
The President's Budget Request FY 2013

The Story of \$3.67 Trillion:
The Numbers, the Impact,
and the Stories

5 Steps to the Federal Budget

- ◆ Every February the President submits to Congress a budget request for the upcoming fiscal year



- ◆ Congress carries out a series of evaluations to pass a *budget resolution*

February



Early Spring



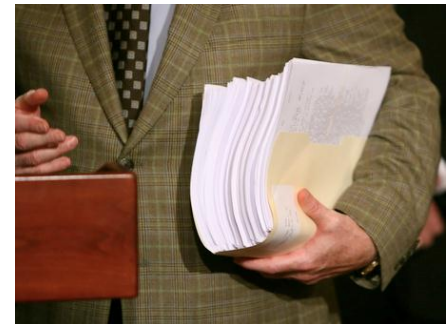
5 Steps to the Federal Budget

- ◆ Congressional subcommittees "markup" Appropriation bills
- ◆ The House and Senate vote on Appropriation bills and reconcile differences
- ◆ The President signs the bill passed by Congress, and the budget is enacted

Late Spring



Early Fall



September 30th



What Does This Really Mean?

(Based on FY2013 Request)

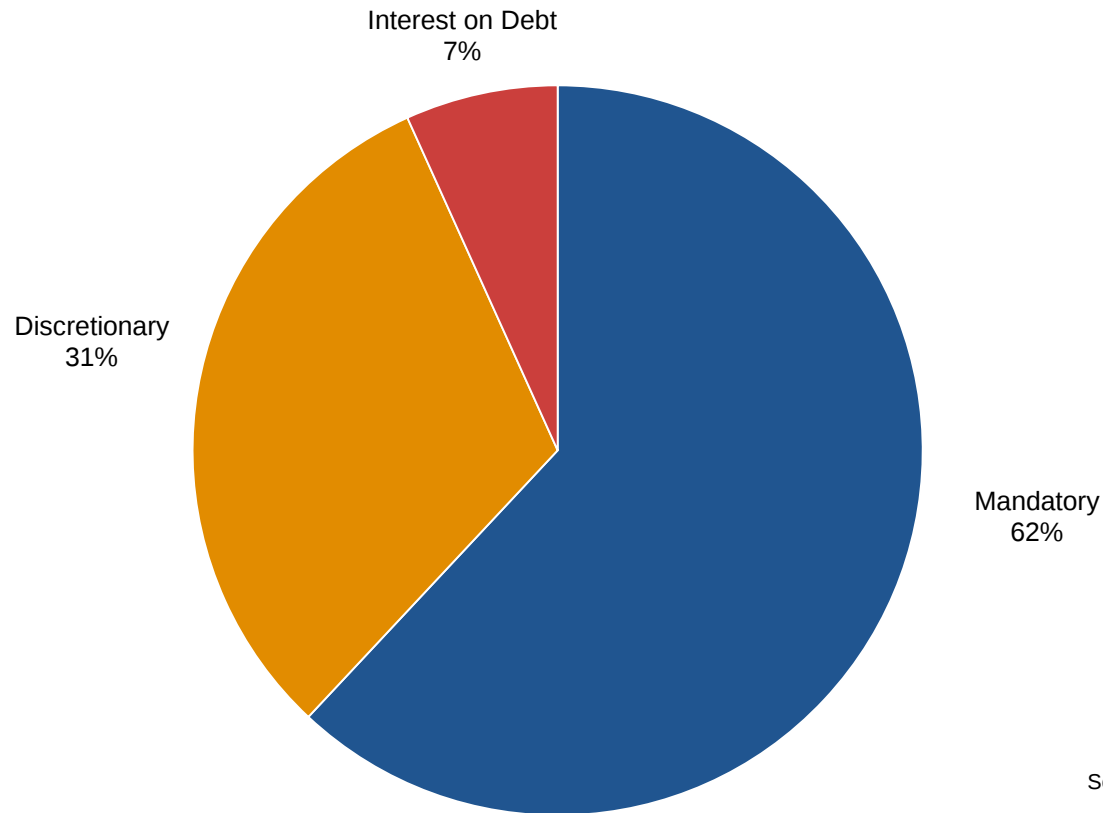
12 Appropriators:
House and
Senate



Highlights of the FY2013 Request

- ◆ Reduces the deficit by 32% from FY2012
- ◆ Includes \$350 billion for job creation and worker training
- ◆ Allows the Bush tax cuts to expire for individuals making more than \$200,000 and families making more than \$250,000
- ◆ Pentagon base budget down 2.6% from FY2012
- ◆ Non-defense discretionary down 5% from FY2012
- ◆ Total spending declines 3.7% after inflation

