



Policy Proposals in the August 6th Republican Presidential Debate: Impact on Spending

During and immediately after the August 6th Presidential debate, NTUF researchers were tasked with cutting through the political rhetoric and analyzing the fiscal implications of the candidates' proposals.

The analysis below includes any proposal offered by the candidate during the debate that could result in a change in spending relative to current law or policy. We have provided the exact quotations of the candidates, the annual cost of the proposal where possible, and detailed information on the sources of the estimates.

All proposals that could have fiscal implications are considered in the analysis, though only those with an impact on federal outlays that can be accurately quantified are included in NTUF's bottom-line agenda estimates. For example, several candidates talked about the benefits of tax reform. It is possible that such reform could reduce costs related to the administration of the Tax Code, but there is not enough information available at this point to calculate an estimate.

The figures below contain a significant update from the [analysis](#) NTUF published on August 7th. Our previous estimate of the savings of repealing the so-called Affordable Care Act (ACA) was based on Congressional Budget Office (CBO) reports originally published in 2013 and earlier in an attempt to capture direct and discretionary spending effects. The revised estimate is based on a June 2015 CBO estimate. While this newer report only included the direct spending costs, those represent the bulk of ACA's impacts on outlays.

Jeb Bush

Net Change in Spending per Year: -\$77.6 billion

Health Care:

"...[Y]ou get rid of Obamacare and replace it."

Annualized Cost: -\$95.4 billion*

Note: A [June 2015 CBO analysis](#) of repealing the law showed that direct spending would be reduced by \$477 billion over five years. There are potentially additional unreported discretionary savings.

Homeland Security:

“We need to deal with E-Verify... we need to be much more strategic on how we deal with border enforcement, border security. We need to eliminate the sanctuary cities in this country. ... There should be a path to earned legal status ... which means you pay a fine and do many things over an extended period of time.”

Annualized Cost: \$17.8 billion

Note: E-Verify is a Department of Homeland Security program for businesses to determine the eligibility of their employees to work in the United States. It is unclear from Governor Bush’s statement how he intends to “deal with” E-Verify. However, on his campaign website, he laid out a [6-point plan](#) regarding immigration laws that discussed an “improved E-Verify.”

While it is also unclear from this particular quotation, whether or to what extent he would expand existing border security measures, the above mentioned 6-point plan includes [provisions](#) to “bolster” border enforcement by constructing roads and fencing and also increasing the use of technology.

Unless his proposal specifies that to “eliminate” so-called sanctuary cities would entail a rescission of federal funding, NTUF assumes that the funds that would be cut-off to the sanctuaries would be re-allocated to other jurisdictions (which would not result in any net budgetary changes).

In 2013, [CBO estimated](#) that the Senate’s comprehensive immigration reform bill (S. 744) would both provide additional funding for border security and, by providing a path to legal status for many current illegal aliens, make substantially more people eligible for entitlement programs such as Social Security and Medicaid, boosting spending by \$89 billion over the first five years. Many of Bush’s plans overlap with provisions included in the legislation passed by the Senate. Due to the unavailability at this time of a cost estimate specifically tailored to Bush’s plan, the estimate for S. 744 is used to show the potential impact of Bush’s proposals.

National Defense & Foreign Affairs:

“We need to stop the Iran deal ... [we need to] take out ISIS with every tool at our disposal.”

Annualized Cost: Unknown.

Note: The FY2015 National Defense Authorization Act gave the President authority to transfer up to \$500 million from the Counterterrorism Partnership Fund (CTPF) to combat ISIS, primarily by equipping and training Syrian forces. The Congressional Research Service reported that as of June 2015, U.S. defense committees had transferred \$500 million from the CTPF in addition to \$80 million in Defense Working Capital Funds for the purpose of related operations. 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 from Governor Bush’s statement whether he would spend more or less than those amounts.

Ben Carson

Net Change in Spending Per Year: Unknown.

Government Reform:

“What I agree with is that we need a significantly changed taxation system. ...

