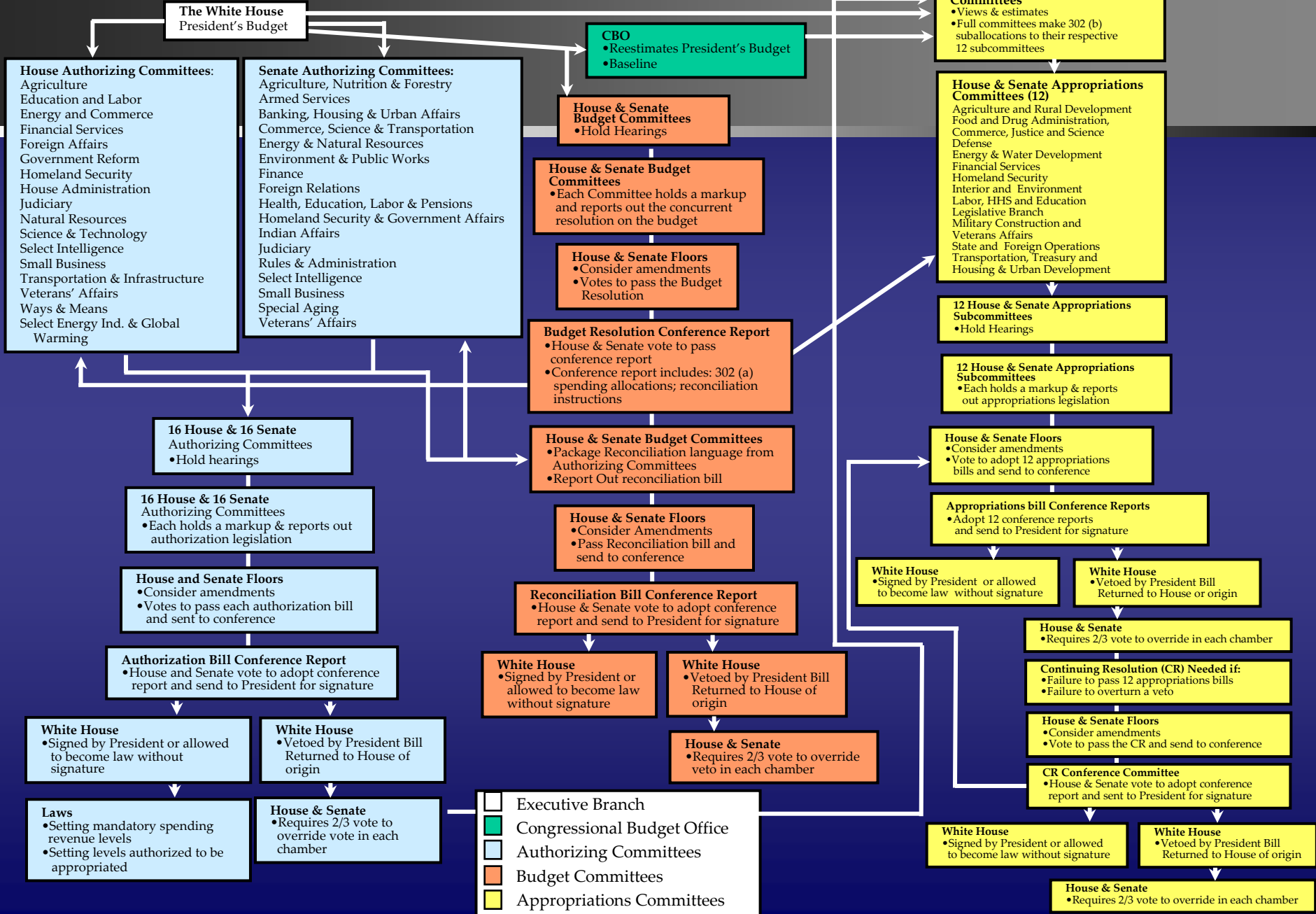
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August 6, 2013



