

CUTS, CONSOLIDATIONS, AND SAVINGS

As part of the President's Management Agenda, the Administration has focused on improving Government efficiency to maximize the value of Federal spending. The Budget invests in concentrating the delivery of administrative functions through shared services, simplifying Federal contracting, continuing the use of benchmarking to inform data-driven Federal management, implementing new transparency efforts, and shrinking the Federal real property footprint. Further detail on all of these initiatives is provided in the chapter titled A Government of the Future.

The Budget continues efforts to reorganize or consolidate Federal programs to reduce duplication and identify cost savings to allow the Government to invest more in productive activities. The President is again asking the Congress to restore fast-track authority to the President to submit proposals to reorganize the Executive Branch. Previous Presidents have been granted this authority for almost the entire period from 1932 through 1984. In effect, the President is asking that the next President have the same authority that any business owner has to reorganize or streamline operations to meet changing circumstances and customer demand.

The Budget also continues to target unnecessary or lower priority programs for reduction or elimination. In the President's first seven Budgets,

the Administration identified, on average, more than 140 cuts, consolidations, and savings averaging more than \$22 billion each year. Many of these proposals have now been implemented, and the Budget builds on this success. It includes 117 cuts, consolidations, and savings proposals, which are projected to save over \$14 billion in 2017. Savings from discretionary proposals total \$5.9 billion in 2017, reflecting the trade-offs and choices the Administration is making to adhere to the funding levels established in the Bipartisan Budget Act of 2015. Savings from mandatory and program integrity proposals total \$8.2 billion in 2017 and \$670 billion over 10 years; about 75 percent of these savings are from health reform proposals. The Budget shows that investments in growth and opportunity are compatible with putting the Nation's finances on a strong and sustainable path. Overall, the Budget achieves about \$2.9 trillion in deficit reduction, primarily from reforms in health programs, the tax code, and immigration.

Discretionary and mandatory cuts, consolidations, and savings proposals in this year's Budget are detailed on the following tables. Savings from the Administration's program integrity proposals, totaling \$119 billion through 2026, are detailed in the Budget Process chapter of the *Analytical Perspectives* volume.

DISCRETIONARY CUTS, CONSOLIDATIONS, AND SAVINGS

(Budget authority in millions of dollars)

	2016	2017	2017 Change from 2016
Cuts			
21 st Century Community Learning Centers, Department of Education	1,167	1,000	-167
317 Immunization Program, Department of Health and Human Services	611	561	-50
Area Health Education Centers, Department of Health and Human Services	30	.....	-30
Beaches Grants Program, Environmental Protection Agency	10	.....	-10
Broadband Loans, Department of Agriculture ¹	5	.....	-5
Centers for Disease Control and Prevention Direct Healthcare Screenings, Department of Health and Human Services	266	209	-57
Clean Water and Drinking Water State Revolving Loan Funds, Environmental Protection Agency	2,257	2,000	-257
Community Development Block Grant (Formula Funds), Department of Housing and Urban Development	3,000	2,800	-200
Community Economic Development, Department of Health and Human Services ¹	30	.....	-30
Community Services Block Grant, Department of Health and Human Services	715	674	-41
Delta Regional Authority Grants, Department of Agriculture ¹	3	.....	-3
Diesel Emissions Reduction Grant Program, Environmental Protection Agency ¹	50	10	-40
Economic Impact Grants, Department of Agriculture ¹	6	.....	-6
Education Research Centers and Agricultural Research, Department of Health and Human Services ¹	54	.....	-54
Environmental Health Outcome Tracking Network, Department of Health and Human Services	34	24	-10
FEMA Education, Training, and Exercises, Department of Homeland Security	233	157	-76
FEMA Pre-Disaster Mitigation Grants, Department of Homeland Security	100	54	-46
FEMA Preparedness Grants, Department of Homeland Security	1,317	857	-460
Foreign Military Financing, Department of State	6,026	5,714	-312
Global Agriculture and Food Security Program, Department of the Treasury	43	23	-20
Grants for Abstinence-Only Programs, Department of Health and Human Services	10	.....	-10
Grants-In-Aid for Airports, Department of Transportation ¹	3,350	2,900	-450
Great Lakes Restoration Initiative, Environmental Protection Agency	300	250	-50
Harry S. Truman Scholarship Foundation	1	.....	-1
Health Care Services Grant Program, Department of Agriculture ¹	3	.....	-3
High Energy Cost Grants, Department of Agriculture ¹	10	.....	-10
High Intensity Drug Trafficking Areas, Office of National Drug Control Policy ¹	250	196	-54
ICE Immigration Detention Beds, Department of Homeland Security	1,649	1,330	-319
Impact Aid - Payments for Federal Property, Department of Education ¹	67	.....	-67
Integrated NSF Support Promoting Interdisciplinary Research and Education (INSPIRE), National Science Foundation ¹	25	.....	-25
International Education (Overseas Programs), Department of Education ¹	7	2	-5
International Narcotics Control and Law Enforcement, Department of State	1,266	1,138	-128
LIHEAP, Department of Health and Human Services	3,390	3,000	-390
Littoral Combat Ships, Department of Defense	1,332	1,126	-206
Low Priority Studies and Construction, Corps of Engineers	1,983	1,175	-808
McGovern-Dole Food for Education Program, Department of Agriculture	202	182	-20
Mexico Border Targeted Water Infrastructure Grants, Environmental Protection Agency	10	5	-5
Mutual Self-Help Housing Grants, Department of Agriculture	28	18	-9
National Heritage Areas, Department of the Interior ¹	20	9	-11
National Priorities Research, Environmental Protection Agency ¹	14	.....	-14
National Solar Observatory, National Science Foundation ¹	10	6	-4
National Wildlife Refuge Fund, Department of the Interior ¹	13	.....	-13
Operation and Maintenance Work, Corps of Engineers	3,137	2,705	-432
Preventive Health and Health Services Block Grant, Department of Health and Human Services ¹	160	.....	-160
PRIME Technical Assistance, Small Business Administration ¹	5	.....	-5
REACH, Department of Health and Human Services	51	30	-21
Research, Education and Extension Grants, Department of Agriculture:			
Animal Health (Sec. 1433) ¹	4	.....	-4

