



Baseline Budget Projections as of March 6, 2020

March 2020

The Congressional Budget Office's spring baseline budget projections are based this year, as they usually are, on the agency's January economic forecast. However, interest rates and some other economic variables are far from the amounts CBO projected for the beginning of this year, in large part because of responses to the novel coronavirus. Because the spring baseline incorporates legislative and technical revisions that are useful to policymakers, CBO is making it available to the Congress now, even though it does not incorporate the estimated effects of the novel coronavirus or any economic news since January. Incorporating those recent developments would warrant substantial revisions, which would take additional time and would affect projections of both spending and revenues.

This document provides tables with the spring baseline projections and an explanation of the changes since January 2020, including the effects of legislation enacted through March 6, 2020; additional details about selected programs are available on CBO's website. CBO will update its economic and budget projections later this year.

This document provides the Congressional Budget Office’s spring 2020 baseline budget projections and explains how they differ from the projections published earlier this year.¹

Background

CBO’s spring budget projections are based on the economic forecast that the agency developed in January 2020, and they incorporate legislation enacted through March 6, 2020, as well as various technical adjustments based on new information available prior to that date (such as program details released in conjunction with the President’s budget).² The budget projections provided in this update do not account for changes to the nation’s economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

The tables included in this document show the agency’s projections for the budget by major category (see Table 1), federal debt held by the public (see Table 2), a set of key projections (see Table 3), and details about mandatory and discretionary spending (see Table 4 and Table 5). The changes since the January projections are discussed below (see Table 6).

CBO’s projections are constructed in accordance with provisions set forth in the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) and the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344). Those laws require CBO to construct its baseline under the assumption that current laws generally remain unchanged. CBO’s baseline is not intended to provide a forecast of future budgetary outcomes; rather, it provides a benchmark that policymakers can use to assess the potential effects of future policy decisions.

Changes in CBO’s Baseline Projections Since January 2020

In CBO’s spring projections, the deficit for fiscal year 2020 is \$58 billion larger than the agency estimated in January. CBO’s updated baseline projections for the 2021–2030 period show a cumulative deficit that is virtually unchanged from the \$13.1 trillion deficit that the agency projected in January.

Notes: Unless this report indicates otherwise, all years referred to are federal fiscal years, which run from October 1 to September 30 and are designated by the calendar year in which they end. Numbers in the tables may not add up to totals because of rounding.

¹ See Congressional Budget Office, *The Budget and Economic Outlook: 2020 to 2030* (January 2020), www.cbo.gov/publication/56020.

² The most recent law with significant budgetary effects that are reflected in CBO’s spring baseline is the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123), enacted on March 6, 2020. After CBO completed its analysis, the Congress began consideration of H.R. 6201, the Families First Coronavirus Response Act. Budgetary effects related to that act—as well as any other legislation enacted after March 6, 2020—are not incorporated into these projections.

All the changes that CBO has made to its baseline either reflect legislation enacted from January through March 6 or incorporate technical updates—changes made for reasons other than revised economic information or newly enacted laws. Technical changes include, for example, updated estimates of how quickly programs will obligate and expend funds, incorporating year-end data for various program activities; updated demographic information; and changes related to new administrative actions such as rule changes. None of the changes are classified as economic because CBO’s updated budget projections are based on the same economic forecast that the agency developed for its January 2020 baseline.

Legislative Changes

New legislation increased projected cumulative deficits by \$72 billion over the 2021–2030 period. Two pieces of legislation enacted since January significantly affected CBO’s projections: the United States–Mexico–Canada Agreement Implementation Act (P.L. 116-113) and the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020. (The updated projections do not include effects of H.R. 6201, the Families First Coronavirus Response Act, which lawmakers were considering when CBO finalized this report.)

Outlays. Legislation enacted from January through March 6 led CBO to increase projected outlays by \$1 billion in 2020 and by \$76 billion for the 2021–2030 period. Those increased outlays stem almost entirely from enactment of the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, which added nearly \$8 billion in discretionary budget authority in 2020 to the amounts included in CBO’s January baseline.³ Under the rules governing CBO’s baseline projections, that funding is assumed to continue and to grow with inflation each year of the baseline period. (In accordance with section 257 of the Deficit Control Act, CBO projects budget authority by applying the specified inflation rate to the most recent appropriations for discretionary accounts.) That increased funding primarily supports activities related to public health, including efforts to develop and manufacture vaccines and other treatments, as well as grants to state, local, and tribal organizations; to community health centers; and to other nonfederal entities to prevent, prepare for, and respond to the coronavirus.