And that’s why I’ve advocated a proportional tax system. You make \$10 billion, you pay a billion. You make \$10, you pay one. And everybody gets treated the same way. And you get rid of the deductions, you get rid of all the loopholes ...”

Annualized Cost: Unknown.

Note: This could possibly entail spending reductions to the extent that the reforms would reduce administrative costs of the Internal Revenue Service.

Chris Christie

Net Change in Spending per Year: **-\$7.851 billion**

Government Reform:

“Now, let me tell you exactly what we would do on Social Security. Yes, we’d raise the retirement age two years, and phase it in over 25 years, that means we’d raise it one month a year for 25 years when we’re all living longer, and living better lives.”

Annualized Cost: **-\$2.7 billion**

Note: In 2013 the Congressional Budget Office [estimated](#) the budgetary impact of increasing the full retirement age for Social Security by one month per year. CBO determined such a budget option would save \$5.4 billion over five years and \$58.2 billion over ten. Since Governor Christie’s proposal would double this timeline, NTUF assumes that this proposal would -- on a static basis -- result in roughly half of those savings (\$2.7 billion over five years, \$29.1 billion over ten).

“... [W]e would means test Social Security for those who are making over \$200,000 a year in retirement income, and have \$4 to \$5 million in liquid assets saved. They don’t need that Social Security check. Social Security is meant to be – to make sure that no one who’s worked hard, and played by the rules, and paid into the system grows old in poverty in America.”

Annualized Cost: **-\$6.222 billion**

Note: A [2011 study](#) from the Center for Economic and Policy Research indicated that eliminating Social Security benefits for those making over \$200,000 per year would result in savings of about 0.6 percent of Social Security outlays. Based on [data from the Congressional Budget Office](#), eliminating Social Security benefits for those earning over \$200,000 per year could save about \$6.2 billion per year over five years.

National Defense & Foreign Affairs:

“The first thing we need to do to make America stronger is to strengthen our military, and I put out a really specific plan: no less than 500,000 active duty soldiers in the Army. No less than 185,000 active duty marines in the Marine Corps. Bring us to a 350 ship Navy again, and modernize the Ohio class of submarines, and bring our Air Force back to 2,600 aircraft that are ready to go.”

Annualized Cost: **\$1.071 billion**

Note: As of June 30, 2015, the Department of Defense (DoD) [reported](#) there were 491,177 active duty Army personnel (8,823 below Christie’s target) and 184,587 active duty Marine Corps personnel (413 below Christie’s target). The compensation cost per active-duty military servicemember, according to the [Council on Foreign Relations’ analyses](#) of DoD data, was about \$116,000 per troop in 2014 (including basic pay and health care and housing costs). Using those amounts, the additional troops required under Christie’s plan would cost about \$1.07 billion. Regarding Christie’s proposal to increase the size of the Naval and Air Force

fleet, there are several factors that could impact the final cost which are not immediately clear from his statement, including the types of ships/planes acquired as well as the contracting and acquisition processes used to do so.

Ted Cruz

Net Change in Spending Per Year: Unknown.

Homeland Security & Law Enforcement:

“I have authored Kate’s law in the United States Senate and filed that legislation. I tried to get the Senate to vote to pass Kate’s law on the floor of the Senate just one week ago, and the leader of our own party blocked a vote on Kate’s law.”

Annualized Cost: Unknown.

Note: “Kate’s Law” refers to a pair of bills, H.R. 3011 and S. 1762, the Establishing Mandatory Minimums for Illegal Reentry Act, which would amend existing law to mandate five-year minimum sentences for individuals who return to the United States illegally after deportation. A cost estimate is unavailable at this time.

Mike Huckabee

Net Change in Spending per Year: -\$19.899 billion

Government Reform:

“And the fact is there are a lot of things happening at the federal level that are absolutely beyond the jurisdiction of the Constitution. This is power that should be shifted back to the states, whether it’s the [Environmental Protection Agency], there is no role at the federal level for the Department of Education.”