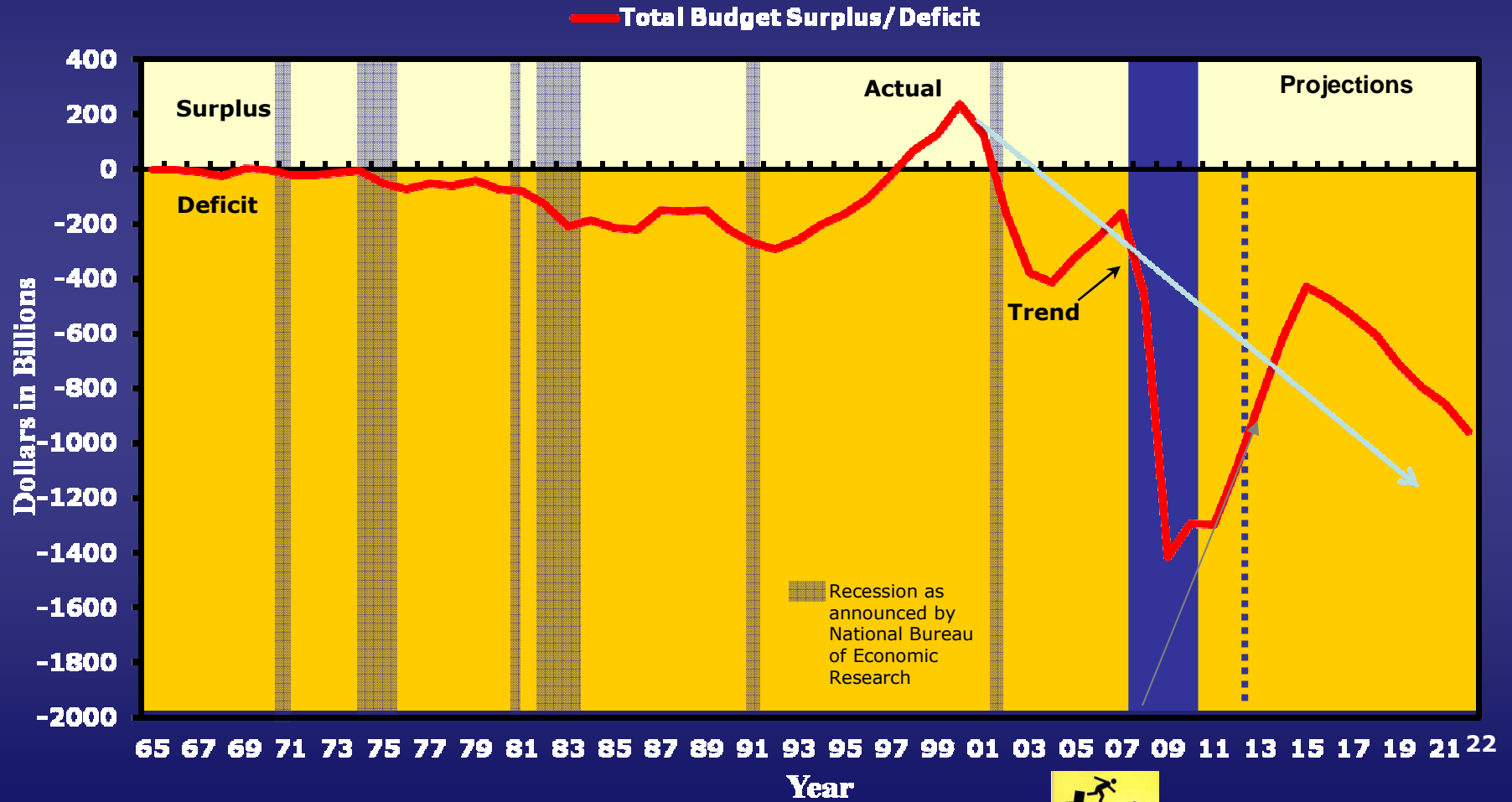
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# The Appropriations & Budget Process



# Total Budget Surplus/Deficit

## FY 1965-2022



Source: The Budget and Economic Outlook: Fiscal Years 2013 to 2023” Congressional Budget Office, February 5, 2013



