



## National Taxpayers Union Foundation's Cost Analysis of the President's 2015 State of the Union Address

Item	Issue (quoted from text)	Annual Net Spending Increase/Decrease (in billions)	Source/Note
	<b>Total:</b>	<b>\$40.967</b>	
1	“ ... [M]y plan will make quality childcare more available, and more affordable, for every middle-class and low-income family with young children in America – by creating more slots and a new tax cut of up to \$3,000 per child, per year.”	\$3.458	<p>The phrase “[b]y creating more [childcare] slots” indicates a repeat of the President’s 2014 proposal for “Preschool for All.” Last year’s budget estimated this would cost \$17.291 billion over five years. <a href="http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/tables.pdf">http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/tables.pdf</a></p> <p>The President has also proposed to increase the nonrefundable Child and Dependent Care Tax Credit. Last year’s budget proposal would have made it “refundable” which would result in new spending to the extent that the tax credit exceeds a filer’s income tax liability. The White House estimated it would increase outlays by \$1.751 billion from FY 2016 through FY 2020. <a href="http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/tables.pdf">http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/tables.pdf</a></p>
2	“ ... I’ll be taking new action to help states adopt paid leave laws of their own.”	\$2.235	<a href="http://www.whitehouse.gov/the-press-office/2015/01/14/fact-sheet-white-house-unveils-new-steps-strengthen-working-families-act">http://www.whitehouse.gov/the-press-office/2015/01/14/fact-sheet-white-house-unveils-new-steps-strengthen-working-families-act</a>
3	“Send me a bill that gives every worker in America the opportunity to earn seven days of paid sick leave. It’s the right thing to do.”	\$0.003	<p>Related legislation was introduced in the 113th Congress as H.R. 1286/S. 631, the Healthy Families Act. It would allow all employees to earn up to seven days of paid sick leave, or one hour of sick time for every 30 hours worked. This would impact the private sector as an unfunded mandate. The legislation also calls for federal studies regarding paid leave policies. An identical proposal was introduced in 2007 when the Congressional Budget Office (CBO) determined that it would cost \$17 million over five years. <a href="http://www.cbo.gov/sites/default/files/s910.pdf">http://www.cbo.gov/sites/default/files/s910.pdf</a></p> <p>Note: Related legislation would further expand paid leave benefits for federal employees: H.R. 517, the Federal Employees Paid Parental Leave Act (113th Congress). CBO scored a version of the bill introduced in 2009 at \$938 million over five years. <a href="https://www.cbo.gov/sites/default/files/hr626.pdf">https://www.cbo.gov/sites/default/files/hr626.pdf</a></p>
4	“ ... [T]his Congress ... needs to pass a law that makes sure a woman is paid the same as a man for doing the same work.”	\$0.003	Related legislation has been introduced in the form of H.R. 377/S. 84 (113th Congress), the Paycheck Fairness Act. The bill would enhance regulations pertaining to equal pay. The text of the bill authorizes \$15 million for compliance training, a grant program for negotiation skills training for girls and women, and research, education and outreach. NTUF assumes

