

## 22. CURRENT SERVICES ESTIMATES

Current services, or “baseline” estimates, are designed to provide a benchmark against which Budget proposals can be measured. A baseline is not a prediction of the final outcome of the annual budget process, nor is it a proposed budget. However, it can still be a useful tool in budgeting. It can be used as a benchmark against which to measure the magnitude of the policy changes in the President’s Budget or other budget proposals, and it can also be used to warn of future problems if policy is not changed.

Ideally, a current services baseline would provide a projection of estimated receipts, outlays, deficits or surpluses, and budget authority reflecting this year’s enacted policies and programs for each year in the future. Defining this baseline is challenging because funding for many programs in operation today expires within the 10-year budget window. Most significantly, funding for discretionary programs is typically provided one year at a time in annual appropriations acts. Mandatory programs are not generally subject to annual appropriations, but many operate under multiyear authorizations that expire within

the budget window. The framework used to construct the baseline must address whether and how to project forward the funding for these programs beyond their scheduled expiration dates.

Since the early 1970s, when the first requirements for the calculation of a “current services” baseline were enacted, OMB has constructed the baseline using a variety of concepts and measures. Throughout the 1990s, OMB calculated the baseline using a detailed set of rules in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (BBEDCA) by the Budget Enforcement Act of 1990 (BEA; Title XIII of Public Law 101-508). Although BBEDCA’s baseline rules lapsed for a period when the enforcement provisions of the BEA expired in 2002, budget practitioners continued to adhere to them. The Budget Control Act of 2011 (BCA; Public Law 112-25) formally reinstated the BEA’s baseline rules.

The Administration believes certain adjustments to the BBEDCA baseline are needed to better represent the deficit outlook under current policy and to serve as a more appropriate benchmark against which to measure

**Table 22-1. CATEGORY TOTALS FOR THE ADJUSTED BASELINE**  
(In billions of dollars)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Receipts .....	4,441	4,964	5,087	5,426	5,765	6,076	6,376	6,661	6,979	7,324	7,684	8,029
Outlays:												
Discretionary:												
Defense .....	806	852	884	902	923	938	958	972	998	1,022	1,046	1,070
Non-defense .....	912	965	995	993	1,003	1,009	1,019	1,033	1,054	1,087	1,112	1,136
Subtotal, discretionary .....	1,718	1,818	1,879	1,894	1,926	1,947	1,977	2,005	2,052	2,109	2,158	2,206
Mandatory:												
Social Security .....	1,348	1,452	1,543	1,637	1,730	1,824	1,919	2,018	2,118	2,221	2,325	2,432
Medicare .....	839	839	936	997	1,075	1,219	1,176	1,335	1,423	1,534	1,789	1,766
Medicaid and CHIP .....	633	584	605	642	682	723	765	809	852	900	955	1,011
Other mandatory .....	938	1,291	1,019	1,019	1,016	1,019	1,083	1,149	1,172	1,215	1,269	1,276
Subtotal, mandatory .....	3,758	4,165	4,104	4,294	4,503	4,786	4,943	5,311	5,565	5,870	6,339	6,484
Net interest .....	658	890	969	1,022	1,088	1,158	1,220	1,278	1,347	1,425	1,500	1,572
Total, outlays .....	6,135	6,873	6,952	7,211	7,517	7,891	8,140	8,594	8,964	9,404	9,997	10,262
Unified deficit(+) /surplus(−) .....	1,694	1,909	1,865	1,784	1,752	1,815	1,763	1,933	1,985	2,080	2,313	2,233
(On-budget) .....	(1,666)	(1,837)	(1,753)	(1,648)	(1,590)	(1,637)	(1,550)	(1,692)	(1,712)	(1,770)	(1,990)	(1,872)
(Off-budget) .....	(27)	(72)	(112)	(136)	(162)	(178)	(213)	(241)	(273)	(310)	(323)	(361)
Memorandum:												
Adjusted baseline deficit .....	1,694	1,909	1,865	1,784	1,752	1,815	1,763	1,933	1,985	2,080	2,313	2,233
Effect of 2024 and 2025 negotiated discretionary funding levels and other Fiscal Responsibility Act agreements .....	.....	4	20	30	34	34	35	6	1	27	38	44
Extension of emergency funding .....	.....	.....	3	7	10	13	17	17	18	18	19	19
Savings from proposed discretionary program integrity adjustments .....	.....	.....	2	4	6	7	8	9	10	11	12	13
Related debt service .....	.....	.....	1	2	3	5	7	8	9	11	13	15
BBEDCA baseline deficit .....	1,694	1,913	1,891	1,827	1,805	1,875	1,830	1,974	2,023	2,147	2,396	2,325

\*Less than \$500 million.

policy changes. The baseline adjustments are discussed in more detail below. Table 22-1 shows estimates of receipts, outlays, and deficits under the Administration's baseline for 2023 through 2034.<sup>1</sup> The table also shows the Administration's estimates by major component of the budget. The estimates are based on the economic assumptions underlying the Budget, which, as discussed later in this chapter, were developed on the assumption that the Administration's budget proposals will be enacted. The memorandum bank on Table 22-1 provides additional detail about the effects of the adjustments made to the BBEDCA baseline to produce the adjusted baseline.