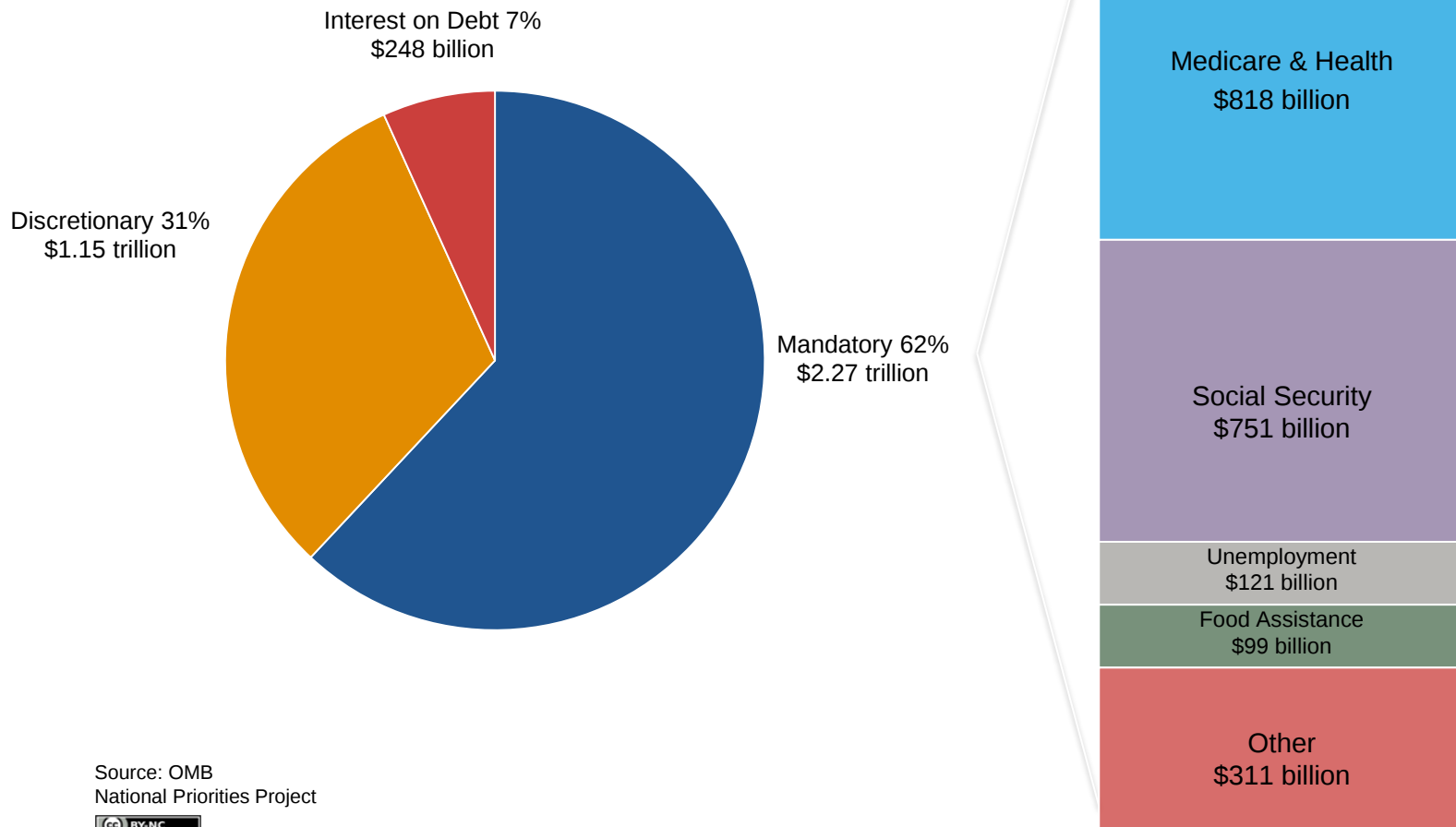
FY2013 Mandatory & Discretionary Spending and Debt Interest



