



National Taxpayers Union Foundation's Cost Analysis of the President's 2014 State of the Union Address

Item	Issue (quoted from text)	Annual Net Spending Increase/Decrease (in billions)	Source/Notes
	Total:	\$39.995	
1	“ ... [W]e can take the money we save with this transition to tax reform to create jobs rebuilding our roads, upgrading our ports, [and] unclogging our commutes”	Unknown.	<p>“Savings” related to reforming the Tax Code by “clos[ing] loopholes” would represent an increase in tax revenues to the federal government. In the <i>Fiscal Year 2014 Budget of the U.S. Government</i>, the Administration proposed \$26.635 billion in new transportation-related funding. It is unclear whether the President is advocating that level of spending by this proposal.</p> <p>http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/tables.pdf</p>
2	“We’ll need Congress to protect more than three million jobs by finishing transportation and waterways bills this summer.”	\$0.692	<p>The White House has voiced support for H.R. 3080, the House version of the Water Resources Development Act of 2013. The Congressional Budget Office (CBO) estimated the bill would cost \$3.459 billion over five years. The Senate version, S. 601, was scored as a \$5.905 billion cost over the same time period, but Administration officials have expressed concern over that bill’s funding of projects that provide only “marginal” returns on that investment.</p> <p>http://www.whitehouse.gov/sites/default/files/omb/legislative/sap/113/saps3080h_20131023.pdf</p> <p>http://www.whitehouse.gov/sites/default/files/omb/legislative/sap/113/saps601s_20130506.pdf</p> <p>It is unclear whether the President is also referring to additional transportation legislation already introduced. Current spending on federal highway and public transportation programs is authorized through September 30, 2014.</p>
3	“But I will act on my own to slash bureaucracy and streamline the permitting process for key [federal infrastructure] projects”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays.
4	“Tonight, I’m announcing we’ll launch six more [hubs for high-tech manufacturing] this year. Bipartisan bills in both houses could double the number of these hubs and the jobs they create. So get those bills to my desk”	\$0.086	<p>In <i>Fiscal Year 2014 Budget of the U.S. Government Mid-Session Review (MSR)</i>, the President proposed to develop a national network of manufacturing innovation institutes funded at \$756 million from FY 2015 through FY 2019.</p> <p>http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/14msr.pdf</p> <p>The legislation cited, H.R. 2996 and S. 1468 (113th Congress), the Revitalize American Manufacturing and Innovation Act of 2013, authorize \$600 million over seven years in new funding.</p>
5	“That’s why Congress should undo the damage done	Unknown.	The Congressional Research Service estimates that



	by last year's cuts to basic research so we can unleash the next great American discovery”		the National Institute of Standards and Technology, the National Science Foundation, and the Office of Science within the Department of Energy received net appropriations totaling \$12.141 billion in FY 2013 (a figure that incorporates sequester rescissions) for research-related programs. That amount is 3.1% less than the FY 2012 funding levels for those programs. (http://www.fas.org/sgp/crs/misc/R42410.pdf) It is unclear whether the President's proposal to increase federal support of research entails loans, subsidies, or some other kind of federal involvement affecting outlays.
6	“And let's pass a patent reform bill”	Unknown.	Because the Patent and Trade Office is funded primarily with user fees, it is not expected that this proposal would have a significant net impact on federal spending levels.
7	“And while we're at it, I'll use my authority to protect more of our pristine federal lands for future generations.”	Unknown.	The Antiquities Act of 1906 gives the President the authority to use executive orders to restrict the use of land owned by the federal government. Such lands are titled as “National Monuments.” This authority could potentially impact offsetting receipts by closing off certain land to leasing for the extraction of minerals, gas, or oil.
8	“Businesses plan to invest almost \$100 billion in new factories that use natural gas. I'll cut red tape to help states get those factories built.”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays.
9	“Congress can help by putting people to work building fueling stations that shift more cars and trucks from foreign oil to American natural gas.”	\$0.274	H.R. 1027 (113 th Congress), the Advanced Vehicle Technology Act of 2013, would authorize the Department of Energy to develop commercial applications for renewable fuel technology that could reduce or eliminate petroleum usage and emissions. In the previous Congress, CBO determined that provisions in a related bill, S. 734, provisions would increase spending by \$1.368 billion over five years. http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/123xx/doc12379/s734.pdf
10	“Climate change is a fact. And when our children's children look us in the eye and ask if we did all we could to leave them a safer, more stable world, with new sources of energy, I want us to be able to say yes, we did.”	Unknown.	It is unclear what specific additional action the President is calling for regarding the climate. In last year's State of the Union Address, President Obama made a more explicit call for passage of a “market-based solution to climate change, like the one John McCain and Joe Lieberman worked on together a few years ago.” CBO determined that this legislation would cost \$56.48 billion per year over the first five years after enactment. http://www.cbo.gov/ftpdocs/91xx/doc9120/s2191.pdf .
11	“... [F]ix our broken immigration system. ... So let's get immigration reform done this year.”	\$20.2	CBO cost estimate for S. 744 (113 th Congress), the Border Security, Economic Opportunity, and Immigration Modernization Act, which was passed by the Senate in June 2013. The bill would streamline and overhaul the immigration system and increase border security and infrastructure. Total cost of \$101 billion over the next five years. http://www.cbo.gov/sites/default/files/cbofiles/attachments/s744aspassed.pdf
12	“I've asked Vice President Biden to lead an across-the-board reform of America's training programs to make sure they have one mission: train Americans with the skills employers need, and match them to good jobs that need to be filled right now.”	Unknown.	The details of the “across-the-board reform” are as yet unclear. In a review of federal job training programs, the Government Accountability Office reported that “[i]n fiscal year 2009, 9 federal agencies spent approximately \$18 billion to administer 47