# Budget Outlook

## FY 2012 – 2018

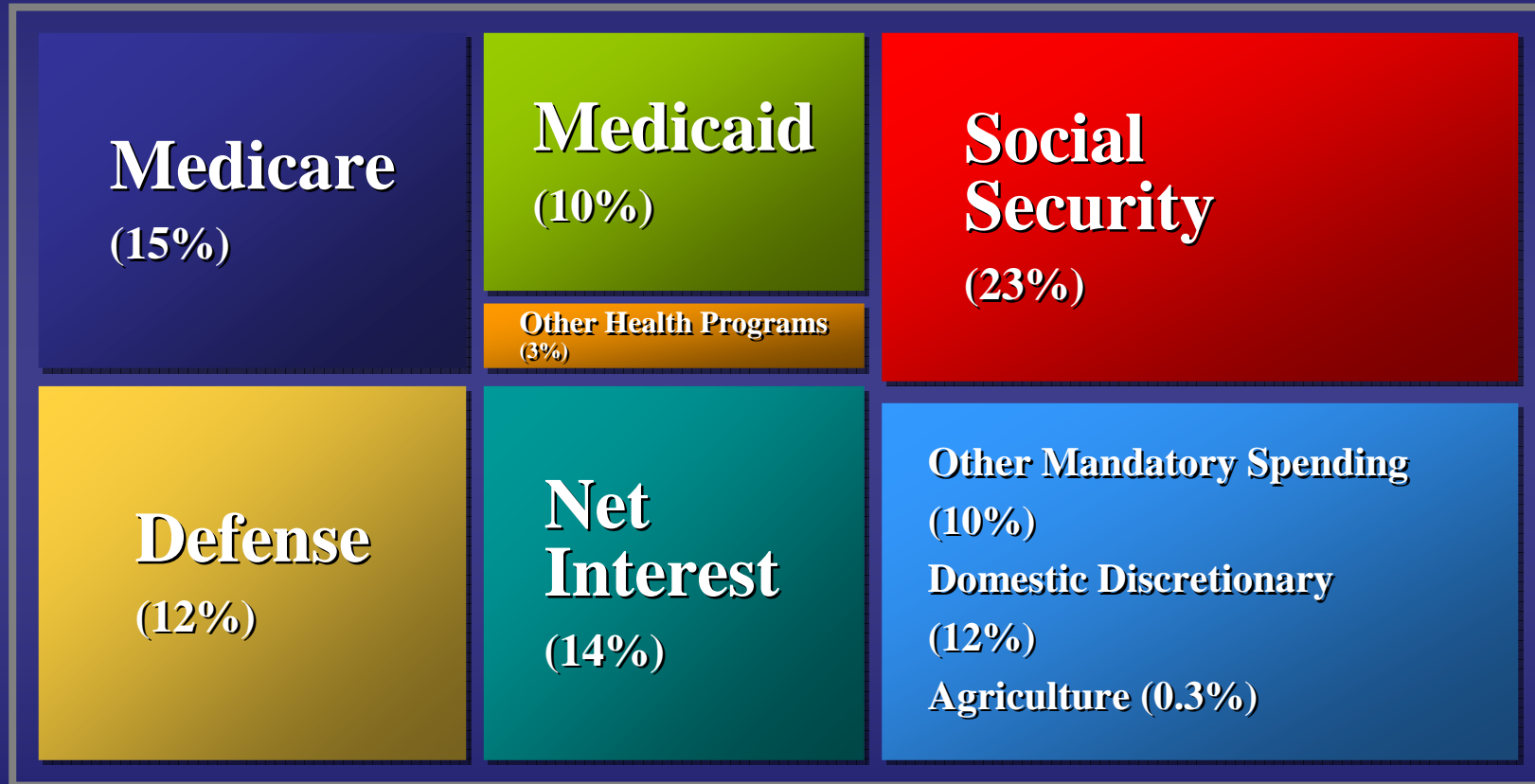
(In Billions of Dollars – % of GDP)