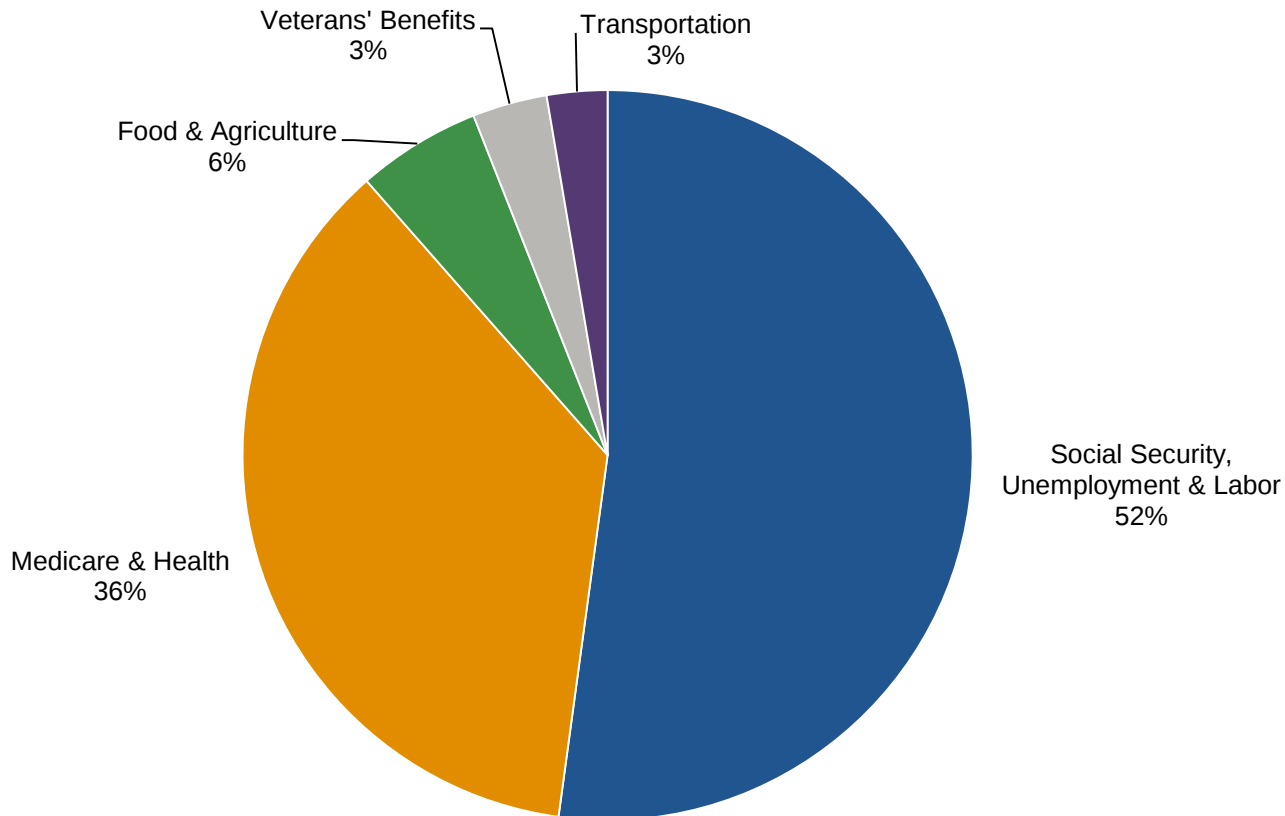
Source: OMB

Total Proposed FY2013 Spending: \$3.67 Trillion
3.7 Percent “Real” Decline from FY2012

