

Would You Give President Obama \$4 Trillion?

Learn how the president wants to spend your tax dollars

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Step 1 in the Budget Process

The 5 Step Federal Budget Process



1.

The President submits a **budget request** to Congress.



2.

Lawmakers release their own budget plans and set overall spending levels with a **budget resolution**.



3.

House and Senate subcommittees set funding for each program through **appropriations bills**.



4.

House and Senate members come together to **resolve differences** in their appropriations bills.



5.

The budget returns to the President for his signature before it **becomes law**.

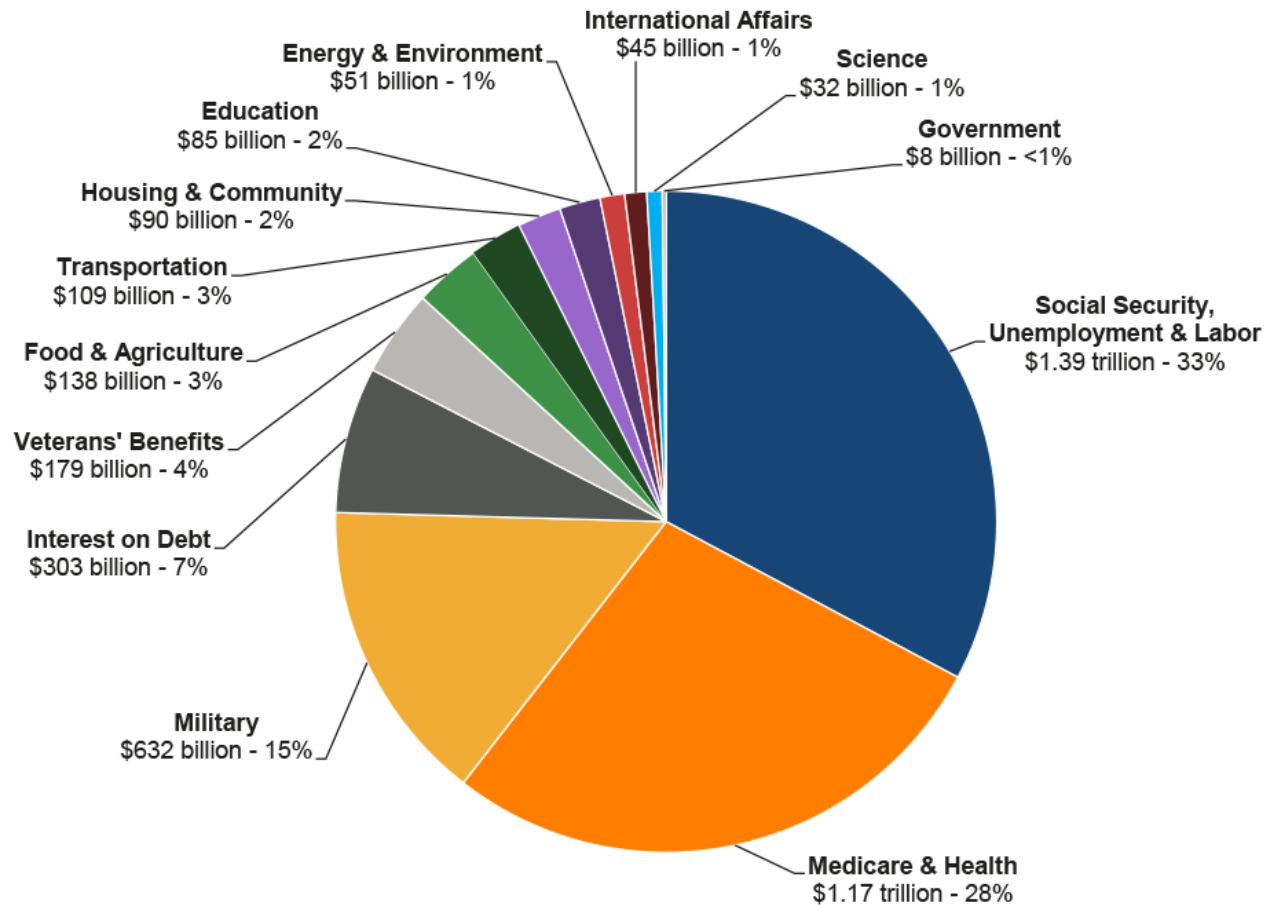
President's Budget Highlights

- **\$4.2 trillion in total spending**
 - 4% more than FY 2016
- **\$3.6 trillion in total revenue**
 - 7% more than FY 2016
- **Runs a deficit of \$503 billion**
 - Deficit is 2.6% of the economy

Key Proposals in the President's Budget

- Domestic Spending
 - Clean transportation program
 - Two free years of community college
 - Preschool for All
- Pentagon Spending
 - More than $\frac{1}{2}$ of discretionary spending for Pentagon
 - \$59 billion Pentagon slush fund
- Taxes and Revenue
 - Increases fairness & transparency in the tax system

President's Proposed \$4.2 Trillion Total Spending (FY 2017)



What are Mandatory and Discretionary Spending?