	<b>2012</b> Actual	<b>2013</b> Est	<b>2014</b> Proj →	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>% Δ annual</b> <b>2013-2018</b>
<b>Receipts</b>	2,449	2,708	3,003	3,373	3,591	3,765	3,937	+ 8.1%
<b>Spending</b>	3,538	3,553	3,618	3,803	4,067	4,300	4,542	+ 4.5 %
<b>Deficits</b>	<b>1,089</b>	<b>845</b>	<b>616</b>	<b>430</b>	<b>476</b>	<b>535</b>	<b>605</b>	NA
<b>% of GDP</b>	7.0%	5.3%	3.7%	2.4%	2.5%	2.9%	3.2%	NA
<b>Public Debt</b>	<b>11,280</b>	<b>12,229</b>	<b>12,937</b>	<b>13,462</b>	<b>14,025</b>	<b>14,642</b>	<b>15,316</b>	+ 7.8 %
<b>% GDP</b>	73%	76%	78%	76%	75%	73%	73%	
<b>Debt Subject Limit</b>	<b>16,027</b>	<b>17,047</b>	<b>17,864</b>	<b>18,479</b>	<b>19,143</b>	<b>19,915</b>	<b>20,769</b>	+5.4%
<b>% GDP</b>	103%	106%	107%	105%	102%	100%	100%	

Nominal GDP estimated to increase 5.1% annually 2012-2018.



# Federal Spending Projected for 2023



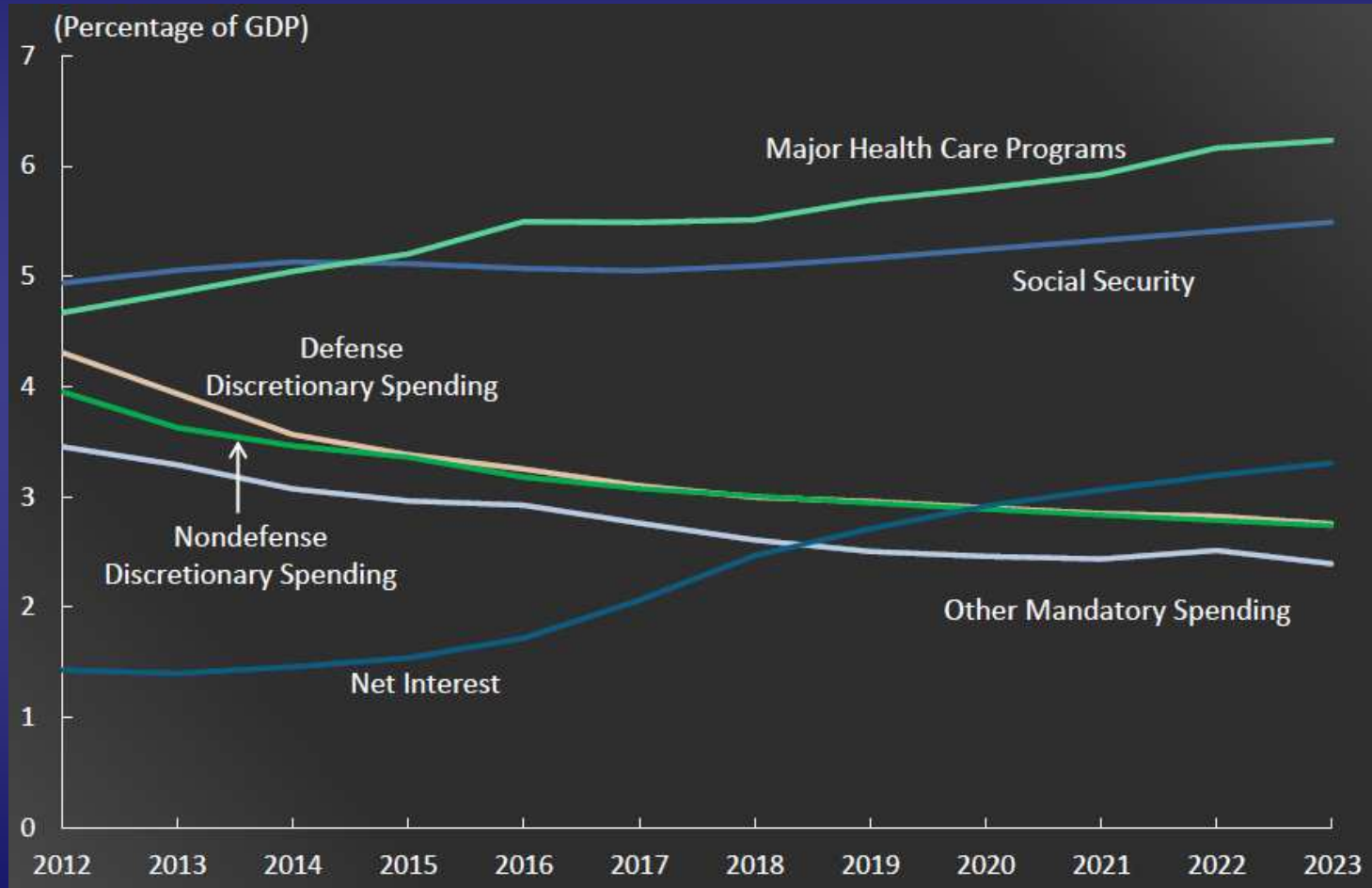
“Other Health Programs” includes: Health insurance subsidies, exchanges, and related spending; Department of Defense Medicare-Eligible Retiree Health Care Fund (including TRICARE for Life); Children’s Health Insurance Program, and other programs.

