



## National Taxpayers Union Foundation's Cost Analysis of the President's 2013 State of the Union Address

Item	Issue (quoted from text)	Annual Net Spending Increase/Decrease (in billions)	Source/Note
	<b>Total, Items 2-40:</b>	<b>\$83.41</b>	
	(Addendum - Sequester Contingency; See Item 1)	\$17	
	Total with Sequester Contingency:	\$100.41	
1	<p>"In 2011, Congress passed a law saying that if both parties couldn't agree on a plan to reach our deficit goal, about a trillion dollars' worth of budget cuts would automatically go into effect this year. These sudden, harsh, arbitrary cuts would jeopardize our military readiness, they'd devastate priorities like education and energy and medical research. They would certainly slow our recovery and cost us hundreds of thousands of jobs. And that's why Democrats, Republicans, business leaders, and economists have already said that these cuts – known here in Washington as 'the sequester' – are a really bad idea. ...</p> <p>Now, some in this Congress have proposed preventing only the defense cuts by making even bigger cuts to things like education and job training, Medicare and Social Security benefits. That idea is even worse. ...</p> <p>So let's set party interests aside and work to pass a budget that replaces reckless cuts with smart savings and wise investments in our future."</p>	\$17	<p>It is unclear from the President's statement what additional savings, or mix of savings and revenues, would be used to replace the remaining \$85 billion sequester (see Federal News Radio: <a href="http://www.federalnewsradio.com/1007/3178452/Analysis-Sequestration-postponed-Whats-does-that-mean">http://www.federalnewsradio.com/1007/3178452/Analysis-Sequestration-postponed-Whats-does-that-mean</a>).</p> <p>The Congressional Budget Office's (CBO) cost estimate for the sequester replacement in H.R. 6684 (112<sup>th</sup> Congress) reported that the outlay effects of the sequester would occur over five years with 58 percent (or \$49 billion) occurring in the first year, 27 percent (or \$23 billion) in the second year, and the remainder over the next three years. However, on an average annualized basis, which the BillTally methodology employs, the President and lawmakers would need to find cuts of \$17 billion per year over five years to offset the repeal of the sequester. <a href="http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr6684_Dreier.pdf">http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr6684_Dreier.pdf</a></p>
2	"On Medicare, I'm prepared to enact reforms that will achieve the same amount of health care savings by the beginning of the next decade as the reforms proposed by the bipartisan Simpson-Bowles commission. ... We'll reduce taxpayer subsidies to prescription drug companies ..."	(\$8.713)	<i>Budget of the U.S. Government Fiscal Year 2013 Mid-Session Review (MSR).</i> <a href="http://www.whitehouse.gov/omb/budget/MSR">http://www.whitehouse.gov/omb/budget/MSR</a>
3	"We'll ... ask more from the wealthiest seniors [on Medicare]."	(\$0.3)	<i>MSR.</i>
4	"We'll bring down costs by changing the way our government pays for Medicare, because our medical bills shouldn't be based on the number of tests ordered or days spent in the hospital - they should be based on the quality of care that our seniors receive."	(\$2.218)	<i>MSR: "Adjust payment updates for certain post-acute care providers."</i>
5	"A year and a half ago, I put forward an American Jobs Act that independent economists said would create more than one million new jobs. I thank the last Congress for passing some of that agenda, and I urge this Congress to pass the rest."	\$15.321	Some items were passed, some are included elsewhere in this document. The outstanding items include: Teacher Stabilization: \$30 billion; First Responders Stabilization: \$4.990 billion; School Modernization: \$30 billion; Infrastructure Bank: \$1.510 billion, Reemployment Services; \$1.210

			billion; Reemployment NOW: \$3.940 billion; Short Time Compensation Program: \$0.281 billion; and, Pathways Back to Work: \$4.675 billion. Total: \$76.606 billion. All figures over 5 years, outlays from the Congressional Budget Office (CBO) cost estimate for S. 1549 (112 <sup>th</sup> Congress). <a href="http://www.cbo.gov/sites/default/files/cbo_files/attachments/s1549_0.pdf">http://www.cbo.gov/sites/default/files/cbo_files/attachments/s1549_0.pdf</a>
6	“So tonight, I’m announcing the launch of three more of these manufacturing hubs, where businesses will partner with the Departments of Defense and Energy to turn regions left behind by globalization into global centers of high-tech jobs. And I ask this Congress to help create a network of fifteen of these hubs and guarantee that the next revolution in manufacturing is Made in America.”	\$0.168	MSR.