MANDATORY

- Depends on eligibility rules and permanent or multi-year “authorization” of funds
- Funded primarily by trust funds and payroll taxes, as well as other sources

Includes:

- Social Security
- Medicare
- Medicaid
- Unemployment Insurance
- Retirement for federal employees
- Student loans

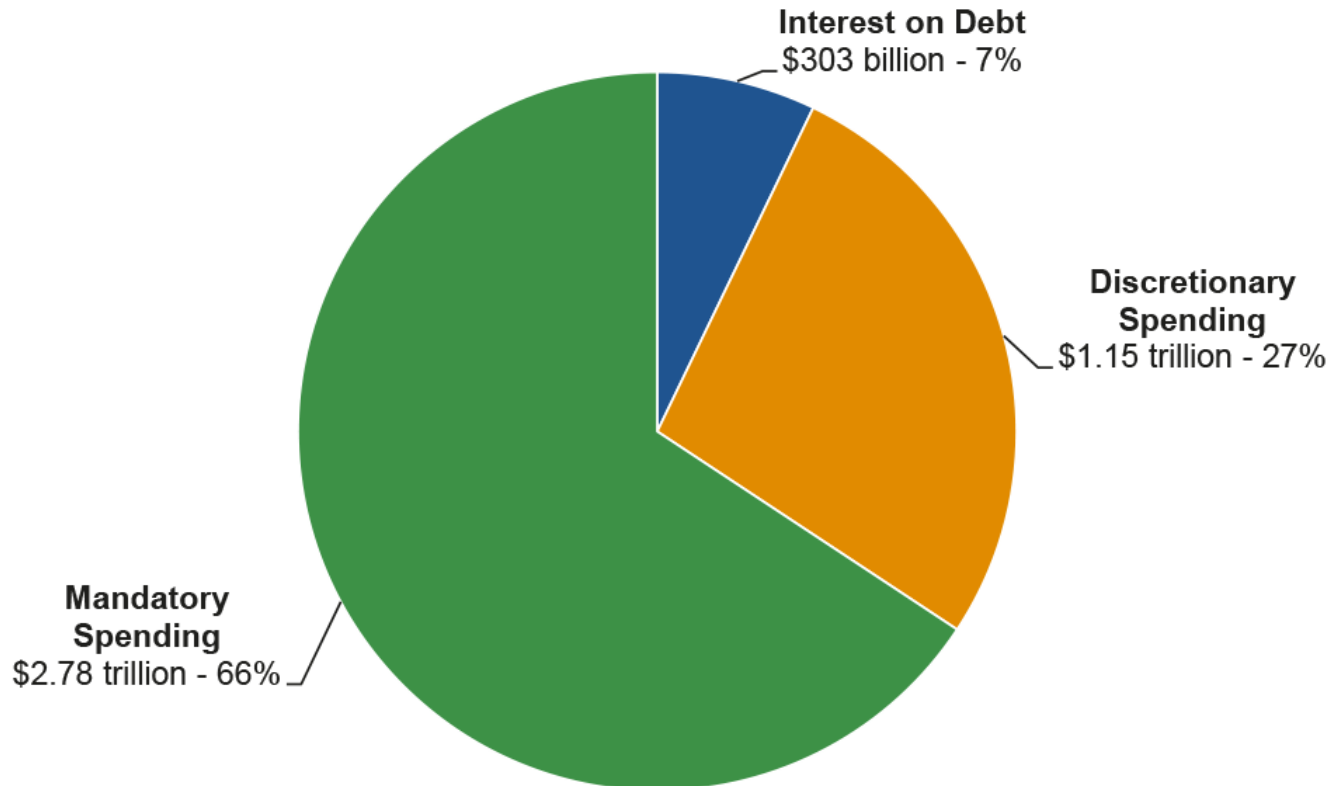
DISCRETIONARY

- Depends on annual budget process and “appropriations” of funds
- Funded primarily by income taxes (individual and corporate)