President's Proposed FY2013 Mandatory Spending

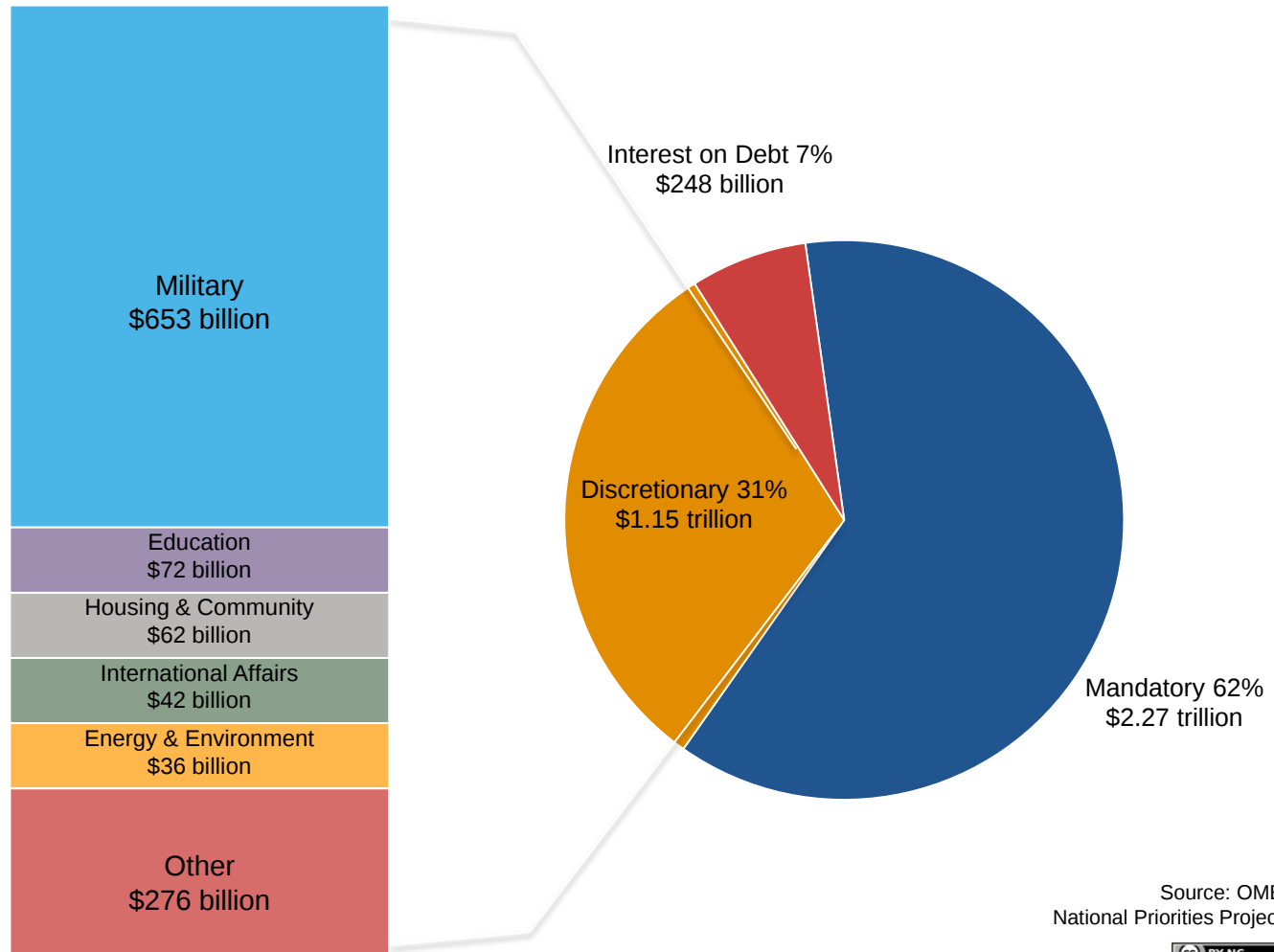


President's Proposed FY2013 Mandatory Spending



TOTAL = \$2.27 Trillion

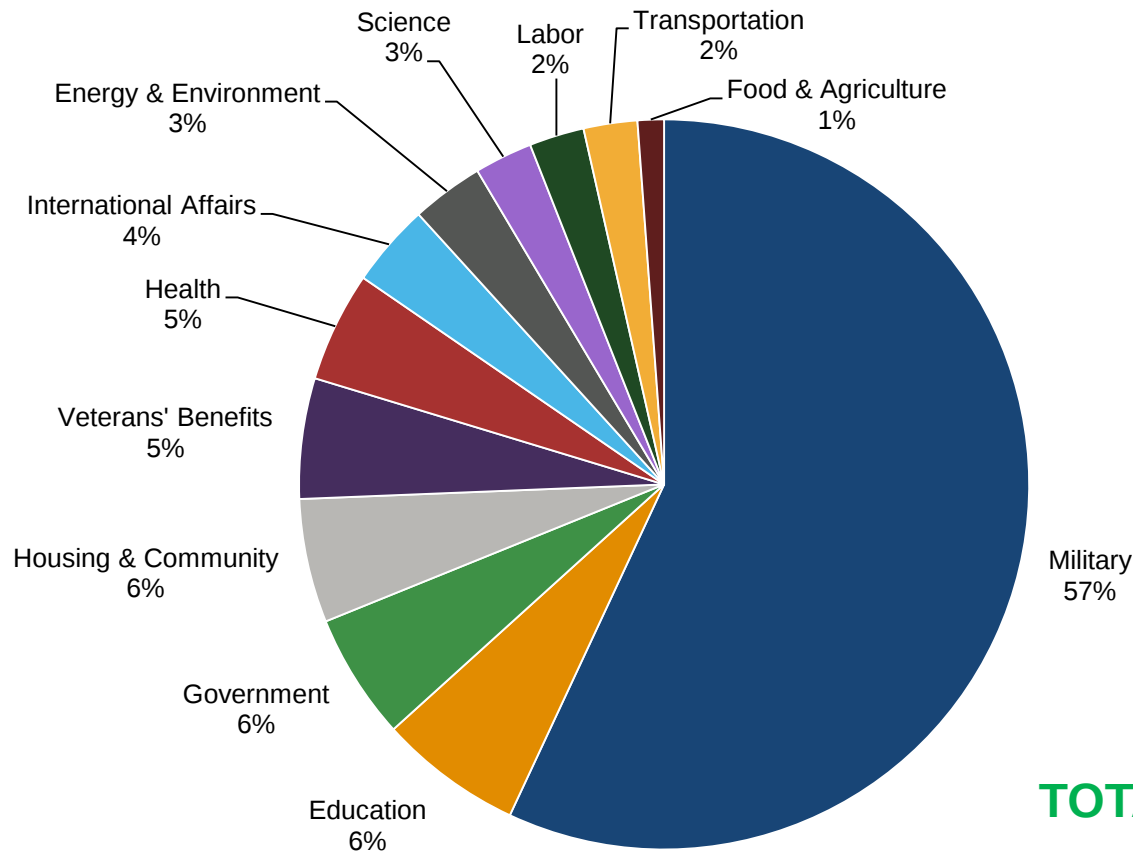
President's Proposed FY2013 Discretionary Spending



