

CUTS, CONSOLIDATIONS, AND SAVINGS

As part of the President's Management Agenda, the Administration will build upon the successful efforts started in the first term to maximize the value of every taxpayer dollar while increasing productivity and the quality of services.

The Budget continues efforts from the President's first-term Campaign to Cut Waste, such as reducing administrative overhead, cutting improper payments, saving on real estate costs, reforming military acquisition, and consolidating data centers. Further detail on these initiatives is provided in the Creating a 21st Century Government chapter.

The Budget also continues efforts to reorganize and consolidate Federal programs to reduce duplication and improve efficiency. The President is again asking the Congress to revive an authority that Presidents had for almost the entire period from 1932 through 1984—the ability to submit proposals to reorganize the Executive Branch via a fast-track procedure. In effect, the President is asking to have the same authority that any business owner has to reorganize or streamline operations to meet changing circumstances and customer demand.

The Budget specifically proposes a fresh Government-wide reorganization of science, technology, engineering, and mathematics (STEM) education programs designed to enable more strategic investment in STEM education and more critical evaluation of outcomes. In 2012, there were more than 200 STEM education programs across Government. Already, a substantial number of program consolidations and eliminations have been implemented or will be completed in 2014, through actions by the Congress or internal consolidations or eliminations undertaken by the Administration. The Budget continues to reduce STEM fragmenta-

tion by proposing 31 additional program consolidations or eliminations, and focuses ongoing efforts around the five key areas identified by the Federal STEM Education 5-Year Strategic Plan.

The Budget also continues to target unnecessary or lower priority programs for reduction or elimination. For example, at the Department of Defense, based on recommendations from uniformed military leadership, the Budget would cancel the Ground Combat Vehicle Program, which is no longer needed under the current defense strategy, saving \$51 million in 2015. The Budget would also close or consolidate 250 offices at the Department of Agriculture as part of streamlining Farm Service Agency operations that would save a total of \$39 million in 2015.

In each of the President's first three Budgets, the Administration identified, on average, more than 150 terminations, reductions, and savings proposals, totaling nearly \$25 billion each year. In the 2013 and 2014 Budgets, the Administration detailed more than 200 cuts, consolidations, and savings proposals, again totaling roughly \$25 billion each year. This year's Budget shows the tradeoffs and choices the Administration is making to adhere to the funding levels established in the Bipartisan Budget Act of 2013. It includes 136 cuts, consolidations, and savings proposals, which are projected to save nearly \$17 billion in 2015. The cuts, consolidation, and savings proposals this year reflect the deep spending reductions that occurred in 2013, some of which have continued in 2014, and the fact that many of the Administration's previous cuts, consolidations, and savings proposals have now been implemented. Discretionary and mandatory cuts, consolidations, and savings proposals in this year's Budget are detailed on the following tables, as well as internal efficien-

cies agencies are undertaking that require no further action by the Congress, many of which were suggested through the President's SAVE Award program.

Savings from the Administration's program integrity proposals, totaling \$99 billion through 2024, 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 about \$354 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, reducing the net cost of this valuable benefit. This change alone will save about \$117 billion over the next 10 years. The Budget takes other critical steps to save money, such as preventing individuals from collecting disability and unemployment benefits for the same period of time. This reform will save \$3.2 billion over 10 years.

