

CUTS, CONSOLIDATIONS, AND SAVINGS

Whether the Budget is in surplus or deficit, wasting taxpayer dollars on programs that are outdated, ineffective, or duplicative is wrong. Given the current fiscal environment, it is critical that we redouble our efforts to scour the Budget for waste and make tough decisions about reducing funding for or ending programs that are laudable, but not essential. This exercise is difficult but necessary, and it builds on efforts the Administration has undertaken since the President first took office.

The Administration has already made significant progress in cutting waste in areas across the Government. We have successfully targeted a series of programs for elimination, reduction, or consolidation. For example, at the Department of Defense, we eliminated the F-22 fighter aircraft that were no longer needed as part of the new defense strategy developed by our military leadership, and the Expeditionary Fighting Vehicle, which was performing poorly. These and other program terminations at the Pentagon will save over \$20 billion. At the Department of Agriculture (USDA), we closed or consolidated 260 USDA field offices, saving \$58 million. At the Department of Health and Human Services, we ended three duplicative health programs, saving taxpayers over \$380 million.

As part of the President's Campaign to Cut Waste, we have cut unnecessary travel and conference spending by billions of dollars, and overall administrative spending in areas such as printing, fleet management, and advisory service contracts by billions more. In aggregate, agencies have targeted \$8.8 billion in annual administrative savings by the end of 2013 as detailed in this section. The Administra-

tion has already announced significant progress made toward this goal and will provide periodic updates on savings achieved during the year. We are selling off excess Federal real estate. We are also leveraging the buying power of the Federal Government to save money on the purchase of commodity goods such as office supplies and shipping services.

The President has also engaged the Federal workforce and the public in cutting waste through his SAVE Award program, tapping the knowledge and expertise of frontline employees. Over the last three years, 66 SAVE Award ideas have been included in the President's Budget, ranging from ending the mailing of the Federal Register to Government offices to automatically powering off computers at the Department of Labor.

In each of the President's first three Budgets, he identified, on average, more than 150 terminations, reductions, and savings proposals, totaling nearly \$25 billion each year. In last year's Budget, the Administration detailed 210 cuts, consolidations, and savings proposals, totaling more than \$24 billion in 2013. This year, the Budget includes a total of 215 cuts, consolidations, and savings proposals, which are projected to save more than \$25 billion in 2014, and \$539 billion through 2023.

Discretionary and mandatory cuts, consolidations, and savings proposals are detailed on the following tables, as well as savings activities agencies are undertaking that require no further action by the Congress, many of which were suggested through the President's SAVE Award. Savings from program integrity proposals, to-

taling \$98 billion through 2023, are detailed in the Budget Process chapter of the Analytical Perspectives volume.

As these tables show, the Budget includes a robust package of proposals that modify Medicare provider payments totaling \$306 billion over the next 10 years. These include a number of measures detailed in Table S-9 (see Summary Tables section of this volume), including a proposal to align Medicare drug payment policies with Medicaid rebate policies for low-income beneficiaries, allowing Medicare to benefit from lower drug prices. This change alone will save \$123 bil-

lion over the next 10 years. The Budget takes other critical steps to save money, such as closing the loophole in current law that allows people to collect both full disability benefits and unemployment benefits that cover the same period of time. Shutting this loophole will save \$1 billion over 10 years. The single biggest consolidation proposed this year is in the area of science, technology, engineering, and mathematics (STEM) education, where the Administration is proposing a bold restructuring of STEM education programs—consolidating 90 programs and realigning ongoing STEM education activities to improve the delivery, impact, and visibility of these efforts.

