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# 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



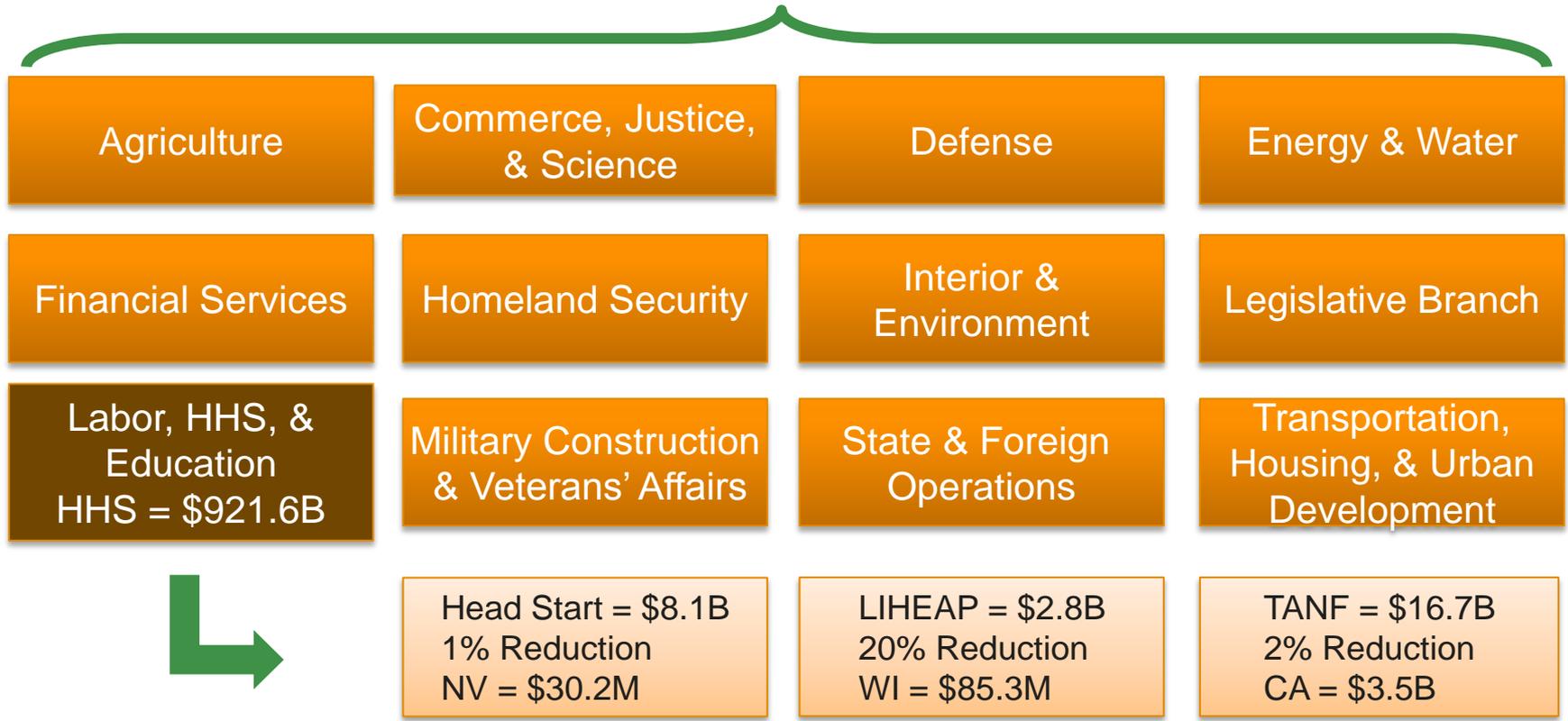
September 30th



# What Does This Really Mean?

(Based on FY2013 Request)