All told, legislative changes to mandatory programs were small. The net effect of legislative changes on CBO’s projections of revenues and outlays led the agency to raise its estimate of debt-service costs by \$8 billion over the 2021–2030 period.

Revenues. In CBO’s projections, the United States–Mexico–Canada Agreement Implementation Act increased revenues by \$10 million in 2020 and by \$3.4 billion over the 2021–2030 period,

³ See Congressional Budget Office, cost estimate for H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (March 4, 2020), www.cbo.gov/publication/56227.

largely because of a provision of the act that is expected to increase revenue from tariffs on motor vehicles and parts.⁴

Technical Changes

Technical changes—those not directly related to newly enacted laws or changes to CBO’s economic forecast—led the agency to increase its estimate of the deficit by \$57 billion in 2020 but to decrease its projection of the cumulative deficit by \$77 billion over the 2021–2030 period.

Outlays. Technical updates to CBO’s spending projections resulted in an increase of \$57 billion in estimated outlays for 2020, mostly because the Administration is recording revisions to the subsidy costs of direct and subsidized loans made in prior years.⁵ The largest such change was an upward revision for student loans.

Over the 2021–2030 period, the agency decreased its projections by \$88 billion. The main changes lowered projected outlays for Medicare and Social Security, which were partially offset by increases in projected outlays for premium tax credits and net interest.

- **Medicare.** For technical reasons, CBO decreased its projection of Medicare outlays by a net of \$131 billion (or 1.3 percent) over the 2021–2030 period. That downward revision reflects lower-than-expected actual spending so far in the current fiscal year as well as slightly slower projected growth rates in spending for various medical services. That downward revision in growth rates is the net result of slower growth in spending for some services, such as physician and skilled nursing services, and faster projected growth for other services, such as hospital outpatient services.
- **Social Security.** CBO’s 10-year projection of spending for Social Security is \$67 billion (or 0.4 percent) lower than the agency last projected, reflecting reductions in projected outlays for both Old-Age and Survivors Insurance and Disability Insurance, because of small reductions in the projected number of beneficiaries for both programs.
- **Premium Tax Credits and Related Spending.** CBO and the staff of the Joint Committee on Taxation increased their projections of outlays for subsidies for health insurance purchased through the marketplaces established under the Affordable Care Act and related spending by \$60 billion (or 9.8 percent) over the 2021–2030 period. That increase largely stems from higher projections of subsidized enrollment through those marketplaces, in part because of higher-than-expected enrollment during the open enrollment period for 2020.

⁴ See Congressional Budget Office, cost estimate for H.R. 5430, the United States–Mexico–Canada Agreement Implementation Act (December 16, 2019), www.cbo.gov/publication/55960.

⁵ CBO does not estimate those revisions to subsidy costs; rather, those totals are based on the amounts that the Office of Management and Budget expects to record in fiscal year 2020.

- **Net Interest.** CBO increased its estimate of net interest outlays by \$34 billion (or 0.6 percent) for the 2021–2030 period. That revision is the net result of reductions in projected credit financing activity, an increase in CBO’s projections of the weighted-average maturity of outstanding debt (partially driven by the introduction of the 20-year Treasury bond), and a decrease in debt-service costs because the other technical updates to CBO’s projections of revenues and outlays, on net, reduced the cumulative deficit. The estimate of net interest outlays does not reflect the lower interest rates that have prevailed in March 2020.

Revenues. CBO did not fully update its revenue projections for this baseline; such a revision typically would occur in conjunction with an updated economic forecast, which the agency expects to complete later this year. However, because of revisions to CBO’s projections of health insurance coverage, the agency raised its revenue projections by \$300 million for 2020 and reduced them by \$11 billion for the 2021–2030 period. Most of that reduction stems from CBO’s revision to its projections of subsidies for insurance purchased through the marketplaces established under the Affordable Care Act. CBO increased the projected amounts of those subsidies, part of which are recorded as reductions in tax liabilities. That change reduced projections of net receipts from individual income taxes by \$13 billion over the 2021–2030 period.

About This Document

This document is one of a series of reports on the state of the budget and the economy that the Congressional Budget Office issues each year. It satisfies the requirement in section 202(e) of the Congressional Budget Act of 1974 for CBO to submit to the Committees on the Budget periodic reports about fiscal policy and to provide baseline projections of the federal budget. In keeping with CBO's mandate to provide objective, impartial analysis, this report makes no recommendations.