Source: OMB
National Priorities Project



President's Proposed FY2013 Discretionary Spending

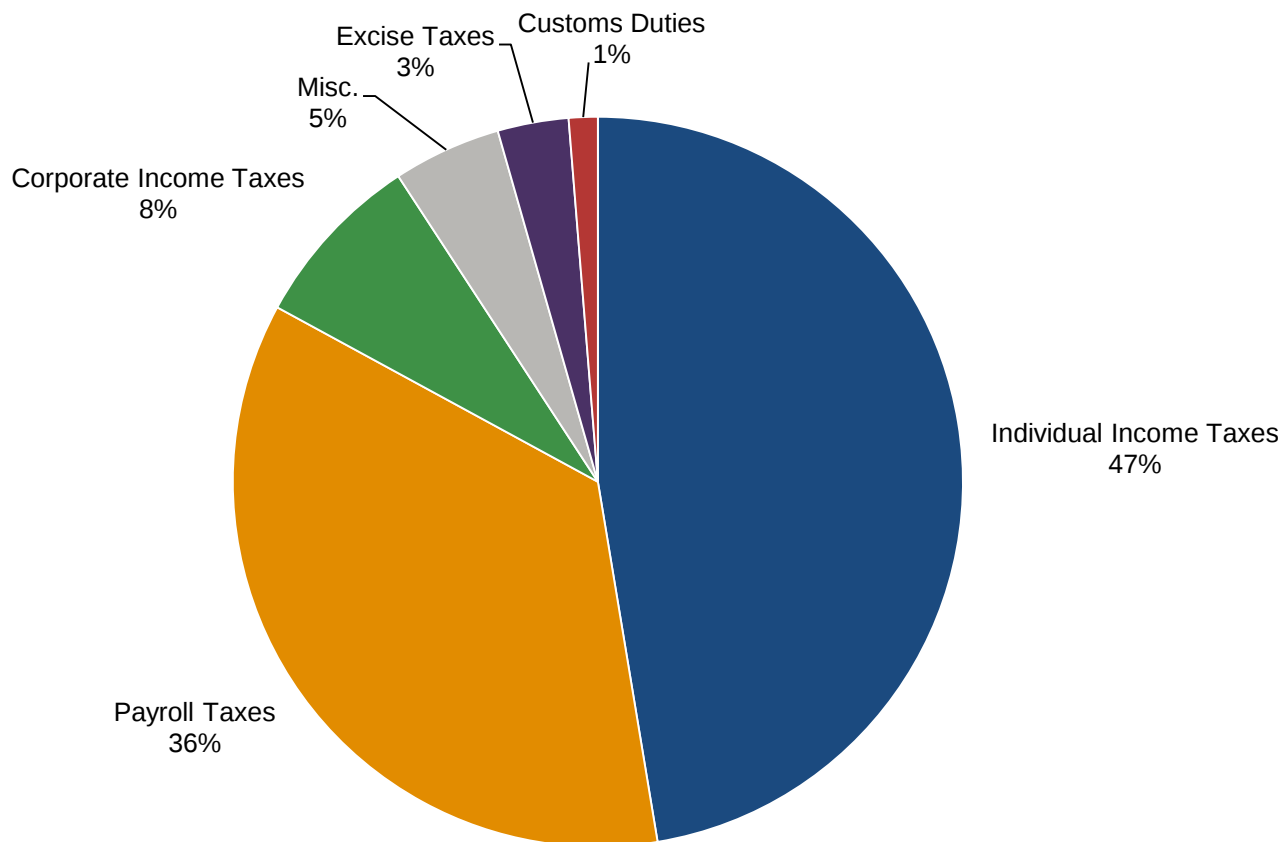


TOTAL = \$1.15 Trillion

Source: OMB
National Priorities Project



Projected FY2013 Revenue Sources



Source: OMB
National Priorities Project



The Impact

Where federal funds land in our communities

<u>Where</u>	<u>Federal Program</u>
Schools	Head Start, Title I
City Hall	Infrastructure (water, transit, roads, bridges)
Housing Authority	Housing assistance
Community/ Anti-poverty	Early childhood, economic development, social services bock grant, weatherization, fuel assistance, youth programs, food & hunger programs
State Agencies	Medicare, Medicaid, TANF, SNAP, jobs programs
Employment Agencies	Unemployment benefits, job training, jobs
Colleges	Pell grants, student loans, grants to schools

The Impact

Winners and Losers

Funding Increase	Funding Cut
Federal Work Study	Title I College & Career Ready Students
Highway Planning & Construction Grants	Low Income Energy Assistance Program (LIHEAP)
Section 8 Housing Choice Vouchers	Community Development Block Grants (CDBG)
Medicaid Grants to States	Temporary Assistance for Needy Families (TANF)
School-Based Nutrition Programs	Clean Water & Drinking Water State Revolving Funds

