The story of $3.7 trillion

The Process
The Numbers – Spending & Revenue
The Impact
& Five Budget Stories
Historically, the first Monday of every February, the President sends a *proposed budget* plan to Congress. The FY2012 budget was released on February 14, 2011.

Congress carries out a series of evaluations ultimately passing a *budget resolution*.

Congressional Subcommittees ‘Markup’ Appropriation Bills.
Budget Process

The House & Senate vote on Appropriation Bills and reconcile differences.

President signs the bill approved by Congress and the Senate, and the budget is enacted.
What does this really mean?

Congressional Budget Resolution

12 Appropriators: House & Senate

Agriculture

Commerce, Justice & Science

Defense

Energy & Water

Financial Services

Homeland Security

Interior & Environment

Labor, HHS & Education FY 2012
HHS = $885.8B

Legislative Branch

Military Construction & Veterans’ Affairs

State & Foreign Operations

Transportation & Housing & Urban Dev.

Head Start = $8.1B

LIHEAP = $1.98B

TANF = $17.7B

NV = $30.4 M

WI = $69.8M

CA = $3.7B
The Whole $3.7 Trillion Pie

Mandatory Spending
Includes: Social Security, Medicaid, Medicare, Food Stamps, CHIP
Funding is need-based & non-negotiable

Discretionary Spending
Includes: Energy, Environment, Science, Military, Education
Funding determined on an annual basis

Mandatory 59%
Discretionary 34%
Interest 6%
The FY2012 Discretionary Budget

Military Spending 57%

- Environment, Energy & Science 6%
- Transportation 2%
- Income Security & Labor 2%
- International Affairs 4%
- Health 5%
- Housing and Community 5%
- Government 6%
- Food 1%
- Education 7%
- Veterans' Benefits 5%

$1.24 Trillion
Our relationship to federal spending

Flow of most federal funds and cuts

- Federal Agency / Department
- State Agency / Department
- County, City, Town
- Individual Taxpayer
Revenues by Source

Social Insurance (payroll) Taxes 35%
Individual Income Taxes 43%
Corporate Income Taxes 13%
Excise Taxes 4%
Misc. Gov't Receipts 3%
Estate and Gift Taxes 1%
Customs Duties 1%
## Impact: Where Federal Funds Land in Our Communities

<table>
<thead>
<tr>
<th>Where</th>
<th>Federal programs</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/Antipoverty</td>
<td>Early childhood, economic development, social services block grant, weatherization, LIHEAP, youth programs, food and hunger programs</td>
</tr>
<tr>
<td>State Agencies</td>
<td>Medicare, Medicaid, TANF, SNAP, CHIP, 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>
Impact: How Discretionary $ Land in Our Communities

Billions of $2010

- Military
- Recovery Act
- Domestic
- International Affairs


Budget of the U.S. Gov't, FY 2011
<table>
<thead>
<tr>
<th>Impact: The Winners and Losers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care and Development Block Grant</td>
</tr>
<tr>
<td>State Children's Health Insurance Program</td>
</tr>
<tr>
<td>Federal Transit Formula Grants Program</td>
</tr>
<tr>
<td>Airport Improvement Program</td>
</tr>
<tr>
<td>Highway Planning and Construction Program</td>
</tr>
</tbody>
</table>
Deficits are more about revenue than spending

In FY2009, the real deficit grew to $2.04 trillion (in 2012 dollars). This was an increase of $1.2 trillion or 140% from FY2008.

- Individual Income Tax
- Corporate Income Tax
- Tax Cuts
The recession is a major contributor to the near-term growth of mandatory spending.

Mandatory spending increased by $496 billion or 25% between FY2009 and FY2008.
The Budget's Story

Domestic Programs Capped and Cut

Impact of inflation on “capped non-security discretionary funding” $B of 2010 (FY2010 funding as base-line)
The Budget's Story

Defense spending sees slowed growth

Projected Defense spending without war costs
$B of 2012

Year
2010
2011 Est.
2012 Est.
2013 Est.
2014 Est.
2015 Est.
2016 Est.

Projected Defense spending values in billions of dollars (B): $500, $520, $540, $560, $580, $600, $620, $640, $660, $680, $700
NPP Tools for Engagement

ONLINE RESOURCES
Federal Priorities Database
Federal Budget 101-Charts & Budget Briefs

PUBLICATIONS
Tax Day Report
President’s Budget
Jobs Report

INTERACTIVE TOOLS
Tax Chart
Data for Democracy Webinars
Trade Offs