



March 18, 2013

## House Democratic Budget: Jobs, Growth, and a Stronger Future

The House Democratic budget is focused first and foremost on putting Americans back to work. Our plan will generate 1.2 million jobs this year compared to the Republicans' European-style austerity plan. It also makes key investments in America's future, keeps our commitments to our seniors, and strengthens the middle class. Finally, it takes a smart, targeted, and balanced approach to reducing our long-term deficit. Our plan calls for shared responsibility to build shared prosperity.

### JOB CREATION AND ECONOMIC GROWTH

- House Democrats' first priority is addressing the jobs deficit – and the fastest and most effective way to reduce the budget deficit is to put Americans back to work. In fact, the Congressional Budget Office (CBO) shows that half of the deficit this year is a result of the millions of people who are still out of work.
- Our budget invests \$200 billion in creating jobs up-front, strengthening the middle class, creating greater upward mobility, and ensuring our kids and future generations are able to pursue the American Dream. We also replace the sequester for the full 10-year window with deficit reduction through a balanced approach, preventing 750,000 in job losses this year alone.
- Our plan will generate 1.2 million jobs this year compared to the Republican budget, according to the Economic Policy Institute (EPI), by first saving the 750,000 jobs we will lose as a result of the sequester and then boosting employment by an additional 450,000 jobs based on our jobs proposals. Next year, that number will grow to 2.1 million jobs.
- This plan stands in sharp contrast to the Republicans' European-style austerity approach, which more than doubles the sequester for non-defense programs that provide vital investments, which will slow job growth.

### KEY INVESTMENTS IN AMERICA'S FUTURE

- The Democratic budget is committed to keeping the United States the world's economic powerhouse by investing in our future.
- Our budget maintains investments in education that are critical to making our economy grow, including \$80 billion for an education jobs initiative.
- It invests in scientific research and development, energy efficiency, clean energy, biotechnology, and advanced manufacturing technologies – keys to competing in the global economy and helping people to Make it in America.
- It also includes \$50 billion to fund jobs that address immediate transportation priorities and \$10 billion to establish an infrastructure bank – this will help repair roads, bridges, and transit, as well as deploy the modern infrastructure needed to compete in a 21<sup>st</sup> century economy. It will also put people back to work, including the construction industry, which has over 15 percent unemployment.
- This plan stands in sharp contrast to the slash-and-burn approach of House Republicans, whose budget shortchanges our future and is a recipe for national decline – in fact, their budget would more than double the sequester cuts to these key investments.

## KEEPING OUR COMMITMENTS TO SENIORS

- Medicare, Medicaid, and Social Security are essential to the health and retirement security of seniors. Our budget preserves the Medicare guarantee and strengthens the program instead of dismantling it.
- Our budget prevents the meat-ax Medicare cuts contained in the sequester, but we achieve Medicare savings by building on the reforms achieved in the Affordable Care Act.
- This plan protects Medicaid to ensure that vulnerable seniors, children, and people with disabilities continue to get needed services.
- This plan stands in sharp contrast to the GOP proposal, which makes today's seniors with high prescription drug costs pay more. Their budget implements a voucher plan that will shift the risks of rising health care costs onto the elderly and others with Medicare, who have a median income of less than \$22,500 a year. Republicans also slash Medicaid by \$810 billion over 10 years – a cut of almost one-third in 2023, and leave states free to reduce services and benefits.

## SMART, TARGETED, AND BALANCED APPROACH TO DEFICIT REDUCTION

- The question is not whether we should implement a credible plan now to reduce our long-term deficits, but how. Our plan calls for shared responsibility to build shared prosperity.
- The Democratic plan does this in a balanced way, reducing the deficit to 2.4 percent of GDP and stabilizing debt at 70 percent of GDP by the end of 10 years. Our budget provides tax relief for working families and cuts tax breaks for the wealthy – unlike the Republican budget, which would provide millionaires an average tax break of \$245,000, while sticking middle class families with an average tax increase of \$3,000.
- Unlike the Republicans, our primary focus is on jobs and the economy. The Democrats' balanced approach will bring the budget into balance at about the same time as the House Republican budget last year.
- This plan stands in stark contrast to the lopsided Republican budget – which will slow job growth, slash investments, raise taxes on middle class families, and end the Medicare guarantee rather than ask the wealthiest Americans to pay a dime to reduce the deficit.