			programs.” http://www.gao.gov/new.items/d1192.pdf
13	“ ... [M]ore on-the-job training, and more apprenticeships”	Unknown.	A <i>State of the Union Fact Sheet</i> released by the White House notes: “This year the President will mobilize leaders from business, labor, community colleges and other training providers to boost the number of apprenticeships in this country and expand these ‘learn and earn’ strategies to other cutting edge fields.” http://www.whitehouse.gov/the-press-office/2014/01/28/state-union-fact-sheet-opportunity-all
14	“It means connecting companies to community colleges that can help design training to fill their specific needs.”	\$0.547	The White House <i>Fact Sheet</i> : “In the coming months, we will help community colleges build partnerships with businesses so that as industries’ skills needs change community colleges can quickly adapt.” The <i>MSR</i> contains a proposal to establish a Community College to Career Fund at a cost of \$2.733 billion over five years.
15	“ ... [T]his Congress needs to restore the unemployment insurance”	\$12.84	CBO cost estimate for H.R. 3546 (113 th Congress), the Emergency Unemployment Compensation Extension Act of 2013, which would extend the emergency unemployment compensation (EUC) program for one year. The bill would cost \$19.17 billion in the first year and \$6.51 billion in the second.
16	“Last year, I asked this Congress to help states make high-quality pre-K available to every four year-old. As a parent as well as a President, I repeat that request tonight.”	\$3.458	<i>MSR</i> : \$130 million in the first year and \$17.291 billion over five years. http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/14msr.pdf
17	“We’re shaking up our system of higher education to give parents more information, and colleges more incentives to offer better value, so that no middle-class kid is priced out of a college education.”	Unknown.	In a document released with last year’s State of the Union address, the President called on Congress “to consider value, affordability, and student outcomes in making determinations about which colleges and universities receive access to federal student aid, either by incorporating measures of value and affordability into the existing accreditation system; or by establishing a new, alternative system of accreditation that would provide pathways for higher education models and colleges to receive federal student aid based on performance and results.” It is unclear whether this would require additional funding.
18	“We’re offering millions the opportunity to cap their monthly student loan payments to ten percent of their income, and I want to work with Congress to see how we can help even more Americans who feel trapped by student loan debt.”	\$0.985	Last year’s <i>Budget</i> and the <i>MSR</i> contained a proposal to expand Pay-As-You-Earn to all borrowers at a cost of \$4.923 billion over five years.
19	“And I’m reaching out to some of America’s leading foundations and corporations on a new initiative to help more young men of color facing tough odds stay on track and reach their full potential.”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays. The Obama Administration has partnered with the College Board on an initiative to improve the educational experience of young men of color. The Board released a number of policy recommendations including mentoring and improving teacher training. https://youngmenofcolor.collegeboard.org/sites/default/files/downloads/EEYMC-ResearchReport.pdf
20	“A woman deserves equal pay for equal work. She deserves to have a baby without sacrificing her job. A mother deserves a day off to care for a sick child or sick parent without running into hardship – and	\$0.188	Such proposals would represent a new mandate on private sector employers, but there are also costs for extending leave for federal employees. CBO scored the Federal Employees Paid Parental Leave Act of

