
CURRENT SERVICES ESTIMATES

25. CURRENT SERVICES ESTIMATES

Current services or “baseline” estimates are designed to provide a neutral benchmark against which policy proposals can be measured. Since the early 1970s when the first requirements for the calculation of a “current services” baseline were enacted, a variety of concepts and measures have been employed. Shortly after enactment of the Budget Enforcement Act (BEA) which provided detailed rules for calculating a baseline, there was a consensus to define the current services estimates according to those rules. However, that baseline has serious technical flaws, which compromise its ability to serve as a neutral measure. This section provides detailed estimates of a baseline that corrects these flaws. It also discusses alternative formulations for the baseline.

Ideally, a current services baseline would provide a projection of estimated receipts, outlays, deficits or surpluses, and budget authority needed to reflect this

year’s enacted policies and programs for each year in the future. Because such a concept would be nearly impossible to apply across all segments of the government, the baseline has instead become largely a mechanical construct.

Moreover, it is important to discuss what a baseline is not. The baseline is not a prediction of the final outcome of the annual budget process, nor is it a proposed budget. By itself, the current services baseline commits no one to any particular policy. Instead, the commitments or constraints reflected in the current services estimates are based on the tax and spending policies contained in current law.

The current services baseline is used in a variety of ways: It can warn of future problems, either for Government fiscal policy as a whole or for individual tax and spending programs. It is also a “policy-neutral” benchmark against which the President’s Budget and

Table 25–1. BASELINE CATEGORY TOTALS

(In billions of dollars)

	2007	2008	2009	2010	2011	2012	2013
Receipts	2,568	2,662	2,815	2,954	3,110	3,301	3,454
Outlays:							
Discretionary:							
DOD-Military	528	555	538	506	512	523	536
Homeland security	32	36	39	39	40	41	42
International affairs	35	37	36	35	37	38	38
Other discretionary	448	481	479	477	480	488	498
Subtotal, Discretionary	1,042	1,109	1,092	1,057	1,070	1,090	1,114
Mandatory:							
Social Security	581	610	645	682	722	765	814
Medicare	371	391	420	449	495	495	553
Medicaid and SCHIP	197	211	224	239	256	275	297
Other mandatory	302	338	364	376	391	383	401
Subtotal, mandatory	1,451	1,551	1,653	1,746	1,864	1,918	2,065
Net interest	237	241	249	262	274	280	284
Total, outlays	2,730	2,900	2,993	3,065	3,207	3,289	3,464
Unified deficit(–)/surplus(+)	–162	–239	–178	–111	–97	12	–10
On-budget	–343	–431	–382	–334	–336	–236	–267
Off-budget	181	192	204	223	239	248	257
Memorandum:							
BEA baseline deficit	–162	–238	–231	–200	–50	136	136
Do not extend emergencies			52	96	104	108	111
Correct growth rates for pay			2	2	3	3	3
Remove special rule for administrative expenses of selected programs			*	*	*	1	1
Extend certain tax provisions		–*	–2	–13	–158	–237	–255
Related debt service		–*	1	4	5	1	–4
Current baseline deficit	–162	–239	–178	–111	–97	12	–10

* \$500 million or less.

other budget proposals can be compared to measure the magnitude of the proposed changes. Table 25–1 shows current services estimates of receipts, outlays, and surpluses for 2007 through 2013. They are based on the economic assumptions described later in this chapter. The estimates are shown on a unified budget basis, i.e., the off-budget receipts and outlays of the Social Security trust funds and the Postal Service Fund

are added to the on-budget receipts and outlays to calculate the unified budget totals. The table also shows the current services estimates by major component. The BEA baseline deficits are shown as a memorandum in the table. Table 25–2 shows the changes proposed in the President’s Budget relative to the current services estimates. Descriptions of the Budget proposals can be found in the main *Budget* volume.

Table 25–2. IMPACT OF BUDGET POLICY

(In billions of dollars)

	2008	2009	2010	2011	2012	2013	Total 2009–2013
Current Services Baseline Deficit	–239	–178	–111	–97	12	–10	–383
Proposals:							
Economic growth package	–127	–26	4	2	–*	–2	–23
Other revenue proposals ¹	–16	–98	–41	–52	–49	–43	–283
Global war on terror and other: emergencies	–28	–101	–50	–17	–12	–11	–190
Discretionary policy:							
Security	*	–21	–25	–26	–23	–20	–114
Non-security	*	–2	24	45	60	76	203
Subtotal, discretionary	*	–22	–2	19	38	56	88
Mandatory proposals:							
Social security personal accounts						–31	–31
Other proposals	*	17	39	51	59	70	237
2009 Budget Deficit	–410	–407	–160	–95	48	29	–585

*\$500 million or less.

Note: Each line includes debt service.

¹ Includes outlay impact of revenue proposals.

Conceptual Basis for Estimates

Receipts and outlays are divided into two categories that are important for calculating the current services estimates: those controlled by authorizing legislation (direct spending and receipts) and those controlled through the annual appropriations process (discretionary spending). Different estimating rules apply to each category. There are numerous alternative rules that could be used to develop current services estimates for both categories. The next section discusses some alternatives that might be considered.

Direct spending and receipts.—Direct spending includes the major entitlement programs, such as Social Security, Medicare, Medicaid, Federal employee retirement, unemployment compensation, Food Stamps and other means-tested entitlements. It also includes such programs as deposit insurance and farm price and income supports, where the Government is legally obligated to make payments under certain conditions. Receipts and direct spending are alike in that they involve ongoing activities that generally operate under permanent authority (they do not require annual authorization), and the underlying statutes generally specify the tax rates or benefit levels that must be collected or paid, and who must pay or who is eligible to receive benefits. The current services baseline assumes that receipts and direct spending programs continue in the

future as specified by current law. The budgetary impact of anticipated regulations and administrative actions that are permissible under current law are also reflected in the estimates.

If a baseline is intended to reflect current law, then the provisions of law providing spending authority and the authority to collect taxes or other receipts that expire under current law should be assumed to expire. However, the current services baseline assumes extension of several types of authority:

- Expiring provisions affecting excise taxes dedicated to a trust fund are assumed to be extended at current rates. During the projection period of 2008 through 2013, the only taxes affected by this exception are taxes deposited in the Airport and Airway trust fund, which expire on February 29, 2008, and taxes deposited in the Highway trust fund, the Leaking Underground Storage Tank trust fund, and the Sport Fish Restoration and Boating Safety trust fund, which expire on September 30, 2011.
- Direct spending programs that will expire under current law are assumed to be extended if their 2008 outlays exceed \$50 million. For example, Temporary Assistance for Needy Families and child care entitlement to States are scheduled to expire at the end of 2010. The baseline estimates provided here assume continuation of these pro-

grams through the projection period. However, programs enacted after the enactment of the Balanced Budget Act of 1997 that are explicitly temporary in nature expire in the baseline even if their current year outlays exceed the \$50 million threshold. For example, the Secure Rural Schools and Community Self-Determination Act payments to counties impacted by the reduction of shared receipts associated with lower levels of timber harvesting on Federal lands are assumed to expire as scheduled in 2007 even though over \$400 million of the 2007 payment are estimated to be made in the current year.

- Certain provisions in the 2001 and 2003 Tax Acts that were clearly not intended to be temporary are assumed to continue past their expiration date. These provisions include reductions in individual income taxes on capital gains and dividends, increased expensing for small businesses, repeal of estate and generation-skipping transfer taxes, modification of gift taxes, and reductions in income taxes scheduled to sunset on December 31, 2010. Unlike the two extensions discussed above, the BEA baseline definitions, developed before the enactment of the 2001 and 2003 tax acts, do not provide for extension of these provisions.