Source: The Congressional Budget Office. The Budget and Economic Outlook: Fiscal Years 2013 to 2023. February 2013.



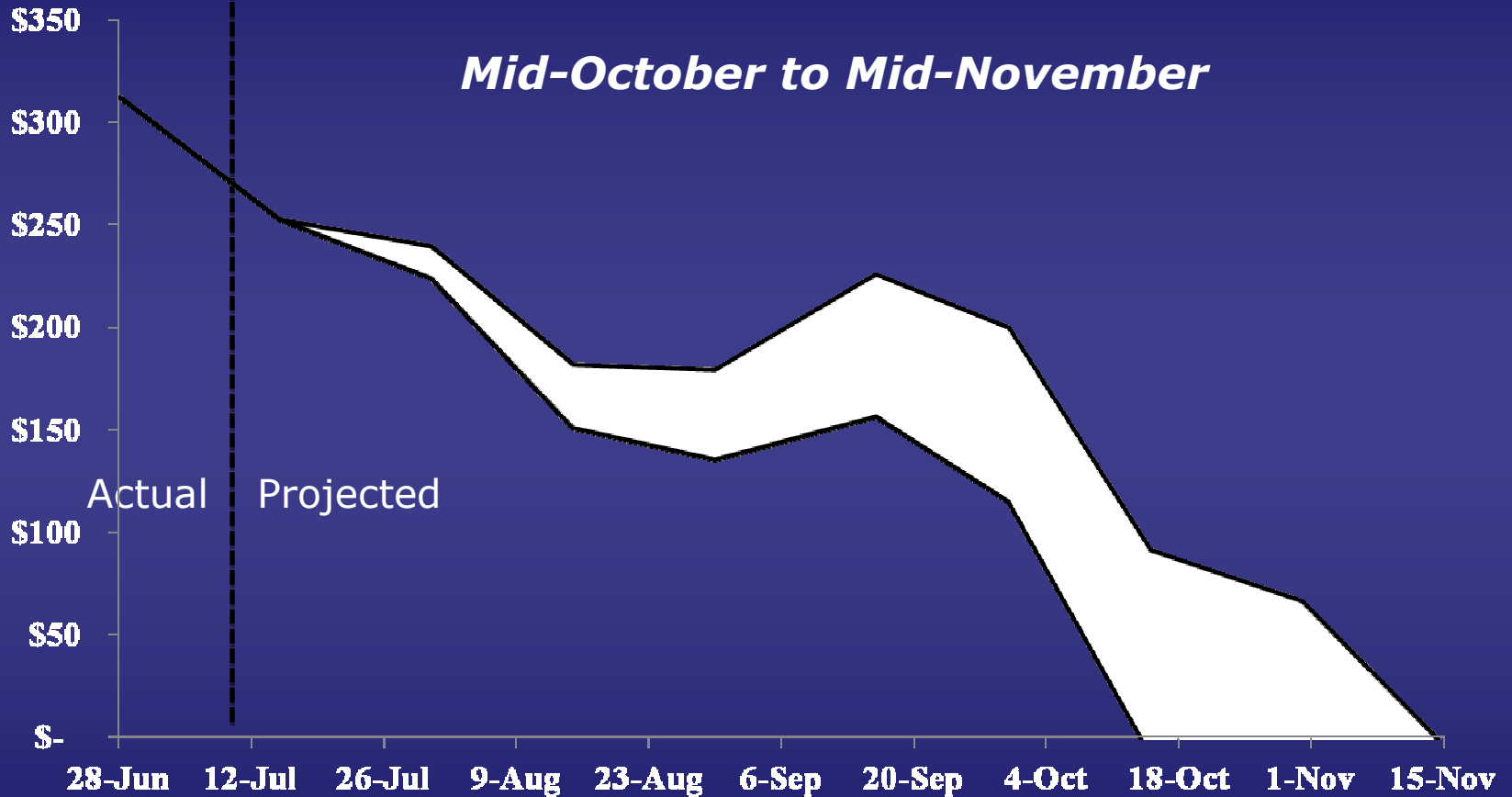
# Projected Growth in Major Budget Categories