Amber Marcellino wrote the report with assistance from Aaron Feinstein, Dan Ready, and Joshua Shakin. Christina Hawley Anthony, Theresa Gullo, Leo Lex, John McClelland, and Sam Papenfuss provided guidance. The estimates in the report are the work of more than 100 staff members at CBO and the staff of the Joint Committee on Taxation.

Wendy Edelberg, Mark Hadley, Jeffrey Kling, and Robert Sunshine reviewed the report. Rebecca Lanning was the editor, and Jorge Salazar was the graphics editor. The report is available on CBO's website (www.cbo.gov/publication/56268).

CBO continually seeks feedback to make its work as useful as possible. Please send any comments to communications@cbo.gov.



Phillip L. Swagel
Director
March 2020

Table 1.

CBO's March 2020 Baseline Budget Projections, by Category

	Actual, 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
													2021– 2025	2021– 2030
In Billions of Dollars														
Revenues														
Individual income taxes	1,718	1,791	1,904	1,996	2,096	2,178	2,266	2,484	2,709	2,809	2,927	3,046	10,441	24,415
Payroll taxes	1,243	1,302	1,356	1,409	1,464	1,523	1,584	1,642	1,703	1,768	1,832	1,896	7,335	16,177
Corporate income taxes	230	234	257	292	334	362	386	385	382	390	398	406	1,631	3,592
Other	271	305	298	304	312	317	326	340	359	375	387	395	1,557	3,414
Total	3,463	3,632	3,815	4,000	4,205	4,381	4,562	4,851	5,153	5,341	5,544	5,743	20,964	47,597
On-budget	2,548	2,672	2,814	2,960	3,126	3,263	3,403	3,650	3,908	4,050	4,206	4,357	15,567	35,738
Off-budget ^a	914	960	1,001	1,040	1,079	1,119	1,159	1,201	1,245	1,291	1,338	1,386	5,397	11,859
Outlays														
Mandatory	2,734	2,910	2,968	3,191	3,319	3,445	3,700	3,922	4,121	4,444	4,495	4,875	16,623	38,479
Discretionary	1,338	1,413	1,453	1,502	1,528	1,560	1,604	1,641	1,680	1,724	1,752	1,800	7,648	16,245
Net interest	375	383	395	425	472	518	564	613	663	717	768	828	2,374	5,963
Total	4,447	4,706	4,817	5,118	5,319	5,523	5,868	6,176	6,464	6,884	7,016	7,503	26,645	60,688
On-budget	3,540	3,748	3,795	4,025	4,150	4,274	4,537	4,767	4,967	5,296	5,329	5,713	20,780	46,853
Off-budget ^a	907	958	1,022	1,093	1,170	1,249	1,331	1,409	1,497	1,589	1,686	1,790	5,865	13,835
Deficit (-) or Surplus	-984	-1,073	-1,002	-1,118	-1,114	-1,141	-1,306	-1,325	-1,311	-1,543	-1,472	-1,760	-5,681	-13,091
On-budget	-992	-1,075	-980	-1,064	-1,023	-1,011	-1,134	-1,117	-1,059	-1,246	-1,124	-1,356	-5,213	-11,115
Off-budget ^a	8	2	-21	-53	-91	-130	-172	-208	-252	-297	-348	-404	-467	-1,976
Debt Held by the Public	16,801	17,835	18,816	19,996	21,144	22,338	23,694	25,053	26,398	27,970	29,479	31,292	n.a.	n.a.
Memorandum:														
Gross Domestic Product	21,220	22,111	23,029	23,916	24,809	25,724	26,653	27,615	28,653	29,737	30,850	32,003	124,131	272,989

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Table 1.

