



**Analysis of the Policy Proposals in the October 28th Republican Presidential Debate:
Impact on Spending**

Spending Proposals in the October 28th Republican Presidential Debate: Number & Annualized Cost of Policies (dollar figures in millions)						
Candidate	Total Cost per Year	# of Increase Proposals	Cost Per Year of Increase Proposals	# of Decrease Proposals	Cost per Year of Savings Proposals	# of Proposals with Indeterminate Costs
Jeb Bush	-\$4,400	0		1	-\$4,400	1
Ben Carson	N/A	0		0		0
Chris Christie	Indeterminate	0		0		1
Ted Cruz	-\$739	1	\$1	1	-\$740	2
Carly Fiorina	Indeterminate	0		0		2
Mike Huckabee	Indeterminate	0		0		1
John Kasich	-\$28,437	0		3	-\$28,437	2
Rand Paul	-\$1,999	1	\$1	2	-\$2,000	2
Marco Rubio	\$848	1	\$848	0		1
Donald Trump	\$2,520	1	\$2,520	0		0

Notes: Ben Carson had no quantifiable proposals.

Jeb Bush

Net Change in Spending per Year: -\$4.4 billion (partial estimate)

Health Care: Indeterminate

Medicare Eligibility Age: “But we also need to reform Medicare”

Cost per Year: Indeterminate

Notes: Last week, Bush unveiled a plan to reform Medicare. His campaign website includes a [proposal](#) to open up Medicare to competition by converting it to a premium support system. Beneficiaries would be able to choose insurance coverage from a number of plans and the federal government would cover part of the cost. His proposal would also allow Medicare enrollees to have Health Savings Accounts and would “redirect ObamaCare’s Medicare cuts to Medicare

solvency.” An official cost estimate is currently unavailable. However, in 2013 the Congressional Budget Office (CBO) [analysis](#) of related premium support proposals estimated that, depending on the details, savings would range from \$22 to \$69 billion from between the 5th and 10th year after enactment.

Social Security: -\$4.4 billion (savings) (partial estimate)

Social Security Reform: “ ... [W]e also need to reform ... Social Security.”

Cost per Year: -\$4.4 billion (-\$22 billion over five years) (savings) (partial estimate)

Notes: Jeb Bush has laid out seven specific [Social Security reform proposals](#), one of which would impact Social Security taxes while the rest would make reforms to benefits: adjusting benefits for seniors who retire early, eliminating the earnings test for seniors who continue working and make more than \$15,720 a year, increasing the eligibility age starting in 2022, providing a minimum retirement benefit for low-income workers, gradually phasing-in means-testing for wealthier seniors, and using a chained-CPI as the basis for calculating annual cost-of-living adjustments.

While a complete cost estimate is unavailable for all of Bush’s listed Social Security reforms, the CBO provided a [cost estimate in 2014](#) for switching to a chained-CPI. Doing so would reduce Social Security outlays by \$22 billion over five years and \$116 billion over ten.

The CBO [estimates](#) that stepping up the retirement age at which workers become eligible for Social Security benefits by two-month increments for six years would save \$3.7 billion over five years, and \$34.8 billion over ten years. However under Bush’s plan, the age would not be increased until 2022.

Ben Carson

No quantifiable proposals.

Chris Christie

Net Change in Spending per Year: Indeterminate

Energy and the Environment: Indeterminate

Energy: “ ... [W]e should ... be investing in all types of energy”

Cost per Year: Indeterminate

Notes: On his campaign website, Christie [states](#), “The U.S. needs to build the necessary infrastructure to get product to markets and ensure the smooth functioning of our energy markets, lift the ban on crude oil exports and allow markets to function as well as rationalize the country’s approach to regulation to make sure it is fair. We can also ensure

the U.S. can maximize its energy resources in an environmentally sound manner by developing greater technological capabilities.”

It is unclear whether he is advocating an increased federal role which could either be implemented as new or redirected spending or via tax credits.