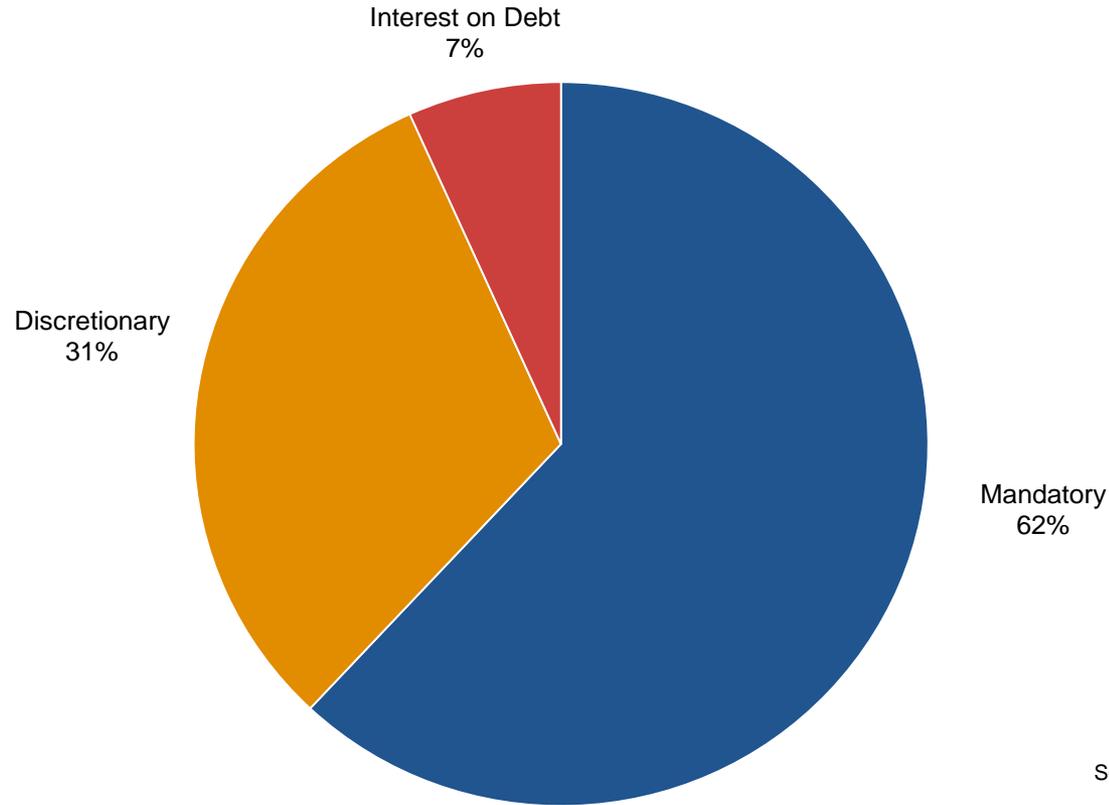
12 Appropriators:  
House and Senate



# 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

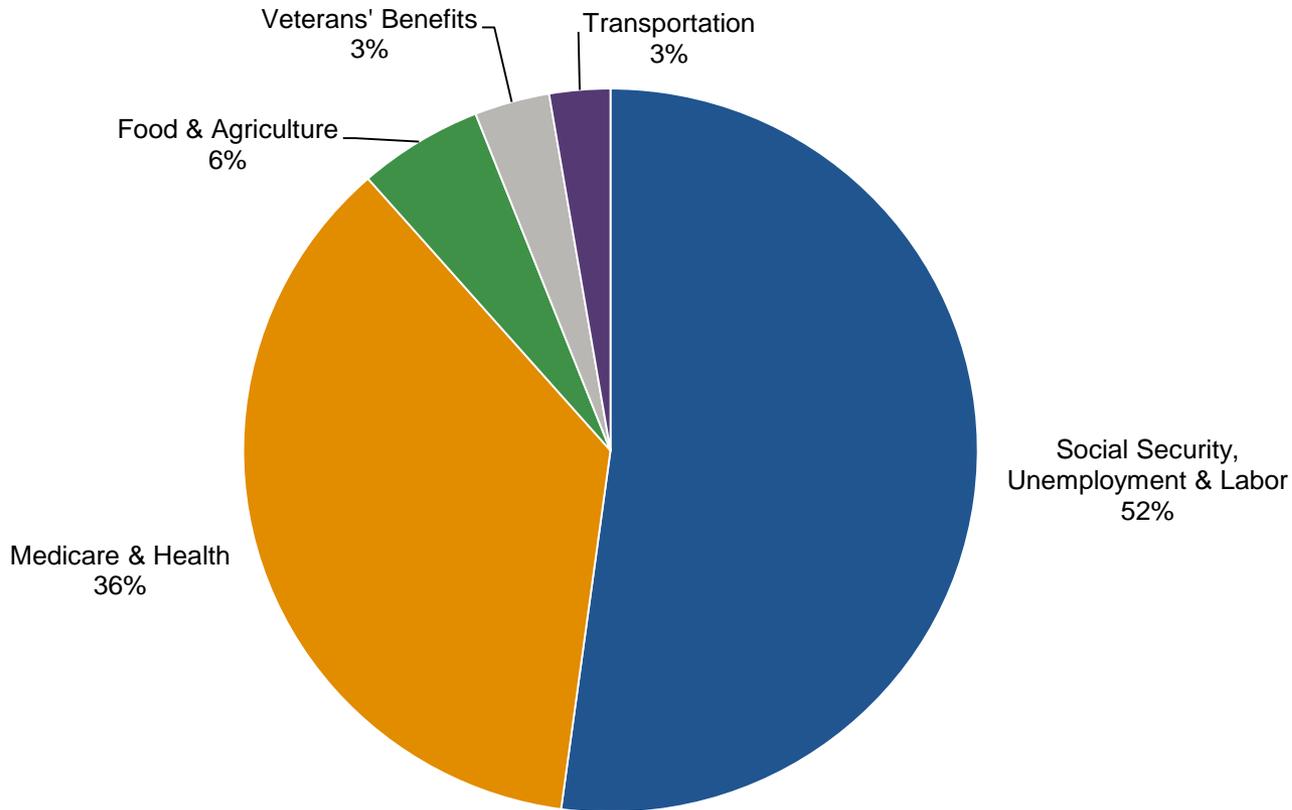
# FY2013 Mandatory & Discretionary Spending and Debt Interest



