Presentation to the National WIC Association

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March 5, 2018
Non-Defense Discretionary Funding Will Increase Substantially Under New Budget Deal

In billions of dollars

<table>
<thead>
<tr>
<th></th>
<th>Enacted</th>
<th>Levels under the new law</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$518 B</td>
<td>$579 B</td>
</tr>
<tr>
<td>2017</td>
<td>$519 B</td>
<td>$597 B</td>
</tr>
</tbody>
</table>

Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget.
Trump Budget Would Fund Non-Defense Discretionary Appropriations Well Below the Level Set in the Budget Deal for 2019 and Beyond

In billions of dollars

- **Bipartisan Budget Act**
  - 2018: $579
  - 2019: $597
  - 2020: $456

- **Trump budget**
  - 2019: $540*

*Reflects the levels in the addendum to the Trump budget. However, the addendum also proposes other changes that would have the effect of reducing the funds available within the $540 billion total for the non-defense programs traditionally funded under the Budget Control Act cap.

Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget
Despite Increase, Funding for Non-Defense Discretionary in 2018 Still Below 2010 Level

In billions of 2018 dollars

- Enacted
- Levels under the new law

2010: $611 billion
2018: $579 billion

Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget.
Trump Budget Would Cut Non-Defense Discretionary Funding Severely Over Decade

In billions of 2018 dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Enacted</th>
<th>Trump Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$611</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$530</td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td>$307</td>
<td></td>
</tr>
</tbody>
</table>

Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and Office of Management and Budget
Revenues Decline in Coming Years Because of the Tax Cut

Revenues as a percent of GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>17.7%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>17.3%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>17.0%</td>
<td>16.5%</td>
</tr>
<tr>
<td>2019</td>
<td>16.5%</td>
<td>16.9%</td>
</tr>
<tr>
<td>2020</td>
<td>16.9%</td>
<td></td>
</tr>
</tbody>
</table>

Source: CBPP based on Congressional Budget Office, Joint Committee on Taxation, and Tax Policy Center
Effect of Tax Cut Law on Different Income Groups

Effect of new tax law, 2025

<table>
<thead>
<tr>
<th>Income group</th>
<th>Average tax change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest fifth</td>
<td>-$70</td>
</tr>
<tr>
<td>Second fifth</td>
<td>-$390</td>
</tr>
<tr>
<td>Middle fifth</td>
<td>-$910</td>
</tr>
<tr>
<td>Fourth fifth</td>
<td>-$1,680</td>
</tr>
<tr>
<td>Top fifth</td>
<td>-$7,460</td>
</tr>
<tr>
<td>Top 1 percent</td>
<td>-$61,090</td>
</tr>
<tr>
<td>Top 0.1 percent</td>
<td>-$252,300</td>
</tr>
</tbody>
</table>

Note: Excludes effect of repeal of health reform’s individual mandate.
Source: Tax Policy Center
Children With Access to SNAP Fare Better Years Later

Percentage-point change in outcomes for adults who received SNAP as children, compared to adults who did not:

- Stunted growth: -6%
- Heart disease: -5%
- Obesity: -16%
- High school completion: 18%

Note: The study compared individuals who had access to SNAP (then food stamps) in early childhood after its introduction in the 1960s and early 1970s to similar children who did not (because they were born before its introduction) in each county.

Trump Budget Proposes $213 Billion in SNAP Cuts

• Would end eligibility for at least 4 million people and reduce benefits for millions of others, including the elderly, people with disabilities, and low-income working families

• Would provide households with a government-purchased non-perishable food box in lieu of food purchased at the grocery store
Trump Budget Proposes Deep and Growing Cuts to Medicaid and Subsidies to Make Insurance Affordable

Note: ACA = Affordable Care Act
Source: CBPP calculations based on President Trump’s 2019 budget documents
Expenditures for Low-Income Programs Outside Health Care Set to Fall Below Average of Last 40 Years

Source: Office of Management and Budget data through 2015 and Congressional Budget Office data thereafter
Tax Expenditures Are Very Costly

Tax expenditures vs. selected major program expenditures, 2015

- Corporate: $1.2 trillion
- Individual:
  - Medicare & Medicaid: $890 billion
  - Social Security: $882 billion
  - Non-defense discretionary: $585 billion
  - Defense discretionary: $583 billion

Notes: Tax expenditure estimates do not account for interaction effects and do not include associated spending ($161 billion), effects on excise and payroll receipts ($128 billion), or “tax extenders” made permanent or extended retroactively at the end of 2015.

Source: Office of Management and Budget, Historical Tables 8.5 and 8.7, and Analytical Perspectives Table 14.2
Tax Expenditures Tilted Toward the Top

Share of ten largest federal income tax expenditures by income group, 2013

Source: Congressional Budget Office