Ted Cruz

Net Change in Spending per Year: *-\$739 million (savings)*

Government Reform: *\$1 million*

Federal Reserve System: “The first thing I think we need to do is audit the Fed.”

Cost per Year: *\$1 million (\$5 million over five years)*

Notes: In 2014, the CBO (CBO) [estimated](#) that legislation to audit the Federal Reserve would “increase discretionary spending by \$5 million over the 2015-2019 period, assuming appropriation of the necessary amounts. That cost would cover the full-time and part-time [Government Accountability Office] employees plus administrative expenses necessary to prepare the audit required by the bill as well as future oversight and analysis that CBO expects would result from the enactment of the bill.”

Monetary Policy Commission: “The second thing we need to do is I think we need to bring together a bipartisan commission to look at getting back to rules-based monetary policy”

Cost per Year: Indeterminate

Notes: Depending on the details and size of the commission, this could cost as little as a few hundred thousand dollars, or as much as a few million.

Social Security: *-\$740 million (savings)*

Eligibility Age: “We can save and preserve and strengthen Social Security by making no changes for seniors, but for younger workers gradually increasing the retirement age, changing the rate of growth so that it matches inflation”

Cost per Year: *-\$740 million (\$-3.7 billion over five years) (savings)*

Notes: The CBO [estimates](#) that stepping up the retirement age at which workers become eligible for Social Security benefits by two-month increments for six years would save \$3.7 billion over five years, and \$34.8 billion over ten years. Barring additional information, NTUF assumes his plan would be implemented in line with the proposal scored by CBO. The actual savings from Cruz’s statement regarding the retirement age would depend on whether or not he advocates a faster step up rate or a slower one. He also proposed “changing the rate of growth to match inflation.”

CBO provided a cost estimate in 2014 for switching to a chained-CPI to calculate annual cost-of-living adjustments. Doing so would reduce Social Security outlays by \$22 billion over five years and \$116 billion over ten. However, it is unclear whether Cruz would exclude current Social Security recipients from this reform.

Personal Accounts: “[A]llow younger workers to keep a portion of our tax payments in a personal account that we own, we control them, we can pass on to our kids.”

Cost per Year: Indeterminate

Notes: Under proposals to permit personal accounts, certain workers (usually those under 50 or 55 years of age) would have the option of directing a small portion of their Social Security payroll taxes into a personal investment account. These plans would require an adjustment in the timing of outlays that would otherwise occur even in the absence of reform, *i.e.*, payments in the form of benefits that a worker would eventually receive in the future after retirement would instead be recorded as outlays sooner as the funds are transferred to the personal accounts. Over the long-term, there would be significant savings to Social Security.

There could be some costs associated with the administration of personal accounts, [depending](#) on the “decisions made regarding collection and processing of contributions, asset management, calculation and payment of benefits, and enforcement and oversight.”

Carly Fiorina

Net Change in Spending per Year: Indeterminate

Government Reform: Indeterminate

Zero-based Budgeting: “Let us actually go to zero-based budgeting so we know where the money is being spent. It’s kind of basic. There is a bill sitting in the House that would actually pass and have us go to zero-based budgeting so we know where every dime of your money is being spent instead of only talking about how much more we’re going to spend year after year after year.”

Cost per Year: Indeterminate

Notes: Legislation has been introduced as H.R. 1591, the Zero-based Budgeting Ensures Responsible Oversight Act of 2015. It would require that the annual budget submission provide additional information including: a description of each activity for which funds were appropriated during the current year or are requested for the budget year, alternative funding levels with at least two that are lower than the current level, and measures of effectiveness of each program.