Source: OMB

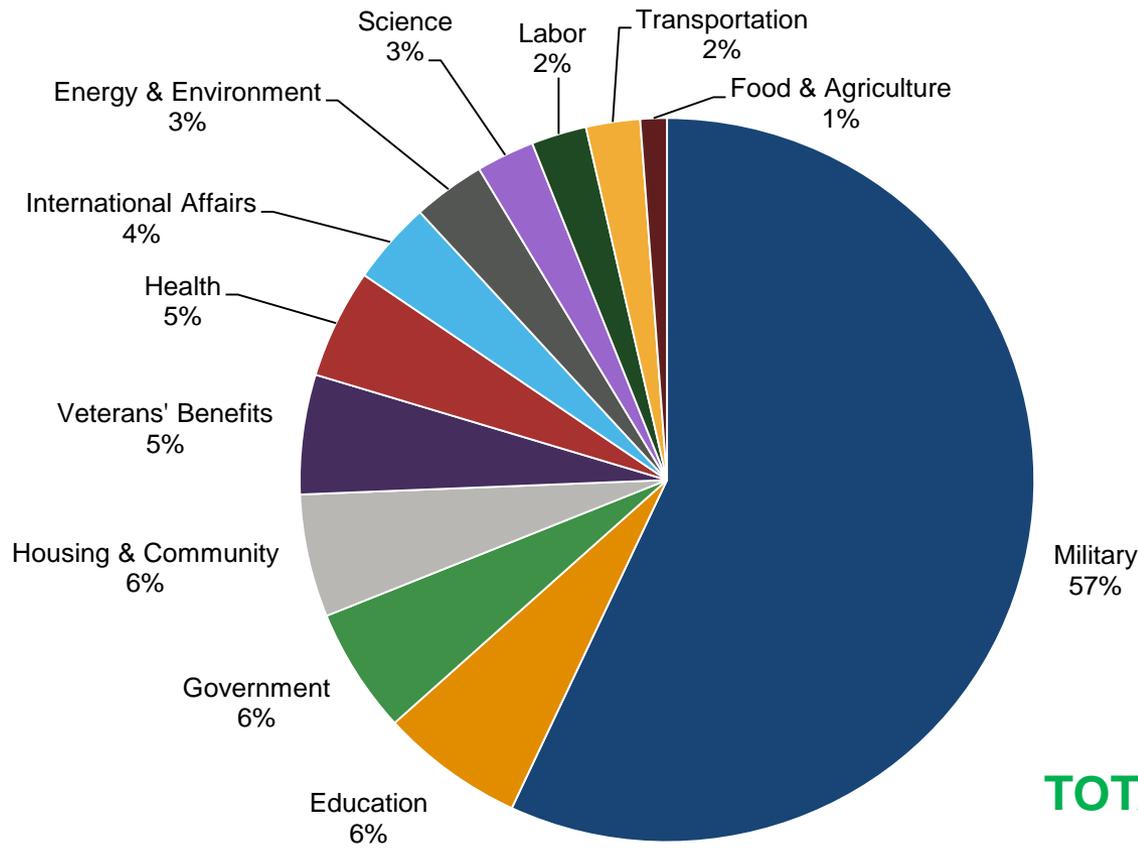
**Total Proposed FY2013 Spending: \$3.67 Trillion**  
**3.7 Percent “Real” Decline from FY2012**