### *The Democratic Budget Helps Create More Jobs Now:*

- **Focuses First on Job Creation and Economic Growth** — Putting Americans back to work is not only our number one priority, it is also the best way to reduce the deficit. In fact, CBO shows that half of the deficit in 2013 is due to economic weakness rather than structural budget policies, and that grows to three-quarters of our deficit in 2014. To create jobs and boost economic growth – and ultimately reduce the deficit – the Democratic budget funds the initiatives in the American Jobs Act as well as other jobs proposals the President has made. Our plan will generate 1.2 million jobs this year compared to the Republican budget, according to EPI, by first saving the 750,000 jobs we will lose as a result of the sequester and then boosting employment by an additional 450,000 jobs through our jobs initiatives. Next year, that number would grow to 2.1 million jobs.
- **Prevents Sequester Job Loss** — The Democratic budget immediately ends the sequester, which would otherwise cost us 750,000 jobs by the end of the year, according to CBO. Our budget replaces the sequester with deficit reduction from a balanced approach that would increase revenues by cutting tax breaks for special interests and wealthy individuals without increasing the tax burden on middle-income Americans. We also make targeted cuts to long-term spending

while maintaining the Medicare guarantee, protecting Social Security and a strong social safety net, and making strategic investments in education, science, research, and critical infrastructure necessary to compete in the global economy. In contrast, the Republican budget not only leaves the sequester's spending cuts in place – which will cost us 2 million jobs next year, according to independent analysts – it more than doubles the spending cuts to the part of the budget that funds vital investments needed to power our economy and provide critical services.

- **Builds the Backbone of the 21<sup>st</sup> Century Economy** — This budget includes \$50 billion to fund jobs that address immediate transportation priorities. It also includes \$10 billion to establish an infrastructure bank. These investments will allow the United States to modernize our 21<sup>st</sup> century infrastructure, strengthen the clean energy distribution network, build out broadband and high speed internet, and attack the over 15 percent unemployment in the construction industry. This is a win-win. In contrast, the Republican budget cuts transportation spending by more than 20 percent over 10 years.
- **Provides Tax Incentives for Small Businesses and Job Creation** — Our plan includes tax incentives to support small businesses and manufacturing. The Republican budget would turbocharge tax incentives for large multinational companies to ship investment capital and jobs overseas.
- **Creates Education Jobs** — Our budget includes \$80 billion for education initiatives to prevent more teacher layoffs – state and local governments have already cut 184,000 education jobs in the last two years alone – and to create new jobs working on educational infrastructure to help students learn and create a better future workforce. The Republican budget slashes our investments in education.
- **Funds First Responder Jobs** — The Democratic budget includes \$5 billion to help states and localities hire police officers and firefighters. This funding would provide immediate help to reverse risky layoffs. The Republican budget ignores this important initiative.
- **Invests in Jobs for Veterans** — This plan includes \$1 billion to establish a Veterans Job Corps and employ at least 20,000 veterans. The Republican budget excludes it.

### ***The Democratic Budget Builds a Stronger America through Long-term Growth:***

- **Makes Key Education Investments** — Our budget maintains investments in education that are critical to making our economy grow. In addition to the education jobs initiative, we provide investments for early childhood education and to improve student achievement in elementary and secondary grades. We prevent the interest rates on subsidized student loans from doubling this July to ensure greater access to a college education, and accommodate additional student aid reforms that increase college affordability and completion.

This focus on education is in sharp contrast with the Republican budget. Their budget makes it harder for out-of-work Americans to get the education and skills needed to find jobs in a competitive global economy by cutting job training services and by cutting student aid by \$168 billion over 10 years. The cuts wipe out the entire \$98 billion in mandatory Pell grant funding, jeopardizing the foundation of federal college aid for 10 million students. The GOP

budget not only doubles the subsidized student loan interest rate this summer from 3.4 percent to 6.8 percent, it actually cuts student loan funding by more than \$50 billion.