			the outlays would occur over five years.
5	“We still need laws that strengthen rather than weaken unions, and give American workers a voice.”	Unknown.	Insufficient detail to determine whether this proposal entails an increase in loans, subsidies, or some other kind of federal involvement affecting outlays.
6	“ ... I am sending this Congress a bold new plan to lower the cost of community college – to zero.”	\$6	According to the <i>New York Times</i> , the White House has cited a \$60 billion ten-year cost for this proposal. <a href="http://www.nytimes.com/2015/01/18/us/president-obama-will-look-to-reduce-taxes-for-middle-class.html">http://www.nytimes.com/2015/01/18/us/president-obama-will-look-to-reduce-taxes-for-middle-class.html</a> Based on current full-time student enrollment figures at community colleges, and the long-term impact this proposal would have on demand for “free tuition”, this is probably a low estimate. <a href="http://www.ntu.org/governmentbytes/detail/free-community-college-tuition-proposal-could-cost-taxpayers-plenty-01-09-15">http://www.ntu.org/governmentbytes/detail/free-community-college-tuition-proposal-could-cost-taxpayers-plenty-01-09-15</a>
7	“And I want to work with this Congress, to make sure Americans already burdened with student loans can reduce their monthly payments, so that student debt doesn’t derail anyone’s dreams.”	\$1.455	In his FY 2015 budget proposal, the President called for an expansion and reform of student loan income-based repayment at a net cost of \$7.274 billion over five years. The program currently applies to new borrowers. To the extent that “free tuition” decreases awards of Pell grants, the costs could be lower; however, costs could increase if the program is expanded to include students with prior loans. <a href="http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/tables.pdf">http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/tables.pdf</a> <a href="http://blogs.wsj.com/economics/2015/01/20/the-ballooning-cost-of-obamas-college-loan-repayment-program/">http://blogs.wsj.com/economics/2015/01/20/the-ballooning-cost-of-obamas-college-loan-repayment-program/</a>  Note: Related legislation was introduced as S. 2432, the Bank on Students Emergency Loan Refinancing Act (113th Congress). The bill would allow most individuals with student loans (both federal and private) to refinance those loans into new federal direct loans at interest rates specified in the bill. CBO determined it would have a net three-year cost of \$58 billion. <a href="http://www.cbo.gov/publication/45433">http://www.cbo.gov/publication/45433</a>
8	“Tonight, I’m also asking more businesses to follow the lead of companies like CVS and UPS, and offer more educational benefits and paid apprenticeships – opportunities that give workers the chance to earn higher-paying jobs even if they don’t have a higher education.”	Unknown.	In advance of the Address, the President proposed a new American Technical Training Fund to “expand innovative, high-quality technical training programs across the country. Specifically, the fund will award programs that [h]ave strong employer partnerships and include work-based learning opportunities[,] [p]rovide accelerated training [, and] [a]ccommodate part-time work.” <a href="http://www.whitehouse.gov/the-press-office/2015/01/09/fact-sheet-white-house-unveils-america-s-college-promise-proposal-tuition">http://www.whitehouse.gov/the-press-office/2015/01/09/fact-sheet-white-house-unveils-america-s-college-promise-proposal-tuition</a>  A cost estimate is not currently available. The president’s 2015 budget proposal included a similar apprenticeship program, dubbed the “Community College Job-Driven Training Fund,” which would have provided \$1.5 billion per year for four years. <a href="http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/labor.pdf">http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/labor.pdf</a>
9	“Let’s pass a bipartisan infrastructure plan ... .”	\$21.75	The President is referring to the White House’s 2014 GROW AMERICA Act proposal to reauthorize surface transportation for four years with a net increase of \$87 billion over that time frame. The

