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*.

[Image: www.nationalpriorities.org]
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

www.nationalpriorities.org
What Does This Really Mean?
(Based on FY2013 Request)

12 Appropriators: House and Senate

Agriculture

Commerce, Justice, & Science

Defense

Energy & Water

Financial Services

Homeland Security

Interior & Environment

Legislative Branch

Labor, HHS, & Education
HHS = $921.6B

Military Construction & Veterans’ Affairs

State & Foreign Operations

Transportation, Housing, & Urban Development

Head Start = $8.1B
1% Reduction
NV = $30.2M

LIHEAP = $2.8B
20% Reduction
WI = $85.3M

TANF = $16.7B
2% Reduction
CA = $3.5B
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

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

- Mandatory: 62%
- Discretionary: 31%
- Interest on Debt: 7%

Source: OMB

www.nationalpriorities.org
President’s Proposed FY2013 Mandatory Spending

TOTAL = $2.27 Trillion

Source: OMB
National Priorities Project

www.nationalpriorities.org
President’s Proposed FY2013 Discretionary Spending

TOTAL = $1.15 Trillion

Military 57%
Education 6%
Government 6%
Housing & Community 6%
Veterans’ Benefits 5%
Health 5%
International Affairs 4%
Energy & Environment 3%
Science 3%
Labor 2%
Transportation 2%
Food & Agriculture 1%

Source: OMB
National Priorities Project

www.nationalpriorities.org
Projected FY2013 Revenue Sources

- Individual Income Taxes: 47%
- Payroll Taxes: 36%
- Corporate Income Taxes: 8%
- Excise Taxes: 3%
- Customs Duties: 1%
- Misc.: 5%

Source: OMB National Priorities Project

www.nationalpriorities.org
Where federal funds land in our communities

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

### Winners and Losers

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

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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

Source: OMB
National Priorities Project

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The Budget’s Story #1 (cont’d)
(Revenues, Outlays, Deficits & Surpluses in $Millions FY2012)

…While Revenues Drive Deficits

Source: IRS
National Priorities Project

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The Budget’s Story #2

The New Discretionary Paradigm

"Defense vs. Non-Defense"
Defense, DoE Weapons & Cleanup

"Security vs. Non-Security"

Source: FY 2013 President's Budget
National Priorities Project

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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
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

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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

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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

www.nationalpriorities.org
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