- **Invests in R&D and Clean Energy** — The Democratic budget invests in scientific research and development, energy efficiency, clean energy, and advanced manufacturing technologies – keys to competing in the global economy and increasing our nation’s energy security. These investments create jobs for future generations of scientists and engineers and support efforts at the state level to implement energy efficiency policies to reduce costs for consumers and businesses. Federal funding for scientific research fuels innovations that improve the quality of life for all Americans. Our international global competitors are following our successful model, while we are ignoring the secrets to our own success. The Republican budget guts investments in clean energy while ignoring the tax breaks big oil companies have benefited from for decades, even as their profits pushed \$1 trillion over the last 10 years.
- **Prioritizes Long-Term Infrastructure** — In addition to immediate jobs initiatives for transportation, this budget also includes a long-term increase in transportation spending, along the lines proposed by President Obama. This effort will allow us to build upon the investments made in the Recovery Act and the immediate investments in our budget that would begin next year. A sustained program of transportation infrastructure investment will pay significant dividends for long-term economic growth. In contrast, the Republican budget would cut key transportation investments by more than 20 percent.

#### ***Keeps Our Promises to Seniors and Preserves the Social Safety Net:***

- **Preserves the Medicare Guarantee** — The Democratic budget firmly rejects the Republican budget’s proposal to end the Medicare guarantee. We should not address rising health care costs by giving seniors a voucher with an artificial price cap to purchase insurance. The growing costs of health care and retirement programs pose long-term challenges that need to be addressed in a way that puts the budget on a sustainable path, reduces the cost of health care for families, and improves our global competitiveness. We can strengthen and modernize Medicare by building on the reforms in the Affordable Care Act, improving the coordination of care, and continuing to move away from a strictly fee-for-service payment system. We want a system that rewards value over volume and quality over quantity.
- **Protects Health Reform’s Benefits for Seniors** — Our budget supports the numerous reforms in the Affordable Care Act that not only expand Medicare benefits for seniors and disabled workers, but also reduce their premiums and cost-sharing by squeezing waste out of the program. Republicans, by contrast, continue to eliminate all of the benefits of the Affordable Care Act, which would increase expenses for millions of seniors with high drug costs by thousands of dollars over 10 years. Under the Affordable Care Act, we will eventually close the Medicare prescription drug coverage gap, or “doughnut hole,” that meant a financial crisis for too many seniors. Since the law was enacted, 6.1 million people with Medicare have saved more than \$5.7 billion on prescription drugs. These seniors, on average, will save more than \$13,000 on their drugs from now through 2022. In addition, seniors can receive certain preventive care services without having to pay anything out of pocket. Finally, thanks to the Medicare cost-containment provisions in the Affordable Care Act, people with Medicare pay lower premiums and cost-sharing than would otherwise be the case. All told, Medicare beneficiaries will save an average

of \$362 per year just on premiums and coinsurance in Medicare Parts A and B from now through 2022. The Affordable Care Act also extends the life of the Medicare trust fund by eight years.