7	“Now is the time to reach a level of research and development not seen since the height of the Space Race.”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays.
8	“But for the sake of our children and our future, we must do more to combat climate change. ... The good news is, we can make meaningful progress on this issue while driving strong economic growth. I urge this Congress to pursue a bipartisan, market-based solution to climate change, like the one John McCain and Joe Lieberman worked on together a few years ago.”	\$56.48	CBO cost estimate for S. 2191 (110 <sup>th</sup> Congress), the America’s Climate Security Act of 2007. Senator John McCain was a sponsor of an earlier version of the bill, S. 280 (110 <sup>th</sup> Congress). <a href="http://www.cbo.gov/ftpdocs/91xx/doc9120/s2191.pdf">http://www.cbo.gov/ftpdocs/91xx/doc9120/s2191.pdf</a> .
9	“But if Congress won’t act soon to protect future generations, I will. I will direct my Cabinet to come up with executive actions we can take, now and in the future, to reduce pollution, prepare our communities for the consequences of climate change, and speed the transition to more sustainable sources of energy.”	Unknown.	Any Presidential actions would be conditional on Congressional non-action. Also, it is unclear whether the actions taken would affect outlays.
10	“Last year, wind energy added nearly half of all new power capacity in America. So let’s generate even more. Solar energy gets cheaper by the year - so let’s drive costs down even further.”	\$0.609	A “Blueprint” document released by the White House to coincide with the Address proposes to achieve these goals by making the Production Tax Credit permanent and refundable. This was also included in the FY 2013 Budget proposal and in the MSR. <a href="http://www.whitehouse.gov/sites/default/files/uploads/sotu_2013_blueprint_embargo.pdf">http://www.whitehouse.gov/sites/default/files/uploads/sotu_2013_blueprint_embargo.pdf</a> <a href="http://www.treasury.gov/resource-center/tax-policy/Documents/The-Presidents-Framework-for-Business-Tax-Reform-02-22-2012.pdf">http://www.treasury.gov/resource-center/tax-policy/Documents/The-Presidents-Framework-for-Business-Tax-Reform-02-22-2012.pdf</a> .
11	“But I also want to work with this Congress to encourage the research and technology that helps natural gas burn even cleaner and protects our air and water.”	Unknown.	Insufficient detail to determine whether this proposal involves loans, subsidies, or some other kind of federal involvement affecting outlays.
12	“So tonight, I propose we use some of our oil and gas revenues to fund an Energy Security Trust that will drive new research and technology to shift our cars and trucks off oil for good.”	Unknown.	This proposal would reduce offsetting receipts (which CBO counts as negative outlays). This was included in a report published by the Energy Security Leadership Council in December 2012. The report urged that “... 50 percent of the federal share of all royalty revenue from new regions should be placed into the Energy Security Trust Fund. The maximum threshold for Fund receipts should be \$500 million annually.” This report also called for opening leasing in the Arctic National Wildlife Refuge and including a portion of these receipts in the Trust Fund, which the President has opposed.
