



CONGRESSIONAL BUDGET OFFICE  
U.S. Congress  
Washington, DC 20515

Douglas W. Elmendorf, Director

July 25, 2013

Honorable Jeff Sessions  
Ranking Member  
Committee on the Budget  
United States Senate  
Washington, DC 20510

Dear Senator:

This letter responds to your request that the Congressional Budget Office (CBO) show the effect that S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act, as passed by the Senate, would have on the federal budget excluding changes in direct spending and revenues for the Social Security and Medicare Part A trust funds. In the cost estimate for S. 744 as passed by the Senate, CBO and the staff of the Joint Committee on Taxation (JCT) estimated that the effects of enacting the legislation on revenues and direct spending would reduce deficits by \$158 billion over the 2014–2023 period and by \$685 billion over the 2024–2033 period; those estimates are unchanged.

Those total effects on the deficit reflect estimated cash flows related to Social Security and Part A of Medicare as well as estimated cash flows associated with other revenues and direct spending. As shown in the attached table, CBO and JCT estimate that the act's effects on those two programs would reduce budget deficits by \$260 billion over the 2014–2023 period and by \$715 billion over the following decade. Thus, excluding the act's effects on direct spending and revenues for the (off-budget) Social Security trust funds and the (on-budget) Medicare Part A trust fund, CBO and JCT estimate that the remaining effects from enacting S. 744 would amount to a deficit increase of \$102 billion over the 2014–2023 period and a deficit increase of \$30 billion over the 2024–2033 period.

I hope this information is helpful to you. Please let me know if you have any further questions.

Sincerely,

A handwritten signature in black ink that reads "Douglas W. Elmendorf".

Douglas W. Elmendorf

Enclosure

cc: Honorable Patty Murray  
Chairman

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**Effect of S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act, on Spending and Noninterest Receipts for the Social Security and Medicare Trust Funds and Other Spending and Receipts**

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	Billions of Dollars	
	2014-2023	2024-2033
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES</b>		
Changes to the Social Security Trust Funds <sup>a</sup>	-210	-575
Changes to the Medicare Part A Trust Fund <sup>b</sup>	-50	-140
Other Changes	102	30
Total Impact on Deficit	-158	-685

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Sources: CBO and staff of the Joint Committee on Taxation.

- a. The estimates of net deficit changes related to the Social Security program reflect estimated increases in spending (\$2 billion over the 2014-2023 period, and \$45 billion over the 2024-2033 period) less estimated increases in payroll tax receipts that would be credited to the Social Security trust funds (\$212 billion over the 2014-2023 period, and \$620 billion over the 2024-2033 period). Social Security outlays and revenues are considered off-budget. The figures here do not include the effect of the legislation on intragovernmental interest payments credited to the trust funds.
- b. The estimates of net deficit changes related to the Medicare Part A program reflect estimated increases in spending (less than \$500 million over the 2014-2023 period, and \$5 billion over the 2024-2033 period) less estimated increases in tax receipts that would be credited to the Medicare Part A trust fund (\$50 billion over the 2014-2023 period, and \$145 billion over the 2024-2033 period). The figures here do not include the effect of the legislation on intragovernmental interest payments credited to the trust funds.
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