Discretionary spending.—Discretionary programs differ in one important aspect from direct spending programs—Congress provides spending authority for almost all discretionary programs one year at a time. The spending authority is normally provided in the form of annual appropriations. Absent appropriations of additional funds in the future, discretionary programs would cease to exist after existing balances were spent. If the baseline was intended to reflect current law, then a baseline would only reflect the expenditure of remaining balances from appropriations laws. Instead the current services baseline provides a mechanical definition for discretionary programs that is somewhat arbitrary. The definition used here attempts to keep discretionary spending level in real terms. For 2008, the current services estimates for discretionary programs are equal to enacted 2008 appropriations. For 2009 through 2013, funding for most accounts is equal to this 2008 level adjusted for inflation. The inflation rates used here are similar to those required by the BEA but adjusted to remove the overcompensation for federal pay inherent in the BEA definition. Unlike the BEA requirements, these current services estimates assume that federal pay raises are effective in January, as required under current law. At the time the BEA was enacted, it ignored the nearly contemporaneous enactment of the Federal Employees Compensation Act of 1991 that shifted the effective date of federal employee pay raises from October to January. Also, the estimates presented here exclude the special adjustment for administrative expenses for certain benefit programs required by the BEA. This provision is inconsistent with the baseline rules for other accounts that fund administrative costs. In addition, the baseline esti-

mates presented here assume that emergency appropriations enacted for 2008, which primarily provide funding for the Global War on Terror, are one-time only expenditures. The BEA requires that the baseline assume funding for emergencies repeatedly through the projection period.

Alternative Formulations of Baseline

Throughout much of U.S. history, budget proposals were often compared to either the President's request or the previous year's budget. In the early 1970s, policymakers developed the concept of a baseline to provide a more neutral benchmark for comparisons. While the Congressional Budget Act of 1974 included a requirement that OMB and the Congressional Budget Office (CBO) provide estimates of a current services baseline, the definition of the baseline was very general and specific guidance was not provided.

Subsequent budget laws have specified in increasing detail the requirements for constructing baselines. Current services estimates for direct spending programs and receipts are generally estimated based on laws currently in place and most major programs are assumed to continue even past sunset dates set in law. In the case of receipts, the BEA requires only the extension of trust fund excise taxes, but otherwise bases the estimates on current law. For discretionary programs, these acts instituted a precise definition of baseline with numerous rules for its construction.

It is clear, however, that a number of baseline definitions could be developed that differ for those presented in this chapter:

- *Extend provisions affecting parts of mandatory programs.* Currently, mandatory programs that have current year outlays of over \$50 million are generally assumed to continue. However, provisions of law that affect parts of mandatory programs, even those that have been consistently extended in the past, are assumed to expire as scheduled.
- *Do not extend any authorizing laws that expire.* If all mandatory programs were assumed to expire as scheduled, deficits for 2009 through 2013 would be \$448 billion lower than the current estimates. (See the section below on major program assumptions for details on mandatory program extensions assumed in the estimates.) If excise taxes were allowed to expire, the deficit would be \$149 billion higher over the period 2009 through 2013. If certain provisions of the 2001 and 2003 Tax Acts were assumed to expire, the deficit would be \$708 billion lower over the period.
- *Straightline appropriations.* If all discretionary budgetary resources were to be the same in each year in the projection period as provided for the current year, total outlays would be \$17 billion lower in 2009 and \$342 billion lower over the period 2009 through 2013.
- *Do not extend any appropriations.* The current treatment of expiring provisions is inconsistent

with the treatment of discretionary spending. All discretionary spending continues whether there is authorization for the program or not and whether funds have already been provided or not. In nearly all cases, funds for discretionary programs have not been provided in advance for years beyond the current year. If rules consistent with the treatment of other expiring provisions were applied to discretionary spending, no new budgetary resources would be provided. Thus, under a strict "current law" approach, the only discretionary out-

lays that would be included in the baseline would be the lagged spending from the current year budgetary resource. If this rule were followed, outlays in 2009 would be reduced by \$602 billion relative to the current estimates. Clearly this would provide an unrealistic estimate of future spending and the government's future fiscal position.

Table 25-3 provides estimates for a variety of changes in baseline definitions that could be considered.

Table 25-3. ALTERNATIVE BASELINE ASSUMPTIONS

(In billions of dollars)

	2008	2009	2010	2011	2012	2013	Total 2009-2013
Current baseline surplus/deficit	-239	-178	-111	-97	12	-10	-383
Alternative assumptions ("+" represents deficit increase):							
Extend provisions affecting parts of mandatory programs ¹	-1	-2	-2	-3	-3	-3	-14
Do not extend any authorizing laws:							
Mandatory spending	22	66	73	93	104	112	448
Trust fund excise taxes	-7	-12	-14	-15	-52	-56	-149
Certain provisions of the 2001 and 2003 Tax Acts	*	2	13	163	250	280	708
Straightline appropriations		17	39	66	95	126	342
Do not extend any appropriations		602	891	1,035	1,140	1,229	4,897

* \$500 million or less.

¹ Estimates provided here are the totals for the illustrative provisions shown in Table 25-5. This is not a complete listing of all provisions that expire.

Table 25-4. SUMMARY OF ECONOMIC ASSUMPTIONS

(Fiscal years; dollar amounts in billions)

	2008	2009	2010	2011	2012	2013
Gross Domestic Product (GDP):						
Levels, dollar amounts in billions:						
Current dollars	14,312	15,027	15,792	16,580	17,395	18,243
Real, chained (2000) dollars	11,808	12,154	12,523	12,890	13,258	13,632
Percent change, year over year:						
Current dollars	4.7	5.0	5.1	5.0	4.9	4.9
Real, chained (2000) dollars	2.7	2.9	3.0	2.9	2.9	2.8
Inflation measures (percent change, year over year):						
GDP chained price index	1.9	2.0	2.0	2.0	2.0	2.0
Consumer price index (all urban)	3.1	2.1	2.3	2.3	2.3	2.3
Unemployment rate, civilian (percent)	4.9	4.9	4.8	4.8	4.8	4.8
Interest rates (percent):						
91-day Treasury bills	3.8	4.0	4.1	4.3	4.3	4.3
10-year Treasury notes	4.5	4.8	5.0	5.2	5.3	5.3
MEMORANDUM:						
Related program assumptions:						
Automatic benefit increases (percent):						
Social security and veterans pensions	2.3	2.5	2.1	2.3	2.3	2.3
Federal employee retirement	2.3	2.5	2.1	2.3	2.3	2.3
Food stamps	4.6	3.4	2.1	2.3	2.3	2.3
Insured unemployment rate	2.0	2.0	2.0	2.0	2.0	2.0

Economic Assumptions

The current services estimates are based on the same economic assumptions as the President's Budget, which are based on enactment of the President's Budget proposals. The economy and the budget interact. Changes in economic conditions significantly alter the estimates of tax receipts, unemployment benefits, entitlement payments that are automatically adjusted for changes in cost-of-living (COLAs), income support programs for low-income individuals, and interest on the Federal debt. In turn, Government tax and spending policies influence prices, economic growth, consumption, savings, and investment. Because of these interactions, it would be reasonable, from an economic perspective,

to assume different economic paths for the current services baseline and the President's Budget. However, this would diminish the value of current services estimates as a benchmark for measuring proposed policy changes, because it would then be difficult to separate the effects of proposed policy changes from the effects of different economic assumptions. By using the same economic assumptions for current services and the President's Budget, this potential source of confusion is eliminated. The economic assumptions underlying both the budget and the current service estimates are summarized in Table 25-4. The economic outlook underlying these assumptions is discussed in greater detail in Chapter 12 of this volume.

