

Democratic Presidential Primary Spending Analysis Update – Barack Obama

Total Annual Spending:

Original Total: \$286.999 billion

Updates: \$20.217 billion

New Total: \$307.216 billion

Economy, Transportation, and Infrastructure:

Original Subtotal: \$104.973 billion

Updates: \$12.365 billion

New Subtotal: \$117.338 billion

A. Commerce – Bank Loans:

“Barack Obama will work with his Secretary of Treasury and the Federal Deposit Insurance Corporation to encourage banks, credit unions and Community Development Financial Institutions to provide affordable short-term and small dollar loans – and to drive the sharks out of business.”

http://obama.3cdn.net/8f478c5e1bb07ca0b1_sh1umv2zy.pdf

Cost: Unknown.

B. Federal Emergency Management Agency – Eligibility for Benefits:

“The Federal Emergency Management Agency (FEMA) recently changed the insurance requirements that local governments and nonprofits must meet to be eligible for public assistance in times of disaster. Under the new rules, entities would be ineligible to receive help from FEMA to pay an insurance deductible if FEMA has helped them before. This will have a negative impact on governments and nonprofits across the Gulf Coast that have been hit by hurricanes and disasters over the years. As President, Obama would reverse this policy so that local governments and nonprofits do not have to face risks alone.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

Note: It is unclear if this rule is still in effect. According to an August 24, 2007 article in *The Times-Picayune*, FEMA rescinded the policy.

http://blog.nola.com/tpmoney/2007/08/fema_reverses_controversial_po.html

C. Housing – HOME Score:

“Obama will create a Homeowner Obligation Made Explicit (HOME) score, which will provide potential borrowers with a simplified, standardized borrower metric (similar to APR) for home mortgages. The HOME score will allow individuals to easily compare various mortgage products and understand the full cost of the loan. The HOME score would also help borrowers understand their long-term obligations and would be required to include mandatory taxes and insurance.”

http://obama.3cdn.net/8f478c5e1bb07ca0b1_sh1umv2zy.pdf

Cost: Unknown.

D. Housing – Mortgage Revenue Bonds:

“Barack Obama will provide \$10 billion in additional Mortgage Revenue Bonds, at a cost of \$50 million to the federal government, to help families facing foreclosure refinance and to enable low- and moderate-income firsttime homebuyers purchase a home.”

http://obama.3cdn.net/8360873d2dbea0ac73_4a5rmv8i6.pdf

Cost: \$50 million (first year cost).

E. Housing – New Orleans Rental Property:

“He will also work to increase the supply of rental property, which is particularly important in New Orleans where 57 percent of pre-Katrina residents were renters.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

F. Housing – Universal Mortgage Refundable Credit:

“Barack Obama will ensure that anyone with a mortgage, not just the well-off, can take advantage of this tax incentive for homeownership by creating a universal mortgage credit. This 10 percent credit will benefit an additional 10 million homeowners, the majority of whom earn less than \$50,000 per year. Non-itemizers will be eligible for this refundable credit, which will provide the average recipient with approximately \$500 per year in tax savings. This tax credit will also help homeowners deal with the uncertain state of the housing market today.”

<http://www.barackobama.com/issues/economy/>

Cost: \$4.4 billion (\$22 billion over five years).

Source: Based on the statistics from the Senator in the quote above. NTUF assumes that 88 percent of this amount will be refundable in accordance with a recent study by the Brookings Institution regarding the Earned Income Tax Credit (EITC), a related refundable tax credit: “In tax year 2003, roughly 88 percent of EITC dollars were refunded ...”

http://www.brookings.edu/~media/Files/rc/reports/2006/02childrenfamilies_holt/20060209_Holt.pdf

Note: This item was included in the original NTUF report with an unknown cost.