	you know what, a father does, too. It's time to do away with workplace policies that belong in a 'Mad Men' episode. This year, let's all come together – Congress, the White House, and businesses from Wall Street to Main Street – to give every woman the opportunity she deserves.”		2009 as a \$938 million cost over five years. http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/101xx/doc10152/hr626.pdf The proposal was reintroduced in the 113 th Congress as H.R. 517.
21	“In the coming weeks, I will issue an Executive Order requiring federal contractors to pay their federally-funded employees a fair wage of at least \$10.10 an hour Tom Harkin and George Miller have a bill to fix that by lifting the minimum wage to \$10.10. ... It doesn't involve any new bureaucratic program. So join the rest of the country. Say yes. Give America a raise.”	Unknown.	H.R. 2429 (109 th Congress), the Fair Minimum Wage Act of 2005, raised the federal minimum wage from \$5.15 to \$7.25 per hour over a three-year period. CBO reported: “The increases in the minimum wage on the order of magnitude suggested in your letter could affect federal spending, but the [CBO] judges that those effects would be small. Moreover, whether those impacts would be an increase or decrease in spending is uncertain because the result would depend on the income and family characteristics of the affected individuals.” http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/77xx/doc7713/thomasdec29.pdf
22	“ ... I agree ... that [the Earned Income Tax Credit] doesn't do enough for single workers who don't have kids. So let's work together to strengthen the credit, reward work, and help more Americans get ahead.”	\$0.414	In the <i>MSR</i> , the Administration proposed to simplify the rules for claiming the Earned Income Tax Credit for workers without qualifying children. This would increase outlays by \$2.071 billion over five years, owing to “refundable” payments. http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/14msr.pdf
23	“I will direct the Treasury to create a new way for working Americans to start their own retirement savings: MyRA. It's a new savings bond that encourages folks to build a nest egg. MyRA guarantees a decent return with no risk of losing what you put in.”	Unknown.	The White House <i>Fact Sheet</i> : “The President will take executive action to create a simple, safe and affordable ‘starter’ retirement savings account available through employers to help millions of Americans save for retirement. This savings account would be offered through a familiar Roth IRA account and, like savings bonds, would be backed by the U.S. government.” A cost estimate is not currently unavailable.
24	“Offer every American access to an automatic IRA on the job”	\$0.152	The <i>MSR</i> contains a proposal to provide for automatic enrollment in Individual Retirement Accounts, including a small employer tax credit, and double the tax credit for small employer plan start-up costs. In addition to a revenue effect, it would increase outlays by \$762 million over five years.
25	“[S]end me legislation that protects taxpayers from footing the bill for a housing crisis ever again, and keeps the dream of homeownership alive for future generations of Americans.”	(\$0.103)	CBO cost estimate for S. 1376 (113 th Congress), the FHA Solvency Act. The proposal would require the Federal Housing Administration to increase its capital reserve ratio to cover potential losses over the next ten years. CBO's estimate assumes the FHA would be required to charge additional mortgage insurance premium fees beginning in 2018. These are recorded in the budget as offsetting receipts. http://www.cbo.gov/sites/default/files/cbofiles/attachments/s1376_0.pdf
26	“ ... [C]onservative Republicans and liberal Democrats are working together to strengthen [the Voting Rights Act]; and the bipartisan commission I appointed last year has offered reforms so that no one has to wait more than a half hour to vote. Let's support these efforts.”	\$0.262	H.R. 12 (113 th Congress), the Voter Empowerment Act of 2013, would mandate the availability of paper ballots at polling places when votes are not able to be cast within 30 minutes using an electronic voting machine. The text authorizes \$1.31 billion over five years.
27	“Here at home, we'll keep strengthening our defenses, and combat new threats like cyberattacks.”	Unknown.	Several bills are currently under consideration in both Chambers, but it is unclear whether the President supports these specific proposals. CBO scored two