Budget Control Act of 2011

- ◆ Requires \$917 billion in savings through discretionary spending caps in 2012/2013 and then cuts – security vs. non-security
- ◆ A total of \$2.4 trillion in deficit reduction by 2021
- ◆ Created a “Super Committee” of 12 House members and Senators
- ◆ Committee recommends \$1.2 trillion to \$1.5 trillion in deficit reduction
- ◆ Anything less than \$1.2 trillion = sequestration
- ◆ Sequestration = “50/50” cuts – defense vs. non-defense

The Budget's Story #1

(Deficits and Surpluses in Millions of FY2013 Dollars)

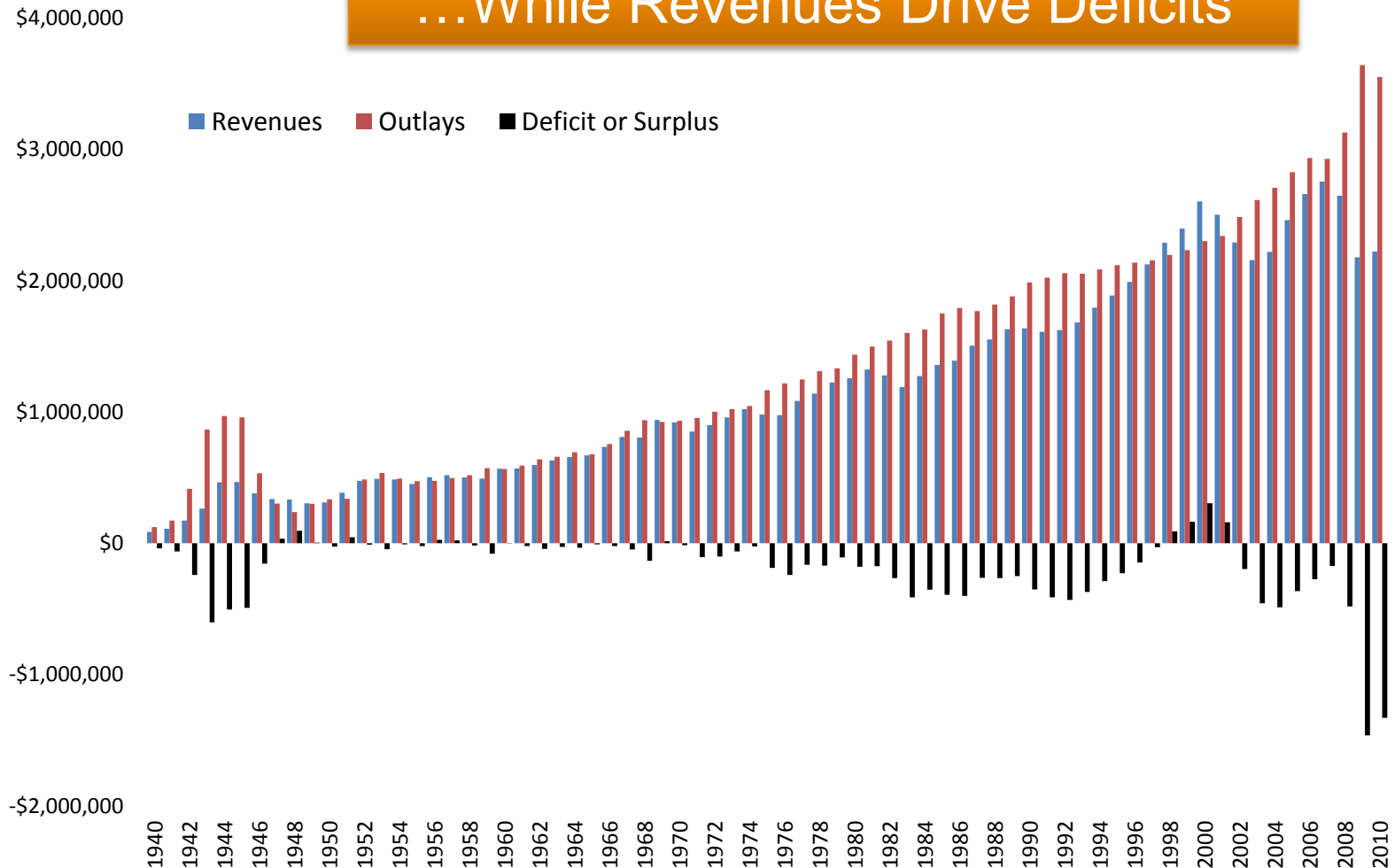
Deficits Drive Decisions...