# President's Proposed FY2013 Mandatory Spending



**TOTAL = \$2.27 Trillion**

# President's Proposed FY2013 Discretionary Spending

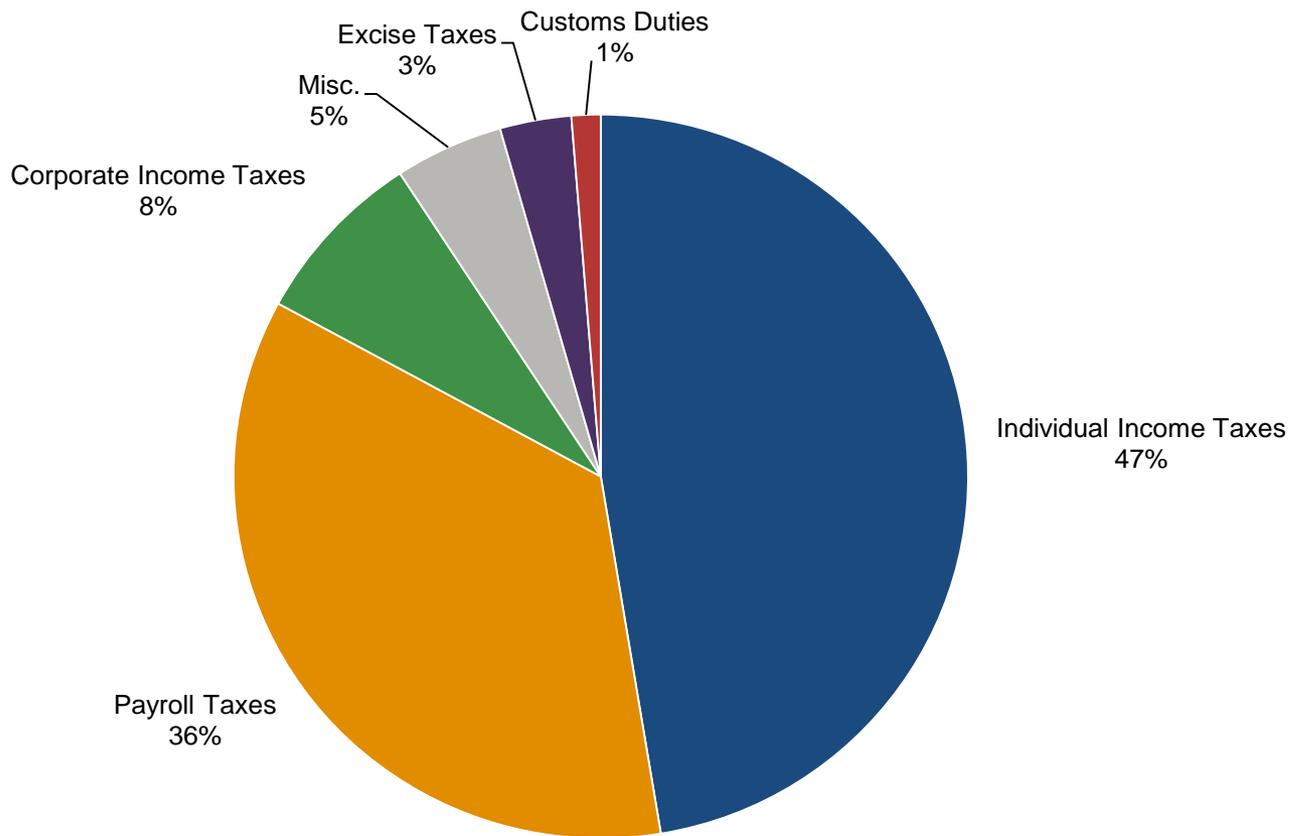


**TOTAL = \$1.15 Trillion**

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

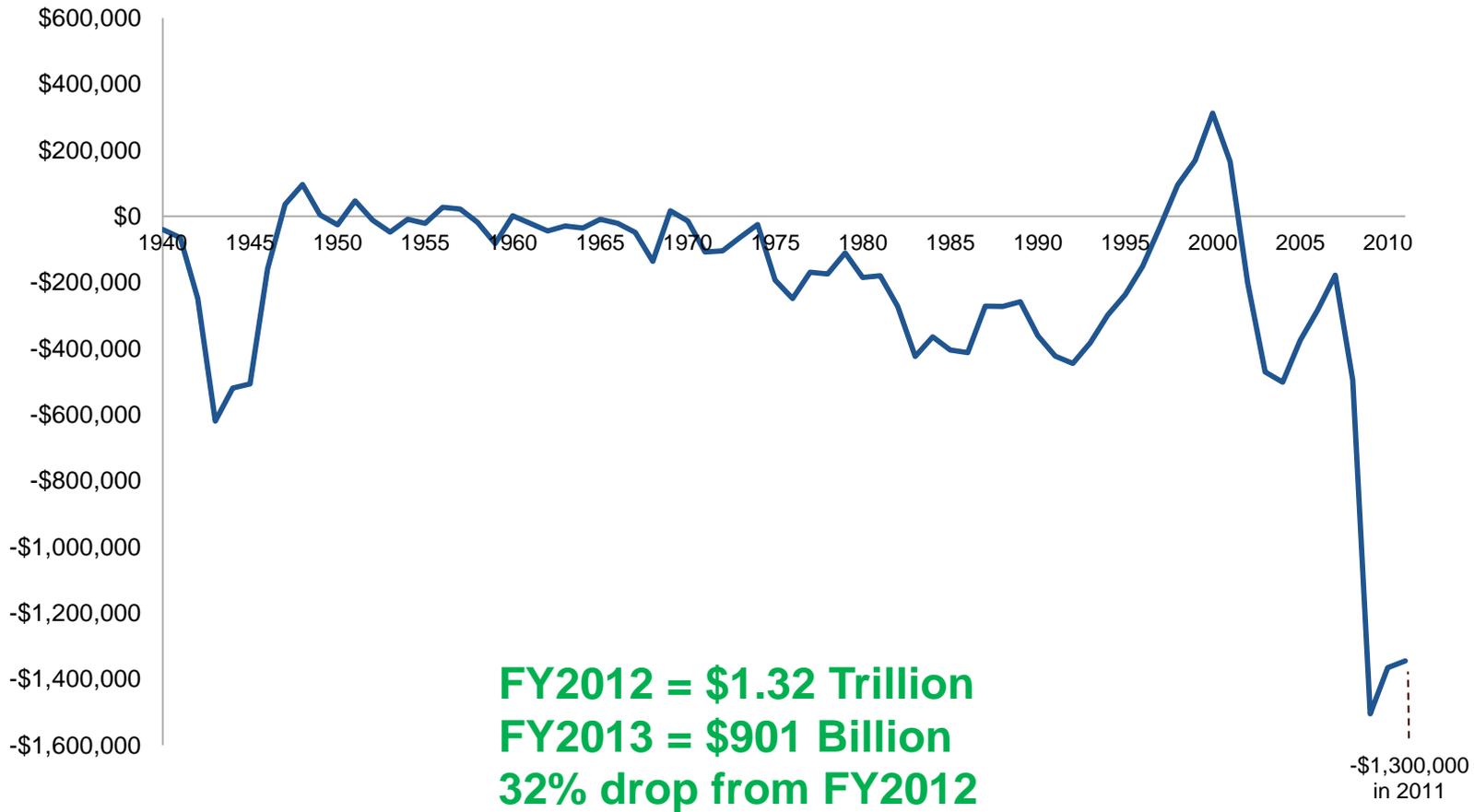
# Budget Control Act of 2011

- ◆ Calls for \$2.4 trillion in *deficit reduction* over 10 years
- ◆ \$917 billion immediately in *savings* through discretionary spending caps in 2012/2013 and then cuts – security vs. non-security
- ◆ An additional \$1.2 trillion in deficit reduction over 10 years based on the recommendation of a “Super Committee” of 12 House members and Senators
- ◆ If the committee recommends and Congress enacts **any amount 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...**