- **Protects Medicaid for Seniors in Nursing Homes, Children with Disabilities, and Millions of Other Working Americans** — This plan protects Medicaid to ensure that vulnerable seniors, children, and people with disabilities continue to get needed services. In contrast, the Republican budget slashes Medicaid by \$810 billion over 10 years – a cut of almost one-third in 2023 – and converts it into a fixed funding stream, or block grant, that bears no relation to the actual needs of an aging population. One out of every five Medicare beneficiaries relies on Medicaid for help with out-of-pocket costs or long-term care expenses, and 60 percent of nursing home residents depend on Medicaid for help paying their bill. Block-granting Medicaid will strain state budgets and leave states free to end care to millions of seniors and people with disabilities, who account for two-thirds of Medicaid spending, which will have a devastating effect on these beneficiaries and their family caregivers. States would also be free to drop Medicaid services that they are currently required to cover, such as physician services, home health services, laboratory and x-ray services, family planning services, and tobacco cessation counseling for pregnant women.
- **Strengthening the Medicaid Program** — Our budget recognizes that the Medicaid program should be preserved and strengthened, not ripped apart. In order to ensure that Medicaid beneficiaries have access to primary care services and that doctors continue to accept Medicaid patients, we ensure implementation of the increase in physician fees for primary care services provided to Medicaid beneficiaries under the Affordable Care Act. This increase will bring Medicaid fees for primary care up to Medicare rates – an average increase of 73 percent among Medicaid primary care providers in 2013 and 2014. The Republican Budget, in contrast, rejects this increase in primary provider fees, harming primary care physicians and the patients who rely on them. Our budget also recognizes the unique role of Medicaid in protecting children's health care, especially for medically-complex children, and supports efforts to improve the coordination of care, quality of care, and health outcomes for these vulnerable patients.
- **Defends Other Health Care Benefits** — The Democratic budget supports the important consumer protections provided by the Affordable Care Act. The Affordable Care Act expands health insurance to 27 million Americans while reducing the deficit by a trillion dollars over the next two decades. People with insurance coverage also benefit from the new consumer protections in the law. The Affordable Care Act prohibits insurance companies from denying coverage due to pre-existing health conditions, allows young adults to get insurance on their parents' plan, bans lifetime and annual limits on coverage, and provides tax credits to small businesses to help them afford health insurance for their employees. More than 71 million Americans are also receiving recommended preventive services, like colonoscopies and flu shots, Pap smears and mammograms for women, and well-child visits without cost-sharing. In contrast, the Republican budget repeals these important patient protection reforms and leaves millions of Americans without health insurance coverage.
- **Addresses Medicare Physician Payment Reform** — Like last year, our budget accommodates deficit-neutral permanent reform of Medicare physician payments that will provide stability by preventing harmful steep cuts in payment rates required under current law. This can be paid for through measures that build on the Affordable Care Act's comprehensive reforms to give physicians and other care providers incentives to provide high-quality, coordinated, efficient care. It prohibits it being paid for by any cuts to Medicare beneficiaries. Since last year, the price

tag for physician payment reform has declined by almost half, to \$138 billion over 10 years, thanks to lower-than-expected growth in Medicare spending.

- **Improves Medicare Efficiency** — The Affordable Care Act includes virtually every cost containment provision recommended by health care experts. But there is more that can be done. Our plan achieves \$141 billion in Medicare savings over 10 years through efficiency improvements, without any cuts to benefits. These savings could be achieved by a range of different policy changes, including the President’s proposal to allow Medicare to receive the same rebates on prescription drugs for low-income beneficiaries that Medicaid receives and/or measures recommended by the Medicare Payment Advisory Commission, the Government Accountability Office (GAO), or others to reduce wasteful overpayments and correct misaligned incentives. For example, GAO has found that private Medicare Advantage plans find ways to label their patients as more ill than traditional Medicare patients with the same health conditions and demographic characteristics – a practice that leads to inappropriate increases in payments to the private plans.
- **Preserves Funding for Vital Health Research and Protects Public Health** — Our budget preserves non-defense discretionary spending, the category of funding that supports biomedical research at NIH, primary care services provided at community health centers, mental health and substance abuse services at SAMSHA, comprehensive health care provided by the Indian Health Service, and other vital public health programs. In contrast, the Republican budget cuts this category of funding by more than twice as much as it would be cut if the sequester went into effect and stayed in effect for 10 years. Next year, cuts of this magnitude to the Centers for Disease Control and Prevention could result in 50,000 fewer breast and cervical cancer screenings for low-income, high-risk women, approximately 800,000 fewer HIV tests conducted by health departments, and the purchase of approximately one million fewer vaccines against diseases like hepatitis, flu, measles, and whooping cough for children and adults in need of immunizations.
- **Protects Social Security from Privatization** — The Social Security Trust Fund is fully funded until the year 2033. After that, it will pay 75 cents on the dollar of currently scheduled benefits. The President and Congress should work on a bipartisan basis to close that gap. However, the Democratic budget affirmatively rules out privatization – we should not gamble Americans’ retirement security on Wall Street.
- **Preserves Supplemental Nutrition Assistance (SNAP)** — The Democratic budget fully funds SNAP. Nearly three-quarters of people served by SNAP are in families with children, and one-quarter are in households with someone who is elderly or disabled. In contrast, the Republican budget slashes SNAP funding relative to anticipated levels. Republican changes to SNAP eligibility requirements will not only push vulnerable people from the SNAP rolls, but it will put free school lunches for over 200,000 children at risk.
- **Calls for National Strategy to Eradicate Poverty and Increase Opportunity** — Our budget protects low-income and middle class Americans – we do not make cuts the critical domestic programs that millions of American families rely on in order to get by. The budget also supports developing a national strategy to eliminate poverty. That strategy would implement a “whole of government” approach and remove the barriers and obstacles that prevent the most vulnerable Americans from taking advantage of opportunities and moving to join the middle class and reach for the American Dream. As part of the strategy, funding would be targeted toward the needs of