Continued

CBO's March 2020 Baseline Budget Projections, by Category

	Actual, 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
													2021– 2025	2021– 2030
As a Percentage of Gross Domestic Product														
Revenues														
Individual income taxes	8.1	8.1	8.3	8.3	8.4	8.5	8.5	9.0	9.5	9.4	9.5	9.5	8.4	8.9
Payroll taxes	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Corporate income taxes	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3
Other	1.3	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.3	1.3	1.3	1.2	1.3	1.3
Total	16.3	16.4	16.6	16.7	16.9	17.0	17.1	17.6	18.0	18.0	18.0	17.9	16.9	17.4
On-budget	12.0	12.1	12.2	12.4	12.6	12.7	12.8	13.2	13.6	13.6	13.6	13.6	12.5	13.1
Off-budget ^a	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Outlays														
Mandatory	12.9	13.2	12.9	13.3	13.4	13.4	13.9	14.2	14.4	14.9	14.6	15.2	13.4	14.1
Discretionary	6.3	6.4	6.3	6.3	6.2	6.1	6.0	5.9	5.9	5.8	5.7	5.6	6.2	6.0
Net interest	1.8	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	1.9	2.2
Total	21.0	21.3	20.9	21.4	21.4	21.5	22.0	22.4	22.6	23.2	22.7	23.4	21.5	22.2
On-budget	16.7	16.9	16.5	16.8	16.7	16.6	17.0	17.3	17.3	17.8	17.3	17.9	16.7	17.2
Off-budget ^a	4.3	4.3	4.4	4.6	4.7	4.9	5.0	5.1	5.2	5.3	5.5	5.6	4.7	5.1
Deficit (-) or Surplus														
On-budget	-4.7	-4.9	-4.3	-4.5	-4.1	-3.9	-4.3	-4.0	-3.7	-4.2	-3.6	-4.2	-4.2	-4.1
Off-budget ^a	*	*	-0.1	-0.2	-0.4	-0.5	-0.6	-0.8	-0.9	-1.0	-1.1	-1.3	-0.4	-0.7
Debt Held by the Public	79.2	80.7	81.7	83.6	85.2	86.8	88.9	90.7	92.1	94.1	95.6	97.8	n.a.	n.a.

Source: Congressional Budget Office.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

n.a. = not applicable; * = between -0.05 percent and 0.05 percent.

a. The revenues and outlays of the Social Security trust funds and the net cash flow of the Postal Service are classified as off-budget.

Table 2.

CBO's March 2020 Baseline Projections of Federal Debt

Billions of Dollars

	Actual, 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Debt Held by the Public at the Beginning of the Year	15,750	16,801	17,835	18,816	19,996	21,144	22,338	23,694	25,053	26,398	27,970	29,479
Changes in Debt Held by the Public												
Deficit	984	1,073	1,002	1,118	1,114	1,141	1,306	1,325	1,311	1,543	1,472	1,760
Other means of financing ^a	67	-39	-21	63	34	53	49	34	34	30	37	54
Total	1,051	1,034	981	1,180	1,148	1,195	1,355	1,359	1,345	1,573	1,508	1,813
Debt Held by the Public at the End of the Year												
In billions of dollars	16,801	17,835	18,816	19,996	21,144	22,338	23,694	25,053	26,398	27,970	29,479	31,292
As a percentage of GDP	79.2	80.7	81.7	83.6	85.2	86.8	88.9	90.7	92.1	94.1	95.6	97.8
Memorandum:												
Debt Held by the Public Minus Financial Assets ^b												
In billions of dollars	14,959	16,032	17,033	18,151	19,266	20,407	21,712	23,038	24,348	25,891	27,363	29,123
As a percentage of GDP	70.5	72.5	74.0	75.9	77.7	79.3	81.5	83.4	85.0	87.1	88.7	91.0
Gross Federal Debt ^c	22,669	23,785	24,846	26,065	27,227	28,413	29,695	30,994	32,146	33,474	34,714	36,189
Debt Subject to Limit ^d	22,687	23,804	24,865	26,084	27,247	28,434	29,717	31,016	32,169	33,498	34,739	36,214
Average Interest Rate on Debt Held by the Public (Percent)	2.5	2.4	2.3	2.3	2.4	2.5	2.6	2.6	2.7	2.7	2.8	2.8

Source: Congressional Budget Office.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

GDP = gross domestic product.

- Factors not included in budget totals that affect the government's need to borrow from the public. Those factors include cash flows associated with federal credit programs such as student loans (because only the subsidy costs of those programs are reflected in the budget deficit), as well as changes in the government's cash balances.
- Debt held by the public minus the value of outstanding student loans and other credit transactions, cash balances, and various financial instruments.
- Federal debt held by the public plus Treasury securities held by federal trust funds and other government accounts.
- The amount of federal debt that is subject to the overall limit set in law. That measure of debt excludes debt issued by the Federal Financing Bank and reflects certain other adjustments that are excluded from gross federal debt. The debt limit was most recently set at \$22.0 trillion but has been suspended through July 31, 2021. On August 1, 2021, the debt limit will be raised to its previous level plus the amount of federal borrowing that occurred while the limit was suspended. For more details, see Congressional Budget Office, *Federal Debt and the Statutory Limit, February 2019* (February 2019), www.cbo.gov/publication/54987.