Annualized Cost: -\$617 million**

Note: The entire [budget](#) of the Department of Education in FY 2015 is \$103.3 billion, of which grant funding to the states totals \$71.3 billion.

Based on Huckabee’s statement, NTUF assumes that he would convert existing funds to the states into block grants and reduce the size of the Department’s bureaucracy. There are approximately 4,200 full-time equivalents (FTEs) employed at the Department of Education. Based on data available pertaining to the office of [Program Administration](#), the average personnel, benefits, and non-personnel (including such items as travel, rent, mail, telephones, utilities, printing, IT, contractual services, equipment, supplies, and other departmental services) costs per FTE is \$220,849. Based on this, total annual personnel and administrative costs could run upwards of approximately \$926 million. NTUF assumes the workforce of the Department would be drawn down to 10 percent of its current level over the next five years, saving \$315 million in the first year and \$834 million in the fifth year.

The Environmental Protection Agency (EPA) has a budget of [\\$8.1 billion](#) in FY2015 but it is unclear whether or to what extent that Governor Huckabee would reduce the Agency’s budget.

“And I’m still one who says that we can get rid of the Internal Revenue Service if we would pass the Fair Tax, which is a tax on consumption rather than a tax on people’s income, and move power back where the founders believed it should have been all along.”

Annualized Cost: -\$19.282 billion

Note: The estimate includes savings for the repeal of outlays related to [refundable credits](#), phase-out of the Internal Revenue Service, and new spending for the establishment of a smaller successor organization to administer the rebates made available to households under the Fair Tax.

“And, if Congress wants to mess with the retirement program, why don’t we let them start by changing their retirement program, and not have one, instead of talking about getting rid of Social Security and Medicare that was robbed \$700 billion to pay for Obamacare.”

Annualized Cost: Unknown.

Note: Members of Congress are eligible for pension benefits at the age of 62 if they have completed five years of service, 50 if they have completed 20 years of service, or any age if they have served for 25 years or more. Those benefits are capped at 80 percent of a Member’s final salary. According to the [Congressional Research Service](#), as of October 2013 there were 617 retired Members of Congress receiving pension benefits totaling about \$36.8 million. However, Congress would be unable to retroactively abolish existing pensions for those currently receiving them.

John Kasich

No quantifiable proposals.

Rand Paul

No quantifiable proposals.

Marco Rubio

Net Change in Spending per Year: -\$99.573 billion

Health Care:

“We need to repeal and replace Obamacare...”

Annualized Cost: -\$95.4 billion*

Note: A [June 2015 CBO analysis](#) of repealing the law showed that direct spending would be reduced by \$477 billion over five years. There are potentially additional unreported discretionary savings.

Homeland Security & Law Enforcement:

“I also believe we need a fence. The problem is if El Chapo builds a tunnel under the fence, we have to be able to deal with that too. And that’s why you need an E-Verify system and you need an entry-exit tracking system and all sorts of other things to prevent illegal immigration.”

Annualized Cost: \$127 million

Note: Related legislation was introduced in the form of H.R. 1772 (113th Congress), the Legal Workforce Act, which would make the voluntary E-Verify system mandatory nationwide. In 2013, [CBO reported](#) that mandatory E-Verify would cost \$635M over five years, and \$1.3 billion over ten.

Economy, Transportation, & Infrastructure:

“And last but not least, we need to repeal Dodd-Frank. ... We need to repeal and replace Dodd-Frank.”

Annualized Cost: -\$4.3 billion

Note: According to a [statement](#) made on March 30, 2011 by Douglas W. Elmendorf, Director, Congressional Budget Office (CBO), repealing the Dodd-Frank Wall Street Reform and Consumer Protection Act could reduce federal spending by as much as \$21.5 billion over the first five years. A more recent cost estimate is not available.

Donald Trump

Net Change in Spending per Year: -\$95.362 billion

Health Care:

“What I’d like to see is a private system without the artificial lines around every state.”

Annualized Cost: \$38 million

Note: Related legislation was introduced in Congress that would allow for the purchase of health insurance across state lines. Currently, a 1945 law permits the states to regulate health insurance plans within their borders; however there is an exemption for certain large employers.