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

	2014	2015	2015 Change from 2014
Cuts			
317 Immunization Program, Department of Health and Human Services	612	561	-51
Access to Recovery, Department of Health and Human Services	50	.....	-50
Area Health Education Centers, Department of Health and Human Services	30	.....	-30
Beach Grants, Environmental Protection Agency	10	.....	-10
Brownfields Projects, Environmental Protection Agency	90	85	-5
C-130 Avionics Modernization, Department of Defense	47	.....	-47
Capacity Building, Department of Housing and Urban Development	35	20	-15
Centers for Disease Control and Prevention Direct Healthcare Screenings, Department of Health and Human Services	251	209	-42
Christopher Columbus Fellowship Foundation ¹ .....	.....	.....	.....
Clean Water and Drinking Water State Revolving Funds, Environmental Protection Agency	2,356	1,775	-581
Community Development Block Grant - Formula Funds Only, Department of Housing and Urban Development	3,030	2,800	-230
Community Services Block Grant, Department of Health and Human Services	674	350	-324
Diesel Emissions Reduction Grant Program, Environmental Protection Agency	20	.....	-20
Divestiture of the A-10 Fleet, Department of Defense	1,049	737	-312
Economic Impact Grants, Department of Agriculture ¹	6	.....	-6
Education Research Centers and Agricultural Research, Department of Health and Human Services ¹	52	.....	-52
Effective Teacher and Leader State Grants (Title II), Department of Education	2,350	2,000	-350
Enhancing the Mathematical Sciences Workforce in the 21st Century, National Science Foundation	10	6	-4
Foreign Military Financing, Department of State	5,919	5,648	-271
Fossil Energy Research and Development, Department of Energy	562	476	-86
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
Great Lakes Restoration Initiative, Environmental Protection Agency	300	275	-25
Ground Combat Vehicle, Department of Defense	100	49	-51
Harry S. Truman Scholarship Foundation ¹	1	.....	-1
Health Care Services Grant Program, Department of Agriculture ¹	3	.....	-3
Health Careers Opportunity Program, Department of Health and Human Services	14	.....	-14
High Energy Cost Grants, Department of Agriculture ¹	10	.....	-10
High Intensity Drug Trafficking Areas, Office of National Drug Control Policy	239	193	-46
HOME Investment Partnerships Program, Department of Housing and Urban Development	1,000	950	-50
Impact Aid - Payments for Federal Property, Department of Education ¹	1,289	1,222	-67
International Forestry, Department of Agriculture ¹	8	.....	-8
International Narcotics Control and Law Enforcement, Department of State	1,350	1,118	-232
Investigator-Initiated Research Grants, Department of Health and Human Services	46	40	-6
Low Income Home Energy Assistance Program, Department of Health and Human Services	3,425	2,800	-625
Low Priority Studies and Construction, Corps of Engineers ¹	1,781	1,205	-576
Low Priority Work, Bureau of Reclamation, Department of the Interior ¹	1,060	986	-74
Mine Safety and Health Administration State Grants, Department of Labor	8	.....	-8
National Heritage Areas, Department of the Interior ¹	18	9	-9
National Wildlife Refuge Fund, Department of the Interior ¹	13	.....	-13
Network for Earthquake Engineering Simulation, National Science Foundation	20	12	-8
Nuclear Energy, Department of Energy	888	863	-25

DISCRETIONARY CUTS, CONSOLIDATIONS, AND SAVINGS—Continued

(Budget authority in millions of dollars)