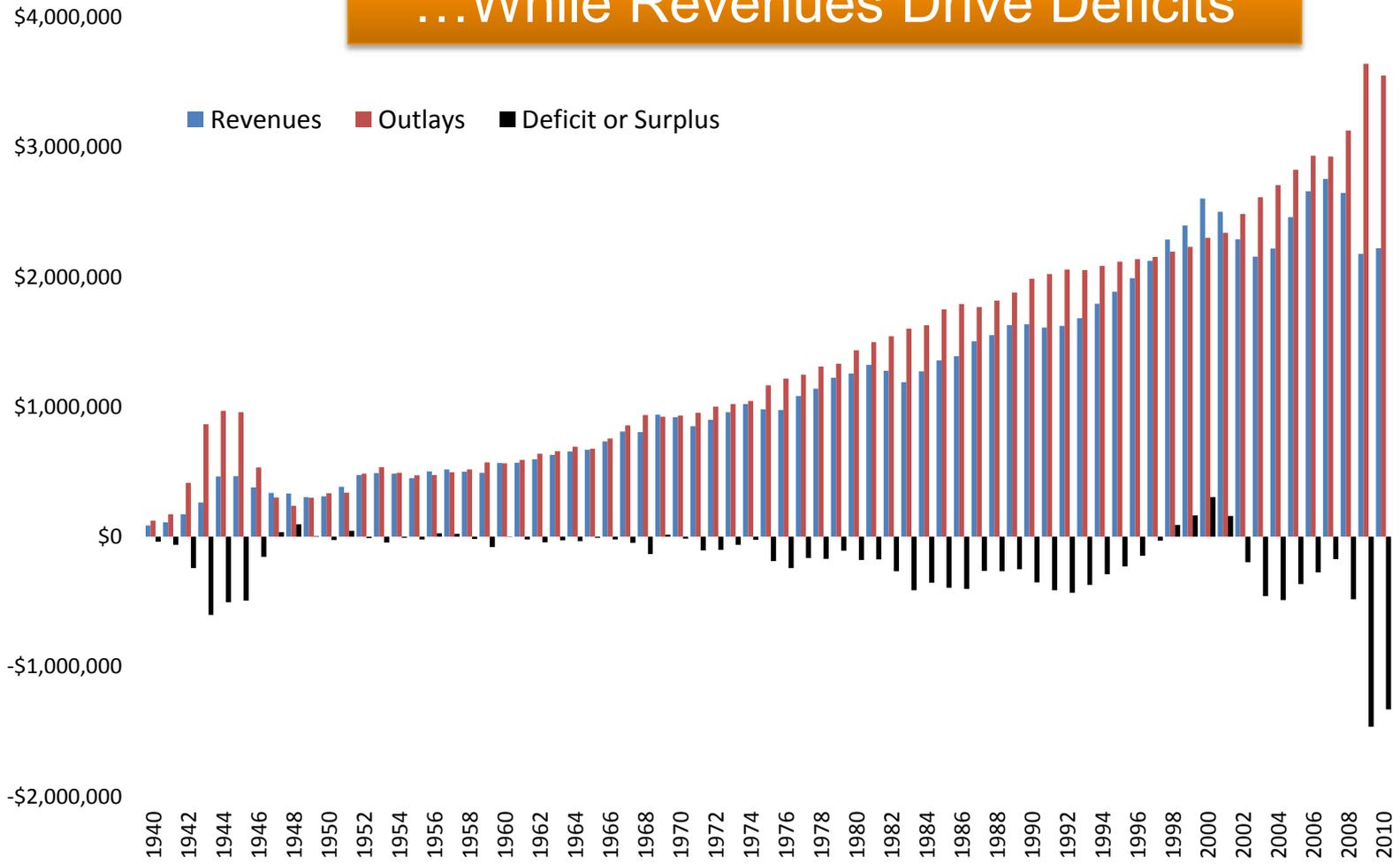


**FY2012 = \$1.32 Trillion**  
**FY2013 = \$901 Billion**  
**32% drop from FY2012**

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

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

...While Revenues Drive Deficits

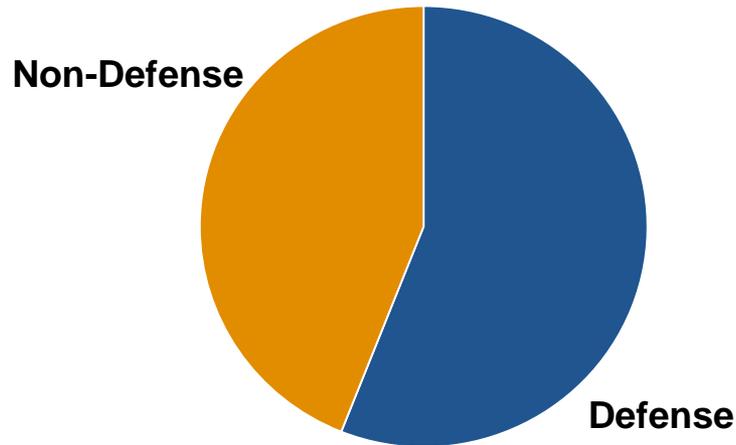


# The Budget's Story #2

## The New Discretionary Paradigm

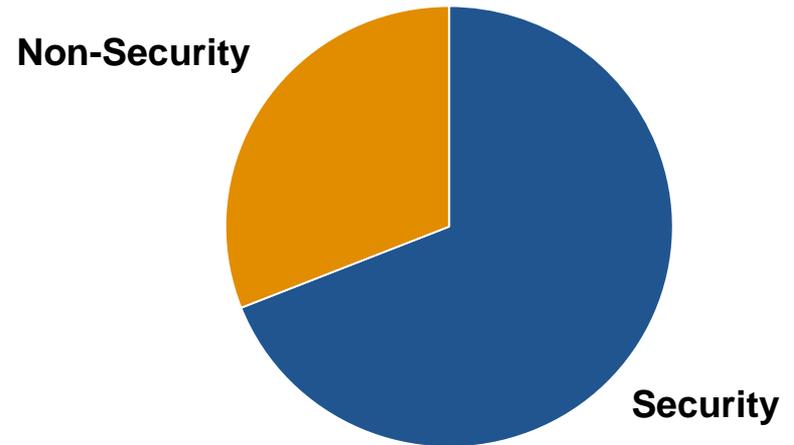