The Congressional Budget Office (CBO) conducted a cost estimate for H.R. 2355 (109th Congress), the Health Care Choice Act of 2005. The bill would provide for cooperative governing of individual insurance coverage offered in interstate commerce. At the time, CBO [estimated](#) that the bill would increase spending by \$160 million over five years (\$191 million, adjusted for inflation). It is unclear whether this cost estimate would be higher or lower today given that it was originally calculated prior to the implementation of the Patient Protection and Affordable Care Act (ACA). The proposal was reintroduced in the 114th Congress in the form of H.R. 543.

“We have to end Obamacare ... and I will do that.”

Annualized Cost: -\$95.4 Billion*

Note: CBO has not completed an analysis of the full spending related to the Patient Protection and Affordable Care Act. A [June 2015 CBO analysis](#) of repealing the law showed that direct spending would be reduced by \$477 billion over five years. There are potentially additional unreported discretionary savings.

Homeland Security:

“And I said we need to build a wall [along the border], and we need to build it quickly.”

Annualized Cost: Unknown.

Note: According to a U.S. Customs and Border Protection [fact sheet](#), 650 miles of total border fencing have been constructed; it is unclear how much of this includes double-tiered fencing.

It is unclear from Trump’s statement how many miles of additional fencing he would support. A 2009 Government Accountability Office [report](#) estimated that pedestrian fencing along the border would cost \$3.9 million per mile on average.

Scott Walker

Net Change in Spending per Year: -\$91.7 billion

Energy and the Environment:

“One of the best things we can do ... is put in place an all-of-the-above energy policy.”

Annualized Cost: Unknown.

Note: To the extent that Governor Walker’s plan would allow for additional federal lands or territories in Outer Continental Shelf to be made available for leasing rights for the extraction of resources, offsetting receipts would increase to the Treasury.

Government Reform:

“One of the best things we can do ... is lower the tax rate and reform the tax code.”

Annualized Cost: Unknown.

Note: This could possibly entail spending reductions to the extent that the reforms would reduce administrative costs of the Internal Revenue Service.

Health Care:

“And one of the best things we can do is get the government out of the way, repeal Obamacare”

Annualized Cost: -\$95.4 billion*

Note: A [June 2015 CBO analysis](#) of repealing the law showed that direct spending would be reduced by \$477 billion over five years. There are potentially additional unreported discretionary savings.

Homeland Security:

“Secure the border, enforce the law, no amnesty, and go forward with the legal immigration system that gives priority to American working families and wages.”

Annualized Cost: \$3.7 billion

Note: Related legislation has been introduced in the form of S. 744 (113th Congress), the Border Security, Economic Opportunity, and Immigration Modernization Act. The bill would streamline and overhaul costs for the immigration system and increase border security and infrastructure. Using [the CBO estimate](#), NTUF found that the bill would allocate additional funding for border-related administrative costs, double the number of Border Patrol agents (including their benefits, training, and forgiveness of student loans), and adjust fees and penalties that would offset some spending. The border security provisions of S. 744 would total \$18.4 billion over the first five years. *This figure does not include the immigration-related spending in the bill.*

National Defense & Foreign Affairs:

“To me, you terminate the [Iran nuclear deal] deal on day one, you reinstate the sanctions authorized by Congress, you go to Congress and put in place even more crippling sanctions in place, and then you convince our allies to do the same.”

Annualized Cost: Unknown.

Note: Related legislation was introduced in the form of S. 1682 (in the 114th Congress), the Iran Sanctions Relief Oversight Act, which would extend the Iran Sanctions Act of 1996 for ten years through December 2026. A cost estimate is not available.

Notes:

Text of candidates' quotations are as reported in a printed [transcript](#).

* This figure was updated since NTUF's press release following the debate to reflect the more recent figures reported in CBO's partial estimate released this June.

** This figure was updated since the press release following the debate and assumes a 5-year draw-down of the Department of Education workforce to 10 percent of its current staffing.