### Conceptual Basis for Estimates

Receipts and outlays are divided into two categories that are important for calculating the baseline: those controlled by authorizing legislation (receipts and direct or mandatory spending) and those controlled through the annual appropriations process (discretionary spending). Different estimating rules apply to each category.

*Direct spending and receipts.*—Direct spending includes the major entitlement programs, such as Social Security, Medicare, Medicaid, Federal employee retirement, unemployment compensation, and the Supplemental Nutrition Assistance Program (SNAP). It also includes such programs as deposit insurance and farm price and income supports, where the Government is legally obligated to make payments under certain conditions. Taxes and other receipts are like direct spending in that they involve ongoing activities that generally operate under permanent or long-standing authority, and the underlying statutes generally specify the tax rates or benefit levels that must be collected or paid, and who must pay or who is eligible to receive benefits.

The baseline generally—but not always—assumes that receipts and direct spending programs continue in the future as specified by current law. The budgetary effects of anticipated regulatory and administrative actions that are permissible under current law are also reflected in the estimates. BBEDCA requires several exemptions to this general rule. Exceptions in BBEDCA are described below:

- Expiring excise taxes dedicated to a trust fund are assumed to be extended at the rates in effect at the time of expiration. During the projection period of 2024 through 2034, the taxes affected by this exception are:

- taxes deposited in the Airport and Airway Trust Fund, which expire on March 8, 2024;
- taxes deposited in the Oil Spill Liability Trust Fund, which expire on December 31, 2025;
- taxes deposited in the Patient-Centered Outcomes Research Trust Fund, which expire on September 30, 2029;

- taxes deposited in the Sport Fish Restoration and Boating Trust Fund, which expire on September 30, 2028;
- taxes deposited in the Highway Trust Fund and the Leaking Underground Storage Tank Trust Fund, which expire on September 30, 2028; and
- taxes deposited in the Hazardous Substances Superfund, which expire on December 31, 2031.

- Expiring authorizations for direct spending programs that were enacted on or before the date of enactment of the Balanced Budget Act of 1997 are assumed to be extended if their current year outlays exceed \$50 million. For example, even though the Environmental Quality Incentives Program, which was authorized prior to the Balanced Budget Act of 1997, continues only through 2031 under current law, the baseline estimates assume continuation of this program through the projection period, because the program's current year outlays exceed the \$50 million threshold.<sup>2</sup>

The baseline also includes an adjustment to reflect savings to mandatory entitlement programs due to the activities funded by discretionary program integrity cap adjustments allowed by the Fiscal Responsibility Act (FRA, Public Law 118-5). Given the history of consistent enactment of these adjustments, the Administration believes that this presentation provides a more accurate representation of expected mandatory outlays for these programs.<sup>3</sup>

*Discretionary spending.*—Discretionary programs differ in one important aspect from direct spending programs: the Congress provides spending authority for almost all discretionary programs one year at a time. The spending authority is normally provided in the form of annual appropriations. Absent appropriations of additional funds in the future, discretionary programs would cease to operate after existing balances were spent. If the baseline were intended strictly to reflect current law, then a baseline would reflect only the expenditure of remaining balances from appropriations laws already enacted. Instead, the BBEDCA baseline provides a mechanical definition to reflect the continuing costs of discretionary programs. Under BBEDCA, the baseline estimates for discretionary programs in the current year are based on that year's enacted appropriations, or on the annualized levels provided by a continuing resolution if final full-year appropriations have not been enacted.<sup>4</sup> For the budget year and beyond, the spending authority in the

<sup>2</sup> If enacted after the Balanced Budget Act of 1997 (Public Law 105-33), programs that are expressly temporary in nature expire in the baseline as provided by current law, even if their current year outlays exceed the \$50 million threshold.

<sup>3</sup> See the “Budget Process” chapter of this volume for a more thorough discussion of program integrity initiatives.

<sup>4</sup> At the time the budget was prepared, 2024 discretionary appropriations were incomplete and most discretionary programs were operating under continuing appropriations provided in the Continuing Appropriations Act, 2024 (Division A of Public Law 118-15, as amended, “the 2024 CR”).