DISCRETIONARY CUTS, CONSOLIDATIONS, AND SAVINGS
(Budget authority in millions of dollars)

Cuts	2012	2014	2014 Change from 2012
Agricultural Marketing Service - Microbiological Data Program, Department of Agriculture ¹	5	.....	-5
Agricultural Marketing Service - Pesticide Recordkeeping Program, Department of Agriculture ¹	2	.....	-2
Alaska Conveyance Program, Department of the Interior	29	17	-12
Area Health Education Centers, Department of Health and Human Services	27	.....	-27
Assistance for Europe, Eurasia, and Central Asia, Department of State and Other International Programs	627	497	-130
Beach Grants, Environmental Protection Agency	10	.....	-10
Brownfields Projects, Environmental Protection Agency	95	85	-10
Bureau of Indian Affairs Construction, Department of the Interior	124	107	-17
Bureau of Indian Affairs Housing Improvement Program, Department of the Interior ¹	13	.....	-13
Bureau of Labor Statistics' Green Jobs Program, Department of Labor	8	.....	-8
Bureau of Labor Statistics' Mass Layoff Statistics Program, Department of Labor ¹	2	.....	-2
C-130 Avionics Modernization, Department of Defense	208	.....	-208
C-27 Joint Cargo Aircraft, Department of Defense	480	.....	-480
Capacity Building (Section 4 and Rural Housing), Department of Housing and Urban Development	40	20	-20
Centers for Disease Control and Prevention Direct Healthcare Screenings, Department of Health and Human Services	257	225	-32
Chemical Risk Management Fibers Program, Environmental Protection Agency	2	.....	-2
Children's Hospital Graduate Medical Education Payment Program, Department of Health and Human Services	265	88	-177
Christopher Columbus Fellowship Foundation .....	.....	.....	.....
Clean Automotive Technologies, Environmental Protection Agency	16	.....	-16
Clean Water and Drinking Water State Revolving Funds, Environmental Protection Agency	2,384	1,912	-472
CMRR Facility, Department of Energy	200	35	-165
Community Services Block Grant, Department of Health and Human Services	679	350	-329
Computer and Information Science and Engineering Research Programs, National Science Foundation:			
Interface Between Computer Science and Economics and Social Sciences	7	.....	-7
Network Science and Engineering	3	.....	-3
Social-Computational Systems	7	.....	-7
Virtual Organizations	5	.....	-5
Cruiser Modernization Program, Department of Defense	573	11	-562
Cyber-Enabled Discovery and Innovation Program, National Science Foundation	29	.....	-29
Diesel Emissions Reduction Grant Program, Environmental Protection Agency	30	6	-24
Drawdown of Military End Strength, Department of Defense .....	.....	-1,384	-1,384
Economic Impact Grants, Department of Agriculture ¹	6	.....	-6
Education Research Centers and Agricultural Research, Department of Health and Human Services:			
Agricultural, Forestry, and Fishing Program ¹	26	.....	-26
Education Research Centers ¹	29	.....	-29
Electric Guaranteed Underwriting Loan Program, Department of Agriculture ¹	1	.....	-1
Elimination of Overlapping Programs, Department of Labor:			
Veterans Workforce Investment Program ¹	15	.....	-15
Women in Apprenticeship in Non-Traditional Occupations ¹	1	.....	-1
Environmental Education, Environmental Protection Agency	10	.....	-10
Farm Service Agency Discretionary Conservation Programs, Department of Agriculture ¹	5	.....	-5
Federal Flight Deck Officer Program, Department of Homeland Security	25	.....	-25
Fissile Materials Disposition, Department of Energy	685	503	-182
Fossil Energy Research and Development, Department of Energy	534	421	-113
Geographic Programs, Environmental Protection Agency	30	17	-13
Global Hawk Unmanned Aerial Vehicle, Department of Defense	324	.....	-324
Grants for Abstinence-Only Programs, Department of Health and Human Services	5	.....	-5
Grants-in-Aid for Airports, Department of Transportation ¹	3,350	2,900	-450
Harry S. Truman Scholarship Foundation	1	.....	-1
Health Care Services Grant Program, Department of Agriculture ¹	3	.....	-3
Health Careers Opportunity Program, Department of Health and Human Services	15	.....	-15
High Energy Cost Grants, Department of Agriculture ¹	10	.....	-10