G. Labor – Paid Leave:

“As President, Obama will initiate a strategy to encourage all 50 states to adopt paid-leave systems. Obama will provide a \$1.5 billion fund to assist states with start-up costs and to help states offset the costs for employees and employers.”

http://obama.3cdn.net/8f478c5e1bb07ca0b1_sh1umv2zy.pdf

Cost: \$300 million (\$1.5 billion over five years).

Note: NTUF assumes this funding will be spread over five years.

H. Labor – Partnerships with Organized Labor:

“Obama will direct his Department of Labor to expand its support for and partnership with organized labor on its programs for life-long learning, including successful programs that seek to reach untapped pools of talent among women, people of color, older workers, individuals with disabilities and disadvantaged communities.”

http://www.barackobama.com/2008/02/16/obama_outlines_plan_to_strengt.php

Cost: Unknown.

I. Labor – Workforce Development Funding:

“Obama will ensure that the Perkins Vocational Program is adequately funded. Community colleges depend on workforce development funding from these grants that are used for innovative occupational education curricula; helping students meet challenging academic, vocational, and technical standards; training first responders and public safety officers; purchasing equipment; supporting professional development; and strengthening important links between the institutions and businesses.”

http://www.barackobama.com/2008/02/16/obama_outlines_plan_to_strengt.php

Cost: Unknown.

Note: Related legislation was introduced in the form of H.R. 3747, the Workforce Investment Improvement Act of 2007 (110th Congress). A cost estimate is unavailable.

J. National Catastrophe Insurance Reserve:

“Barack Obama will create a National Catastrophe Insurance Reserve that would be funded by private insurers contributing a portion of the premiums they collect from policyholders. Such a framework would neither distort the insurance market nor discourage risk avoidance and risk mitigation investments because insurers would not be forced out of high-risk markets for fear of bankruptcy in the event of a disaster. With this program in place, disaster victims would no longer have to depend solely on taxpayer-funded federal disaster aid loans.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: \$15 million (\$75 million over five years).

Source: CBO estimate for H.R. 3355 (110th Congress): A bill to ensure the availability and affordability of homeowners’ insurance coverage for catastrophic events. CBO data primarily reflect administrative costs connected with establishing the program.

<http://www.cbo.gov/ftpdocs/87xx/doc8774/hr3355.pdf>

Note: A catastrophic loan system could potentially cost upwards of billions of dollars if a major catastrophe were to occur, but CBO does not expect that reinsurers would apply for

such a program under H.R. 3355 in particular: “Based on information from the states, CBO expects that few, if any, reinsurance programs would apply for a catastrophe loan following a disaster. State insurance commissions and rating agencies often require that primary insurers are able to cover at least a 100-year event to maintain their credit rating. As such, not only would losses exceeding the ceiling coverage level be outside the responsibility of the reinsurer, they likely would be covered through existing reinsurance agreements between the primary insurer and the private market.”

K. New Orleans Hurricane Protection System:

“Obama’s comprehensive program to rebuild New Orleans and the Gulf Coast includes ... [e]nsuring that New Orleans has a levee and pumping system to protect the city from a 100-year storm by 2011, with the ultimate goal of protecting the entire city from a Category 5 storm.”
<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: \$1.6 billion (\$32 billion over 20 years).

Source: According to *The Times-Picayune*, “After Katrina hit the New Orleans area in 2005, Congress directed the Corps [of Engineers] to both improve the New Orleans area levee system by 2012 to protect from a hurricane with a 1-in-100 chance of hitting in a given year, and study how to build a Category 5 protection system in the long term.”
http://blog.nola.com/times-picayune/2007/07/corps_not_planning_category_5.html

It is unknown how much it would cost to speed up the target date by one year to 2011. As for protection from a Category 5 storm, Louisiana state officials told *The New York Times* that, “The cost estimates are still fuzzy, but the work would easily cost more than \$32 billion ... and could take decades to complete.”
<http://www.nytimes.com/2005/11/29/national/nationalspecial/29flood.html?pagewanted=print>

L. Trade Enforcement:

“He will make enforcement the top priority of the U.S. Trade Representative (USTR) Office, and he will increase resources for the USTR so it can carry out its properly responsibilities [sic].”
http://www.barackobama.com/issues/economy/Obama_Keeping_Americas_Promise.pdf

Cost: Unknown.