Table 3.

Key Projections in CBO's March 2020 Baseline

Percentage of Gross Domestic Product

	2020	2021	Projected Annual Average	
			2022–2025	2026–2030
Revenues				
Individual income taxes	8.1	8.3	8.4	9.4
Payroll taxes	5.9	5.9	5.9	5.9
Corporate income taxes	1.1	1.1	1.4	1.3
Other	1.4	1.3	1.2	1.2
Total Revenues	16.4	16.6	17.0	17.9
Outlays				
Mandatory				
Social Security	4.9	5.0	5.3	5.8
Major health care programs ^a	5.3	5.4	5.8	6.6
Other	2.9	2.5	2.4	2.3
Subtotal	13.2	12.9	13.5	14.7
Discretionary				
Net interest	6.4	6.3	6.1	5.8
	1.7	1.7	2.0	2.4
Total Outlays	21.3	20.9	21.6	22.9
Deficit	-4.9	-4.3	-4.6	-5.0
Debt Held by the Public at the End of the Period	81	82	89	98
Memorandum:				
Social Security				
Revenues ^b	4.5	4.5	4.6	4.6
Outlays ^c	4.9	5.0	5.3	5.8
Contribution to the Federal Deficit ^d	-0.4	-0.5	-0.7	-1.2
Medicare				
Revenues ^b	1.4	1.5	1.5	1.5
Outlays ^c	3.7	3.8	4.2	5.0
Offsetting Receipts	-0.6	-0.7	-0.7	-0.9
Contribution to the Federal Deficit ^d	-1.7	-1.7	-2.0	-2.5
Gross Domestic Product at the End of the Period (Trillions of dollars)	22.1	23.0	26.7	32.0

Source: Congressional Budget Office.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

This table satisfies a requirement specified in section 3111 of S. Con. Res. 11, the Concurrent Resolution on the Budget for Fiscal Year 2016.

- Consists of outlays for Medicare (net of premiums and other offsetting receipts), Medicaid, the Children's Health Insurance Program, subsidies for health insurance purchased through the marketplaces established under the Affordable Care Act, and related spending.
- Includes payroll taxes other than those paid by the federal government on behalf of its employees; those payments are intragovernmental transactions. Also includes income taxes paid on Social Security benefits, which are credited to the trust funds.
- Does not include outlays related to the administration of the program, which are discretionary. For Social Security, outlays do not include intragovernmental offsetting receipts stemming from the employer's share of payroll taxes paid to the Social Security trust funds by federal agencies on behalf of their employees.
- The net increase in the deficit shown in this table differs from the change in the trust fund balance for the associated program. It does not include intragovernmental transactions, interest earned on balances, or outlays related to the administration of the program.

Table 4.