DISCRETIONARY CUTS, CONSOLIDATIONS, AND SAVINGS—Continued
(Budget authority in millions of dollars)

	2016	2017	2017 Change from 2016
Alfalfa Forage ¹	2	.....	-2
Aquaculture Centers ¹	4	.....	-4
Aquaculture Research ¹	1	.....	-1
Capacity Building: Non-Land Grant Colleges ¹	5	.....	-5
Farm Business Management and Benchmarking ¹	1	.....	-1
Food Animal Residue Avoidance Database ¹	1	.....	-1
Methyl Bromide Transition Program ¹	2	.....	-2
New Technologies for Extension ¹	2	1	-1
Potato Breeding Research (Competitive) ¹	2	.....	-2
Rural Health and Safety ¹	2	.....	-2
Sungrants ¹	3	.....	-3
Supplemental and Alternative Crops ¹	1	.....	-1
Veterinary Services Grant Program ¹	3	.....	-3
Rural Community Facilities, Department of Health and Human Services ¹	7	.....	-7
Rural Energy Savings Program, Department of Agriculture ¹	8	.....	-8
Rural Hospital Flexibility Grant Programs, Department of Health and Human Services	42	26	-16
Rural Multifamily Housing Preservation Grants, Department of Agriculture ¹	4	.....	-4
State Criminal Alien Assistance Program, Department of Justice	210	.....	-210
State Indoor Radon Grant Program, Environmental Protection Agency	8	.....	-8
Sustainable and Healthy Communities Research, Environmental Protection Agency	155	147	-8
Targeted Airshed Grants, Environmental Protection Agency	20	.....	-20
Urban and Community Forestry, Department of Agriculture	28	24	-4
Water and Wastewater and Community Facilities Loan Guarantees, Department of Agriculture ¹	4	.....	-4
Water and Wastewater Grants and Direct Loans, Department of Agriculture	512	462	-50
Water Quality Research and Support Grants, Environmental Protection Agency ¹	13	.....	-13
Women in Apprenticeship and Nontraditional Occupations, Department of Labor ¹	1	.....	-1
Total, Discretionary Cuts	34,290	28,815	-5,477
Consolidations			
Chemical, Biological, Radiological, Nuclear, and Explosives Office, Department of Homeland Security	505	501	-4
Management Headquarters Reductions, Department of Defense .....	.....	-154	-154
Section 4 and Rural Capacity Building, Department of Housing and Urban Development	40	35	-5
Self-Help Homeownership Opportunity Program, Department of Housing and Urban Development	10	10	.....
Total, Discretionary Consolidations	555	392	-163
Savings			
Change in Plutonium Disposition Approach, Department of Energy	340	285	-55
Information Technology Consolidation, Business Process Improvements, and Other Efficiencies, Department of Defense .....	.....	-243	-243
Senate Campaign Finance Reports Electronic Submission, Federal Election Commission .....	.....	.....	.....
Total, Discretionary Savings	340	42	-298
Total, Discretionary Cuts, Consolidations, and Savings	35,187	29,249	-5,938

¹ This cut has been identified as a lower priority program activity for purposes of the GPRA Modernization Act, at 31 U.S.C. 1115(b)(10). Additional information regarding this proposed cut is included in the respective agency's Congressional Justification submission, where applicable.