### "Defense vs. Non-Defense"

*Defense, DoE Weapons & Cleanup*



### "Security vs. Non-Security"

*Defense, Homeland Security, Veterans, Int'l Affairs, DoE Nuclear Weapons (not cleanup)*



Source: FY 2013 President's Budget  
National Priorities Project



# 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

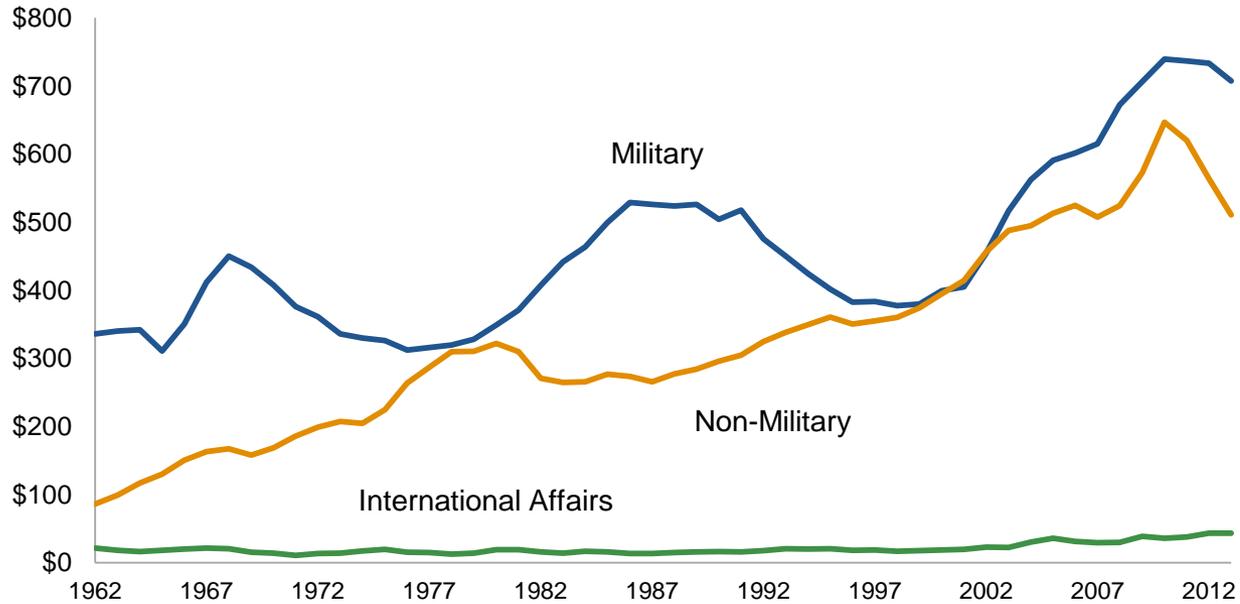
### **DEFENSE** (\$647.4 Billion)