13	“I’m also issuing a new goal for America: let’s cut in	\$0.249	CBO cost estimate for S. 1000 (112 <sup>th</sup> Congress), the

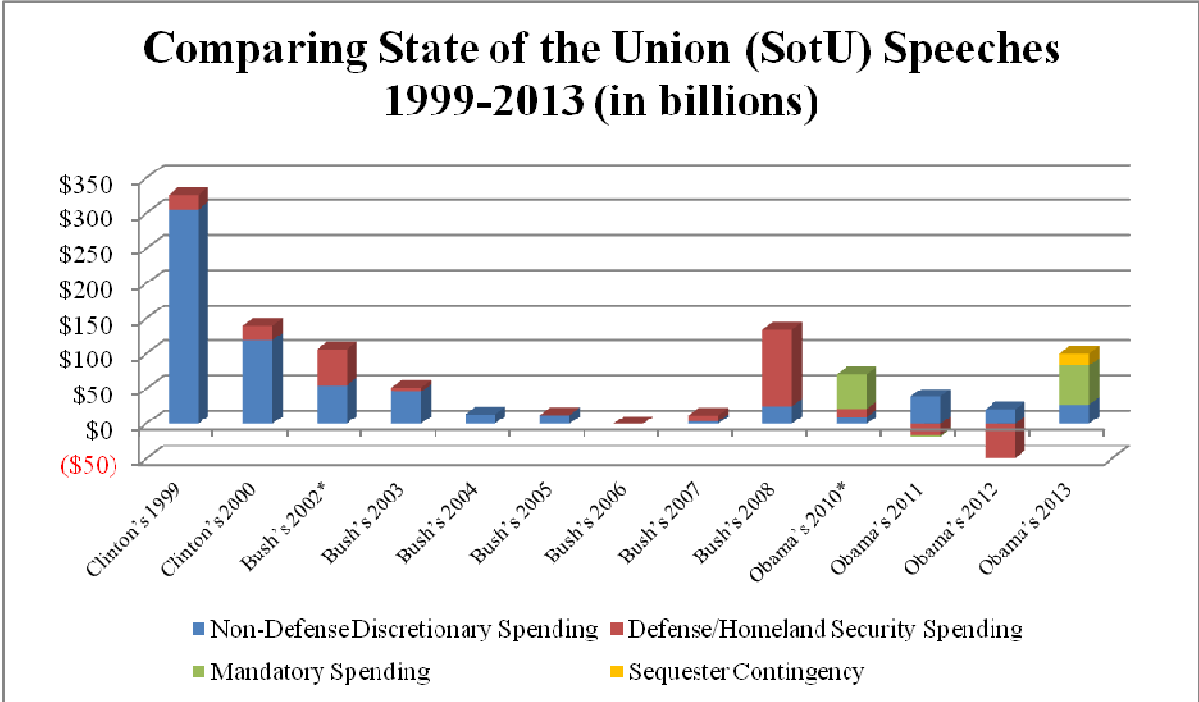
	half the energy wasted by our homes and businesses over the next twenty years. The states with the best ideas to create jobs and lower energy bills by constructing more efficient buildings will receive federal support to help make it happen.”		Energy Savings and Industrial Competitiveness Act of 2011. The bill also includes some reductions that offset \$944 million of the program’s \$2.19 billion cost over five years. <a href="http://www.cbo.gov/sites/default/files/cbofiles/attachments/s1000mc.pdf">http://www.cbo.gov/sites/default/files/cbofiles/attachments/s1000mc.pdf</a> .
14	“Tonight, I propose a “Fix-It-First” program to put people to work as soon as possible on our most urgent repairs, like the nearly 70,000 structurally deficient bridges across the country.”	\$7.832	<i>Blueprint</i> .
15	“ ... I’m also proposing a Partnership to Rebuild America that attracts private capital to upgrade what our businesses need most: modern ports to move our goods; modern pipelines to withstand a storm; modern schools worthy of our children.”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays.
16	“Right now, there’s a bill in this Congress that would give every responsible homeowner in America the chance to save \$3,000 a year by refinancing at today’s rates. Democrats and Republicans have supported it before. What are we waiting for? Take a vote, and send me that bill.”	(\$0.5)	The bill is not yet available on <a href="http://www.thomas.loc.gov">Thomas.loc.gov</a> ; it was introduced in the last Congress as S. 3085 and scored by CBO. The savings occur in the first year. <a href="http://www.cbo.gov/sites/default/files/cbofiles/attachments/s3085.pdf">http://www.cbo.gov/sites/default/files/cbofiles/attachments/s3085.pdf</a> .
17	“Right now, overlapping regulations keep responsible young families from buying their first home. What’s holding us back? Let’s streamline the process, and help our economy grow.”	Unknown.	Insufficient detail to determine whether this proposal would affect spending.