persistent poverty areas, which often lack quality schools, affordable health care, and adequate job opportunities.

***A Balanced Approach that Takes a Smart, Targeted, and Balanced Approach to Deficit Reduction:***

- **Taking a Balanced Approach to Reducing the Long-Term Deficits and Debt** — Our primary focus is on putting Americans back to work. By addressing our jobs deficit, we can make major strides in addressing our overall deficit. The Democratic budget takes a balanced approach to getting our fiscal house in order. Congress has already reduced projected deficits by \$2.7 trillion since August 2010 by cutting discretionary spending by \$1.5 trillion, increasing tax rates for families with taxable income over \$450,000 a year, and related debt service. When you add the deficit reduction included in this year's Democratic budget, the total deficit reduction achieved to date is over \$4 trillion, with spending cuts representing roughly 60 percent. This spending cuts-to-revenue ratio actually exceeds the comparable ratio in the bipartisan Simpson-Bowles Commission.

Under the Democratic budget, the deficit falls from 7 percent of GDP in 2012 to under 3 percent of GDP by 2015. In 2023, the deficit is 2.4 percent of GDP. Deficits under our plan grow at a slower pace than our economy, allowing debt to gradually decline to 70 percent of GDP by the end of the 10-year window. The Democrats' balanced approach will bring the budget into primary balance in 2017 and complete balance by around 2040 – about the same time as the House Republican budget last year.

- **Makes Targeted Spending Choices** — Our budget adheres to the tight total annual discretionary caps in the Budget Control Act of 2011. We reduce defense spending by \$200 billion from pre-sequester levels over the next 10 years, recognizing that further savings can be achieved while maintaining a military that is second to none by placing greater emphasis on reform and through careful analysis of our security strategy. The budget also assumes no funding for Overseas Contingency Operations after 2014, reflecting the President's plan to shift full lead of security operations to Afghan forces. In addition to the Medicare savings, our plan also includes mandatory budget savings of \$73 billion from such things as reductions in agriculture direct payments, improvements to the solvency of the Pension Benefit Guaranty Corporation, and reducing duplication identified by the GAO. Our plan directs Congressional committees to identify savings in their jurisdictions that have been highlighted in the GAO's annual report on waste, duplication, and overlap in Federal programs, which GAO believes could potentially save tens of billions of dollars.
- **Provides Tax Relief for Working Families and Ends Tax Breaks for the Wealthy** — Our budget reduces tax breaks for the wealthy to help reduce the deficit. In contrast, the GOP budget raises taxes on the middle class to fund a windfall for millionaires. In fact, their budget provides millionaires an average tax break of over \$245,000 while sticking middle class families with a bill of \$3,000. The Democratic plan accommodates expansion of incentives for low- and middle-income families to earn income, save for retirement, and attend college. To reduce the deficit in a balanced way, it closes a variety of corporate tax loopholes and limits tax breaks for wealthy individuals.