Note: The precise cost increase proposed by Obama is unknown. Related legislation has been introduced; Title V of S. 1919 (110th Congress) authorizes \$5 million for trade enforcement activities and for a new Chief Trade Enforcement Officer in the office of the USTR.

The estimated budget for the US Trade Representative is \$40 million for FY 2008.
<http://www.whitehouse.gov/omb/budget/fy2009/pdf/appendix/eop.pdf>

M. Transportation Infrastructure – National Infrastructure Reinvestment Bank:

“Barack Obama will address the infrastructure challenge by creating a National Infrastructure Reinvestment Bank to expand and enhance, not supplant, existing federal transportation investments. This independent entity will be directed to invest in our nation’s most challenging transportation infrastructure needs. The Bank will receive an infusion of federal money, \$60 billion over 10 years, to provide financing to transportation infrastructure projects across the nation.”

http://obama.3cdn.net/8f478c5e1bb07ca0b1_sh1umv2zy.pdf

Cost: \$6 billion (\$60 billion over ten years).

N. Transportation – New Orleans Regional Transit Partnerships:

“Barack Obama will help the New Orleans area develop regional transit partnerships so that public transit can be integrated across parish lines, providing seamless transportation options, including a possible light rail line to connect New Orleans and Baton Rouge through the petrochemical corridor in between.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

Education, Science, and Research:

Original Subtotal: \$29.585 billion

Updates: \$7.503 billion

New Subtotal: \$37.088 billion

A. Education – Advanced Technological Education:

“Obama will support the authorization of the National Science Foundation's Advanced Technological Education program at \$100 million, a critical program that that has helped support science, technology, engineering, and mathematics programs in community colleges.”

http://www.barackobama.com/2008/02/16/obama_outlines_plan_to_strengt.php

Cost: \$48 million (first-year cost).

Source: In FY 2008 this program was authorized at \$52 million, per National Science Foundation’s budget.

http://www.nsf.gov/about/budget/fy2009/pdf/15_fy2009.pdf

B. Education – Early Assessment Programs:

“Barack Obama will provide \$25 million annually in matching funds for states to develop Early Assessment Programs. These funds will also promote state efforts to raise awareness about the availability of federal and state financial aid programs.”

Cost: \$25 million (\$125 million over five years).

C. Education – Community Colleges Computer Facilities:

“Barack Obama will provide federal grants to community colleges to make their on-campus computer facilities into powerful, part-time community resources for training workers who are not their students. . . . Under Obama’s plan, the federal government will provide funding to help defray costs of keeping labs open and staffed by community college instructors an additional 30 hours each week, on evenings and weekends when these labs are generally closed or little-used. Under this plan, community colleges could provide every worker in America access to training in information and communications technologies.”

http://obama.3cdn.net/516099fccb1a1574bc_4pytmveej.pdf

Cost: Unknown.

D. Education – Community College Partnership:

“Obama will create a Community College Partnership to strengthen community colleges by providing grants to (a) conduct thorough analysis of the types of skills and technical education that are in high demand from students and local industry; (b) implement new associate of arts degree programs that cater to emerging industry and technical career demands; and (c) reward those institutions that graduate more students and increase their numbers of transfer students to four-year institutions.”

http://www.barackobama.com/2008/02/16/obama_outlines_plan_to_strengt.php

Cost: \$50 million (first-year cost).

Source: Related legislation has been introduced in the form of H.R. 717, the Community College Partnership Act (110th Congress): A bill to encourage partnerships between community colleges and four-year colleges and universities. The text of the bill authorizes \$50 million in the first year and “such sums as necessary” for subsequent years.