DISCRETIONARY CUTS, CONSOLIDATIONS, AND SAVINGS—Continued

(Budget authority in millions of dollars)

	2012	2014	2014 Change from 2012
High Intensity Drug Trafficking Areas, Office of National Drug Control Policy	239	193	-46
High Mobility Multipurpose Wheeled Vehicle Modernized Expanded Capacity Vehicle Recapitalization, Department of Defense	4	.....	-4
HOME Investment Partnerships Program, Department of Housing and Urban Development	1,000	950	-50
Hospital Preparedness Program, Department of Health and Human Services	380	255	-125
Housing for Persons with Disabilities, Department of Housing and Urban Development	165	126	-39
Hypersonics, National Aeronautics and Space Administration ¹	25	4	-21
Impact Aid - Payments for Federal Property, Department of Education ¹	1,291	1,224	-67
International Forestry, Department of Agriculture ¹	8	4	-4
Investigator-Initiated Research Grants, Department of Health and Human Services	43	29	-14
Joint Air-to-Ground Missile Program, Department of Defense	235	21	-214
Joint High Speed Vessel, Department of Defense	372	3	-369
Light Attack and Armed Reconnaissance Aircraft, Department of Defense	115	.....	-115
Low Income Home Energy Assistance Program, Department of Health and Human Services	3,472	3,020	-452
Low-Priority Studies and Construction, Corps of Engineers ¹	1,819	1,440	-379
Mathematics and Physical Sciences Research Programs, National Science Foundation:			
Cerro Chajnator Atacama Telescope Design and Development	2	.....	-2
Cultural Heritage Science	4	.....	-4
Grid Computing	2	.....	-2
International Materials Institutes ¹	2	.....	-2
Mathematical Physics	2	.....	-2
Solar Energy Initiative (SOLAR)	2	.....	-2
University Radio Observatories	8	6	-2
Mine Safety and Health Administration State Grants Program, Department of Labor	8	.....	-8
Nanoscale Science and Engineering Centers, National Science Foundation	31	12	-19
National Drug Intelligence Center, Department of Justice ¹	20	.....	-20
National Heritage Areas, Department of the Interior ¹	17	9	-8
National Pre-Disaster Mitigation Fund, Department of Homeland Security	36	.....	-36
National Undersea Research Program, Department of Commerce ¹	4	.....	-4
National Wildlife Refuge Fund, Department of the Interior ¹	14	.....	-14
Office of Assistant Secretary Grant Programs, Department of Health and Human Services	89	67	-22
Office of the Special Trustee for American Indians, Department of the Interior	152	140	-12
Patient-Centered Health Research, Department of Health and Human Services ¹	17	.....	-17
Pest and Disease Programs, Department of Agriculture ¹	817	798	-19
Precision Tracking and Space System, Department of Defense	81	.....	-81
Presidio Trust	12	.....	-12
Preventive Health and Health Services Block Grant, Department of Health and Human Services ¹	80	.....	-80
PRIME Technical Assistance, Small Business Administration ¹	4	.....	-4
Promoting Greener Economies, Environmental Protection Agency	3	.....	-3
Public Broadcasting Grants, Department of Agriculture ¹	3	.....	-3
Public Outreach Programs, National Science Foundation:			
Communicating Science Broadly ¹	2	.....	-2
Connecting Researchers with Public Audiences ¹	4	.....	-4
REACH, Department of Health and Human Services	14	.....	-14
Rehabilitation Act Programs, Department of Education ¹	36	.....	-36
Research, Education, and Extension Grants, Department of Agriculture:			
Animal Health (Sec. 1433) ¹	4	.....	-4
Capacity Building: Non-Land Grant Colleges ¹	4	.....	-4
Competitive Grants for Policy Research ¹	4	.....	-4
Critical Agricultural Materials ¹	1	.....	-1
Farm Business Management and Benchmarking ¹	1	.....	-1
Food Animal Residue Avoid Database ¹	1	.....	-1
Forest Products Research ¹	1	.....	-1
Methyl Bromide Transition Program ¹	2	.....	-2