2012-2023 (% GDP)



# WHEN IS THE X DATE?

Cash on hand + available extraordinary measures (in billions)



Note: The projections above are subject to substantial uncertainty and volatility resulting from economic performance, cash flow fluctuations, and other factors.

Source: Bipartisan Policy Center Projections based off of Treasury's Daily, Monthly, and Direct Government Account Statements

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# FY 2013 Final Appropriations vs. FY 2014 Alternatives

	<b>2013 Funding*</b>	<b>2014 Sequester Level</b>	<b>2014 President's Budget</b>	<b>2014 House- Passed</b>	<b>2014 Senate- Passed</b>
Defense	\$536	\$498	\$552	\$552	\$552
Nondefense	\$507	\$469	\$506	\$414	\$506
Total	\$1043	\$967	\$1058	\$967	\$1058



Difference \$92 billion.

\* Author's estimate of defense/nondefense split.



# FY 2013 Appropriations Post-Sequester FY 2014 302(b) Appropriations Allocations

(In millions of Dollars)

Subcommittee	FY 2013 Post – Sequester Enacted	FY 2014 POTUS Request	FY 2014 Senate Allocation (BCA Cap Level)	FY 2014 House Allocation (To Sequester Level)	Difference House v. Senate
Agriculture	\$ 19,560	\$ 19,970	\$ 20,930	\$ 19,450	- \$1,480
Commerce-Justice-Science	47,020	51,191	52,272	46,845	- 5,427
Defense*	486,297	516,974	516,624	512,522	- 4,102
Energy-Water	34,263	34,483	34,773	30,426	- 4,347
Financial Services	19,874	23,440	23,031	16,966	- 6,065
Homeland Security	37,759	39,030	39,100	38,993**	- 107
Interior-Environment	28,240	30,004	30,100	24,278	- 5,822
Labor-HHS-Education	149,640	165,801	164,330	121,797	-42,533
Legislative Branch	4,061	4,508	4,350	4,124	- 226
Military Construction-VA	70,909	74,691	74,366	73,320	-1,046
State-Foreign Operations	40,358	47,872	44,079	34,103	- 9,976
Transportation-HUD	48,441	51,585	54,045	44,100	- 9,945
<b>Total</b>	<b>986,422</b>	<b>1,059,549</b>	<b>1,058,000</b>	<b>966,924</b>	<b>-91,076</b>

\* Excludes war-related spending through the OCO which are not subject to discretionary caps/House \$85.7 billion; Senate \$77.8 billion.

\*\* Excludes \$5.6 billion for disaster funding, both House and Senate.