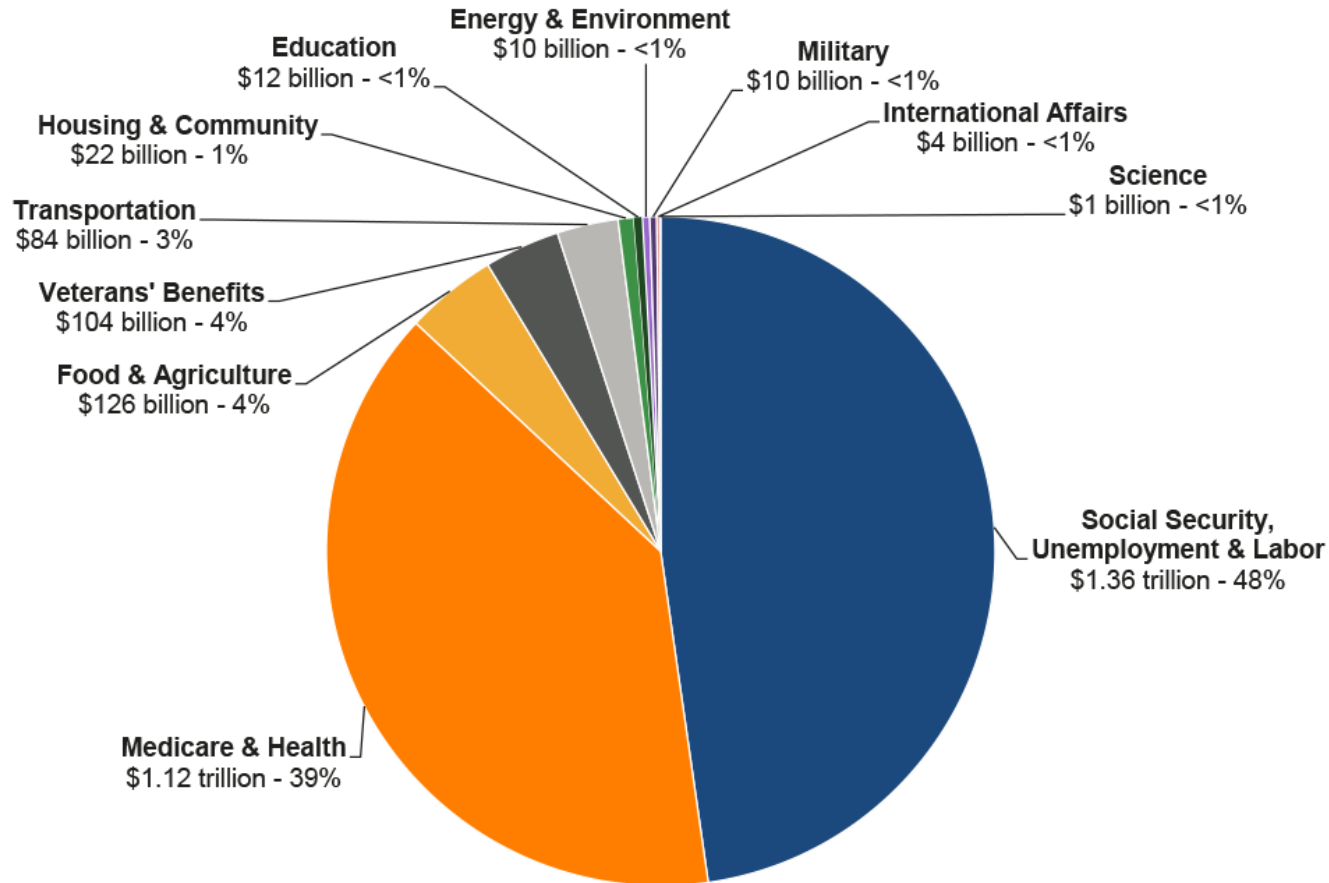
Includes:

- Pentagon
- Education
- Transportation
- Housing Veterans' Benefits
- Science

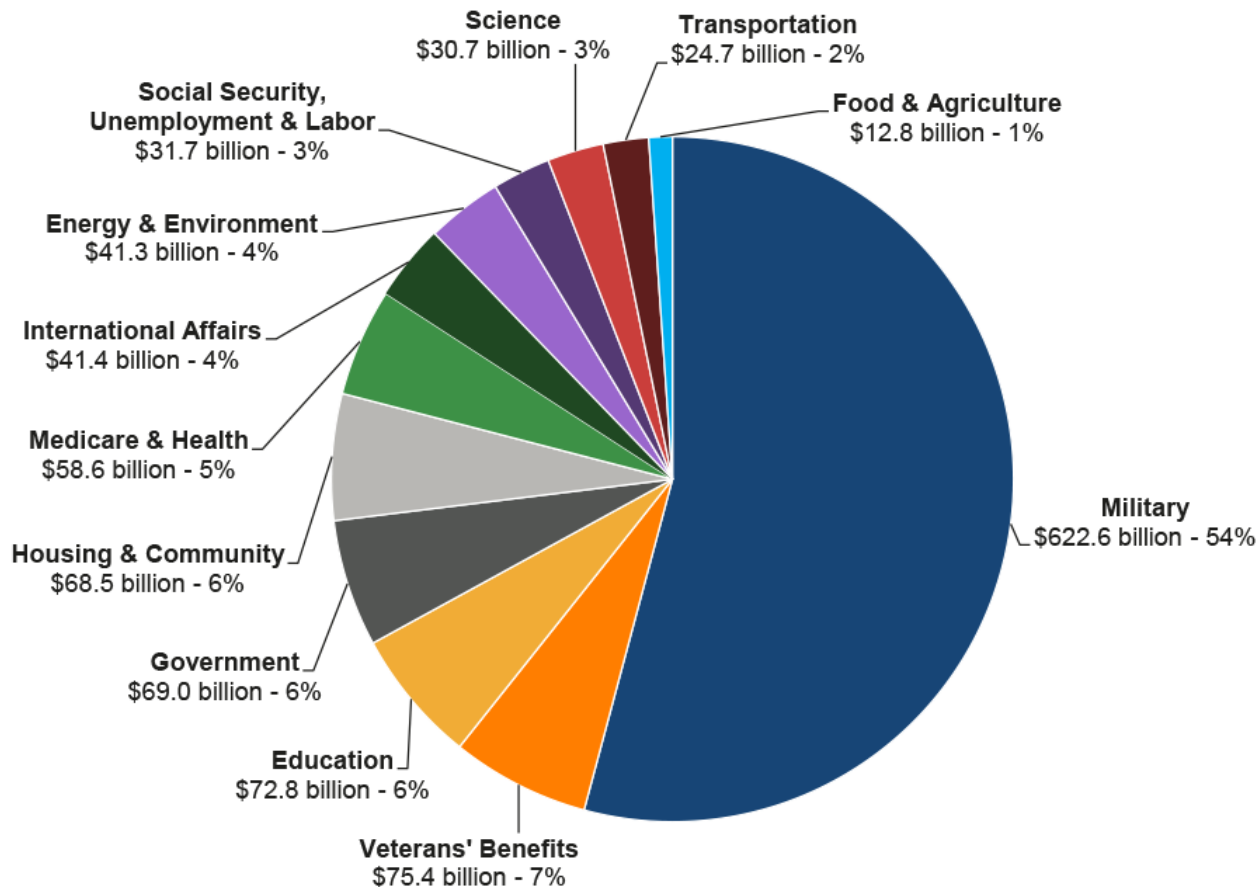
President's Proposed \$4.2 Trillion Budget: Mandatory and Discretionary Spending and Interest on the Federal Debt (FY 2017)



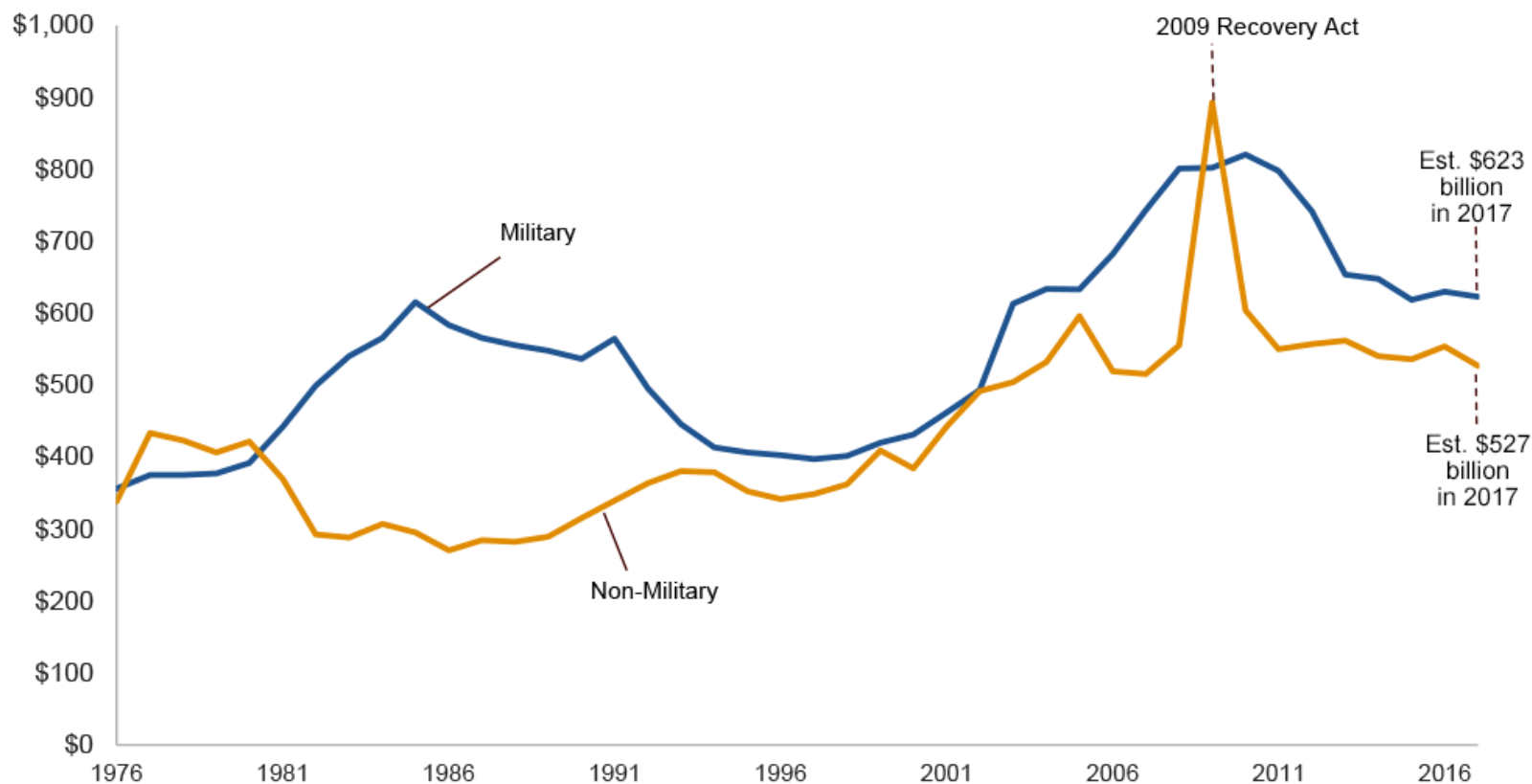
President's Proposed \$2.8 Trillion Mandatory Spending (FY 2017)