MANDATORY CUTS, CONSOLIDATIONS, AND SAVINGS

(Outlays and receipts in millions of dollars)

	2017	2018	2019	2020	2021	2017- 2021	2017- 2026
Cuts							
Abstinence Education Program, Department of Health and Human Services ¹	-1	-50	-23	-1	.....	-75	-75
Coal Tax Preferences, Department of Energy							
Domestic Manufacturing Deduction for Hard Mineral Fossil Fuels ¹	-11	-20	-21	-22	-23	-97	-227
Expensing of Exploration and Development Costs ¹	-20	-35	-35	-33	-32	-155	-285
Percent Depletion for Hard Mineral Fossil Fuels ¹	-113	-183	-177	-145	-114	-732	-1,121
Royalty Taxation ¹	-26	-52	-52	-52	-52	-234	-494
Crop Insurance Program, Department of Agriculture	-1,259	-1,575	-1,794	-1,843	-1,878	-8,351	-18,013
Geothermal Payments to Counties, Department of the Interior ²	-4	-4	-4	-4	-4	-20	-41
Gulf of Mexico Energy Security Act (GOMESA) Payments to States, Department of the Interior ² ...	.....	-286	-310	-339	-376	-1,311	-3,254
Oil and Gas Company Tax Preferences, Department of Energy							
Increase Geological and Geophysical Amortization Period for Independent Producers to Seven Years ¹	-54	-197	-307	-296	-235	-1,089	-1,515
Repeal Credit for Oil and Gas Produced from Marginal Wells ¹ .....	.....	.....	.....	.....	.....	.....	.....
Repeal Deduction for Tertiary Injectants ¹	-5	-8	-8	-8	-8	-37	-77
Repeal Domestic Manufacturing Tax Deduction for Oil and Natural Gas Companies ¹	-470	-836	-869	-901	-932	-4,008	-9,149
Repeal Enhanced Oil Recovery Credit ¹	-235	-559	-792	-979	-1,070	-3,635	-8,803
Repeal Exception to Passive Loss Limitations for Working Interests in Oil and Natural Gas Properties ¹	-9	-12	-12	-12	-11	-56	-103
Repeal Expensing of Intangible Drilling Costs ¹	-966	-1,541	-1,439	-1,645	-1,526	-7,117	-10,050
Repeal Percentage Depletion for Oil and Natural Gas Wells ¹	-483	-770	-725	-666	-589	-3,233	-4,990
Unrestricted Abandoned Mine Lands Payments, Department of the Interior ²	-6	-31	-63	-82	-90	-272	-520
Total, Mandatory Cuts	-3,661	-6,109	-6,608	-7,027	-6,940	-30,347	-58,642
Consolidations							
Reform Teacher Loan Forgiveness Benefits, Department of Education .....	.....	.....	.....	.....	.....	.....	.....
Total, Mandatory Consolidations .....	.....	.....	.....	.....	.....	.....	.....
Savings							
Federal Employee Health Benefits Program Reforms, Office of Personnel Management .....	.....	-65	-141	-193	-239	-638	-2,889
Health Care (Medicaid Proposals), Department of Health and Human Services	-777	-1,037	-1,427	-3,443	-4,263	-10,947	-43,102
Health Care (Pharmaceuticals), Department of Health and Human Services ³	-920	-1,010	-1,330	-1,800	-2,070	-7,130	-20,590
Medicare Provider Payment Modifications, Department of Health and Human Services ^{3,4}	-3,431	-10,236	-20,292	-30,312	-38,429	-102,698	-425,572
Total, Mandatory Savings	-5,128	-12,347	-23,190	-35,748	-45,000	-121,413	-492,153
Total, Mandatory Cuts, Consolidations, and Savings	-8,789	-18,457	-29,798	-42,775	-51,941	-151,760	-550,795

¹This cut has been identified as a lower priority program activity for purposes of the GPRA Modernization Act, at 31 U.S.C. 1115(b)(10). Additional information regarding this proposed cut is included in the Governmental Receipts chapter of the Analytical Perspectives volume.

²This cut has been identified as a lower priority program activity for purposes of the GPRA Modernization Act, at 31 U.S.C. 1115(b)(10). Additional information regarding this proposed cut is included in the respective agency's Congressional Justification submission, where applicable.

³Medicare savings estimates do not include interactions.

⁴In addition to the savings reported on this table, the Budget includes an additional \$56.4 billion in 10-year savings for Medicare Structural Reforms, as detailed on table S-9.