CBO's March 2020 Baseline Projections of Mandatory Outlays

Billions of Dollars

	Actual, 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
													2021– 2025	2021– 2030
Social Security														
Old-Age and Survivors Insurance	893	946	1,005	1,071	1,140	1,212	1,287	1,364	1,444	1,532	1,620	1,711	5,715	13,386
Disability Insurance	145	145	148	153	159	165	173	181	191	196	203	211	797	1,779
Subtotal	1,038	1,091	1,153	1,224	1,299	1,377	1,460	1,545	1,635	1,728	1,823	1,922	6,512	15,165
Major Health Care Programs														
Medicare ^a	775	828	886	993	1,027	1,055	1,182	1,269	1,363	1,531	1,504	1,715	5,143	12,525
Medicaid	409	423	443	465	493	522	552	585	619	654	691	731	2,475	5,756
Premium tax credits and related spending ^b	56	53	54	57	59	61	65	68	71	74	78	83	296	670
Children's Health Insurance Program	18	16	14	14	15	16	16	17	18	18	19	20	75	167
Subtotal ^a	1,258	1,321	1,397	1,529	1,594	1,654	1,816	1,939	2,070	2,278	2,292	2,549	7,990	19,117
Income Security Programs														
Earned income, child, and other tax credits ^c	99	98	95	94	94	95	95	96	83	83	83	83	473	901
Supplemental Nutrition Assistance Program	63	62	60	60	61	62	63	63	64	66	67	69	307	636
Supplemental Security Income	56	57	58	64	61	58	65	67	69	77	68	76	306	662
Unemployment compensation	28	29	31	35	42	46	48	50	52	54	56	57	201	470
Family support and foster care ^d	32	32	32	33	33	34	34	34	34	35	35	35	166	339
Child nutrition	24	25	26	27	28	29	30	32	33	34	36	37	141	312
Subtotal	303	303	302	313	320	323	335	343	335	348	344	357	1,593	3,321
Federal Civilian and Military Retirement														
Civilian ^e	106	108	112	116	120	124	128	132	135	139	143	148	601	1,298
Military	61	62	65	72	69	66	73	75	77	85	75	83	345	739
Other	3	3	3	4	4	4	1	10	6	5	6	6	16	49
Subtotal	170	173	180	192	194	194	202	216	218	230	224	237	962	2,087
Veterans' Programs														
Income security ^f	101	108	113	128	124	118	133	137	142	159	138	155	617	1,348
Other	14	12	17	18	17	16	18	18	19	20	19	21	86	184
Subtotal	115	120	130	146	142	134	151	156	161	179	157	177	703	1,532
Other Programs														
Agriculture	32	26	18	17	17	17	17	17	16	16	16	16	86	168
Deposit insurance	-8	-7	-7	-6	-6	-5	-6	-6	-7	-7	-7	-8	-30	-66
MERHCF	10	11	12	12	13	13	14	15	15	16	17	18	64	144
Fannie Mae and Freddie Mac ^g	0	0	1	4	3	3	4	4	4	4	4	5	15	36
Higher education	33	85	5	5	6	6	6	6	6	6	6	6	28	57
Other	58	62	72	71	68	68	70	68	68	68	68	66	349	688
Subtotal	126	176	101	103	101	103	104	103	103	103	103	103	512	1,028

Continued

Table 4.

Continued

CBO's March 2020 Baseline Projections of Mandatory Outlays

Billions of Dollars

	Actual, 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
													2021– 2025	2021– 2030
Mandatory Outlays, Excluding the Effects of Offsetting Receipts^a	3,010	3,184	3,263	3,507	3,649	3,786	4,067	4,302	4,522	4,865	4,944	5,345	18,272	42,249
Offsetting Receipts														
Medicare ^b	-132	-140	-154	-167	-180	-194	-209	-225	-244	-263	-285	-308	-905	-2,231
Federal share of federal employees' retirement														
Civil service retirement and other	-36	-39	-40	-42	-43	-45	-46	-48	-50	-51	-53	-54	-216	-472
Military retirement	-21	-22	-25	-26	-26	-27	-27	-28	-29	-29	-30	-31	-131	-277
Social Security	-18	-18	-19	-20	-20	-21	-22	-23	-23	-24	-25	-25	-102	-222
Subtotal	-75	-79	-84	-87	-90	-93	-96	-99	-102	-104	-107	-110	-449	-971
Receipts related to natural resources	-14	-13	-12	-13	-12	-13	-13	-13	-14	-13	-14	-15	-64	-134
MERHCF	-8	-8	-9	-9	-10	-10	-11	-11	-12	-12	-13	-13	-48	-109
Fannie Mae and Freddie Mac ^c	-19	-4	0	0	0	0	0	0	0	0	0	0	0	0
Other	-28	-30	-36	-40	-40	-31	-38	-31	-31	-28	-28	-22	-184	-326
Subtotal	-276	-274	-295	-316	-331	-341	-367	-379	-402	-421	-448	-470	-1,650	-3,770
Total Mandatory Outlays, Net of Offsetting Receipts	2,734	2,910	2,968	3,191	3,319	3,445	3,700	3,922	4,121	4,444	4,495	4,875	16,623	38,479
Memorandum:														
Outlays Net of Offsetting Receipts														
Medicare	644	688	732	826	847	861	973	1,044	1,119	1,268	1,219	1,406	4,239	10,294
Major health care programs	1,127	1,181	1,243	1,362	1,414	1,460	1,606	1,713	1,826	2,014	2,007	2,241	7,085	16,886

Source: Congressional Budget Office.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

Data on outlays for benefit programs in this table generally exclude administrative costs, which are discretionary.