	2014	2015	2015 Change from 2014
Office of the Assistant Secretary Grant Programs, Department of Health and Human Services	91	66	-25
Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects ¹	1	.....	-1
Operation and Maintenance Work, Corps of Engineers	2,861	2,600	-261
Prevention and Care Management Research, Department of Health and Human Services	23	11	-12
Preventive Health and Health Services Block Grant, Department of Health and Human Services ¹	160	.....	-160
PRIME Technical Assistance, Small Business Administration ¹	4	.....	-4
Public Broadcasting Grants, Department of Agriculture ¹	2	.....	-2
REACH, Department of Health and Human Services	51	.....	-51
Rehabilitation Act Programs, Department of Education ¹	32	.....	-32
Research, Education and Extension Grants, Department of Agriculture:			
Animal Health (Sec. 1433) ¹	4	.....	-4
Capacity Building: Non-Land Grant Colleges ¹	5	.....	-5
Critical Agricultural Materials ¹	1	.....	-1
Farm Business Management and Benchmarking ¹	1	.....	-1
Food Animal Residue Avoid Database ¹	1	.....	-1
Methyl Bromide Transition Program ¹	2	.....	-2
Potato Breeding Research (Competitive) ¹	1	.....	-1
Rural Health and Safety ¹	2	.....	-2
Sungrants ¹	3	.....	-3
Supplemental and Alternative Crops ¹	1	.....	-1
Water Quality ¹	5	.....	-5
Rural Access to Emergency Devices, Department of Health and Human Services ¹	3	.....	-3
Rural Community Facilities, Department of Health and Human Services ¹	6	.....	-6
Rural Hospital Flexibility Grant Programs, Department of Health and Human Services	41	26	-14
Rural Multifamily Housing Preservation Grants, Department of Agriculture ¹	4	.....	-4
Rural Single Family Housing Grant Programs, Department of Agriculture	57	35	-22
Science of Learning Centers, National Science Foundation	19	7	-12
Senior Community Service Employment Program, Department of Health and Human Services	434	380	-54
State Criminal Alien Assistance Program, Department of Justice	180	.....	-180
State Indoor Radon Grant Program, Environmental Protection Agency	8	.....	-8
Stratospheric Observatory for Infrared Astronomy, National Aeronautics and Space Administration ¹	84	12	-72
Sunwise, Environmental Protection Agency	1	.....	-1
Tactical Tomahawk, Department of Defense	313	194	-119
University Radio Observatories, National Science Foundation	1	.....	-1
Urban and Community Forestry, Department of Agriculture	28	24	-4
Virtual Astronomy Observatory, National Science Foundation ¹	1	.....	-1
Water and Wastewater and Community Facilities Loan Guarantees, Department of Agriculture ¹	4	.....	-4
Water and Wastewater Grants and Loans, Department of Agriculture	462	304	-158
Water Quality Research and Support Grants, Environmental Protection Agency	17	.....	-17
Watershed Rehabilitation Program, Department of Agriculture ¹	12	.....	-12
Women in Apprenticeship in Non-Traditional Occupations, Department of Labor ¹	1	.....	-1
Total, Discretionary Cuts	37,007	30,948	-6,059


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

	2014	2015	2015 Change from 2014
Consolidations			
Central Utah Project, Department of the Interior	9	7	-2
Community Economic Development Program, Department of Health and Human Services	30	.....	-30
Elementary and Secondary Education Act, Department of Education .....	.....	.....	.....
Kiowa Warrior, Department of Defense	108	.....	-108
Rural Business and Cooperative Grants, Department of Agriculture .....	.....	.....	.....
Science, Technology, Engineering, and Mathematics (STEM) Reorganization, Multi-Agency			
<i>Consolidated and Eliminated Programs Total - 31 Programs</i>			
<i>Department of Agriculture - 4 Programs</i>	[11]		
<i>Department of Commerce - 6 Programs</i>	[13]		
<i>Department of Defense - 2 Programs</i>	[26]		
<i>Department of Energy - 1 Program</i>	[9]		
<i>Department of Health and Human Services - 2 Programs</i>	[2]		
<i>Environmental Protection Agency - 3 Programs</i>	[13]		
<i>National Aeronautics and Space Administration - 11 Programs</i>	[7]		
<i>National Science Foundation - 1 Program</i>	[49]		
<i>Nuclear Regulatory Commission - 1 Program</i>	[15]		
Senior Service Consolidation, Corporation for National and Community Service .....	.....	.....	.....
Streamline Farm Service Agency Operations, Department of Agriculture	1,178	1,139	-39
Streamline Federal Air Marshals, Department of Homeland Security	817	815	-2
Total, Discretionary Consolidations	2,142	1,961	-181
Savings			
Census Bureau Operations, Department of Commerce	252	243	-9
Immigration Detention Prioritization, Department of Homeland Security	2,085	1,886	-199
Senate Campaign Finance Reports Electronic Submission, Federal Election Commission .....	.....	.....	.....
Total, Discretionary Savings	2,337	2,129	-208
Total, Discretionary Cuts, Consolidations, and Savings	41,486	35,038	-6,448

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, where applicable.