18	“Tonight, I propose working with states to make high-quality preschool available to every child in America.”	Unknown.	During the 2008 campaign, then-candidate Obama proposed a \$10 billion per year “Zero to Five” initiative to promote early learning and pre-school programs. The White House’s <i>Blueprint</i> document notes that the preschool program would be accessible to four-year olds. A cost estimate is not available.
19	“Tonight, I’m announcing a new challenge to redesign America’s high schools so they better equip graduates for the demands of a high-tech economy. We’ll reward schools that develop new partnerships with colleges and employers ... .”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays.
20	“We’ll ... create classes that focus on science, technology, engineering, and math - the skills today’s employers are looking for to fill jobs right now and in the future.”	\$1	<i>Blueprint</i> , and <a href="http://www.whitehouse.gov/the-press-office/2012/07/17/president-obama-announces-plans-new-national-corps-recognize-and-reward">http://www.whitehouse.gov/the-press-office/2012/07/17/president-obama-announces-plans-new-national-corps-recognize-and-reward</a>
21	“Tonight, I ask Congress to change the Higher Education Act, so that affordability and value are included in determining which colleges receive certain types of federal aid.”	Unknown.	The White House’s <i>Blueprint</i> notes: “The President will call 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.
22	“Real reform means strong border security, and we can build on the progress my Administration has already made - putting more boots on the southern border than at any time in our history, and reducing illegal crossings to their lowest levels in 40 years. Real reform means establishing a responsible pathway to earned citizenship - a path that includes passing a background check, paying taxes and a meaningful	\$9.8	In the 109 <sup>th</sup> Congress, then-Senator Obama voted in favor of passing S. 2611, a bill to provide for comprehensive immigration reform and for other purposes. A CBO cost estimate is available. Given that this estimate was reported several years ago, enforcement costs in the legislation may now be smaller, but the mandatory costs for entitlement costs could be greater after the passage of the Patient

	penalty, learning English, and going to the back of the line behind the folks trying to come here legally. And real reform means fixing the legal immigration system to cut waiting periods, reduce bureaucracy, and attract the highly-skilled entrepreneurs and engineers that will help create jobs and grow our economy. ... Send me a comprehensive immigration reform bill in the next few months, and I will sign it right away.”		Protection and Affordable Care Act. The legislation was re-introduced in the 112 <sup>th</sup> Congress as S. 1258. <a href="http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/75xx/doc7501/s2611spass.pdf">http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/75xx/doc7501/s2611spass.pdf</a> .
23	“Today, the Senate passed the Violence Against Women Act ... I urge the House to do the same.”	\$0.121	CBO cost estimate for S. 1925 (112 <sup>th</sup> Congress), the Violence Against Women Reauthorization Act of 2011, & budget baseline information. <a href="http://www.cbo.gov/sites/default/files/cbofiles/attachments/s1925.pdf">http://www.cbo.gov/sites/default/files/cbofiles/attachments/s1925.pdf</a> .
24	“And I ask this Congress to declare that women should earn a living equal to their efforts, and finally pass the Paycheck Fairness Act this year.”	\$0.003	The text of H.R. 377 & S. 84 (113 <sup>th</sup> Congress), the Paycheck Fairness Act, authorizes \$15 million for training and grants. NTUF assumes the funding would occur over five years.
25	“Tonight, let’s declare that in the wealthiest nation on Earth, no one who works full-time should have to live in poverty, and raise the federal minimum wage to \$9.00 an hour. “	Unknown.	It is unknown how this could impact federal welfare-related programs.
26	“ ... [L]et’s tie the minimum wage to the cost of living, so that it finally becomes a wage you can live on.”	Unknown.	It is unknown how this could impact federal welfare-related programs.
27	“Let’s offer incentives to companies that hire Americans who’ve got what it takes to fill that job opening, but have been out of work so long that no one will give them a chance. ... We’ll give new tax credits to businesses that hire and invest.”	\$0.615	<i>MSR</i> .