<sup>1</sup> The estimates are shown on a unified budget basis; i.e., the off-budget receipts and outlays of the Social Security trust funds and the Postal Service Fund are added to the on-budget receipts and outlays to calculate the unified budget totals.

current year is adjusted for inflation, using specified inflation rates.<sup>5</sup> The definition attempts to keep discretionary spending for each program roughly level in real terms.

The Administration believes adjustments to the BBEDCA baseline are needed to make the baseline a more useful benchmark for assessing the deficit outlook and the impact of Budget proposals. These adjustments, described below, are to comply with the discretionary spending levels agreed to with the FRA for 2024 and 2025, including aligning program integrity funding with the levels authorized in BBEDCA, and to remove the extension and inflation of certain emergency spending in the outyears.

For 2024, the adjustment to reflect the discretionary spending levels agreed to with the FRA reflects the topline appropriations agreement announced by congressional leadership in January 2024, which assumes that appropriations will be enacted in line with the original discretionary “caps” enacted in the FRA and certain savings will be included to achieve those caps. Beyond 2025, the 2025 cap levels are adjusted for inflation through the budget window using the inflation rates required by BBEDCA. The baseline also assumes that “shifted base” funding<sup>6</sup> will continue to be used as a concept in final 2024 appropriations.

In addition, BBEDCA allows for adjustments to the discretionary cap levels for specified programs and funding for other discretionary programs is excluded from the caps by statute. These adjustments and exclusions are described below:

- **Emergency requirements.**—Funding that was provided for 2024 and designated as emergency funding, other than the “shifted base” funding noted above, has been removed from the baseline beginning in 2025. Removing the extension and inflation of this funding allows the baseline to provide a more meaningful benchmark for discretionary spending than a baseline strictly following the BBEDCA rules.
- **Disaster relief and wildfire suppression.**—The BBEDCA baseline projects forward the \$20.1 billion of continuing disaster relief funding for the Department of Homeland Security and the Small Business Administration in 2024. The BBEDCA baseline also projects the \$2.6 billion in continuing funding for wildfire suppression activities at the Departments of Agriculture and the Interior. Both the disaster

<sup>5</sup> The Administration’s baseline uses the inflation rates for discretionary spending required by BBEDCA. This requirement results in an overcompensation in the calculation for Federal pay as a result of the calendar-year timing of Federal pay adjustments. Updating the calculation to address this annual timing discrepancy would have only a small effect on the discretionary baseline.

<sup>6</sup> A subset of appropriations in the Consolidated Appropriations Act, 2023 (Public Law 117-328) that were intended to be base appropriations in the 2023 appropriations process were designated by the Congress as emergency requirements for purposes of the 2023 Omnibus agreement. This subset of appropriations, which are continued in the 2024 CR, and additional amounts agreed upon along with enactment of the FRA are commonly referred to as “shifted base” funding. These amounts are extended and inflated in the baseline since they are counted as base funds in the Administration’s discretionary presentation.

and wildfire amounts are increased after 2024 by the BBEDCA inflation rates. The amounts of these cap adjustments in the baseline do not exceed the funding ceilings for these adjustments included in BBEDCA.

- **Program integrity.**—The BBEDCA baseline assumes the cap adjustment levels at the annualized level provided in the 2024 CR, and inflates those amounts after the current year. The adjusted baseline assumes full funding for the enacted cap adjustments levels in the FRA through 2025, and inflates those amounts after 2025. Additionally, as explained above, the adjusted baseline assumes savings from enacting the program integrity cap adjustments at their full levels.
- In addition to the cap adjustments specified in BBEDCA, there is other discretionary funding that is, by statute, not included in base amounts subject to the caps and for which BBEDCA does not allow cap adjustments. This includes 21st Century Cures Act appropriations, certain revenues provided for the Environmental Protection Agency’s Superfund program, appropriations for the Harbor Maintenance Trust Fund in the Corps of Engineers, and certain appropriations provided in the Infrastructure Investment and Jobs Act and the Bipartisan Safer Communities Act. These amounts are included in the baseline outside of the discretionary cap totals at enacted or authorized levels and adjusted for inflation where applicable.

**BBEDCA § 251A sequestration.**—BBEDCA § 251A requires reductions to non-exempt mandatory spending through 2031 for most programs and through the first month of 2033 for Medicare.<sup>7</sup> The BBEDCA baseline includes the effects of the across-the-board reductions (“sequestration”) already invoked by the BBEDCA § 251A sequestration orders for 2013 through 2024, the BBEDCA § 251A sequestration order for mandatory spending for 2025 issued with the transmittal of the 2025 Budget, and the extension of sequestration of mandatory spending through 2031 for most programs or through the first month of 2033 for Medicare.<sup>8</sup> Amounts that are sequestered in the baseline but return in the subsequent year as available (pop-up) are shown through 2032.