MANDATORY CUTS AND SAVINGS

(Outlays and receipts in millions of dollars)

	2015	2016	2017	2018	2019	2015–2019	2015–2024
Cuts							
Coal Tax Preferences, Department of Energy							
Domestic Manufacturing Deduction for Hard Mineral Fossil Fuels ¹	-36	-63	-67	-70	-73	-309	-726
Expensing of Exploration and Development Costs ¹	-39	-66	-69	-73	-77	-324	-679
Percent Depletion for Hard Mineral Fossil Fuels ¹	-167	-173	-182	-195	-203	-920	-2,052
Royalty Taxation ¹	-20	-43	-47	-49	-52	-211	-508
Crop Insurance Program, Department of Agriculture	-691	-1,232	-1,435	-1,466	-1,507	-6,331	-14,280
Geothermal Payments to Counties, Department of the Interior ²	-4	-4	-4	-4	-4	-20	-42
Oil and Gas Company Tax Preferences, Department of Energy							
Increase Geological and Geophysical Amortization Period for Independent Producers to Seven Years ¹	-103	-382	-596	-581	-463	-2,125	-3,081
Repeal Credit for Oil and Gas Produced from Marginal Wells ¹ .....	.....	.....	.....	.....	.....	.....	.....
Repeal Deduction for Tertiary Injectants ¹	-10	-10	-10	-10	-10	-50	-100
Repeal Domestic Manufacturing Tax Deduction for Oil and Natural Gas Companies ¹	-963	-1,614	-1,585	-1,522	-1,453	-7,137	-14,218
Repeal Enhanced Oil Recovery Credit ¹ .....	.....	.....	.....	.....	.....	.....	.....
Repeal Exception to Passive Loss Limitations for Working Interests in Oil and Natural Gas Properties ¹	-5	-7	-7	-7	-6	-32	-59
Repeal Expensing of Intangible Drilling Costs ¹	-2,317	-3,244	-2,348	-1,803	-1,469	-11,181	-14,350
Repeal Percentage Depletion for Oil and Natural Gas Wells ¹	-1,502	-1,568	-1,469	-1,375	-1,306	-7,220	-13,030
Offset Disability Benefits for Period of Concurrent Unemployment Insurance Receipt ² .....	.....	-56	-254	-390	-414	-1,114	-3,231
Unrestricted Abandoned Mine Lands Payments, Department of the Interior ²	-48	-35	-28	-34	-36	-181	-295
Total, Mandatory Cuts	-5,905	-8,497	-8,101	-7,579	-7,073	-37,155	-66,651
Savings							
FECA Reform, Department of Labor 	-11	-1	-8	-16	-24	-60	-309
Federal Employees Health Benefits Program Reforms, Office of Personnel Management .....	.....	-52	-113	-147	-182	-494	-2,243
Health Care (Medicaid Proposals), Department of Health and Human Services	-532	-932	-1,022	-1,072	-1,137	-4,695	-14,955
Health Care (Pharmaceuticals), Department of Health and Human Services ³	-770	-830	-970	-1,220	-1,450	-5,240	-15,260
Medicare Provider Payment Modifications, Department of Health and Human Services ^{3, 4}	-3,480	-10,590	-19,820	-24,810	-30,700	-89,400	-353,720
Total, Mandatory Savings	-4,793	-12,405	-21,933	-27,265	-33,493	-99,889	-386,487
Total, Mandatory Cuts and Savings	-10,698	-20,902	-30,034	-34,844	-40,566	-137,044	-453,138

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 Governmental Receipts chapter of the Analytical Perspectives volume.

² 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, where applicable.

³ Medicare savings estimates do not include interactions.







⁴ In addition to the savings reported on this table, the Budget includes an additional \$68.3 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 SAVINGS

(In millions of dollars)

	2014	2015	2014-2018
Department of Agriculture			
Reduce Mailings at the Food Safety Inspection Service 	-0.002	-0.003	-0.009
Sync the Link 	0.000	0.000	-0.138
Department of Homeland Security			
Collect Custom Fines and Penalties Online 	0.000	0.000	-1.000
Department of Labor			
Curtail Bureau of Labor Statistics' International Price Program	0.000	-4.500	-18.000
Curtail Bureau of Labor Statistics' Quarterly Census of Employment and Wages	-1.700	-4.800	-20.900
Department of State			
Use E-Mail for Follow-Up Passport Information Requests 	0.000	-0.140	-1.821
Department of Veterans Affairs			
Online Tracking of Veterans Mail Prescription Deliveries 	0.036	-0.638	-3.700
Multi-Agency			
Share Employee Training Certifications Across Agencies 	*	*	*

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.