

Estimate of the Budgetary Effects of S. 18, the Sequester Replacement and Spending Reduction Act of 2013, as introduced on February 27, 2013

(Millions of dollars, by fiscal year)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013- 2018	2013- 2023
CHANGES IN REVENUES^a													
Title IV - Entitlement Programs													
Section 401 - Unemployment Benefits^b	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 402 - Health Insurance^c	0	200	600	800	1,100	1,300	1,400	1,400	1,400	1,400	1,500	4,000	11,100
Title VIII - Compensation and Retirement of Federal Employees and Members of Congress													
Subtitle B - Part I - Federal Employees Generally	0	1,122	2,534	3,978	4,292	4,272	4,243	4,204	4,159	4,102	4,033	16,199	36,940
Subtitle B - Part II - Other Retirement Systems	0	9	22	36	41	43	45	47	50	52	54	153	401
Total Changes in Revenues	0	1,331	3,156	4,814	5,433	5,615	5,688	5,651	5,609	5,554	5,587	20,352	48,441
<i>On-budget revenues</i>	0	1,331	3,256	4,914	5,533	5,715	5,788	5,751	5,709	5,654	5,687	20,652	49,241
<i>Off-budget revenues</i>	0	0	-100	-100	-100	-100	-100	-100	-100	-100	-100	-300	-800
CHANGES IN DIRECT SPENDING													
Title I - Budget Resource Savings													
Estimated Budget Authority	71,350	0	0	0	0	0	0	0	0	0	0	71,350	71,350
Estimated Outlays	34,606	22,597	8,613	3,151	1,598	171	0	0	0	0	0	70,736	70,736
Title II - Agriculture													
Estimated Budget Authority	-120	-1,120	-1,340	-1,330	-1,300	-1,270	-1,240	-1,240	-1,250	-1,260	-1,270	-6,480	-12,740
Estimated Outlays	-120	-1,120	-1,340	-1,330	-1,300	-1,270	-1,240	-1,240	-1,250	-1,260	-1,270	-6,480	-12,740
Title III - Child Tax Credit													
Estimated Budget Authority	0	-3,100	-3,100	-3,200	-3,100	-3,100	-2,200	-2,300	-2,400	-2,400	-2,500	-15,600	-27,300
Estimated Outlays	0	-3,100	-3,100	-3,200	-3,100	-3,100	-2,200	-2,300	-2,400	-2,400	-2,500	-15,600	-27,300
Title IV - Entitlement Programs													
Section 401 - Unemployment Benefits^b													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 402 - Health Insurance													
Estimated Budget Authority	0	-800	-2,000	-3,400	-4,600	-5,200	-5,500	-5,800	-6,200	-6,500	-6,800	-16,100	-47,000
Estimated Outlays	0	-800	-2,000	-3,400	-4,600	-5,200	-5,500	-5,800	-6,200	-6,500	-6,800	-16,100	-47,000
Title V - Financial Services													
Estimated Budget Authority	-200	-495	-510	-527	-545	-564	-583	-602	-621	-641	-661	-2,841	-5,949
Estimated Outlays	-130	-491	-508	-524	-542	-561	-580	-599	-618	-638	-658	-2,756	-5,849

(continued)

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013- 2018	2013- 2023
Title VII - Consolidating Unnecessary and Duplicative and Overlapping Government Programs^d													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Title VIII - Compensation and Retirement for Federal Employees and Members of Congress													
Section 802 - No Cost-of-Living Adjustments for Members of Congress													
Estimated Budget Authority	0	-1	-3	-5	-9	-14	-18	-23	-27	-32	-36	-32	-169
Estimated Outlays	0	-1	-3	-5	-9	-14	-18	-23	-27	-32	-36	-32	-169
Subtitle B - Part I - Federal Employees Generally^c													
Estimated Budget Authority	0	68	158	249	271	268	264	259	252	245	237	1,014	2,271
Estimated Outlays	0	68	158	249	271	268	264	259	252	245	237	1,014	2,271
Title IX - Reduction in Cost Sharing Under ACA^e													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Changes in Direct Spending													
Estimated Budget Authority	71,030	-5,448	-6,795	-8,213	-9,283	-9,880	-9,277	-9,706	-10,246	-10,588	-11,030	31,311	-19,537
Estimated Outlays	34,356	17,153	1,820	-5,059	-7,682	-9,706	-9,274	-9,703	-10,243	-10,585	-11,027	30,782	-20,051
<i>Changes in On-Budget Direct Spending</i>													
<i>Estimated Budget Authority</i>	<i>71,030</i>	<i>-5,380</i>	<i>-6,637</i>	<i>-7,964</i>	<i>-9,012</i>	<i>-9,612</i>	<i>-9,013</i>	<i>-9,447</i>	<i>-9,994</i>	<i>-10,343</i>	<i>-10,793</i>	<i>32,325</i>	<i>-17,266</i>
<i>Estimated Outlays</i>	<i>34,356</i>	<i>17,221</i>	<i>1,978</i>	<i>-4,810</i>	<i>-7,411</i>	<i>-9,438</i>	<i>-9,010</i>	<i>-9,444</i>	<i>-9,991</i>	<i>-10,340</i>	<i>-10,790</i>	<i>31,796</i>	<i>-17,780</i>
<i>Changes in Off-Budget Direct Spending</i>													
<i>Estimated Budget Authority</i>	<i>0</i>	<i>-68</i>	<i>-158</i>	<i>-249</i>	<i>-271</i>	<i>-268</i>	<i>-264</i>	<i>-259</i>	<i>-252</i>	<i>-245</i>	<i>-237</i>	<i>-1,014</i>	<i>-2,271</i>
<i>Estimated Outlays</i>	<i>0</i>	<i>-68</i>	<i>-158</i>	<i>-249</i>	<i>-271</i>	<i>-268</i>	<i>-264</i>	<i>-259</i>	<i>-252</i>	<i>-245</i>	<i>-237</i>	<i>-1,014</i>	<i>-2,271</i>
NET INCREASE OR DECREASE (-) IN DEFICITS FROM CHANGES IN REVENUES AND DIRECT SPENDING													
Net Changes in Deficits	34,356	15,822	-1,336	-9,874	-13,116	-15,321	-14,962	-15,354	-15,852	-16,138	-16,614	10,430	-68,491
<i>On-budget deficit change</i>	<i>34,356</i>	<i>15,890</i>	<i>-1,278</i>	<i>-9,725</i>	<i>-12,945</i>	<i>-15,153</i>	<i>-14,798</i>	<i>-15,195</i>	<i>-15,700</i>	<i>-15,993</i>	<i>-16,477</i>	<i>11,144</i>	<i>-67,020</i>
<i>Off-budget deficit change</i>	<i>0</i>	<i>-68</i>	<i>-58</i>	<i>-149</i>	<i>-171</i>	<i>-168</i>	<i>-164</i>	<i>-159</i>	<i>-152</i>	<i>-145</i>	<i>-137</i>	<i>-714</i>	<i>-1,471</i>