DISCRETIONARY CUTS, CONSOLIDATIONS, AND SAVINGS—Continued
(Budget authority in millions of dollars)

	2012	2014	2014 Change from 2012
Potato Breeding Research (Competitive) ¹	1	.....	-1
Rangeland Restoration ¹	1	.....	-1
Rural Health and Safety ¹	2	.....	-2
Sungrants ¹	2	.....	-2
Supplemental and Alternative Crops ¹	1	.....	-1
Water Quality ¹	5	.....	-5
Youth Organizations ¹	1	.....	-1
Rural Access to Emergency Devices, Department of Health and Human Services ¹	1	.....	-1
Rural Community Facilities, Department of Health and Human Services ¹	5	.....	-5
Rural Hospital Flexibility Grant Programs, Department of Health and Human Services	41	26	-15
Rural Multifamily Housing Preservation Grants, Department of Agriculture ¹	4	.....	-4
Rural Single Family Housing Grant Programs, Department of Agriculture	60	35	-25
Sea-Based X-Band Radar, Department of Defense	177	45	-132
Second Line of Defense, Department of Energy ¹	262	140	-122
Sensors and Sensing Systems, Engineering Research Programs, National Science Foundation ¹	5	2	-3
Single Family Housing Direct Loans, Department of Agriculture ¹	43	10	-33
Standard Missile-3 Block IIB, Department of Defense	13	.....	-13
State and Volunteer Fire Assistance Grants, Department of Agriculture ¹	99	81	-18
State Criminal Alien Assistance Program, Department of Justice	240	.....	-240
State Indoor Radon Grant Program, Environmental Protection Agency	8	.....	-8
Streamline Federal Air Marshals Service, Department of Homeland Security	966	827	-139
Sunwise, Environmental Protection Agency	1	.....	-1
Superfund Remedial, Environmental Protection Agency	565	539	-26
Superfund Support to Other Federal Agencies, Environmental Protection Agency	6	.....	-6
T-AGOS Ocean Surveillance Ship, Department of Defense	10	.....	-10
Transfer Exit Lane Staffing Responsibilities to Airports, Department of Homeland Security	88	.....	-88
Valles Caldera, Department of Agriculture ¹	3	.....	-3
Water and Wastewater and Community Facilities Loan Guarantees, Department of Agriculture ¹	6	.....	-6
Water and Wastewater Grants and Loans, Department of Agriculture	504	304	-200
Watershed Rehabilitation Program, Department of Agriculture ¹	15	.....	-15
Wildland Fire Program/Hazardous Fuels Reduction, Department of the Interior	183	96	-87
Total, Discretionary Cuts	25,172	16,216	-8,956
Consolidations			
Central Utah Project, Department of the Interior	29	4	-25
Community Economic Development Program, Department of Health and Human Services	30	.....	-30
Data Centers Closures, Department of Defense .....	.....	-575	-575
Elementary and Secondary Education Act, Department of Education .....	.....	.....	.....
Family Self-Sufficiency, Department of Housing and Urban Development	75	75	.....
Food Aid Reform, Multi-Agency:	1,766	1,766	.....
<i>U.S. Agency for International Development</i>	300	1,741	1,441
<i>Department of Agriculture</i>	1,466	.....	-1,466
<i>Maritime Administration, Department of Transportation</i> .....	.....	25	25
Forest Service Integrated Resource Restoration, Department of Agriculture	805	757	-48
Higher Education Programs, Department of Education .....	.....	.....	.....
International Trade Administration Business Units, Department of Commerce .....	.....	-8	-8
NASA Education, National Aeronautics and Space Administration .....	.....	.....	.....
Rural Business & Cooperative Grants, Department of Agriculture .....	.....	.....	.....
Science, Technology, Engineering, and Mathematics (STEM) Consolidation, Multi-Agency: .....	.....	.....	.....
<i>Eliminated and Reorganized Programs Total - 90 Programs:</i>			
<i>Eliminated Programs and Redirected Funding - 78 Programs:</i>			
<i>Department of Agriculture - 6 Programs</i> .....	.....	[11]	
<i>Department of Commerce - 6 Programs</i> .....	.....	[13]	
<i>Department of Defense - 6 Programs</i> .....	.....	[49]	