Table 25-5. BENEFICIARY PROJECTIONS FOR MAJOR BENEFIT PROGRAMS

(Annual average, in thousands)

	Actual 2007	Estimate					
		2008	2009	2010	2011	2012	2013
Farmer direct payments	1,486	1,479	1,471	1,464	1,457	1,449	1,442
Federal family education loans	6,085	6,442	6,689	6,943	7,209	7,485	7,775
Federal direct student loans	1,656	1,707	1,769	1,834	1,901	1,972	2,045
Medicaid/State Childrens' Health Insurance Program	53,900	55,200	54,800	55,000	55,200	55,400	55,800
Medicare-eligible military retiree health benefits	1,922	1,956	1,987	2,011	2,040	2,086	2,136
Medicare:							
Hospital insurance	43,585	44,329	45,187	46,110	47,154	48,490	50,003
Supplementary medical insurance	40,764	41,255	41,993	42,748	43,539	44,647	45,977
Prescription Drug Plans and Medicare Advantage							
Prescription Drug Plans	23,858	25,170	26,554	27,954	29,430	31,110	32,382
Retiree Drug Subsidy	6,688	6,658	6,649	6,647	6,659	6,708	6,777
Managed Care Enrollment ¹	8,093	9,227	10,096	10,978	11,787	12,506	13,062
Railroad retirement	571	565	558	552	548	543	540
Federal civil service retirement	2,463	2,494	2,512	2,534	2,556	2,578	2,599
Military retirement	2,073	2,094	2,106	2,112	2,113	2,112	2,108
Unemployment insurance	7,632	8,049	8,298	8,344	8,421	8,432	8,461
Food stamps	26,466	27,796	27,983	27,524	26,824	26,526	26,252
Child nutrition	30,558	31,557	32,062	32,511	32,901	33,230	33,529
Foster care and adoption assistance	602	620	634	649	665	682	701
Supplemental security income (SSI):							
Aged	1,111	1,107	1,106	1,106	1,111	1,121	1,136
Blind/disabled	5,892	6,048	6,208	6,359	6,513	6,664	6,796
Subtotal, SSI	7,003	7,155	7,314	7,465	7,624	7,785	7,932
Child care and development fund ²	2,700	2,600	2,500	2,500	2,500	2,500	2,500
Social security (OASDI):							
Old age and survivor insurance	40,681	41,172	41,994	43,021	44,068	45,190	46,495
Disability insurance	8,676	9,002	9,312	9,552	9,797	10,024	10,196
Subtotal, OASDI	49,357	50,174	51,306	52,573	53,865	55,214	56,691
Veterans compensation:							
Veterans	2,789	2,900	3,015	3,123	3,219	3,309	3,395
Survivors (non-veterans)	333	337	342	347	353	359	366
Subtotal, Veterans compensation	3,122	3,237	3,356	3,470	3,572	3,669	3,761
Veterans pensions:							
Veterans	325	322	319	316	312	309	306
Survivors (non-veterans)	198	200	199	198	196	195	194
Subtotal, Veterans pensions	523	522	518	513	509	504	500

¹ Enrollment figures include only beneficiaries who receive both Part A and Part B services through managed care.

² Includes children served through the CCDF (including TANF transfers) and through funds spent directly on child care in the Social Services Block Grant and TANF programs.

Major Programmatic Assumptions

A number of programmatic assumptions must be made in order to calculate the baseline estimates. These include assumptions about the number of beneficiaries who will receive payments from the major benefit programs and annual cost-of-living adjustments in the indexed programs. Assumptions on baseline caseload projections for the major benefit programs are shown in Table 25-5. Assumptions about various automatic cost-of-living-adjustments are shown in Table 25-4.

It is also necessary to make assumptions about the continuation of expiring programs and provisions. In the estimates provided here, expiring excise taxes dedicated to a trust fund are extended at current rates. Certain income tax provisions from the 2001 and 2003 Tax Acts, that were not designed to be temporary in nature, are assumed to be permanent for purposes of calculating revenue estimates. In general, mandatory programs with current year spending of at least \$50 million are also assumed to continue. All discretionary programs with enacted non-emergency appropriations in the current year are assumed to continue. However,

specific provisions of law that affect mandatory programs (but are not necessary for program operation) are allowed to expire as scheduled. For example, under the Medicare, Medicaid, and SCHIP Extension Act of 2007, Medicaid Transitional Medical Assistance will expire at the end of June 2008. The baseline does not assume additional spending under this authority beyond that point. Table 25-6 provides a listing of mandatory programs and taxes assumed to continue in the baseline after their expiration.

Many other important assumptions must be made in order to calculate the baseline estimates. These include assumptions about the timing and substance of regulations that will be issued over the projection period, the use of administrative discretion provided under current law, and other assumptions about the way programs operate. Table 25-6 lists many of these assumptions and their impact on the baseline estimates. It is not intended to be an exhaustive listing; the variety and complexity of Government programs are too great to provide a complete list. Instead, some of the more important assumptions are shown.

Table 25-6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE
(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
REGULATIONS						
<i>Finalized</i>						
Foster care and adoption assistance	39	64	65	95	96	97
Old age and survivors insurance (OASI) and disability insurance (DI):						
Reduction of Title II benefits under family maximum in cases of dual entitlement	19	20	21	23	23	23
Trial work period	2	1	1			
Continuing disability review failure to cooperate process	-12	-12	-12	-13	-14	-15
Expedited reinstatement of disability benefits	NA	NA	NA	NA	NA	NA
Amendments to the quick disability determination process	39		1	-4	-5	-8
Exemption of work activity as a basis for a continuing disability review	24	39	54	70	87	105
Medicaid: ¹						
Payment reform	-40	-790	-1,170	-1,210	-1,250	-1,290
School-based services reform	-64	-635	-675	-720	-770	-820
Supplemental security income (SSI):						
Title XVI cross-program recover	-15	-15	-20	-20	-20	-20
Student earned income exclusion	4	5	5	5	5	5
Expedited reinstatement of disability benefits	NA	NA	NA	NA	NA	NA
Amendments to the quick disability determination process	8			-1	-1	-1
Exemption of work activity as a basis for a continuing disability review	1	1	2	2	2	3
<i>Not Finalized</i>						
Child support enforcement		8	4	2	3	3
Foster care and adoption assistance:						
Adoption and foster care analysis and reporting system (AFCARS)		6	12	14	9	9
National Youth in Transition Database	6	6	7	6	6	6
Medicaid: ¹						
Graduate medical education reform		-150	-290	-450	-460	-470
Rehabilitation reform	-110	-360	-520	-570	-610	-660
Managed care reform		-100	-100	-200	-200	-200
Free care reform						
Medicare: ¹						
Withhold payment for hospital acquired conditions						
Program integrity actions		-150	-110	-90	-90	-90
Adjustments to skilled nursing facility payments		-720	-900	-960	-1,030	-1,090
Adjustments to hospice wage payments		-110	-360	-550	-610	-660
Adjustments to inpatient hospital payments		-80	-90	-110	-110	-120

Table 25–6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE—Continued

(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
EXPIRING AUTHORIZATIONS						
<i>Provisions Extended in the Baseline (effect of extension)</i>						
Spending:						
Abstinence education (Children and Family Services)	5	25	43	48	49	50
Aviation Excise Taxes		12,570	13,328	14,073	14,861	15,690
Child care entitlement to States				2,383	2,908	2,917
Child nutrition:						
Summer food service program			341	358	378	398
State administrative expenses			191	201	208	216
CCC market access, bioenergy and commodity programs:						
Counter-cyclical payment program		50	99	86	164	234
Dairy price support program		90	80	71	63	52
Dairy export incentive program	3					
Direct payment program	1,101	5,182	5,182	5,182	5,182	5,182
Farm-to-consumer direct marketing act	1	1	1	1	1	1
Marketing assistance loan and LDP program	5	27	22	72	171	204
Milk income loss contract program		135	115	100	85	65
Sugar nonrecourse loan program		96	119	98	156	147
Market access program	109	200	200	200	200	200
Export credit guarantee programs (GSM 102)	37	31	20	18	18	18
Food for progress	277	340	340	340	340	340
Facilities financing guarantee		3	3	3	3	3
Cotton Statistics and Estimates Act of 1927	42	42	42	42	42	42
Conservation Reserve Program		10	91	276	532	851
Farm security and rural investment:						
Ground and surface water conservation	70	67	65	62	61	61
Farm and ranch lands protection program	29	89	89	93	97	97
Federal-Aid Highways			802	724	675	658
Food Stamps:						
Benefit costs	17,446	38,279	38,542	38,547	39,138	39,671
State administrative expenses	1,310	2,723	2,829	2,939	3,053	3,172
Employment and training	177	363	372	382	392	402
Other program cost	34	79	70	72	73	75
Nutrition assistance for Puerto Rico	811	1,678	1,720	1,759	1,800	1,841
Food distribution on Indian Reservations	44	92	94	97	98	101
The emergency food assistance program commodities	70	140	140	140	140	140
Promoting safe and stable families					128	274
Temporary assistance for needy families (TANF) resources:						
TANF				12,373	15,394	16,235
Contingency fund				241	284	286
Welfare research				1	6	12
Trade Adjustment Assistance for Workers	383	764	926	981	1,010	1,039
Veterans Compensation:						
VBA OBRA and VBA IT OBRA		1	2	2	2	2
Veterans Pension:						
Income Verification Match			–3	–7	–11	–14
Sunset Medicaid Provision					–576	–576
VBA OBRA and VBA IT OBRA		9	9	9	9	10
VHA OBRA and VHA IT OBRA		16	17	18	20	21
Veterans compensation—annual cost of living adjustment		687	1,460	2,330	3,272	4,272
Revenues:						
Airports and Airway Trust Fund Taxes	6,981	11,964	12,696	13,416	14,176	14,979
Sport Fish Restoration and Boating					516	534
Highway Trust Fund Taxes					33,892	34,465
LUST Taxes					206	208
<i>Provisions Not Extended in the Baseline</i>						
Spending:						
Biobased product testing	1	1	1	1	1	1
Biodiesel fuel education	1	1	1	1	1	1
Biomass research and development	14	14	14	14	14	14
Coastal Impact Assistance				250	250	250
EPA:						
Pesticide maintenance fee						–22
Pesticide registration service fee						–3
Farm bill programs:						
Klamath Basin	6	7	8	8	8	8