E. Education – Gulf Coast School Infrastructure:

“As President, Obama will help communities in the Gulf make necessary school infrastructure investments so all kids from all backgrounds have safe and supportive environments to learn.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

Note: According to a January 2008 White House press release, the federal government has spent \$24 billion over the past year to rebuild the Gulf states. “Federal dollars have been used to build houses and schools, repair damaged infrastructure, and provide victims with a place to live and other essential assistance as the region continues to get back on its feet.”

<http://www.whitehouse.gov/infocus/katrina/>

F. Education – Gulf Coast Teachers:

“... I have called for \$250 million to bring quality teachers back to the Gulf region. Any teacher or principal who commits to come here for three years should receive an annual bonus; and those who teach in subject areas where we face shortages – such as math and science – should receive an additional bonus.”

http://www.barackobama.com/2008/02/07/barack_obama_to_lay_out_progra.php

Cost: \$50 million (\$250 million over five years).

Note: NTUF assumes this funding will be spread over five years.

G. Education – Pell Grants:

“Obama will work to ensure that the maximum Pell Grant award is increased for low income students by ensuring that the award keeps pace with the rising cost of inflation.”

http://www.barackobama.com/2008/02/16/obama_outlines_plan_to_strengt.php

Cost: \$7.08 billion (\$35.401 billion over five years).

Source: Obama is a cosponsor of S. 359 (110th Congress): A bill to amend the Higher Education Act of 1965 to provide additional support to students. Section 2 of the bill increases the maximum Pell Grant award and authorizes additional funds.

H. Financial Literacy:

“Furthermore, Obama will work to empower more Americans in the fight against predatory lending by supporting initiatives to improve financial literacy and financial planning.”

http://obama.3cdn.net/8f478c5e1bb07ca0b1_sh1umv2zy.pdf

Cost: \$250 million (\$1.25 billion over five years).

Source: Related legislation has been introduced in the form of S. 2671 (110th Congress): A bill to provide grants to promote financial literacy. The text of the bill authorizes \$250 million annually for the next five years.

Note: Obama is not a cosponsor of this bill.

Energy, Environment, and Agriculture: \$15.009 billion

Original Subtotal: \$15.009 billion

Updates: Unknown

New Subtotal: \$15.009 billion

A. Coastal Hurricane Protection:

“Obama will also direct revenues from offshore oil and gas drilling to increased coastal hurricane protection.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

Note: Receipts from offshore oil and gas drilling are scored as credits against direct spending. This proposal could reduce offsetting receipts to the federal government.

Health Care:

Original Subtotal: \$99.998 billion
Updates: \$225 million
New Subtotal: \$100.223 billion

A. New Orleans Health Care Facilities:

“As President, [Obama] will rebuild broken facilities and provide incentives, such as loan forgiveness, to lure medical professionals back to the region. He will fight to establish a major medical complex in downtown New Orleans that will serve the entire community. He will also push to quickly build a new, state-of-the-art Department of Veterans Affairs hospital in New Orleans so that the city’s veterans can get top quality care.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: \$225 million (first-year cost).

- Loan Forgiveness: \$225 million (first-year cost).
Source: Section 3 of H.R. 1599, the Expanding, Rebuilding, and Improving Access to Qualified Health Care Professionals in Hurricanes Katrina and Rita Affected Areas Act (110th Congress) authorizes \$225 million in the first year and “such sums as necessary” subsequent years for the Hurricane Katrina and Rita Public Health Workforce Recovery Loan Repayment Program.
- Major Medical Complex in New Orleans: Cost unknown.
It is unclear whether Obama would use federal funds to establish a public medical facility in downtown New Orleans.
- VA Hospital: Cost unknown.
It is unclear whether he is proposing to speed up the VA replacement hospital that is currently under construction, or whether he wants a brand new facility in addition to the one that was authorized in the 109th Congress. According to an August 2006 CBO report, “Public Law 109-148 provided \$75 million for the planning of a replacement facility in New Orleans, and Public Law 109-234 provided \$550 million for construction of this project. ... VA’s current estimate of the total construction costs [is] \$636 million”
<http://www.cbo.gov/ftpdoc.cfm?index=7515&type=1>