(continued)

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013- 2018	2013- 2023
CHANGES IN SPENDING SUBJECT TO APPROPRIATION													
Title I - Budget Resource Savings													
Section 101 - Reduction in 2013 Discretionary Caps													
Estimated Authorization Level	-20,000	0	0	0	0	0	0	0	0	0	0	-20,000	-20,000
Estimated Outlays	-9,890	-6,260	-2,340	-850	-450	-40	0	0	0	0	0	-19,830	-19,830
Title VI - Congressional Action													
Section 602 - Preventing Duplicative and Overlapping Government Programs													
Estimated Authorization Level	1	1	1	1	1	1	1	1	1	1	1	6	11
Estimated Outlays	0	1	1	1	1	1	1	1	1	1	1	5	10
Title V - Financial Services													
Estimated Authorization Level	200	200	0	0	0	0	0	0	0	0	0	400	400
Estimated Outlays	100	230	70	0	0	0	0	0	0	0	0	400	400
Title VIII - Compensation and Retirement for Federal Employees and Members of Congress													
Section 801 - Extension of Pay Freeze for Federal Employees^f													
Estimated Authorization Level	-376	-3,794	-4,803	-4,938	-5,124	-5,330	-5,551	-5,777	-6,000	-6,223	-6,448	-24,365	-54,363
Estimated Outlays	-376	-3,794	-4,803	-4,938	-5,124	-5,330	-5,551	-5,777	-6,000	-6,223	-6,448	-24,365	-54,363
Section 803 - Reduction in Discretionary Caps													
Estimated Authorization Level	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000	0	0	-36,000	-48,000
Estimated Outlays	-3,411	-5,028	-5,622	-5,826	-5,949	-5,949	-5,949	-5,949	-2,538	-921	0	-31,785	-47,142
Subtitle B - Part I - Federal Employees Generally^f													
Estimated Authorization Level	0	-853	-1,992	-3,184	-3,499	-3,521	-3,533	-3,534	-3,526	-3,504	-3,470	-13,049	-30,616
Estimated Outlays	0	-853	-1,992	-3,184	-3,499	-3,521	-3,533	-3,534	-3,526	-3,504	-3,470	-13,049	-30,616

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Sources: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Notes: Components may not sum to totals because of rounding; ACA = Affordable Care Act.

Estimates are relative to CBO's February 2013 baseline.

- a. For revenues, positive numbers indicate a decrease in the deficit; negative numbers indicate an increase in the deficit.
 - b. Several aspects of Section 401 are not well-defined. If Section 401 is enacted, CBO anticipates it could take some time for the Department of Labor to determine how to administer the provision and by the time those issues are settled, there could be no measurable savings achieved by prohibiting federal payments for unemployment benefits to higher income individuals.
 - c. Includes both on-budget and off-budget effects.
 - d. Section 701 would require the Office of Management and Budget, within 5 months following enactment, to review certain reports prepared by the Government Accountability Office regarding duplicative and overlapping missions among federal agencies and programs, and use its administrative authorities to eliminate, consolidate, or streamline such government programs and agencies identified in those reports. Under the bill, OMB would be directed to determine the cost savings that result from its effort to address government agencies and programs with duplicative and overlapping missions. Using that estimate of savings, OMB would rescind at least \$10 billion of budget authority from the appropriate budget accounts to reflect the cost savings achieved through its administrative actions to eliminate, consolidate, or streamline government programs. CBO expects that enacting this provision would result in no funds being rescinded in 2013. The provisions in section 701 have no enforcement authority to ensure that they would occur; the Administration would have broad discretion to determine what constitutes duplicative and overlapping missions; and we expect no savings could be achieved in 2013 by the time OMB completes its review of such programs.
 - e. Section 901 would change the income threshold used to determine eligibility for cost sharing subsidies under the Affordable Care Act from 400 percent of the federal poverty level to 300 percent. However, subsidies for cost sharing under the ACA are effectively limited to individuals and families with income below 250 percent of poverty.
 - f. Such reductions -- or any legislation that would reduce the funds available for a particular discretionary program or that would achieve savings by undertaking a particular activity -- would only reduce projected total appropriations if the caps on discretionary spending were also lowered. Without a reduction in the caps, CBO assumes funding for other discretionary programs would fill the gap created by the specific reduction or savings. The reductions shown here assume that caps are adjusted commensurate with reductions estimated for the proposals.
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