MERHCF = Department of Defense Medicare-Eligible Retiree Health Care Fund (including TRICARE for Life).

- Excludes the effects of Medicare premiums and other offsetting receipts. (Net Medicare spending, which includes those offsetting receipts, is shown in the memorandum section of the table.)
- Premium tax credits are federal subsidies for health insurance purchased through the marketplaces established by the Affordable Care Act. Related spending consists almost entirely of payments for risk adjustment and the Basic Health Program.
- Includes outlays for the American Opportunity Tax Credit and other credits.
- Includes Temporary Assistance for Needy Families, Child Support Enforcement, Child Care Entitlements to States, and other programs that benefit children.
- Includes benefits for retirement programs in the civil service, foreign service, and Coast Guard; benefits for smaller retirement programs; and annuitants' health care benefits.
- Includes veterans' compensation, pensions, and life insurance programs. (Outlays for veterans' health care are classified as discretionary.)
- Cash payments from Fannie Mae and Freddie Mac to the Treasury are recorded as offsetting receipts in 2019 and 2020. Beginning in 2021, CBO's estimates reflect the net lifetime costs—that is, the subsidy costs adjusted for market risk—of the guarantees that those entities will issue and of the loans that they will hold. CBO counts those costs as federal outlays in the year of issuance.
- Includes premium payments, recoveries of overpayments made to providers, and amounts paid by states from savings on Medicaid's prescription drug costs.

Table 5.

CBO's March 2020 Baseline Projections of Discretionary Spending

Billions of Dollars

	Actual, 2019 ^a	2020 ^a	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total		
												2021– 2030	2021– 2030	
Budget Authority														
Defense	719	746	753	772	792	812	832	852	872	893	914	936	3,960	8,428
Nondefense	658	680	668	689	708	726	745	764	782	800	819	839	3,536	7,539
Total	1,376	1,426	1,421	1,461	1,500	1,538	1,577	1,615	1,655	1,693	1,733	1,775	7,497	15,967
Outlays														
Defense	676	710	730	752	767	781	806	824	844	870	878	905	3,835	8,157
Nondefense	661	702	724	750	762	779	798	817	836	854	874	895	3,813	8,088
Total	1,338	1,413	1,453	1,502	1,528	1,560	1,604	1,641	1,680	1,724	1,752	1,800	7,648	16,245
Memorandum:														
Caps on Budget Authority Specified in the Budget Control Act (as Amended), Including Automatic Reductions to the Caps														
Defense	647	667	672	n.a.	n.a.	n.a.								
Nondefense	597	622	627	n.a.	n.a.	n.a.								
Total	1,244	1,288	1,298	n.a.	n.a.	n.a.								
Adjustments to the Caps ^b														
Defense	72	79	81	n.a.	n.a.	n.a.								
Nondefense	44	42	42	n.a.	n.a.	n.a.								
Total	116	121	123	n.a.	n.a.	n.a.								

Source: Congressional Budget Office.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

CBO's current baseline projections incorporate the assumption that the caps on discretionary budget authority and the automatic enforcement procedures specified in the Budget Control Act of 2011 (as amended) remain in effect through 2021.

Nondefense discretionary outlays are usually greater than budget authority because of spending from the Highway Trust Fund and the Airport and Airway Trust Fund that is subject to obligation limitations set in appropriation acts. The budget authority for such programs is provided in authorizing legislation and is considered mandatory.

n.a. = not applicable.

a. The amount of budget authority for 2019 and 2020 in CBO's baseline does not match the sum of the caps on funding plus adjustments to the caps.

That occurs mostly because estimated reductions in mandatory budget authority stemming from provisions in appropriation acts for those years were credited as offsets to new discretionary budget authority in judging the acts' compliance with the caps. In the baseline, those changes to mandatory budget authority appear in their normal mandatory accounts.

b. Some or all of the discretionary funding related to seven types of activities is not constrained by the caps; for most of those activities, the caps are adjusted to accommodate such funding, up to certain limits. Specifically, appropriations designated for overseas contingency operations and activities designated as emergency requirements are assumed to grow with inflation after 2020, and the caps are adjusted accordingly. For four other activities—disaster relief, wildfire suppression (for 2020 and 2021), activities related to the 2020 census (for this year only), and certain efforts to reduce overpayments in benefit programs—the extent to which the caps can be adjusted is subject to annual constraints, as specified in law. In addition, the 21st Century Cures Act (Public Law 114-255) requires that discretionary funding for certain authorized activities—up to amounts specified in law—be excluded from calculations of funding subject to the caps.