While a cost estimate is currently unavailable, it is likely that the additional reporting requirements would increase administrative costs related to preparing annual budgets. For example, related legislation has been introduced as the S. 282, Taxpayers Right-to-Know Act. The bill would require each agency to report information on a website including each of its programs’ total costs, number of beneficiaries, and number of federal workers involved. The CBO [estimates](#) that “assembling such information about each government activity that provides

benefits or services to the public would cost each of the 26 major agencies about \$1 million a year. We estimate that smaller federal agencies would spend a total of about \$4 million annually.” In total it would increase outlays by \$82 million over five years.

Size of Government: “I will cut this government down to size and hold it accountable, simplify the tax code, roll back the regulations that have been spewing out of Washington, D.C. for 50 years.”

Cost per Year: Indeterminate

Notes: Fiorina did not specify how she would “cut ... government down to size.”

Mike Huckabee

Net Change in Spending per Year: Indeterminate

Health Care: Indeterminate

Health Research: “... [L]et’s cure the four big cost-driving diseases diabetes, heart disease, cancer and Alzheimer’s[.]”

Cost per Year: Indeterminate

Notes: It is unclear from Huckabee’s statement whether or how much additional federal funding he would support in order to carry out his proposal. The National Institutes of Health [estimates](#) that in FY 2016 it will spend \$5.6 billion on research related to cancer, \$1.3 billion on heart disease, \$1 billion on diabetes, and \$638 million on Alzheimer’s.

John Kasich

Net Change in Spending per Year: -\$28.437 billion (savings)

Economy, Transportation, & Infrastructure: -\$17.82 billion (savings)

Job Training Consolidation and Block Grants: “I believe that ... we need to send job training ... out of Washington back to the states ...”

Cost per Year: Indeterminate

Notes: In a [Fact Sheet](#) available on his campaign website, Kasich proposes to consolidate job training grants and transform them into block grants. In 2011, the Government Accountability Office [identified 47 job training programs across 9 departments](#) costing \$18 billion. However, the savings of Kasich’s proposal are indeterminate.

Surface Transportation: “I believe that ... we need to send ... infrastructure ... out of Washington back to the states”

Cost per Year: -\$17.82 billion (-\$71.279 billion over four years) (*savings*)

Notes: NTUF assumes Kasich is referring to his plan to transfer authority for most surface transportation infrastructure funding to the states. A [Fact Sheet](#) available on his campaign website, states, “John Kasich will direct policy authority, funding and responsibilities to the states, which are in the best position to assess infrastructure needs and develop strategies to manage them. ... John Kasich will return federal gas taxes to the states, allocating just a sliver to meet truly national needs and eliminating the need for a large bureaucracy that redistributes funds. ... Give the Department of Transportation a new mission facilitating research”

Related legislation has been introduced in the 114th Congress as S. 1541 and H.R. 2716, the Transportation Empowerment Act (TEA). The bill would gradually reduce both federal spending on highway programs and the federal gas tax to 3.7 cents per gallon by 2020.

The version of the bill in the 113th Congress, introduced as H.R. 3486 and S. 1702, specified reduced federal spending levels over the next several years. NTUF determined that it would reduce federal spending, relative to levels authorized in the MAP-21 Act, by \$71.3 billion between FY 2015 and 2018.

The version of the bill in the 114th Congress does not set overall spending limits but specifies that in any year when the funding required for transportation projects exceeds the available level in the Highway Trust Fund those amounts would be reduced on a pro rata basis. In addition, it authorizes funding for “core highway programs.”

Although an official cost estimate of Kasich’s exact proposal is unavailable, the estimate for the TEA in the 113th Congress is indicative of the reduced federal role in most surface transportation funding as responsibility is transferred to the states. There could be additional savings to the extent that the Department of Transportation is reduced in size.

Education, Science, & Research: -\$617 million (*savings*)

Department of Education: “My program would move the 104 programs of the federal Department of Education into four block grants, and send them back to the states”

Cost per Year: -\$617 million (-\$3.085 billion over five years) (*savings*)

Notes: The entire budget of the Department of Education in FY 2015 was [\\$103.3 billion](#), of which grant funding to the states totaled [\\$71.3 billion](#). Based on Kasich’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.