28	“Let’s put people back to work rebuilding vacant homes in run-down neighborhoods.”	\$2.940	<i>Blueprint</i> and CBO cost estimate for S. 1549.
29	“And this year, my Administration will begin to partner with 20 of the hardest-hit towns in America to get these communities back on their feet. We’ll work with local leaders to target resources at public safety, education, and housing.”	Unknown.	The <i>Blueprint</i> calls proposal this “Promise Zones”: “The President is committed to helping 20 communities – urban and rural – across the country develop plans, take advantage of resources, and break down federal barriers so that they can create jobs, leverage private investment, increase economic activity, expand educational opportunities, increase quality affordable housing, and improve public safety. Within each of these new Promise Zones, the Administration will provide intensive technical assistance to use existing resources more effectively.” It is unclear how this proposal may resemble or affect the “Promise Neighborhoods” project already underway. <a href="http://www.ed.gov/news/press-releases/242-applicants-compete-share-60-million-2012-promise-neighborhoods-fund">http://www.ed.gov/news/press-releases/242-applicants-compete-share-60-million-2012-promise-neighborhoods-fund</a> . Promise Neighborhoods were funded at \$60 million in 2012; the Administration requested \$100 million for 2013.
30	“And we’ll work to strengthen families by removing the financial deterrents to marriage for low-income couples ... .”	Unknown.	It is unclear whether this would be implemented through a reform of welfare programs that currently reduce benefits based on dual incomes, or if tax credit with refundability would be used.
31	“And we’ll work to strengthen families by ... doing more to encourage fatherhood ... .”	Unknown.	This White House document, which outlined current Administration programs regarding encouragement of fatherhood, ( <a href="http://www.whitehouse.gov/sites/default/files/docs/fatherhood_report_6.13.12_final.pdf">http://www.whitehouse.gov/sites/default/files/docs/fatherhood_report_6.13.12_final.pdf</a> ), is unclear on what additional resources would be required.

32	“We are negotiating an agreement with the Afghan government that focuses on two missions: training and equipping Afghan forces ... .”	Unknown.	Any potential impact on outlays would be contingent on the agreement.
33	“At the same time, we will engage Russia to seek further reductions in our nuclear arsenals ... .”	Unknown.	Any reductions in the U.S.’s nuclear arsenal would be contingent on a treaty with Russia.
34	“Now, Congress must act as well, by passing legislation to give our government a greater capacity to secure our networks and deter attacks.”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays.
35	“To boost American exports, support American jobs, and level the playing field in the growing markets of Asia, we intend to complete negotiations on a Trans-Pacific Partnership.”	Unknown.	Any potential impact on outlays would be contingent on the agreement. Generally, trade agreements affect revenues; sometimes there are outlay programs for subsidies or trade adjustment assistance.
36	“And tonight, I am announcing that we will launch talks on a comprehensive Transatlantic Trade and Investment Partnership with the European Union ... .”	Unknown.	Any potential impact on outlays would be contingent on the agreement.
37	“In many places, people live on little more than a dollar a day. So the United States will join with our allies to eradicate such extreme poverty in the next two decades: by connecting more people to the global economy and empowering women; by giving our young and brightest minds new opportunities to serve and helping communities to feed, power, and educate themselves; by saving the world’s children from preventable deaths; and by realizing the promise of an AIDS-free generation.”	Unknown.	Insufficient detail to determine whether this proposal entails loans, subsidies, or some other kind of federal involvement affecting outlays.
38	“We will invest in new capabilities, even as we reduce waste and wartime spending.”	Unknown.	Insufficient detail to determine whether the proposal would result in a net change in spending.
39	“We will keep faith with our veterans - investing in world-class care, including mental health care, for our wounded warriors; supporting our military families; and giving our veterans the benefits, education, and job opportunities they have earned.”	Unknown.	Insufficient detail to determine whether the President is proposing new initiatives or a continuation of existing policies.
40	“That’s why, tonight, I’m announcing a non-partisan commission to improve the voting experience in America.”	Unknown.	Insufficient detail to determine whether the proposal would result in a net change in spending.

	<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

\*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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