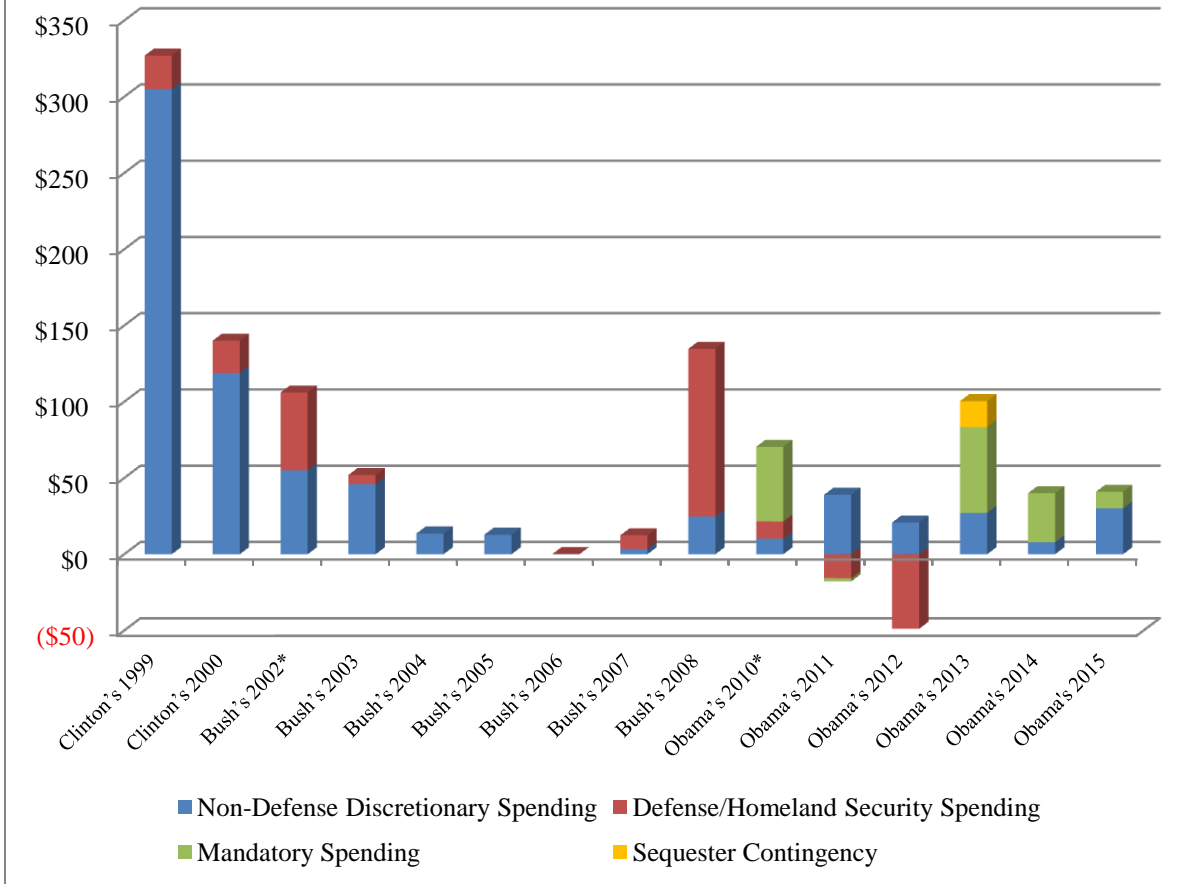
			Administration proposed to finance those projects with \$150 billion worth of new revenue via “pro-growth” business tax reforms, including higher tax rates on companies that shift profits overseas. <a href="http://www.newsnet5.com/news/political/vice-president-biden-comes-to-cleveland-to-push-the-white-house-plan-to-fund-transportation">http://www.newsnet5.com/news/political/vice-president-biden-comes-to-cleveland-to-push-the-white-house-plan-to-fund-transportation</a> <a href="http://www.dot.gov/grow-america/fact-sheets/overview">http://www.dot.gov/grow-america/fact-sheets/overview</a>
10	“I’m launching a new Precision Medicine Initiative to bring us closer to curing diseases like cancer and diabetes – and to give all of us access to the personalized information we need to keep ourselves and our families healthier.”	Unknown.	Insufficient detail to determine whether this proposal entails an increase in loans, subsidies, or some other kind of federal involvement affecting outlays. Additional background information: <a href="http://www.nationaljournal.com/white-house/what-obama-s-plan-for-precision-medicine-really-means-20150120">http://www.nationaljournal.com/white-house/what-obama-s-plan-for-precision-medicine-really-means-20150120</a> <a href="http://www.xconomy.com/national/2015/01/21/what-president-obamas-precision-medicine-initiative-might-include/">http://www.xconomy.com/national/2015/01/21/what-president-obamas-precision-medicine-initiative-might-include/</a>
11	“I intend to ... extend [the Internet’s] reach to every classroom, and every community, and help folks build the fastest network ... .”	\$0.053	In advance of the Address, the President proposed several new broadband initiatives, including: a new interagency council (based on a related interagency council); this proposal this could cost up to \$15 million over five years, <a href="http://www.cbo.gov/sites/default/files/s1619.pdf">http://www.cbo.gov/sites/default/files/s1619.pdf</a> , new loans and grants (\$50 million, assumed to be annual level based on a related, expired federal grant program, <a href="http://abcnews.go.com/Politics/12-state-union-spoilers-obamas-speech/story?id=28325571">http://abcnews.go.com/Politics/12-state-union-spoilers-obamas-speech/story?id=28325571</a> ), a new ROI Initiative through the Department of Agriculture (cost unknown), and the provision of technical assistance to communities through the National Telecommunications and Information Administration in the Department of Commerce (cost unknown).
12	“ Let’s close loopholes so we stop rewarding companies that keep profits abroad, and reward those that invest in America. Let’s use those savings to rebuild our infrastructure and make it more attractive for companies to bring jobs home.”	N/A	This was cited as one of the “pro-growth” business tax reforms that could finance the GROW AMERICA Act (see above).
13	“ ... [L]et’s close the loopholes that lead to inequality by allowing the top one percent to avoid paying taxes on their accumulated wealth. We can use that money to help more families pay for childcare and send their kids to college.”	\$5.993	The President has proposed financing several tax credits for lower- and middle-income earners by reforming the capital gains tax system. His plan includes expanding and extending the American Opportunity Tax Credit (AOTC), which is scheduled to expire after 2017, in a way that mirrors legislation that passed the House in the 113th Congress last year. The AOTC is a “refundable” credit, which results in new spending to the extent that the tax credit exceeds a filer’s income tax liability. H.R. 3393, the Student and Family Tax Simplification Act, would consolidate several existing education tax credits and increase the refundable portion of the AOTC. The bill was scored by CBO in June 2014. From FY 2016 through FY 2020, the proposal would increase outlays by \$29.964 billion (excluded from this total is a 5-year revenue impact of \$2.414 billion). <a href="https://www.cbo.gov/sites/default/files/hr3393.pdf">https://www.cbo.gov/sites/default/files/hr3393.pdf</a>
14	“I call on this Congress to show the world that we are united in this mission by passing a resolution to authorize the use of force against ISIL.”	Unknown.	At the end of 2014, the Administration requested and Congress approved \$5.6 billion in emergency funding to fight the Islamic State. It is unclear if this new