DISCRETIONARY CUTS, CONSOLIDATIONS, AND SAVINGS—Continued
(Budget authority in millions of dollars)

	2012	2014	2014 Change from 2012
<i>Department of Energy - 8 Programs</i>	[11]		
<i>Department of Health and Human Services - 10 Programs</i>	[28]		
<i>Department of Homeland Security - 1 Program</i>	[1]		
<i>Environmental Protection Agency - 2 Programs</i>	[16]		
<i>National Aeronautics and Space Administration - 38 Programs</i>	[48]		
<i>Nuclear Regulatory Commission - 1 Program</i>	[0]		
<i>Reorganized Programs Within the Agency - 12 Programs:</i>			
<i>National Science Foundation - 11 Programs</i>	[118]		
<i>National Aeronautics and Space Administration - 1 Program</i>	[2]		
Self-Help and Assisted Homeownership Opportunity Program, Department of Housing and Urban Development	14	10	-4
State and Local Grants Reform, Department of Homeland Security .....	.....	.....	.....
United States Visitor and Immigrant Status Indicator Technology, Department of Homeland Security .....	.....	.....	.....
Total, Discretionary Consolidations	2,719	2,029	-690
Savings			
Agency-Wide Efficiency Savings, Department of Justice .....	.....	-237	-237
B-83 Reserve Status, Department of Energy .....	.....	-3	-3
Increased Flexibility for the U.S. Mint in Coinage, Department of the Treasury .....	.....	.....	.....
Internal Revenue Service Business Systems Modernization, Department of the Treasury	330	301	-29
Joint Polar Satellite System Savings, Department of Commerce	924	886	-38
Law Enforcement-Wide Administrative Efficiencies, Department of Justice .....	.....	-93	-93
Pit Disassembly and Conversion Savings, Department of Energy	26	.....	-26
Senate Campaign Finance Reports Electronic Submission, Federal Election Commission .....	.....	.....	.....
Streamline Farm Service Agency Operations, Department of Agriculture	1,199	1,176	-23
Technology Infrastructure Modernization, Environmental Protection Agency	186	179	-7
W 78/88 Life Extension Program, Department of Energy .....	.....	-72	-72
Total, Discretionary Savings	2,665	2,137	-528
Total, Discretionary Cuts, Consolidations, and Savings	30,556	20,382	-10,174

¹ This cut has been identified as a lower-priority program activity for purposes of the GPRA Modernization Act, at 31 U.S.C. 1115(b)(10). Additional information regarding this proposed cut is included in the respective agency's Congressional Justification submission.

MANDATORY CUTS AND SAVINGS

(Outlays and receipts in millions of dollars)