Table 25–6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE—Continued

(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
Foreign market development (cooperator) program	19	35	35	35	35	35
Grassland reserve program	7	14	15	15	15	15
Small watershed rehabilitation program		38	56	65	65	65
Technical assistance specialty crops	1	2	2	2	2	2
Trade adjustment for farmers	90	90	90	90	90	90
Wetlands reserve program	48	19	19	88	123	149
Wildlife habitat incentives program	20	20	36	47	57	66
Forest County Safety Net Payments		438	451	464	478	493
Medicaid:						
Transitional medical assistance	554	580	601	625	650	676
Medicare low-income premium assistance	425	470	515	570	635	705
Renewable Energy Systems and Energy Efficiency	23	23	23	23	23	23
Rural Broadband Access Loan Program	10	10	10	10	10	10
TANF—supplemental grants		236	294	310	316	319
Trade Adjustment Assistance—Alternative TAA		7	23	32	34	34
Value-Added Agricultural Product Market Development Grants	40	40	40	40	40	40
Veterans Housing:						
Increases the loan fee for certain loans					–234	–235
Veterans Compensation:						
Health and Human Services					1	1
New Hires Directory Match					–1	–1
OTHER IMPORTANT PROGRAM ASSUMPTIONS						
Child support enforcement (CSE):						
Alternative penalties for Family Support Act systems and State						
Disbursement Unit requirements	–7	–7	–7	–7		
Food stamps:						
Tax Offset, recoupment, and general claims collections	–189	–194	–198	–203	–207	–211
Quality control liabilities	–3	–3	–3	–3	–3	–3
Allocation of administrative costs between public assistance programs	–197	–197	–197	–197	–197	–197
Medicare:						
FFS Physicians	60,636	56,876	55,755	54,282	53,577	56,659
Contracting reform	–70	–280	–550	–580	–620	–660
Part D risk score normalization		395	577	728	692	840
Medicaid:						
Financial management recoveries	–633	–682	–734	–792	–855	–923
Vaccines for children, total program costs	2,702	2,766	2,710	2,686	2,678	2,630
Remaining upper payment limit-related costs	1,600	1,400	1,500	1,500	1,600	1,700
Institutional long-term care	34,919	36,584	38,549	40,702	42,990	45,474
Home and community based institutional alternatives	25,717	28,055	31,312	35,063	39,261	44,069
Pharmaceuticals (FFS, net of rebates)	9,933	10,820	11,543	12,314	13,111	13,967
Managed care (Including Medicaid MCOs, PHPs, and PCCM)	40,440	44,833	49,280	54,088	59,110	64,451
State Children's Health Insurance Program (Title XXI)	7,600	6,097	5,783	5,334	5,203	5,143
Approved Demonstrations and Pilot Programs:						
Medicare, HI:						
Rural Hospice:						
Baseline Estimate	3	3	4			
Demonstration estimate	3	3	4			
Mercy Medical Demonstration:						
Baseline estimate	2					
Demonstration estimate	2					
Premier:						
Baseline estimate	2,703	2,827				
Demonstration estimate	2,715	2,839	12			
Rural Community Hospital: ³						
Baseline estimate	51	53	33			
Demonstration estimate	60	63	40			
New York Graduate Medical Education:						
Baseline estimate	69					
Demonstration estimate	17	2				
Utah Graduate Medical Education:						
Baseline estimate	9	9	9			
Demonstration estimate	9	9	9			
Medicare, SMI:						
Medicare Health Support Program:						
Baseline estimate						
Program Estimate	81	58	25			

Table 25–6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE—Continued
(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
Municipal Health Services Program Demonstration:						
Baseline estimate						
Demonstration estimate	3					
United Mine Workers of America (UMWA) Prescription Drug:						
Baseline estimate						
Demonstration estimate	6	3				
Coordinated Care Disease Management Demonstration:						
Baseline estimate	79					
Demonstration estimate	79					
Lifemasters Disease Management Dual Eligibles Demonstration:						
Baseline estimate	142					
Demonstration estimate	142					
Care Management for High-Cost Beneficiaries:						
Baseline estimate	55					
Demonstration estimate	55					
Low-Vision Rehabilitation:						
Baseline estimate	8	8	8			
Demonstration estimate	10	10	10			
Cancer Prevention and Treatment for Ethnic and Racial Minorities:						
Baseline estimate	8	7	8			
Demonstration estimate	8	7	8			
Medical Adult Day Care Demonstration:						
Baseline estimate	3	3				
Demonstration estimate	2	2				
Demo to Limit Annual Change in Part D Premiums:						
Baseline estimate:						
Demonstration estimate	280	60				
Demo to Transition Enrollment of "Low-Income Subsidy Beneficiaries:						
Baseline estimate						
Demonstration estimate	277	240	140	30		
Medicare: HI and SMI:						
ESRD Disease Management Demonstration:						
Baseline estimate	193	203	52			
Demonstration estimate	193	203	52			
Home Health Third-Party Liability Demonstration:						
Baseline estimate	188	191	191	55		
Demonstration estimate	183	186	186	50		
Medicare+Choice Phase I Demonstration:						
Baseline estimate						
Demonstration estimate	3					
Medicare+Choice Phase II Demonstration:						
Baseline estimate						
Demonstration estimate	66					
S/HMO I Demonstration:						
Baseline estimate	2,121	2,047	2,293	2,568		
Demonstration estimate	2,230	2,131	2,345	2,579		
S/HMO II Demonstration:						
Baseline estimate	760	745	835	935		
Demonstration estimate	787	766	847	938		
Physician Group Practice Demonstration:						
Baseline estimate	880					
Demonstration estimate	880					
Medical Savings Account:						
Baseline estimate	1	4	6	8		
Demonstration estimate						
United Mine Workers of American (UMWA) Health:						
Baseline estimate						
Demonstration estimate	11	6				
Home Health Pay for Performance:						
Baseline estimate	1,116	1,513	390			
Demonstration estimate	1,116	1,513	390			
PACE for Profit:						
Baseline estimate	5	10	15			
Demonstration estimate	5	10	15			
Medicare Care Management Performance:						
Baseline estimate	3,728	3,889	3,011			
Demonstration estimate	3,699	3,837	2,960	14		