### HOUSE DEMOCRATIC ALTERNATIVE AGGREGATES

(in billions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	'14-'18	'14-'23
House Democratic Alternative:													
Receipts	2,653	2,974	3,460	3,716	3,894	4,071	4,239	4,424	4,646	4,891	5,126	18,115	41,441
Outlays	3,609	3,756	3,852	4,068	4,260	4,478	4,724	4,965	5,215	5,522	5,736	20,414	46,575
Surplus/Deficit	-956	-782	-392	-352	-366	-407	-484	-542	-569	-631	-610	-2,299	-5,135
Debt held by the public	12,340	13,215	13,702	14,141	14,589	15,065	15,616	16,224	16,858	17,558	18,232		

#### As a percent of GDP:

House Democratic Alternative:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Receipts	16.5%	17.9%	19.6%	19.8%	19.5%	19.4%	19.4%	19.4%	19.5%	19.7%	19.8%
Outlays	22.5%	22.6%	21.8%	21.6%	21.3%	21.4%	21.6%	21.7%	21.9%	22.2%	22.1%
Surplus/Deficit	-6.0%	-4.7%	-2.2%	-1.9%	-1.8%	-1.9%	-2.2%	-2.4%	-2.4%	-2.5%	-2.4%
Debt held by the public	77.0%	79.4%	77.7%	75.3%	73.1%	71.9%	71.3%	71.0%	70.7%	70.6%	70.4%



**FY14 Democratic Budget**

Function Totals

in billions of dollars

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2014-2018</u>	<u>2014-2023</u>
Budget Authority	3,763.9	3,704.3	3,788.5	4,047.2	4,285.0	4,530.9	4,747.3	5,010.8	5,249.9	5,552.5	5,782.7	20,355.9	46,699.1
Outlays	3,609.4	3,756.3	3,851.9	4,067.7	4,260.0	4,477.9	4,723.7	4,965.3	5,215.0	5,522.1	5,735.6	20,413.8	46,575.5
Revenue	2,652.9	2,974.3	3,460.2	3,715.7	3,893.8	4,071.1	4,239.2	4,423.5	4,645.8	4,891.3	5,125.9	18,115.1	41,440.9
Surplus (+)/Deficit (-)	-956.5	-782.0	-391.7	-352.0	-366.2	-406.8	-484.4	-541.8	-569.2	-630.8	-609.7	-2,298.7	-5,134.5
Debt Held by the Public	12,340	13,215	13,702	14,141	14,589	15,065	15,616	16,224	16,858	17,558	18,232		
Debt Subject to Limit	17,158	18,142	18,719	19,259	19,862	20,519	21,234	21,996	22,766	23,567	24,340		
Revenue Delta	-55.32	-28.38	87.22	124.57	128.61	134.03	138.32	144.05	149.89	157.04	164.63		
GDP	16,034	16,646	17,632	18,792	19,959	20,943	21,890	22,854	23,842	24,858	25,910	446.04	1,199.98
<b>050 National Defense</b>													
Budget Authority	559.5	560.2	560.4	567.6	577.8	588.1	599.0	612.3	626.1	639.9	654.7	2,854.2	5,986.2
Outlays	610.4	572.9	561.8	567.4	569.8	573.8	588.4	600.4	613.4	632.2	641.1	2,845.8	5,921.2