	2014	2015	2016	2017	2018	2014–2018	2014–2023
Cuts							
Coal Tax Preferences, Department of Energy:							
Domestic Manufacturing Deduction for Hard Mineral Fossil Fuels ¹	-33	-34	-36	-39	-40	-182	-409
Expensing of Exploration and Development Costs ¹	-25	-43	-45	-47	-49	-209	-432
Percent Depletion for Hard Mineral Fossil Fuels ¹	-113	-193	-196	-198	-201	-901	-1,982
Royalty Taxation ¹	-14	-31	-37	-42	-45	-169	-432
Eliminate Direct Payments, Department of Agriculture .....	.....	-3,300	-3,300	-3,300	-3,300	-13,200	-29,700
Conservation Reserve Program, Department of Agriculture	15	15	-200	-220	-315	-705	-2,915
Conservation Stewardship Program, Department of Agriculture	-5	-50	-90	-130	-170	-445	-1,964
Crop Insurance Program, Department of Agriculture	-513	-1,005	-1,238	-1,244	-1,256	-5,256	-11,716
Geothermal Payments to Counties, Department of the Interior ²	-4	-4	-5	-5	-5	-23	-48
Oil and Gas Company Tax Preferences, Department of Energy:							
Increase Geological and Geophysical Amortization Period for Independent Producers to Seven Years ¹	-60	-220	-333	-304	-221	-1,138	-1,363
Repeal Credit for Oil and Gas Produced from Marginal Wells ¹ .....	.....	.....	.....	.....	.....	.....	.....
Repeal Deduction for Tertiary Injectants ¹	-8	-12	-12	-11	-11	-54	-107
Repeal Domestic Manufacturing Tax Deduction for Oil and Natural Gas Companies ¹	-1,119	-1,926	-1,951	-1,944	-1,884	-8,824	-17,447
Repeal Enhanced Oil Recovery Credit ¹ .....	.....	.....	.....	.....	.....	.....	.....
Repeal Exception to Passive Loss Limitations for Working Interests in Oil and Natural Gas Properties ¹	-7	-10	-9	-8	-8	-42	-74
Repeal Expensing of Intangible Drilling Costs ¹	-1,663	-2,460	-2,125	-1,639	-1,099	-8,986	-10,993
Repeal Percentage Depletion for Oil and Natural Gas Wells ¹	-1,039	-1,044	-1,042	-1,041	-1,045	-5,211	-10,723
Offset Disability Benefits for Period of Concurrent Unemployment Insurance Receipt	-100	-100	-100	-100	-100	-500	-1,000
Ultradeep Oil and Gas Research and Development Program, Department of Energy ²	-20	-20	-10	.....	.....	-50	-50
Payments to Guarantee Agencies - Federal Family Education Loan Program	-3,657	.....	.....	.....	.....	-3,657	-3,657
Unrestricted Abandoned Mine Lands Payments, Department of the Interior ²	-32	-33	-27	-31	-40	-163	-327
Total, Mandatory Cuts	-8,397	-10,470	-10,756	-10,303	-9,789	-49,715	-95,339
Savings							
FECA Reform, Department of Labor 	-9	-10	-19	-29	-39	-106	-462
Federal Employee Health Benefits Program Reforms, Office of Personnel Management .....	.....	-422	-665	-725	-794	-2,606	-8,367
Health Care (Medicaid Proposals), Department of Health and Human Services	-301	-1,051	-1,401	-1,397	-1,316	-5,466	-16,914
Health Care (Pharmaceuticals), Department of Health and Human Services ³	-740	-870	-1,000	-1,150	-1,330	-5,090	-14,280
Medicare Provider Payment Modifications, Department of Health and Human Services ^{3,4}	-5,630	-13,460	-17,560	-22,000	-26,810	-85,460	-306,230
Total, Mandatory Savings	-6,680	-15,813	-20,645	-25,301	-30,289	-98,728	-346,253
Total, Mandatory Cuts and Savings	-15,077	-26,283	-31,401	-35,604	-40,078	-148,443	-441,592

¹This cut has been identified as a lower-priority program activity for purposes of the GPRA Modernization Act, at 31 U.S.C. 1115(b)(10). Additional information regarding this proposed cut is included in the Governmental Receipts chapter of the Analytical Perspectives volume.

²This cut has been identified as a lower-priority program activity for purposes of the GPRA Modernization Act, at 31 U.S.C. 1115(b)(10). Additional information regarding this proposed cut is included in the respective agency's Congressional Justification submission.