Table 25–6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE—Continued
(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
Medicaid:						
Alabama Family Planning:						
Baseline estimate	240					
Arizona AHCCCS:						
Baseline estimate	4,839	5,356	5,932	6,571		
Arkansas ARKids B:						
Baseline estimate	102					
Arkansas Family Planning Services:						
Baseline estimate	249					
Arkansas Independent Choices (Cash & Counseling): ^{5 7}						
Baseline estimate	5					
Arkansas TEFRA:						
Baseline estimate	28	31	34	9		
California Family Planning: ⁶						
Baseline estimate						
California In-Home Supportive Services Plus: ⁵						
Baseline estimate	378	357				
California MediCal Hospital/Uninsured Care:						
Baseline estimate	766	766	702			
Colorado Consumer Directed Attendant Support: ^{5 7}						
Baseline estimate	3					
Delaware Diamond State Health Plan:						
Baseline estimate	286	302	76			
District of Columbia Childless Adults:						
Baseline estimate	3					
District of Columbia HIV:						
Baseline estimate	14	18	6			
Florida Consumer Directed Care Plus (Cash & Counseling): ^{5 7}						
Baseline estimate	26					
Florida Family Planning:						
Baseline estimate	967	1,028				
Florida MEDS-AD Program:						
Baseline estimate	1,072	1,180	1,298			
Florida Medicaid Reform:						
Baseline estimate	5,662	6,589	7,683	4,137		
Hawaii Health QUEST:						
Baseline estimate	289	237				
Illinois Family Planning:						
Baseline estimate	443					
Healthy Indiana Plan:						
Baseline estimate	833	1,192	1,299	1,404	1,541	394
IowaCare:						
Baseline estimate	117	125	134			
Iowa Family Planning:						
Baseline estimate	189	205				
Kentucky Health Care Partnership Program:						
Baseline estimate	568	48				
Louisiana Family Planning:						
Baseline estimate	483	525	569			
Maine HIV:						
Baseline estimate	7	7	6			
MaineCare Childless Adults:						
Baseline estimate	57	57	57			
Maryland Health Choice:						
Baseline estimate	1,086					
Massachusetts MassHealth:						
Baseline estimate	2,960					
Michigan Family Planning:						
Baseline estimate	462	503	547			
Minnesota Prepaid Med. Assist. Project Plus:						
Baseline estimate	148					
Minnesota Family Planning:						
Baseline estimate	284	325				
Mississippi Family Planning:						
Baseline estimate	146					
Mississippi—Healthier Mississippi:						
Baseline estimate	78	86				

Table 25–6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE—Continued
(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
Missouri Family Planning:						
Baseline estimate	277	303	331			
Montana Basic Medicaid for Able-Bodied Adults:						
Baseline estimate	39	13				
New Jersey Personal Preference (Cash & Counseling): ^{5 7}						
Baseline estimate	3					
New Mexico Family Planning:						
Baseline estimate	114	119				
New York Partnership Plan:						
Baseline estimate	7,823	7,685				
New York Federal-State Health Reform Partnership:						
Baseline estimate	10,907	11,609	12,357	13,153		
North Carolina Family Planning:						
Baseline estimate	457	494				
Oklahoma Family Planning:						
Baseline estimate	166					
Oregon Family Planning:						
Baseline estimate	169	183				
Oregon Independent Choices: ^{5 7}						
Baseline estimate	2					
Oregon Health Plan: ²						
Baseline estimate	1,681	1,812	1,960			
Pennsylvania Family Planning:						
Baseline estimate	307	333	361			
Rhode Island Rite Care:						
Baseline estimate	169					
South Carolina Family Planning:						
Baseline estimate	396	413	431			
TennCare II:						
Baseline estimate	4,328	4,708	3,837			
Texas Family Planning:						
Baseline estimate	1,466	1,633	1,819	2,026		
Utah Primary Care Network:						
Baseline estimate	110	117				
Vermont Long Term Care Plan:						
Baseline estimate	135	149	166			
Vermont Global Commitment to Health:						
Baseline estimate	538	586	639	160		
Virginia Family Planning:						
Baseline estimate	214	228	244			
Washington Take Charge/Family Planning:						
Baseline estimate	312	329				
Wisconsin BadgerCare:						
Baseline estimate	88	92	39			
Wisconsin Family Planning:						
Baseline estimate	326	387	450			
Pharmacy Plus:						
Wisconsin Pharmacy Plus:						
Demonstration estimate	51	62	18			
State Children's Health Insurance Program (Title XXI): ⁴						
Alaska Denali KidCare:						
Demonstration estimate	10	11				
Hawaii QUEST:						
Demonstration estimate	9					
Maryland Health Choice: ⁸						
Demonstration estimate	19					
MinnesotaCare:						
Demonstration estimate	41	39				
New Jersey FamilyCare:						
Demonstration estimate	173					
Oregon Health Plan 2: ⁹						
Demonstration estimate	40	40	40			
Rhode Island (SCHIP RiteCare):						
Demonstration estimate	11					
Wisconsin BadgerCare:						
Demonstration estimate	64	69	36			

Table 25–6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE—Continued

(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
Health Insurance Flexibility and Accountability (HIFA) demonstrations (Medicaid and/or SCHIP): ⁴						
Arizona HIFA:						
Demonstration estimate	29	24	26	28		
Arkansas HIFA:						
Demonstration estimate (SCHIP funds)	8	13	24	31		
Baseline estimate (Medicaid funds)	1,604	1,813	2,049	2,318		
Colorado HIFA:						
Demonstration estimate	16	18				
Idaho HIFA:						
Demonstration estimate (SCHIP funds)	14	11				
Michigan HIFA:						
Demonstration estimate (SCHIP funds)	112	24				
Nevada HIFA:						
Demonstration estimate (SCHIP funds)	16	19	21	17		
New Mexico HIFA:						
Demonstration estimate (SCHIP funds)	24	27				
Oklahoma Sooner Care Demo+HIFA:						
Baseline estimate	1,071	1,137	289			
Virginia HIFA:						
Demonstration estimate (SCHIP funds)	9	10				
Joint Medicare and Medicaid:						
Minnesota-Dual Eligibles:						
Baseline estimate	913	808	904	1,013		
Demonstration estimate	992	869	942	1,021		
Wisconsin Health Partnership Dual Eligible Demonstration:						
Baseline estimate	68	73	82	92		
Demonstration estimate	76	79	86	93		
Massachusetts SCO Dual Eligible Demonstration:						
Baseline estimate	166	171	192	215		
Demonstration estimate	181	183	199	216		
OASI, DI, SSI:						
Performance of continuing disability reviews (baseline levels):						
OASDI	-15	-78	-151	-208	-311	-585
SSI	34	126	243	410	513	769
Collection of overpayments:						
OASI	-894	-969	-1,041	-1,112	-1,184	-1,262
DI	-715	-776	-835	-893	-952	-1,013
SSI (federal)	-949	-997	-1,049	-1,100	-1,161	-1,218
Debts written off as uncollectable (no effect on outlays):						
OASI	151	163	176	188	200	213
DI	544	590	635	680	725	770
SSI (federal)	431	453	477	500	528	554
OASDI:						
Payments to states for vocational rehabilitation	88	76	82	90	95	102
Research and demonstration projects	44	37	17			
SSI:						
Payments from states for state supplemental benefits	-4,476	-4,667	-4,871	-5,045	-5,365	-5,538
Payments for state supplemental benefits	4,460	4,650	4,855	5,465	4,905	5,520
Fees for administration of State supplement						
Treasury share	-139	-142	-148	-164	-142	-157
SSA share	-135	-145	-159	-184	-166	-193
Payments to states for vocational rehabilitation	56	56	59	63	67	71
Performance of non-disability redeterminations (excludes related overpayment collections reported above)	528	-104	-63	15	-16	-978
Research and demonstration projects	28	29	35	35	35	35
State grants and demonstrations-health care:						
Ticket to Work Health Grant Programs:						
Infrastructure Grant Program	35	40	45	50	55	55
Demonstration to maintain independence and employment	22	25	5			
High-Risk Pools:						
Initial Seed Grants	52					
Operation of Pools	10					
Emergency Health Services for Undocumented Aliens	221	221	221	32		
Pilot Program for National and State Background Checks	8					
Katrina Relief	163					
Site Development Grants—Rural PACE	7					
Funding for PACE Outliers	5	3	3			
Drug Surveys and Reports	3	3	3	3		

Table 25-6. IMPACT OF REGULATIONS, EXPIRING AUTHORIZATIONS, AND OTHER ASSUMPTIONS IN THE BASELINE—Continued
(In millions of dollars)

	Estimate					
	2008	2009	2010	2011	2012	2013
Partnerships for Long-Term Care	3	3	3	3	.....	.....
Alternate Non-Emergency Care	28	22	13	.....	.....	.....
Psychiatric Residential Treatment Demonstration	33	42	54	53	32	.....
Money Follows the Person (MFP) Demonstration	217	348	348	348	174	.....
MFP Evaluation and Support	1	2	1	1	1	.....
Medicaid Transformation Grants	73	75	.....	.....	.....	.....
Medicaid Integrity Program	97	75	75	75	75	75

*\$500,000 or less.