President's Proposed \$1.15 Trillion Discretionary Spending (FY 2017)



Military and Non-Military Discretionary Spending (in billions of 2017 dollars)



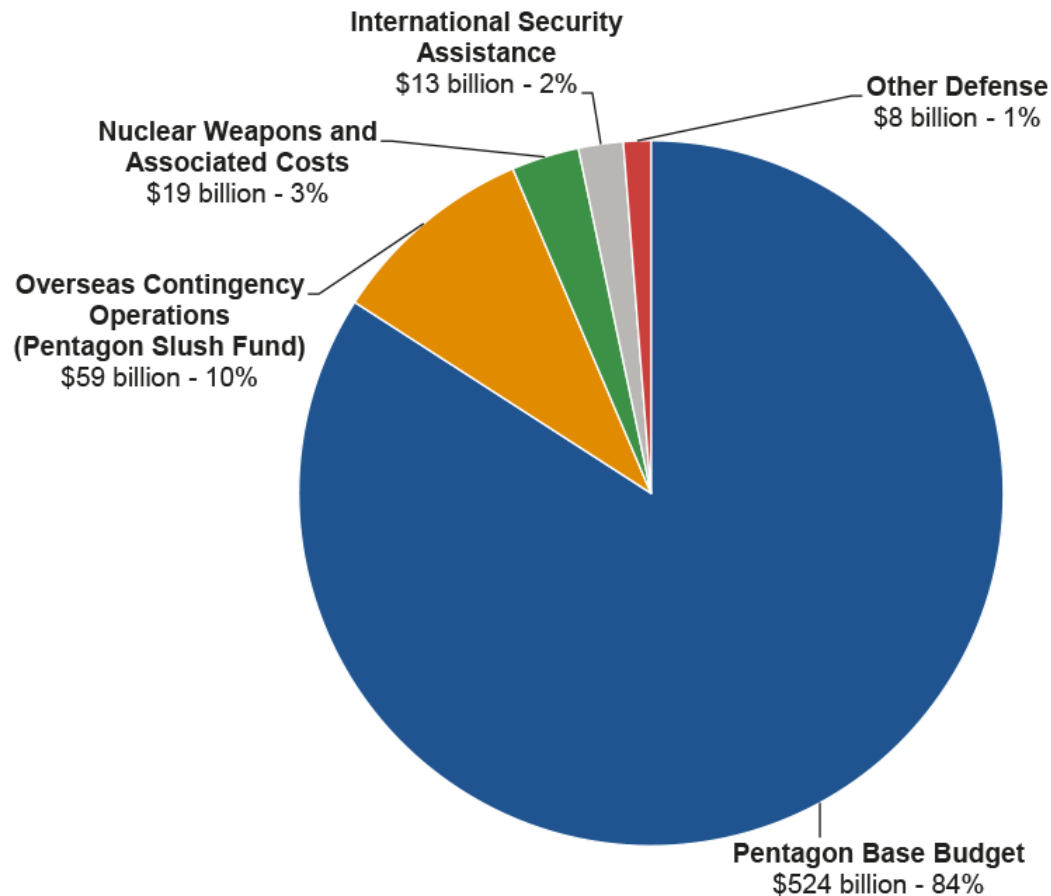
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Source: OMB, National Priorities Project