Homeland Security and Law Enforcement:

Original Subtotal: \$10.053 billion
Updates: \$120 million
New Subtotal: \$10.173 billion

A. COPS for Katrina:

“He will establish a special ‘COPS for Katrina’ program to allow communities impacted by the storm to hire and retain new officers and community prosecutors, develop community-based crime fighting strategies, and rebuild their lost infrastructure.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

B. Disaster Planning:

“As President, Obama will dramatically improve disaster planning. He will work with emergency management officials, emergency responders and other experts from all 50 states to create a real National Response Plan that provides for real cooperation between states, locals and the federal government in the face of a disaster. Obama’s FEMA will provide real training to emergency responders and professionals in states and localities to ensure that all areas of the country have the human resources necessary to respond to disasters.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: \$120 million (\$600 million over five years).

Source: CBO estimate of related legislation, H.R. 5351 (109th Congress): A bill to amend the Homeland Security Act of 2002 to establish a Directorate of Emergency Management, to codify certain existing functions of the Department of Homeland Security, and for other purposes. Specifically, the estimate is based on the additional amounts that state and local governments would receive to “improve emergency preparedness.”

<http://www.cbo.gov/ftpdocs/72xx/doc7246/hr5351REV.pdf>

C. Drug Gangs:

“Obama will strengthen Drug Enforcement Administration efforts to stop the reestablishment of drug gangs across the region.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

D. Federal Disaster Coordinator:

“Immediately following a catastrophe, Barack Obama will appoint a Federal Coordinating Officer to direct reconstruction efforts. The job of the FCO and his or her staff will be to cut through bureaucratic obstacles, get federal agencies to work together and to coordinate efforts with local officials.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

E. Regional Crime Control Partnership:

“He will help local, state, and federal law enforcement agencies come together to establish an integrated regional crime control partnership so that each police chief and sheriff doesn’t have to face these crime problems alone.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

National Defense and International Relations:

Original Subtotal: \$13.808 billion

No Updates.

Veterans:

Original Subtotal: \$2.76 billion

No Updates.

Miscellaneous:

Original Subtotal: \$10.813 billion

Updates: \$4 million

New Subtotal: \$10.817 billion

A. Federal Government – Chief Financial Officer:

“As President, Obama will appoint a Chief Financial Officer to oversee the rebuilding following national disasters to minimize waste and abuse.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: \$4 million (\$20 million over five years).

Source: CBO estimate for H.R. 2886 (108th Congress): A bill to amend Title 31, United States Code, to improve the financial accountability requirements applicable to the Department of Homeland Security, and for other purposes.

<http://www.cbo.gov/ftpdoc.cfm?index=4811&type=1>

B. Federal Government – Equal Employment Opportunity Commission:

“Barack Obama would increase funding for the Equal Employment Opportunity Commission, and would fight to eliminate racial and sexual discrimination. He also would strengthen whistleblower protections.”

http://www.barackobama.com/issues/economy/Obama_Keeping_Americas_Promise.pdf

Cost: Unknown.

C. Federal Government – Federal Rebuilding Coordinator:

“He will elevate the federal rebuilding coordinator so that he or she reports directly to the President and so that rebuilding remains a national priority.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

D. Federal Government – Small Business Administration:

“As President, Barack Obama will fix the SBA bureaucracy so that it can step in during a disaster and provide assistance.”

<http://my.barackobama.com/page/-/HQpress/020708%20Katrina%20Fact%20Sheet.pdf>

Cost: Unknown.

E. Federal Government – Occupational Safety and Health Administration:

“Barack Obama will increase funding for the Occupational Safety and Health Administration, including more job site inspections and grants for safety and health training programs for small business employers, and employees and workers in high-risk jobs such as construction.”

http://www.barackobama.com/issues/economy/Obama_Keeping_Americas_Promise.pdf

Cost: Unknown.