Health Care: -\$10 billion (savings)

Medicaid: “I believe that ... we need to send ... Medicaid ... out of Washington back to the states”

Cost per Year: -\$10 billion (-30 billion over five years) (savings)

Notes: As part of his [road map](#) to balance the budget in eight years, Kasich includes an outline to slow the growth in Medicaid starting in FY 2018. Compared to the CBO’s [August 2015 Update to the Budget and Economic Outlook: 2015 to 2025](#), Kasich’s funding level would save \$30 billion from FY 2018-2020.

Miscellaneous: Indeterminate

Welfare Block Grants: “I believe that ... we need to send the welfare department ... out of Washington back to the states so we can run these programs from where we live to the top, not a one size fits all mentality that they have in Washington.”

Cost per Year: Indeterminate

Notes: In a [Fact Sheet](#) available on his campaign website, Kasich cites the success of welfare-related block grants in the 1990s, and advocates additional reforms to “discourage dependence”; however a cost estimate in indeterminate.

Rand Paul

Net Change in Spending per Year: -\$1.999 billion (savings)

Government Reform: \$1 million

Federal Reserve System: “ ... [W]e need to audit the Fed.”

Cost per Year: \$1 million (\$5 million over five years)

Notes: In 2014, the CBO (CBO) [estimated](#) that legislation to audit the Federal Reserve would “increase discretionary spending by \$5 million over the 2015-2019 period, assuming appropriation of the necessary amounts. That cost would cover the full-time and part-time [Government Accountability Office] employees plus administrative expenses necessary to prepare the audit required by the bill as well as future oversight and analysis that CBO expects would result from the enactment of the bill.”

Health Care: -\$1.26 billion (savings)

Medicare Eligibility Age: “ ... [Y]ou have to gradually raise the age [to fix Medicare].”

Cost per Year: -\$1.26 billion (-\$6.3 billion over five years) (savings)

Notes: Currently, Medicare is available for people aged 65 and older. In 2013, the CBO [estimated](#) the budgetary impacts of raising the age of eligibility to 67. On net, spending would be reduced by \$6.3 billion over five years. The actual savings on Paul's statement would depend on whether or not he advocates a faster step up rate or a slower one.

Medicare Means-Testing: "You will also have to means-test [Medicare] benefits "

Cost per Year: Indeterminate

Notes: A law enacted earlier this year, the Medicare Access and CHIP Reauthorization Act of 2015, [increased total spending](#) on Medicare and included a provision to increase Medicare premiums on certain individuals with "relatively high income" for a savings of \$34.3 billion from FY 2018-2025. It is unclear what additional reforms Paul would use regarding means-testing of Medicare.

Social Security: -\$740 million (savings)

Eligibility Age: " ... [Y]ou have to gradually raise the age [to fix Social Security]."

Cost per Year: -\$740 million (\$-3.7 billion over five years) (savings)

Notes: The CBO [estimates](#) that stepping up the retirement age at which workers become eligible for Social Security benefits by two-month increments for six years would save \$3.7 billion over five years, and \$34.8 billion over ten years. Barring additional information, NTUF assumes his plan would be implemented in line with the proposal scored by CBO. The actual savings from Paul's statement would depend on whether or not he advocates a faster step up rate or a slower one.

Means-Testing: "You will also have to means-test [Social Security] benefits"

Cost per Year: Indeterminate

Notes: Paul has called for means-testing Social Security benefits for future retirees – his proposal would [not impact](#) the benefits current retirees. He introduced related legislation in 2011, S. 804, the Social Security Solvency and Sustainability Act, which included a provision to gradually reduce benefits for higher-income retirees. The budgetary [savings](#) would occur over the long-term. The changes to the benefit formula would not have started until 2018, seven years out from the date of introduction of the proposal.