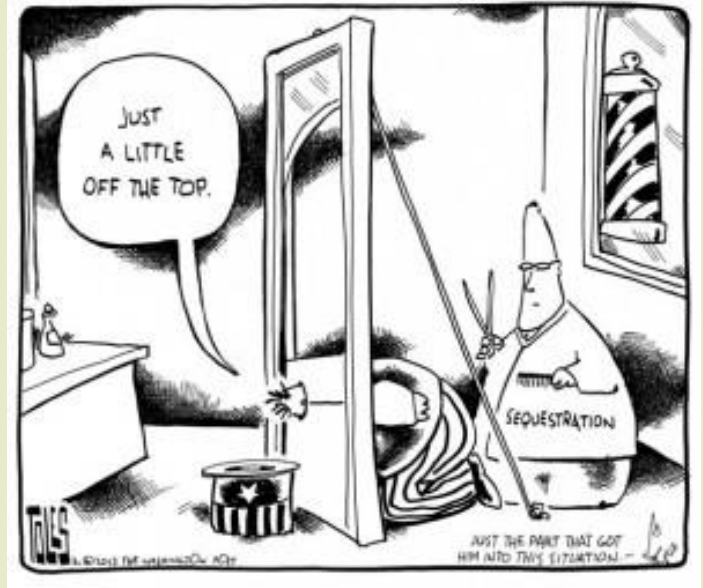


President's Proposed \$623 Billion Discretionary Defense Spending (FY 2017)

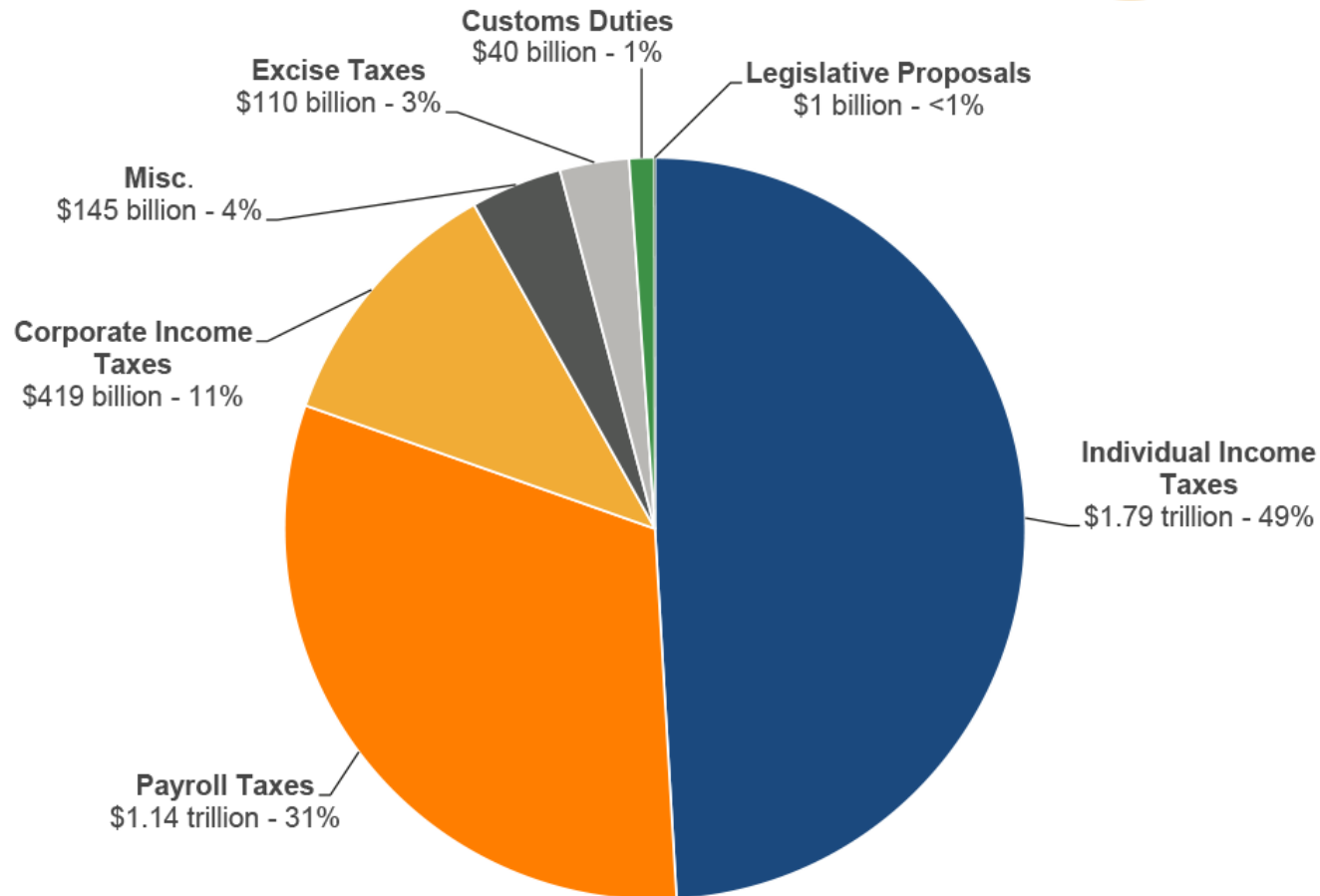


Sequestration

- Keeps to spending levels agreed to in Bipartisan Budget Act of 2015
- Eliminates sequestration afterwards