<b>150 International Affairs</b>													
Budget Authority	47.2	47.9	46.4	47.4	48.4	49.5	50.5	51.6	52.3	53.7	54.8	239.6	502.5
Outlays	45.7	44.4	44.6	45.1	46.1	46.7	47.3	48.2	49.2	50.5	51.4	226.9	473.5
<b>250 General Science, Space, and Technology</b>													
Budget Authority	29.2	29.7	30.3	30.9	31.6	32.2	32.9	33.6	34.3	35.0	35.7	154.7	326.0
Outlays	28.9	29.4	30.0	30.5	31.1	31.7	32.4	33.0	33.6	34.3	35.0	152.8	321.1
<b>270 Energy</b>													
Budget Authority	6.2	11.5	4.2	4.3	4.4	4.6	4.7	4.9	4.9	5.0	5.1	29.0	53.6
Outlays	9.1	5.8	6.3	6.1	5.2	4.9	4.4	4.6	4.8	4.9	5.0	28.2	51.9
<b>300 Natural Resources and Environment</b>													
Budget Authority	44.2	39.5	39.2	39.9	40.9	42.1	42.4	43.5	43.6	44.3	45.6	201.6	421.1
Outlays	41.7	41.3	40.4	40.9	41.7	42.4	43.0	43.9	44.1	44.4	44.9	206.7	427.1
<b>350 Agriculture</b>													
Budget Authority	22.4	21.7	21.9	22.5	22.3	22.4	22.8	23.2	23.5	23.8	24.2	110.7	228.3
Outlays	28.8	20.4	21.6	22.1	21.8	21.9	22.2	22.6	23.0	23.3	23.7	107.7	222.6
<b>370 Commerce and Housing Credit</b>													
Budget Authority	-28.2	17.5	11.2	11.7	12.5	14.7	17.2	17.3	17.4	21.2	21.2	67.6	162.0
Outlays	-22.2	5.0	-1.7	-3.3	-4.7	-3.2	-5.9	-5.8	-0.6	2.1	1.0	-8.1	-17.4
<b>400 Transportation</b>													
Budget Authority	150.5	87.9	109.1	116.3	123.1	129.9	95.1	96.8	98.7	100.6	102.6	566.3	1,060.1
Outlays	93.9	113.9	119.3	114.8	116.0	119.8	118.3	111.7	109.8	109.0	107.9	583.9	1,140.6
<b>450 Community and Regional Development</b>													
Budget Authority	77.9	12.8	13.0	13.2	13.5	13.2	13.0	13.3	13.6	13.9	14.2	65.8	133.8
Outlays	38.4	28.6	29.6	27.1	21.8	17.6	15.0	14.6	14.5	14.7	14.9	124.7	198.4
<b>500 Education, Training, Employment, and Social Services</b>													
Budget Authority	160.1	83.5	92.7	102.7	115.1	120.8	116.3	117.6	119.5	121.8	124.2	514.9	1,114.3
Outlays	94.9	123.3	118.4	109.6	113.2	119.1	115.0	116.9	118.6	120.6	122.9	583.6	1,177.5
<b>550 Health</b>													
Budget Authority	365.2	420.4	501.1	555.5	612.8	649.5	686.5	733.1	765.6	808.8	858.0	2,739.3	6,591.3
Outlays	362.0	415.6	494.1	561.0	615.1	649.8	685.7	721.9	764.2	807.0	856.2	2,735.6	6,570.5