The Budget's Story #1 (cont'd)

(Revenues, Outlays, Deficits & Surpluses in \$Millions FY2012)

...While Revenues Drive Deficits



The Budget's Story #2

Changing the Rules – Getting Around the BCA

- ◆ Title III – FY2013 supposed to be “defense vs. non-defense”
- ◆ FY2013 request – “security vs. non-security”
 - +\$5 billion for DoD, -\$5 billion “non-defense”
- ◆ FY2014 and beyond – no “firewalls”
 - Greater “flow through” to Pentagon?
 - Proposal only, Congress has to approve

The Budget's Story #3

No Accounting for Sequestration

- ◆ Sequestration – cuts only, all from discretionary budget
- ◆ Total discretionary \$1.15 trillion in FY2013
- ◆ \$110 billion in cuts annually (+/-)
- ◆ This comes on top of current budget projections

The Budget's Story #4

Defense Spending Going Down...Sort of

DEFENSE (\$647.4 Billion)

- ◆ \$525.4B for Pentagon's "base" budget (+\$6.3B mandatory)
- ◆ \$88.5B for wars (OCO)
- ◆ Nuclear weapons (\$19.4B) & misc. (\$7.7B)

PLUS

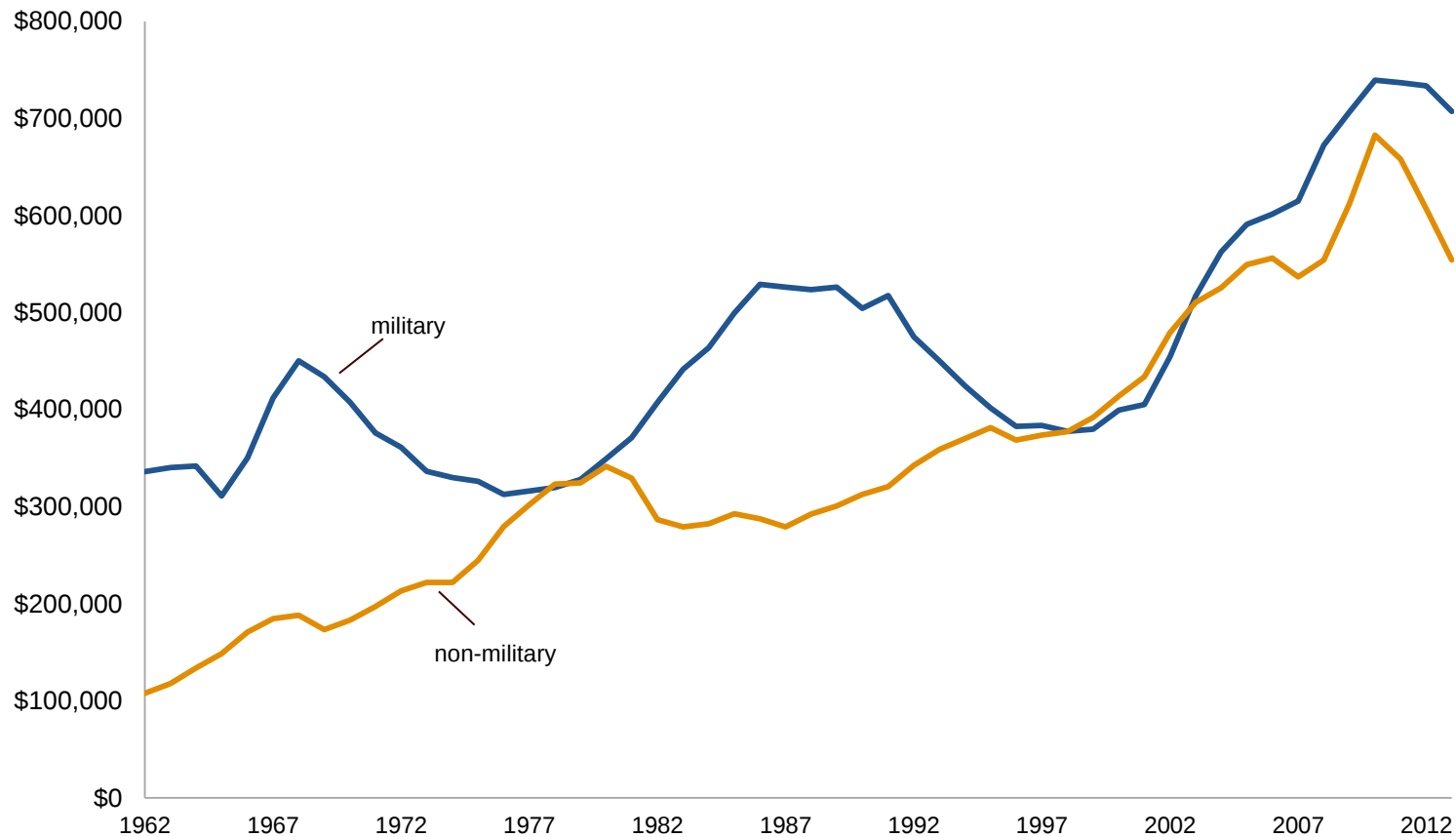
- ◆ \$137.7B for veterans
- ◆ \$51.0B for "homeland security"