Table 6.

Changes in CBO's Baseline Projections of the Deficit Since January 2020

Billions of Dollars

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
												2021– 2025	2021– 2030
Deficit in CBO's January 2020 Baseline	-1,015	-1,000	-1,116	-1,119	-1,152	-1,315	-1,333	-1,313	-1,538	-1,466	-1,742	-5,702	-13,095
Legislative Changes													
Changes in Revenues	*	*	*	*	*	*	*	*	*	*	*	1	3
Changes in Outlays													
Mandatory outlays	*	*	*	*	*	*	0	0	0	0	0	*	*
Discretionary outlays													
Defense	0	0	0	0	0	0	0	0	0	0	0	0	0
Nondefense	<u>1</u>	<u>4</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>31</u>	<u>67</u>
Subtotal, discretionary	<u>1</u>	<u>4</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>31</u>	<u>67</u>
Debt service	*	*	*	*	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>8</u>
Total Change in Outlays	<u>1</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>33</u>	<u>76</u>
Increase (-) in the Deficit From Legislative Changes	-1	-5	-6	-7	-7	-7	-7	-8	-8	-9	-9	-31	-72
Technical Changes													
Changes in Revenues	*	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	-4	-11
Changes in Outlays													
Mandatory outlays													
Medicare	-6	-9	-11	-14	-17	-17	-16	-15	-11	-14	-8	-68	-131
Social Security	-3	-5	-6	-8	-9	-9	-8	-7	-6	-5	-4	-37	-67
Premium tax credits and related spending	1	2	4	4	3	4	5	6	9	10	13	17	60
Veterans' benefits and services	-5	*	2	3	1	2	2	2	2	1	2	8	17
Medicaid	-1	-1	-1	-1	-1	-2	-2	-1	-1	-1	-1	-6	-12
Student Loans	83	1	1	1	1	1	1	1	1	1	1	5	9
Other	<u>-18</u>	<u>1</u>	<u>*</u>	<u>-2</u>	<u>-3</u>	<u>-2</u>	<u>-4</u>	<u>-4</u>	<u>-6</u>	<u>-5</u>	<u>-7</u>	<u>-5</u>	<u>-32</u>
Subtotal, Mandatory	<u>51</u>	<u>-10</u>	<u>-11</u>	<u>-18</u>	<u>-24</u>	<u>-23</u>	<u>-23</u>	<u>-19</u>	<u>-12</u>	<u>-13</u>	<u>-3</u>	<u>-86</u>	<u>-156</u>
Discretionary outlays	6	5	4	3	4	4	3	3	3	3	2	20	34
Net interest outlays													
Debt service	*	-1	-1	-2	-3	-4	-4	-5	-5	-6	-6	-11	-38
Other	<u>*</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>14</u>	<u>20</u>	<u>71</u>
Subtotal, net interest	<u>*</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>7</u>	<u>9</u>	<u>34</u>
Total Change in Outlays	57	-4	-5	-12	-18	-17	-16	-11	-5	-5	6	-57	-88
Increase (-) or Decrease in the Deficit From Technical Changes	-57	4	4	11	18	16	16	10	3	3	-8	53	77

Continued

Table 6.

Continued

Changes in CBO's Baseline Projections of the Deficit Since January 2020

Billions of Dollars

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
												2021– 2025	2021– 2030
	All Changes												
Increase (-) or Decrease in the Deficit	-58	-1	-2	5	11	9	8	2	-5	-5	-17	22	4
Deficit in CBO's March 2020 Baseline	-1,073	-1,002	-1,118	-1,114	-1,141	-1,306	-1,325	-1,311	-1,543	-1,472	-1,760	-5,681	-13,091
Memorandum:													
Changes in Revenues	*	-1	-1	-1	*	*	*	-1	-1	-1	-2	-3	-8
Changes in Outlays	58	1	1	-6	-11	-9	-8	-3	4	4	16	-24	-12
Increase (-) or Decrease in the Primary Deficit ^a	-58	*	*	7	13	12	12	8	1	1	-8	32	46
Increase (-) in Net Interest	*	-1	-2	-2	-3	-3	-4	-5	-6	-7	-9	-11	-42

Source: Congressional Budget Office.

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* = between -\$500 million and \$500 million.

a. Primary deficits exclude net outlays for interest.