**FY14 Democratic Budget**

Function Totals

in billions of dollars

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2014-2018</u>	<u>2014-2023</u>
<b>570 Medicare</b>													
Budget Authority	511.7	524.4	527.3	581.8	599.8	624.9	686.0	735.5	786.8	863.5	895.2	2,858.2	6,825.2
Outlays	511.2	523.8	527.0	581.6	599.4	624.6	685.8	735.1	786.8	863.1	894.8	2,856.4	6,821.9
<b>600 Income Security</b>													
Budget Authority	544.1	530.6	528.5	539.0	538.4	541.4	545.6	557.9	571.9	590.6	598.1	2,677.9	5,542.1
Outlays	543.0	527.6	524.0	537.7	533.2	532.1	541.2	553.8	567.8	591.3	593.8	2,654.6	5,502.5
<b>650 Social Security</b>													
Budget Authority	819.7	864.0	912.5	964.1	1,019.8	1,079.2	1,143.3	1,212.1	1,283.6	1,358.9	1,437.9	4,839.5	11,275.4
Outlays	816.2	860.1	908.2	959.5	1,014.8	1,073.8	1,137.6	1,206.2	1,277.4	1,352.4	1,430.9	4,816.4	11,220.9
<b>700 Veterans Benefits and Services</b>													
Budget Authority	140.6	146.7	149.8	162.1	160.9	159.4	171.0	175.7	179.6	191.3	187.9	778.9	1,684.5
Outlays	138.9	145.5	149.5	161.7	160.3	158.8	170.1	174.8	178.7	190.3	186.9	775.9	1,676.7
<b>750 Administration of Justice</b>													
Budget Authority	57.1	66.5	55.9	58.6	57.8	59.4	61.3	63.2	65.4	71.3	74.0	298.2	633.5
Outlays	57.6	57.0	59.1	62.3	63.6	61.4	61.8	62.9	64.9	70.8	73.4	303.4	637.2
<b>800 General Government</b>													
Budget Authority	24.1	25.5	27.2	29.2	31.1	32.9	35.5	37.6	40.2	42.9	45.6	145.9	347.8
Outlays	27.3	26.3	27.6	29.0	30.9	32.8	35.0	37.2	39.7	42.3	45.1	146.5	345.7
<b>900 Net Interest</b>													
Budget Authority	224.6	245.2	274.0	324.0	410.2	507.5	576.4	640.0	691.9	742.8	790.4	1,760.8	5,202.4
Outlays	224.6	245.2	274.0	324.0	410.2	507.5	576.4	640.0	691.9	742.8	790.4	1,760.8	5,202.4
<b>920 Allowances</b>													
Budget Authority	0.4	-8.9	-18.4	-19.7	-26.9	-31.3	-35.1	-39.2	-44.7	-49.6	-55.0	-105.2	-328.6
Outlays	0.6	-2.9	-16.8	-17.8	-25.2	-29.2	-33.1	-37.3	-42.4	-46.7	-51.9	-91.8	-303.3
<b>950 Undistributed Offsetting Receipts</b>													
Budget Authority	-92.4	-92.3	-97.8	-104.0	-108.5	-109.6	-117.4	-119.5	-124.5	-127.2	-131.7	-512.1	-1,132.3
Outlays	-92.4	-92.3	-97.8	-104.0	-108.5	-109.6	-117.4	-119.5	-124.5	-127.2	-131.7	-512.1	-1,132.3
<b>970 Overseas Contingency Operations</b>													
Budget Authority	99.9	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.0	70.0
Outlays	50.9	65.4	32.7	12.5	4.2	1.2	0.4	0.1	0.1	0.0	0.0	116.0	116.7

**DISCRETIONARY CAPS AND THE DEMOCRATIC BUDGET**  
(in billions of dollars)

Initial caps in BCA 1/.	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	'14-'18	'14-'23
Adjustments allowed under BCA:	1,058.0	1,086.0	1,107.0	1,131.0	1,156.0	1,182.0	1,208.0	1,234.0	1,266.1	1,299.0	5,538.0	11,727.1
War funding	70.0	---	---	---	---	---	---	---	---	---	70.0	70.0
Program integrity	1.3	1.5	1.6	1.7	1.7	1.8	1.8	1.8	1.9	1.9	7.8	16.9
Revised caps consistent with BCA	1,129.3	1,087.5	1,108.6	1,132.7	1,157.7	1,183.8	1,209.8	1,235.8	1,267.9	1,300.9	5,615.8	11,814.0
BA in Democratic Budget	1,129.3	1,073.5	1,090.6	1,111.7	1,133.7	1,157.3	1,182.3	1,207.8	1,233.4	1,260.9	5,538.8	11,580.4
Dem alternative compared to caps	---	-14.0	-18.0	-21.0	-24.0	-26.5	-27.5	-28.0	-34.6	-40.0	-77.0	-233.6

**Memorandum:**

Breakout of Democratic Budget:

War funding	70.0	---	---	---	---	---	---	---	---	---	70.0	70.0
BCA program integrity initiatives	1.3	1.5	1.6	1.7	1.7	1.8	1.8	1.8	1.9	1.9	7.8	16.9
Defense function	552.0	552.0	559.0	569.0	579.0	589.5	602.5	616.0	629.5	644.0	2,811.0	5,892.5
Other	506.0	520.0	530.0	541.0	553.0	566.0	578.0	590.0	602.0	615.0	2,650.0	5,601.0
Total	1,129.3	1,073.5	1,090.6	1,111.7	1,133.7	1,157.3	1,182.3	1,207.8	1,233.4	1,260.9	5,538.8	11,580.4

Initial Allocation to the Appropriations Committee for 2014:

Initial caps in BCA	1,058.0
Backout program integrity initiatives not included in BCA	-1.0
Initial allocation to Appropriations	1,057.0

1/ Assumes sequester is repealed.