- ◆ \$525.4 billion for Pentagon's "base" budget (+\$6.3 billion mandatory) – 2.6 percent drop
- ◆ \$88.5 billion for wars (OCO), \$115 billion in FY2012 (Pentagon only)
- ◆ Nuclear weapons (\$19.4 billion) & misc. (\$7.7 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 Billions of FY2013 Dollars)

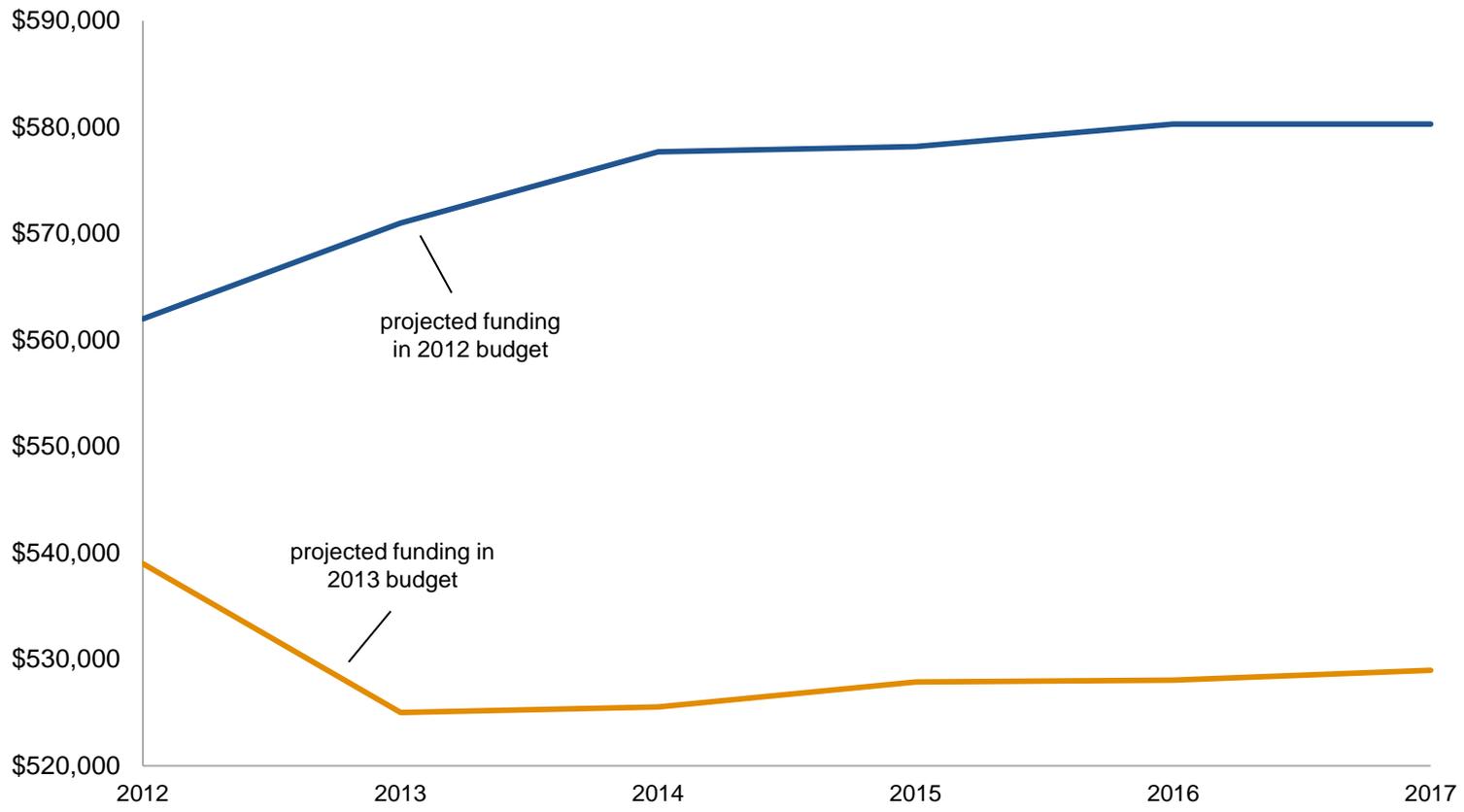


Source: Budget of the United States Government, Fiscal Year 2013  
 National Priorities Project



# 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](http://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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