NA = Not available.

¹ Medicare and Medicaid/SCHIP regulations reflect gross outlays.

² Baseline estimates reflect costs absent the demonstration; demonstration estimates reflect costs of the demonstration. The differences represent the net impact of the demonstration. Any demonstrations are implicitly assumed in the current services baseline.

³ Costs of this demonstration are offset annually by a reduction to inpatient hospital prospective payment rates.

⁴ The Administration is phasing out HIFA demonstrations, refocusing SCHIP on covering children, and will not use SCHIP funds to cover parents or childless adults.

⁵ Consumer directed program in which "plan of care" is converted to a cash allotment. It is expected that these will convert to DRA State Plan option upon expiration.

⁶ The Federal Government does not have current estimates for California; the State has been operating under a temporary extension for three years.

⁷ Expires during 2008 and will convert to DRA State Plan option upon expiration.

⁸ States project covering a portion of their entire demonstration population with Medicaid funds.

⁹ The Oregon Health Plan 2 estimates represent SCHIP State plan costs for 2008. The allotment neutrality agreement is in the process of being finalized.

Current Services Receipts, Outlays, and Budget Authority

Receipts.—Table 25-7 shows baseline receipts by major source. Total receipts are projected to increase by \$153 billion from 2008 to 2009 and by \$639 billion from 2009 to 2013, largely due to assumed increases in incomes resulting from both real economic growth and inflation.

Individual income taxes are estimated to increase by \$105 billion from 2008 to 2009 under baseline assumptions. This growth of 8.6 percent is primarily the effect of increased collections resulting from rising personal incomes. Individual income taxes are projected to grow at an annual rate of 6.4 percent between 2009 and 2013.

Table 25-7. BASELINE RECEIPTS BY SOURCE

(In billions of dollars)

	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
Individual income taxes	1,163	1,232	1,337	1,421	1,513	1,610	1,713
Corporation income taxes	370	349	348	349	366	402	391
Social insurance and retirement receipts	870	910	955	1,011	1,065	1,115	1,169
On-budget	235	248	258	270	284	297	310
Off-budget	635	662	697	740	781	818	858
Excise taxes	65	69	69	70	76	79	81
Estate and gift taxes	26	27	26	20	1	*	1
Other receipts	74	76	79	84	89	95	100
Total, receipts	2,568	2,662	2,815	2,954	3,110	3,301	3,454
On-budget	1,933	1,999	2,118	2,214	2,329	2,483	2,595
Off-budget	635	662	697	740	781	818	858

*\$500 million or less.

Corporation income taxes are estimated to decline by \$0.3 billion between 2008 and 2009, in large part due to economic factors, an increase in the estimated receipt loss attributable to the domestic manufacturing deduction, and an expected decline in payments of back taxes. Corporation income taxes are projected to increase at an annual rate of 2.9 percent from 2009 to 2013, reflecting the effect of higher corporate profits and legislated tax changes.

Social insurance and retirement receipts are estimated to increase by \$45 billion between 2008 and 2009, and by an additional \$214 billion between 2009 and 2013. The estimates reflect assumed increases in total wages and salaries paid, and scheduled increases in the social security taxable earnings base from \$102,000 in 2008 to \$126,900 in 2013.

Excise taxes increase by \$12 billion from 2008 to 2013, in large part due to increased economic activity

and the expiration of various excise tax credits. Estate and gift taxes remain relatively level until 2009 and then decline beginning in 2010, reflecting the repeal of the estate tax in that year. Other baseline receipts (customs duties and miscellaneous receipts) are projected to increase by \$24 billion from 2008 to 2013 in large part due to growth in imports and increased deposits of earnings by the Federal Reserve System.

Outlays.—Current services outlays are estimated to grow from \$2,900 billion in 2008 to \$2,993 billion in 2009, a 3.2 percent increase. Between 2008 and 2013, current services outlays are projected to increase at an average annual rate of 3.6 percent. Table 25–8 shows the growth from 2008 to 2009 and average annual growth over the five-year period for certain discretionary and major mandatory programs.

Even though most discretionary budget authority is assumed to grow with inflation, outlays for discretionary programs decline slightly from \$1,109 billion in 2008 to \$1,092 billion in 2009 and further in 2010. These declines are due to the baseline assuming no additional spending for the war beyond what is already enacted. Outlays increase each year after 2010, reflecting increases in resources to keep pace with inflation, reaching \$1,114 billion in 2013. Entitlement and other mandatory programs are estimated to grow from \$1,551

billion in 2008 to \$1,653 billion in 2009, and to \$2,065 billion in 2013, due in large part to changes in the number of beneficiaries and to automatic cost-of-living adjustments and other adjustments for inflation. Social Security outlays grow from \$610 billion in 2008 to \$814 billion in 2013, an average annual rate of 5.9 percent. Medicare and Medicaid are projected to grow at annual average rates of 7.2 and 7.4 percent, respectively, outpacing inflation. Other areas of growth include veterans programs (6.6 percent) and unemployment compensation (4.9 percent). Net interest payments total \$241 billion in 2008 and \$249 billion in 2009 and maintain a constant average growth through the projection period.

Tables 25–9 and 25–10 show current services outlays by function and by agency, respectively. A more detailed presentation of outlays (by function, subfunction, category, and program) is available on the Internet and on the CD-ROM enclosed with the printed version of this document.

Budget authority.—Tables 25–11 and 25–12 show current services estimates of budget authority by function and by agency, respectively. A more detailed presentation of budget authority with program level estimates is available on the Internet and on the CD-ROM enclosed with the printed version of this document.

Table 25–8. CHANGE IN BASELINE OUTLAY ESTIMATES BY CATEGORY

(Dollar amounts in billions)

	2008	2009	2013	Change 2008 to 2009		Change 2008 to 2013	
				Amount	Percent	Amount	Annual average rate
Outlays:							
Discretionary:							
DOD-Military	555	538	536	-17	-3.0%	-18	-0.7%
Homeland security	36	39	42	3	7.7%	6	3.2%
International affairs	37	36	38	-2	-4.4%	*	0.3%
Other discretionary	481	479	498	-2	-0.4%	17	0.7%
Subtotal, discretionary	1,109	1,092	1,114	-17	-1.6%	5	0.1%
Mandatory:							
Farm programs	11	14	13	2	19.0%	1	2.3%
Medicaid	204	218	292	14	6.8%	88	7.4%
Other health	26	26	31	*	0.1%	5	3.3%
Medicare	391	420	553	29	7.4%	162	7.2%
Federal employee retirement and disability	109	114	129	5	4.4%	20	3.5%
Unemployment compensation	35	37	44	3	7.6%	9	4.9%
Other income security programs	186	192	209	6	3.3%	23	2.3%
Social Security	610	645	814	35	5.7%	204	5.9%
Veterans programs	45	48	62	3	7.0%	17	6.6%
Other mandatory programs	21	19	18	-2	-8.4%	-3	-2.9%
Undistributed offsetting receipts	-87	-80	-99	7	-8.4%	-12	2.5%
Subtotal, mandatory	1,551	1,653	2,065	102	6.6%	514	5.9%
Net interest	241	249	284	8	3.4%	44	3.4%
Total outlays	2,900	2,993	3,464	93	3.2%	563	3.6%

* \$500 million or less.