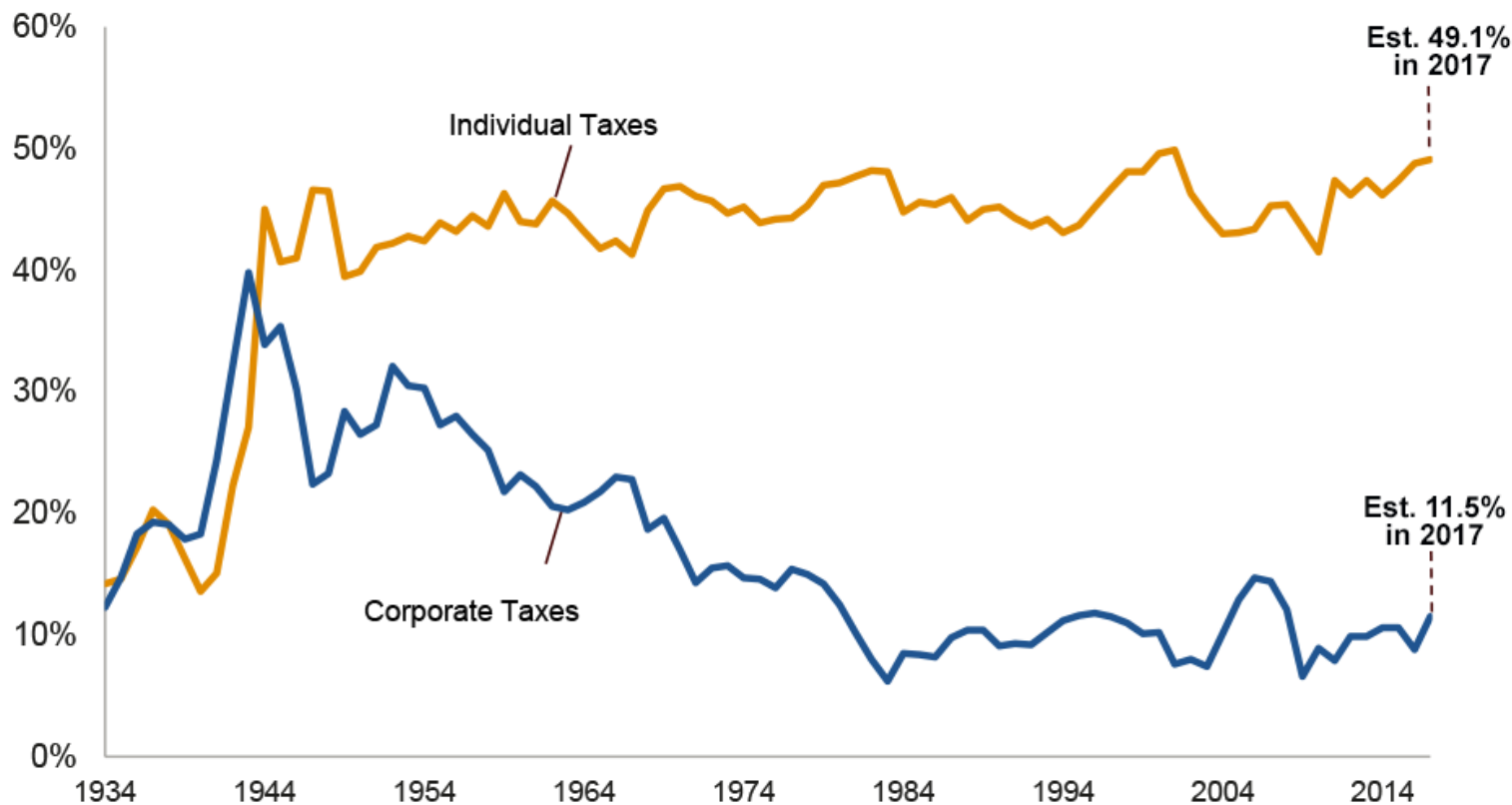


President's Proposed \$3.6 Trillion in Revenue (FY 2017)