			authority would require additional funding, and if so, how much would be requested.
15	<p>“I urge this Congress to finally pass the legislation we need to better meet the evolving threat of cyber-attacks, combat identity theft, and protect our children’s information.”</p>	\$0.017	<p>In advance of the Address, the President called for several specific proposals regarding cyber security including: passage of a Personal Data Notification &amp; Protection Act (<a href="http://www.whitehouse.gov/the-press-office/2015/01/12/fact-sheet-safeguarding-american-consumers-families">http://www.whitehouse.gov/the-press-office/2015/01/12/fact-sheet-safeguarding-american-consumers-families</a>). Related legislation previously introduced in Congress would also extend this mandate to federal agencies with costs ranging from \$14 to \$60 million over five years (<a href="http://www.cbo.gov/sites/default/files/s1151.pdf">http://www.cbo.gov/sites/default/files/s1151.pdf</a>, <a href="http://cbo.gov/sites/default/files/s1535.pdf">http://cbo.gov/sites/default/files/s1535.pdf</a>). In addition, Vice President Biden called for a new \$25 million grant to historically black colleges to bolster cyber security training programs (<a href="http://abcnews.go.com/Politics/12-state-union-spoilers-obamas-speech/story?id=28325571">http://abcnews.go.com/Politics/12-state-union-spoilers-obamas-speech/story?id=28325571</a>).</p>
16	<p>“ ... [T]he world needs to use this [Ebola crisis] lesson to build a more effective global effort to prevent the spread of future pandemics, invest in smart development, and eradicate extreme poverty.”</p>	Unknown.	<p>Ebola Response: According to WhiteHouse.gov, “[t]he United States already has committed more than \$685 million toward fighting the epidemic in West Africa, including more than \$111 million in humanitarian aid, and the Department of Defense is prepared to devote more than \$1 billion to the whole-of-government Ebola response effort.” Congress approved \$5.4 billion in December 2014. No additional legislation has been introduced in the 114th Congress at this time to address the Ebola outbreak in West Africa or to authorize new spending for global pandemic prevention.  <a href="http://www.usnews.com/news/articles/2015/01/20/ebola-workers-encourage-continued-investment-in-west-africa">http://www.usnews.com/news/articles/2015/01/20/ebola-workers-encourage-continued-investment-in-west-africa</a>  <a href="http://www.whitehouse.gov/ebola-response">http://www.whitehouse.gov/ebola-response</a></p> <p>Development: It is unclear how the President intends to “invest in smart development.” One measure, S. 1271 (113th Congress), the Foreign Aid Transparency and Accountability Act of 2013, would require the President to establish performance guidelines and metrics for U.S. foreign assistance programs and to report results to Congress. CBO estimated that the bill would cost \$1.68 billion over five years.  <a href="http://www.cbo.gov/sites/default/files/s1271.pdf">http://www.cbo.gov/sites/default/files/s1271.pdf</a>  Eradicate Poverty: In his 2013 State of the Union Address, the President proposed to end extreme poverty (those living on a dollar or less per day) in two decades. Insufficient details exist to determine whether this proposal or that given in 2013 entails an increase in loans, subsidies, or some other kind of federal involvement affecting outlays. In FY 2014, the U.S. Agency for International Development spent \$4.1 billion in direct program activities including ending extreme poverty.  <a href="http://www.ntu.org/foundation/state-of-the-union-analyses/sotu-2013-obama">http://www.ntu.org/foundation/state-of-the-union-analyses/sotu-2013-obama</a>  <a href="http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/sta.pdf">http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/sta.pdf</a></p>

	<b>Non-Defense Discretionary Spending (in billions)</b>	<b>Defense/Homeland Security Spending (in billions)</b>	<b>Mandatory Spending (in billions)</b>	<b>Sequester Contingency</b>
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	
President Obama's 2015 SotU	\$30.061		\$10.906	

\*Historically Presidents do not give State of the Union addresses their first year in office (2001 for President Bush, 2009 for President Obama).

## Comparing State of the Union (SotU) Speeches 1999-2015 (in billions)



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