³Medicare savings estimates do not include interactions.

⁴In addition to the savings reported on this table, the Budget includes an additional \$67.8 billion in 10-year savings for Medicare Structural Reforms, as detailed on table S-9.



The SAVE Award logo denotes a proposal that was suggested by a Federal employee through the SAVE Award program.

ADMINISTRATIVELY IMPLEMENTED CONSOLIDATIONS AND SAVINGS
(In millions of dollars)

		2013	2014	2013-2017
Department of Education				
Workspace Redesign and Consolidation	.....	0.00	0.00	-3.00
Department of Health and Human Services				
FreeStuff	.....	-0.25	-0.38	-1.50
Department of Homeland Security				
Post Customs Inspection Information Online	.....	*	*	*
Department of the Interior				
Leverage Digital Recording Technology Instead of Court Reporters	.....	0.00	-0.13	-1.63
Standardize Relocation Policies and Processes by Implementing Shared Services	.....	0.00	-0.11	-1.49
Department of Justice				
Encourage Use of Non-Contract Airfares	.....	-2.50	-2.50	-12.50
Reduce Unnecessary Publications Acquisitions	.....	-0.19	-0.19	-0.95
Reexamine Contract Structure	.....	0.00	-0.73	-27.13
Department of Labor				
Bureau of Labor Statistics' International Labor Comparisons Program	.....	-2.00	-2.00	-10.00
Regional Office Consolidations	.....	0.00	-3.80	-15.89
Wage and Hour Division Questionnaire Postage	.....	-0.07	-0.16	-0.78
Department of State and Other International Programs				
Change Printer Default Settings to Copier/Scanners	.....	-0.60	-0.10	-0.80
Increase Tech Literacy to Eliminate Physical Assets & Operating Expenditures	.....	-0.60	-0.60	-5.70
Use of Online Federal Acquisition Regulation	.....	-0.20	0.00	-0.80
Department of the Treasury				
Order Electronic Transcripts Online	.....	0.00	0.00	-14.25
Replace Lighting with LED Technology	.....	-0.01	-0.09	-0.62
Savings from IRS Space Optimization	.....	0.00	-76.70	-76.70
National Aeronautics and Space Administration				
Eliminate Cell Phones and Offer Allowance	.....	*	*	*
National Science Foundation				
Consolidation of Mobile Devices	.....	0.00	-0.05	-0.18
Increased Use of Virtual Meetings	.....	-1.78	-1.78	-8.92
Consumer Product Safety Commission				
Use Electronic Travel System	.....	-0.10	-0.10	-0.40
Multi-Agency				
Reduce Employee Shuttle Buses	.....	*	*	*
Senior Transit Savings	.....	0.00	-3.00	-12.00

Note: Amounts in this table include estimated savings from actions agencies are implementing to reduce costs that require no further action by the Congress.

* Savings estimates under development.

 The SAVE Award logo denotes this savings action was suggested by a Federal employee through the SAVE Award program.

ADMINISTRATIVE SAVINGS

(In millions of dollars)

	2013 Savings Target
Department of Agriculture	-196
Department of Commerce	-184
Department of Defense	-4,731
Department of Education	-11
Department of Energy	-223
Department of Health and Human Services	-881
Department of Homeland Security	-866
Department of Housing and Urban Development	-12
Department of the Interior	-205
Department of Justice	-160
Department of Labor	-61
Department of State	-182
Agency for International Development	-15
Department of Transportation	-156
Department of the Treasury	-241
Department of Veterans Affairs	-175
Corps of Engineers -- Civil Works	-77
Environmental Protection Agency	-72
General Services Administration	-56
National Aeronautics and Space Administration	-202
National Science Foundation	-19
Office of Personnel Management	-4
Small Business Administration	-3
Social Security Administration	-81
Total	-8,812