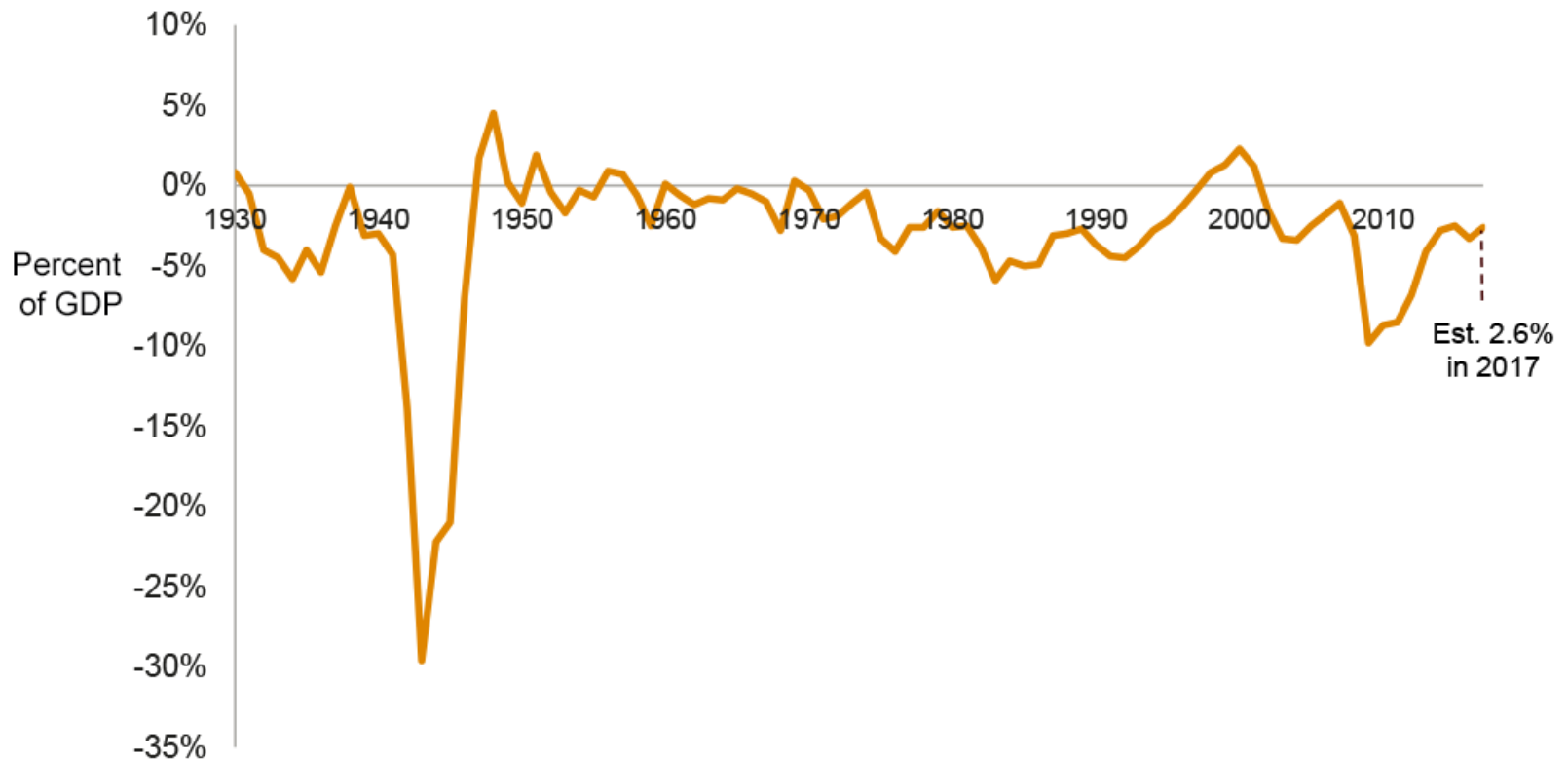


Individual and Corporate Taxes as a Percent of President's Proposed Total Federal Revenue

(FY 1934 - 2017)



Annual Budget Deficit or Surplus as a Percent of GDP (1930 - 2017)



Public's Policy Priorities for 2016

- Economy – 75%
- Terrorism – 75%
- Education – 66%
- Jobs – 64%
- Social Security – 62%
- Health Care Costs – 61%
- Medicare – 58%
- Reducing Crime – 58%
- Budget Deficit – 56%
- Poor and Needy – 54%
- Immigration – 51%

Shifts in public priorities since Obama's reelection

% rating each a top priority for the president and Congress each year ...

	Jan 2013	Jan 2014	Jan 2015	Jan 2016	'13-'16 change
	%	%	%	%	
Strengthening the nation's economy	86	80	75	75	-11
Defending country from terrorism	71	73	76	75	+4
Improving the educational system	70	69	67	66	-4
Improving the job situation	79	74	67	64	-15
Making Social Security system sound	70	66	66	62	-8
Reducing health care costs	63	59	64	61	-2
Making Medicare system sound	65	61	61	58	-7
Reducing crime	55	55	57	58	+3
Reducing the budget deficit	72	63	64	56	-16
Dealing with problems of poor & needy	57	49	55	54	-3
Dealing with issue of immigration*	-	40	52	51	+11
Strengthening the U.S. military	41	43	52	49	+8
Protecting the environment	52	49	51	47	-5
Reforming the nation's tax system	52	55	48	45	-7
Reforming the criminal justice system	-	-	-	44	n/a
Dealing with global climate change	28	29	34	38	+10
Dealing with gun policy	-	-	-	37	n/a
Dealing with global trade issues	31	28	30	31	0

Source: Survey conducted Jan. 7-14, 2016. Significant differences in **bold**.

* 2014-2016 change.

In 2013 and 2014, the question on climate change asked about "dealing with global warming".

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Questions?

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