TOTAL: About \$836 Billion

"Cuts" Pentagon \$256B over five years, \$487B over nine years

The Budget's Story #4 (cont'd)

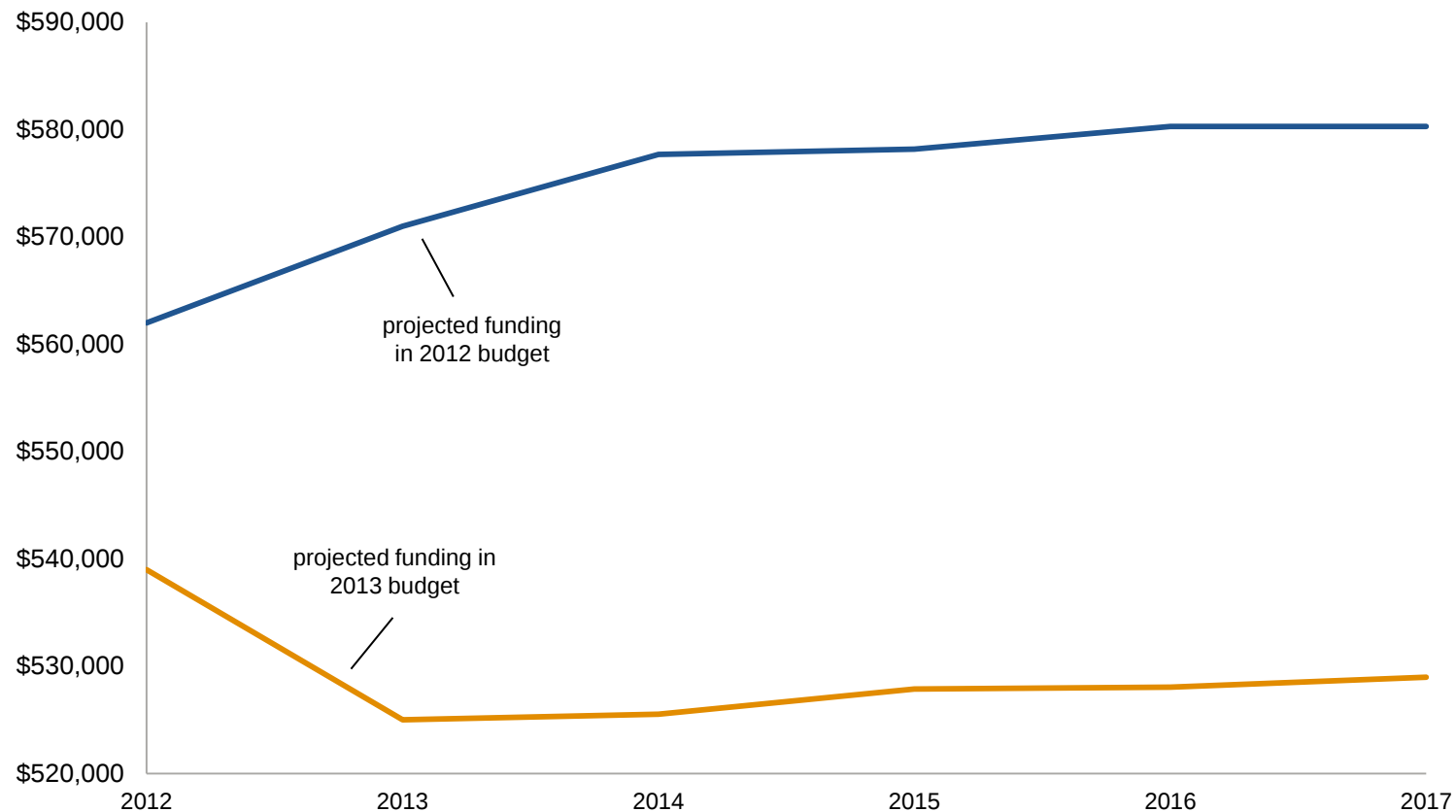
Military and Non-Military Discretionary Spending
(In Millions of FY2013 Dollars)



Source: OMB
National Priorities Project

The Budget's Story #4 (cont'd)

Comparison of DoD Funding Projections in the FY2012 & FY2013 Requests
(In Millions of FY2013 Dollars)



Source: OMB
National Priorities Project



How can NPP help you to become more engaged in the budget process?

www.nationalpriorities.org

Tools

Build a Better Budget, NPP database, tax chart

Resources

Federal Budget 101 in detail, more webinars, *People's Guide*

Blogs

Blog updates on the federal budget and government programs

Social Media



For More Information

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