Table 25–9. CURRENT SERVICES OUTLAYS BY FUNCTION

(In billions of dollars)

Function	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
National defense:							
Department of Defense—Military	529.8	556.7	540.9	508.5	515.4	526.5	539.7
Other	22.7	24.0	23.8	23.8	23.3	23.8	24.3
Total, National defense	552.6	580.7	564.7	532.3	538.7	550.3	564.0
International affairs	28.5	33.7	33.2	32.8	34.5	35.2	35.3
General science, space, and technology	25.6	27.6	28.5	28.3	28.9	29.6	30.2
Energy	–0.9	3.0	3.8	4.1	4.5	4.2	4.0
Natural resources and environment	31.8	35.6	36.6	34.0	33.7	34.3	35.3
Agriculture	17.7	20.9	19.7	19.0	19.1	19.2	19.5
Commerce and housing credit	0.5	7.4	4.0	1.7	1.2	1.4	1.7
On-Budget	(–4.6)	(6.4)	(2.9)	(0.7)	(0.6)	(0.9)	(1.7)
Off-Budget	(5.1)	(0.9)	(1.1)	(1.0)	(0.5)	(0.5)	(*)
Transportation	72.9	80.3	85.5	85.8	86.8	87.8	89.8
Community and regional development	29.6	27.6	23.2	20.4	17.6	16.2	15.8
Education, training, employment, and social services	91.7	93.4	89.7	92.7	95.7	97.5	99.3
Health	266.4	284.5	300.1	317.1	335.8	358.1	382.1
Medicare	375.4	396.2	425.2	454.4	500.2	500.1	558.7
Income security	366.0	388.4	402.0	414.2	427.7	426.9	441.6
Social security	586.2	615.3	650.2	687.5	727.0	771.0	820.1
On-Budget	(19.3)	(18.7)	(22.9)	(25.3)	(27.5)	(30.3)	(33.6)
Off-Budget	(566.8)	(596.5)	(627.3)	(662.2)	(699.5)	(740.7)	(786.5)
Veterans benefits and services	72.8	86.6	88.6	92.6	100.6	97.7	106.4
Administration of justice	41.2	46.2	49.1	48.2	48.4	49.7	51.2
General government	17.5	19.7	20.4	20.6	21.6	22.7	23.3
Net interest	237.1	240.6	248.8	262.1	273.8	280.5	284.4
On-Budget	(343.1)	(354.9)	(370.6)	(393.6)	(416.0)	(435.2)	(452.1)
Off-Budget	(–106.0)	(–114.3)	(–121.9)	(–131.4)	(–142.2)	(–154.7)	(–167.7)
Undistributed offsetting receipts:							
Employer share, employee retirement (on-budget)	–49.5	–51.4	–54.0	–58.4	–62.2	–66.0	–70.4
Employer share, employee retirement (off-budget)	–12.3	–13.1	–13.8	–14.6	–15.5	–16.3	–17.3
Rents and royalties on the Outer Continental Shelf	–6.8	–11.1	–10.1	–10.2	–10.7	–11.1	–11.4
Sale of major assets .....	.....	.....	.....	.....	.....	–0.3	.....
Other undistributed offsetting receipts	–13.7	–11.8	–2.2	–0.1	–0.1	.....	.....
Total, Undistributed offsetting receipts	–82.2	–87.4	–80.1	–83.3	–88.5	–93.7	–99.1
On-Budget	(–69.9)	(–74.3)	(–66.3)	(–68.8)	(–72.9)	(–77.4)	(–81.8)
Off-Budget	(–12.3)	(–13.1)	(–13.8)	(–14.6)	(–15.5)	(–16.3)	(–17.3)
Total	2,730.2	2,900.2	2,993.1	3,064.7	3,207.1	3,288.8	3,463.5
On-Budget	(2,276.6)	(2,430.1)	(2,500.4)	(2,547.5)	(2,664.8)	(2,718.5)	(2,862.0)
Off-Budget	(453.6)	(470.1)	(492.7)	(517.2)	(542.3)	(570.3)	(601.5)

* \$50 million or less.

Table 25–10. CURRENT SERVICES OUTLAYS BY AGENCY

(In billions of dollars)

Agency	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
Legislative Branch	4.3	4.6	4.5	4.8	4.8	5.0	5.1
Judicial Branch	6.0	6.2	6.7	6.8	7.1	7.3	7.5
Agriculture	84.4	94.5	95.3	95.6	96.7	98.9	101.2
Commerce	6.5	8.2	8.2	7.7	7.6	7.7	7.9
Defense—Military	529.9	556.7	540.9	508.5	515.4	526.5	539.7
Education	66.4	68.0	64.7	67.1	69.5	70.8	72.0
Energy	20.1	23.2	23.3	23.4	23.0	23.4	23.8
Health and Human Services	672.0	709.2	751.8	797.0	860.9	881.7	963.0
Homeland Security	39.2	42.3	42.4	40.2	41.1	40.8	41.6
Housing and Urban Development	45.6	52.3	46.1	44.9	42.1	41.6	41.1
Interior	10.5	11.1	11.2	11.0	11.0	11.2	11.6
Justice	23.3	24.9	27.0	26.8	26.7	27.3	28.1
Labor	47.5	49.7	51.7	54.1	55.7	57.9	60.1
State	13.7	18.0	19.6	18.4	19.2	19.7	20.2
Transportation	61.7	68.7	72.3	72.5	72.8	73.4	74.9
Treasury	490.6	516.8	538.4	567.2	595.7	618.3	642.8
Veterans Affairs	72.8	86.6	88.6	92.5	100.4	97.5	106.2
Corps of Engineers	3.9	7.2	8.4	5.8	5.6	5.7	5.9
Other Defense Civil Programs	47.1	49.1	51.2	52.7	54.0	55.1	56.0
Environmental Protection Agency	8.3	7.5	8.2	8.3	8.3	8.4	8.6
Executive Office of the President	3.0	2.1	0.5	0.4	0.4	0.4	0.4
General Services Administration	*	0.4	0.5	–0.2	–0.1	–0.1	–0.1
International Assistance Programs	12.8	15.1	14.3	15.1	15.9	16.2	15.8
National Aeronautics and Space Administration	15.9	17.3	18.1	17.7	18.1	18.6	19.0
National Science Foundation	5.5	6.3	6.2	6.3	6.4	6.6	6.6
Office of Personnel Management	58.4	64.2	67.2	69.7	71.7	74.5	77.2
Small Business Administration	1.2	0.5	0.8	0.6	0.6	0.6	0.7
Social Security Administration	621.8	656.6	693.6	733.8	780.2	818.6	873.9
On-Budget	(54.9)	(60.0)	(66.4)	(71.6)	(80.7)	(77.9)	(87.5)
Off-Budget	(566.8)	(596.5)	(627.3)	(662.2)	(699.5)	(740.7)	(786.5)
Other Independent Agencies	18.0	18.4	20.6	19.5	19.5	19.4	19.5
On-Budget	(12.9)	(17.5)	(19.5)	(18.5)	(19.0)	(18.9)	(19.5)
Off-Budget	(5.1)	(0.9)	(1.1)	(1.0)	(0.5)	(0.5)	(0.0)
Undistributed Offsetting Receipts	–260.2	–285.3	–288.9	–303.5	–323.1	–344.1	–366.6
On-Budget	(–141.9)	(–157.9)	(–153.2)	(–157.5)	(–165.3)	(–173.1)	(–181.6)
Off-Budget	(–118.3)	(–127.4)	(–135.6)	(–146.0)	(–157.8)	(–171.0)	(–185.0)
Total	2,730.2	2,900.2	2,993.1	3,064.7	3,207.1	3,288.8	3,463.5
On-Budget	(2,276.6)	(2,430.1)	(2,500.4)	(2,547.5)	(2,664.8)	(2,718.5)	(2,862.0)
Off-Budget	(453.6)	(470.1)	(492.7)	(517.2)	(542.3)	(570.3)	(601.5)

* \$50 million or less.