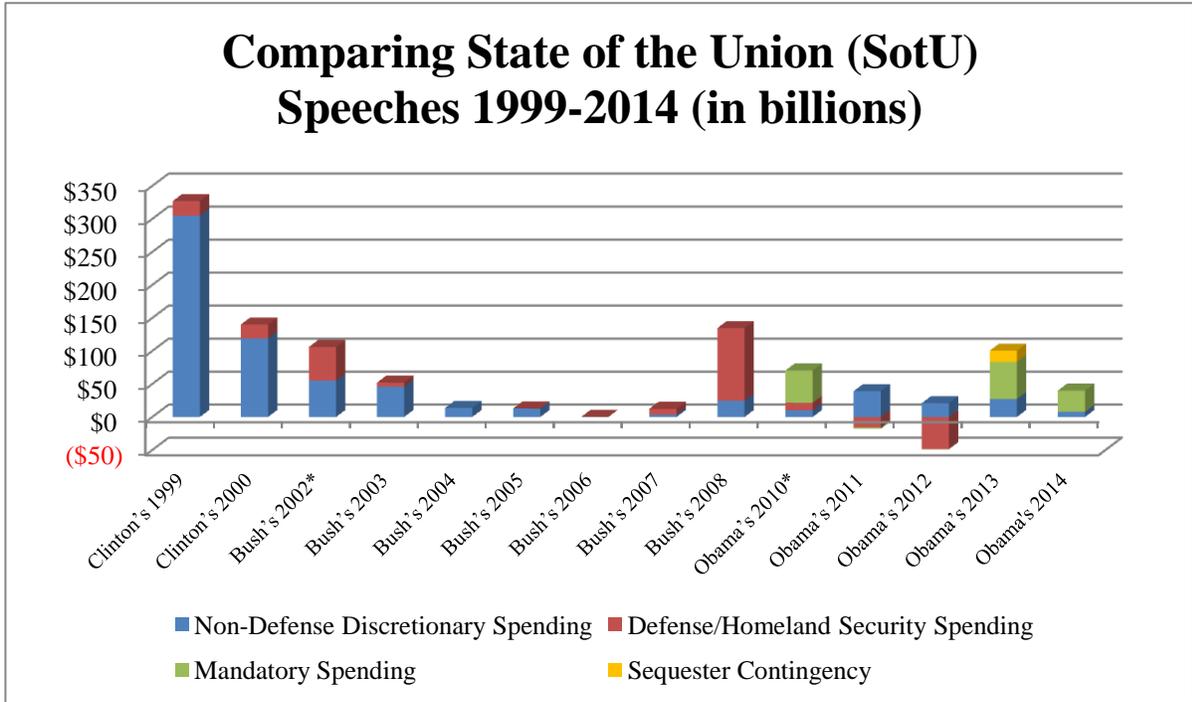


			related measures: H.R. 756, the Cybersecurity Enhancement Act of 2013, would authorize \$101 million in annual spending to enhance existing computer and network security, manage digitized personal information, and establish a task force to recommend research and development activities to Congress. S. 1353, the Cybersecurity Act of 2013, would seek to improve public-private cooperation on cybersecurity at a cost of \$11 million each year. http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr756.pdf http://www.cbo.gov/sites/default/files/cbofiles/attachments/s1353.pdf
28	“That’s why, working with this Congress, I will reform our surveillance programs – because the vital work of our intelligence community depends on public confidence, here and abroad, that the privacy of ordinary people is not being violated. “	Unknown.	In the 109 th Congress, CBO analyzed a related bill, S. 2453, the National Security Surveillance Act of 2006, and reported that it “cannot estimate the budgetary impact of implementing S. 2453 because we cannot predict how the volume or type of surveillance would change under this legislation. Moreover, information regarding surveillance technologies and their associated costs are classified. Any changes in federal spending for surveillance activities under the legislation would be subject to the appropriation of the necessary funds.” http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/76xx/doc7625/s2353rev.pdf
29	“ ... [T]his needs to be the year Congress lifts the remaining restrictions on detainee transfers and we close the prison at Guantanamo Bay”	Unknown.	There may be administrative costs related to the transfer of the detainees and wind-down of the facility. A possible estimate is unavailable.

	Non-Defense Discretionary Spending (in billions)	Defense/Homeland Security Spending (in billions)	Mandatory Spending (in billions)	Sequester Contingency
President Clinton’s 1999 SotU	\$305	\$22		
President Clinton’s 2000 SotU	\$119	\$21		
President Bush’s 2002 SotU*	\$55	\$51		
President Bush’s 2003 SotU	\$46	\$6		
President Bush’s 2004 SotU	\$13.6	N/A		
President Bush’s 2005 SotU	\$12.8	N/A		
President Bush’s 2006 SotU	\$.091	N/A		
President Bush’s 2007 SotU	\$3.48	\$8.9		
President Bush’s 2008 SotU	\$24.75	\$109.89		
President Obama’s 2010 SotU*	\$10.2	\$11.3	\$49.0	
President Obama’s 2011 SotU	\$39.01	(\$15.6)	(\$2.1)	
President Obama’s 2012 SotU	\$20.789	(\$48.7)	(\$0.08)	
President Obama’s 2013 SotU	\$27.134	N/A	\$56.273	\$17



President Obama's 2014 SotU	\$7.804	N/A	\$32.191
*Historically Presidents do not give State of the Union addresses their first year in office (2001 for President Bush, 2009 for President Obama).			



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