Marco Rubio

Net Change in Spending per Year: \$848 million

Education, Science, & Research: Indeterminate

Vocation Education: "We need to get back to training people in this country to do the jobs of the 21st century. Why, for the life of me, I do not understand why did we stop doing vocational education in

America, people that can work with their hands; people you can train to do this work while they're still in high school so they can graduate ready to go work. But the best way to close this gap is to modernize higher education so Americans have the skills for those jobs."

Cost per Year: Indeterminate

Notes: "On his campaign website, Rubio [notes](#):

As president, I will ... make career and vocational education more widespread and accessible. This can begin as early as high school so we graduate students not just with a diploma, but also with a certification to work as a mechanic, plumber, welder, electrician, or in any number of other good-paying occupations.

And I will expand apprenticeship programs, which can provide on-the-job training and help standardize skills by allowing students to learn methods from experienced workers and spread them throughout the industry.

It is unclear whether this would require additional funding, or if funding for existing programs would be made redirected for these purposes, as would occur under related legislation, S. 649, the Higher Education Reform and Opportunity Act of 2015.

Another related bill in Congress, S. 574, the LEAP Act, would provide tax credits to employers who permit employees to participate in apprenticeships. However, Senator Rubio is not a cosponsor of these proposals.

Miscellaneous: \$848 million

Refundable Child Tax Credit: " ... [My tax plan] increases the per child tax credit"

Cost per Year: \$848 million (\$4.24 billion over five years)

Note: Rubio's [plan](#) would "consolidate and enhance" three existing child-related tax credits: the Child Tax Credit (CTC), the Dependent Care Credit, and the Adoption Tax Credit (ATC).

Two of these credits are "refundable" – meaning that they can be claimed by filers with no income tax liability. The CTC [resulted](#) in approximately \$22 billion in outlays in 2015 and the ATC cost \$29 million.

Currently, the CTC is set at \$1,000. Rubio would combined it with the other credits and raise it to \$2,500.

President Obama's FY 2016 Budget included a related proposal to increase the CTC to \$3,000 and estimated that this would increase outlays by \$5.088 billion over five years, and \$11.14 billion over ten. The Budget notes that this estimate also reflects the interaction effect with the proposals to expand the Child and Dependent Care Tax Credit (CDCTC), provide a second earner tax credit, and to provide for automatic enrollment in individual retirement accounts (IRAs).

In the absence of an official estimate of the outlay effects resulting from Rubio's plan, the Administration's estimate was pro-rated to account for the smaller credit. Net cost of \$4.24 billion over five years.

Donald Trump

Net Change in Spending per Year: \$2.52 billion

Homeland Security & Law Enforcement: \$2.52 billion

Border Wall: “As far as the wall is concerned, we’re going to build the wall, we’re going to create a border. We’re going to let people in, but they’re going to come in legally. They are going to come in legally. And it’s something that can be done, and I get questioned about that.

... Here, we actually need a thousand [miles], because we have natural barriers. So we need a thousand. We can do a wall.”

Cost per Year: \$2.52 billion (\$12.6 billion over five years)

Notes: Border fence construction costs up to \$6.5 million per mile. NTUF [determined](#) that completing fencing across the remaining 1,283 miles of border, could cost upwards of \$8.3 billion. Following through on previous statutory goals requiring an additional 663.7 miles of double-layer fencing could add another \$4.3 billion to the total cost. NTUF assumes Trump will prioritize and expedite the construction in order to complete the project within five years.

Notes:

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

Estimates subject to possible revision in future reports as more complete information becomes available.

NTUF uses a five-year budget window to score proposals and determine the average annual spending impact. If the entitlement reforms cited above are implemented – and maintained – the budgetary savings would be significant over the long term.

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NTUF is the research affiliate of the National Taxpayers Union, a non-profit taxpayer advocacy group founded in 1969. **Note: For additional analyses of Presidential candidates’ spending agendas, visit www.ntu.org/foundation.**

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