Table 25–11. CURRENT SERVICES BUDGET AUTHORITY BY FUNCTION

(In billions of dollars)

Function	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
National defense:							
Department of Defense—Military	603.0	568.1	494.8	507.8	521.3	535.2	549.4
Other	22.9	22.5	22.7	23.1	23.6	24.0	24.5
Total, National defense	625.8	590.6	517.5	530.9	544.8	559.2	573.9
International affairs	68.4	34.0	33.7	34.6	35.4	36.3	37.2
General science, space, and technology	26.3	27.4	28.0	28.6	29.3	29.9	30.6
Energy	0.6	2.8	4.2	4.5	4.6	4.2	4.0
Natural resources and environment	33.8	32.6	32.2	32.8	33.3	34.2	35.3
Agriculture	22.8	17.9	20.9	20.2	20.2	20.5	20.8
Commerce and housing credit	10.0	9.3	12.4	11.2	11.2	11.5	9.1
On-Budget	(1.1)	(6.2)	(8.6)	(8.7)	(9.0)	(9.6)	(10.2)
Off-Budget	(8.9)	(3.1)	(3.8)	(2.5)	(2.2)	(1.9)	(-1.1)
Transportation	78.7	76.3	71.8	82.3	83.2	84.1	85.1
Community and regional development	17.6	19.8	14.4	14.8	15.1	15.5	15.8
Education, training, employment, and social services	93.7	91.7	92.3	95.9	97.4	100.9	97.8
Health	244.3	286.0	299.4	319.6	340.6	362.8	387.6
Medicare	385.0	402.8	425.3	454.4	500.5	500.5	558.7
Income security	368.0	383.4	402.5	415.4	431.6	430.6	446.0
Social security	589.0	617.9	653.3	690.6	730.4	774.8	824.3
On-Budget	(19.3)	(18.7)	(22.9)	(25.3)	(27.5)	(30.3)	(33.6)
Off-Budget	(569.6)	(599.2)	(630.4)	(665.3)	(702.9)	(744.6)	(790.7)
Veterans benefits and services	79.6	88.0	87.5	93.5	97.9	103.0	107.5
Administration of justice	46.2	46.4	47.4	46.9	48.4	50.0	51.6
General government	18.6	20.2	20.7	21.6	22.4	23.2	23.9
Net interest	237.1	240.6	248.8	262.1	273.8	280.5	284.4
On-Budget	(343.1)	(354.9)	(370.6)	(393.6)	(416.0)	(435.2)	(452.1)
Off-Budget	(-106.0)	(-114.3)	(-121.9)	(-131.4)	(-142.2)	(-154.7)	(-167.7)
Undistributed offsetting receipts:							
Employer share, employee retirement (on-budget)	-49.5	-51.4	-54.0	-58.4	-62.2	-66.0	-70.4
Employer share, employee retirement (off-budget)	-12.3	-13.1	-13.8	-14.6	-15.5	-16.3	-17.3
Rents and royalties on the Outer Continental Shelf	-6.8	-11.1	-10.1	-10.2	-10.7	-11.1	-11.4
Sale of major assets						-0.3	
Other undistributed offsetting receipts	-13.7	-11.8	-2.2	-0.1	-0.1		
Total, Undistributed offsetting receipts	-82.2	-87.4	-80.1	-83.3	-88.5	-93.7	-99.1
On-Budget	(-69.9)	(-74.3)	(-66.3)	(-68.8)	(-72.9)	(-77.4)	(-81.8)
Off-Budget	(-12.3)	(-13.1)	(-13.8)	(-14.6)	(-15.5)	(-16.3)	(-17.3)
Total	2,863.3	2,900.5	2,932.2	3,076.7	3,231.4	3,328.0	3,494.5
On-Budget	(2,403.1)	(2,425.6)	(2,433.6)	(2,554.8)	(2,684.2)	(2,752.6)	(2,889.9)
Off-Budget	(460.2)	(474.9)	(498.6)	(521.8)	(547.2)	(575.4)	(604.6)
MEMORANDUM							
Discretionary budget authority:							
National defense	622.4	587.2	513.1	526.5	540.4	554.6	569.3
International	39.1	36.4	34.8	35.5	36.3	37.2	38.0
Domestic	410.8	422.2	420.3	430.4	441.5	453.0	464.8
Total	1,072.3	1,045.8	968.2	992.5	1,018.2	1,044.7	1,072.1

Table 25-12. CURRENT SERVICES BUDGET AUTHORITY BY AGENCY

(In billions of dollars)

Agency	2007 Actual	Estimate					
		2008	2009	2010	2011	2012	2013
Legislative Branch	4.3	4.4	4.6	4.7	4.9	5.0	5.2
Judicial Branch	6.2	6.5	6.7	6.9	7.1	7.4	7.6
Agriculture	91.8	90.5	98.4	99.0	100.5	102.9	105.3
Commerce	7.8	7.6	7.9	7.8	7.7	7.9	8.1
Defense—Military	603.0	568.1	494.8	507.8	521.3	535.1	549.4
Education	68.3	66.6	66.8	69.9	70.8	73.8	70.1
Energy	21.7	21.2	22.2	22.6	23.0	23.5	23.9
Health and Human Services	658.4	717.0	748.7	799.3	867.4	886.4	968.1
Homeland Security	39.7	41.1	38.6	37.5	38.7	39.8	41.0
Housing and Urban Development	35.4	40.4	40.8	41.6	42.4	43.3	44.2
Interior	10.4	10.5	10.7	10.9	10.9	11.2	11.6
Justice	24.8	24.2	26.8	25.7	26.5	27.4	28.3
Labor	47.6	49.1	52.0	53.5	55.6	57.5	59.6
State	17.1	19.9	18.8	19.2	19.7	20.1	20.6
Transportation	66.0	63.4	58.6	68.7	69.1	69.5	69.9
Treasury	492.7	519.1	540.6	569.2	597.7	620.1	645.0
Veterans Affairs	79.6	88.0	87.4	93.3	97.7	102.7	107.2
Corps of Engineers	7.0	5.6	5.3	5.5	5.6	5.8	5.9
Other Defense Civil Programs	47.2	49.0	51.2	52.7	54.0	55.1	56.0
Environmental Protection Agency	7.5	7.4	7.6	7.8	8.1	8.3	8.5
Executive Office of the President	0.4	0.3	0.3	0.4	0.4	0.4	0.4
General Services Administration	0.1	0.2	*	*	*	*	*
International Assistance Programs	51.4	13.9	14.2	14.6	14.9	15.3	15.6
National Aeronautics and Space Administration	16.3	17.1	17.5	17.9	18.3	18.8	19.2
National Science Foundation	6.1	6.2	6.3	6.4	6.5	6.7	6.8
Office of Personnel Management	61.6	66.5	70.8	72.2	74.6	77.2	79.8
Small Business Administration	0.5	0.3	0.6	0.6	0.6	0.7	0.7
Social Security Administration	626.3	658.6	695.6	736.9	783.1	822.9	878.2
On-Budget	(56.7)	(59.4)	(65.2)	(71.6)	(80.2)	(78.3)	(87.5)
Off-Budget	(569.6)	(599.2)	(630.4)	(665.3)	(702.9)	(744.6)	(790.7)
Other Independent Agencies	24.4	22.9	27.4	27.3	27.4	27.3	24.7
On-Budget	(15.5)	(19.9)	(23.6)	(24.8)	(25.2)	(25.4)	(25.8)
Off-Budget	(8.9)	(3.1)	(3.8)	(2.5)	(2.2)	(1.9)	(-1.1)
Undistributed Offsetting Receipts	-260.2	-285.3	-288.9	-303.5	-323.1	-344.1	-366.6
On-Budget	(-141.9)	(-157.9)	(-153.2)	(-157.5)	(-165.3)	(-173.1)	(-181.6)
Off-Budget	(-118.3)	(-127.4)	(-135.6)	(-146.0)	(-157.8)	(-171.0)	(-185.0)
Total	2,863.3	2,900.5	2,932.2	3,076.7	3,231.4	3,328.0	3,494.5
On-Budget	(2,403.1)	(2,425.6)	(2,433.6)	(2,554.8)	(2,684.2)	(2,752.6)	(2,889.9)
Off-Budget	(460.2)	(474.9)	(498.6)	(521.8)	(547.2)	(575.4)	(604.6)

* \$50 million or less.