### Economic Assumptions

As discussed above, an important purpose of the baseline is to serve as a benchmark against which policy proposals are measured. By convention, the President’s Budget constructs baseline and policy estimates under

<sup>7</sup> Since enactment of the BCA, the Congress has extended sequestration of mandatory spending through a series of amendments to section 251A of BBEDCA (2 U.S.C. 901a). Most recently, the National Defense Authorization Act for Fiscal Year 2024 (Public Law 118-31) extended sequestration for Medicare through the first month of 2033.

<sup>8</sup> The effects of the sequestration reductions are reflected in the detailed schedules for the affected budget accounts for all years. See the “Budget Concepts” chapter of this volume for a more thorough discussion of sequestration procedures.

**Table 22–2. SUMMARY OF ECONOMIC ASSUMPTIONS**  
(Fiscal years; in billions of dollars)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Gross Domestic Product (GDP):												
Levels, in billions of dollars:												
Current dollars .....	26,977	28,255	29,340	30,553	31,816	33,129	34,511	35,984	37,546	39,176	40,877	42,654
Real, chained (2017) dollars .....	22,205	22,656	23,021	23,484	23,953	24,432	24,929	25,462	26,022	26,594	27,179	27,777
Percent change, year over year:												
Current dollars .....	6.6	4.7	3.8	4.1	4.1	4.1	4.2	4.3	4.3	4.3	4.3	4.3
Real, chained (2017) dollars .....	1.9	2.0	1.6	2.0	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.2
Inflation measures (percent change, year over year):												
GDP chained price index .....	4.6	2.7	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Consumer price index (all urban, seasonally adjusted) .....	5.1	3.1	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Unemployment rate, civilian (percent) .....	3.6	3.9	4.1	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Interest rates (percent):												
91-day Treasury bills .....	4.8	5.2	4.2	3.5	3.1	3.0	2.9	2.8	2.7	2.7	2.7	2.7
10-year Treasury notes .....	3.8	4.6	4.1	4.0	3.9	3.8	3.8	3.7	3.7	3.7	3.7	3.7
MEMORANDUM:												
Related program assumptions:												
Automatic benefit increases (percent):												
Social security and veterans pensions .....	8.7	3.2	2.8	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Federal employee retirement .....	8.7	3.2	2.8	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Supplemental Nutrition Assistance Program .....	12.5	3.6	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Insured unemployment rate .....	1.2	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3

the same set of economic and technical assumptions. These assumptions are developed on the basis that the President's Budget proposals will be enacted.

Of course, the economy and the budget interact. Government tax and spending policies can influence prices, economic growth, consumption, savings, and investment. In turn, changes in economic conditions due to the enactment of proposals affect tax receipts and spending, including for unemployment benefits, entitlement payments that receive automatic cost-of-living adjustments (COLAs), income support programs for low-income individuals, and interest on the Federal debt.

Because of these interactions, it would be reasonable, from an economic perspective, to assume different economic paths for the baseline projection and the President's Budget. However, this would greatly complicate the process of producing the Budget, which normally includes a large number of proposals that could have potential economic feedback effects. Agencies would have to produce two sets of estimates for programs sensitive to economic assumptions even if those programs were not directly affected by any proposal in the Budget. Using different economic assumptions for baseline and policy estimates would also diminish the value of the baseline estimates as a benchmark for measuring proposed policy changes, because it would be difficult to separate the effects of proposed policy changes from the effects of different economic assumptions. Using the same economic assumptions for the baseline and the President's Budget eliminates this potential source of confusion.

The economic assumptions underlying the Budget and the Administration's baseline are summarized in

Table 22–2. The economic outlook underlying these assumptions is discussed in greater detail in the "Economic Assumptions" chapter of this volume.

### Major Programmatic Assumptions

A number of programmatic assumptions must be made to calculate the baseline estimates. These include assumptions about annual cost-of-living adjustments in the indexed programs and the number of beneficiaries who will receive payments from the major benefit programs. Assumptions about various automatic cost-of-living-adjustments are shown in Table 22–2, and assumptions about baseline caseload projections for the major benefit programs are shown in Table 22–3, available at <https://whitehouse.gov/omb/analytical-perspectives/>. These assumptions affect baseline estimates of direct spending for each of these programs, and they also affect estimates of the discretionary baseline for a limited number of programs. For the administrative expenses for Medicare, Railroad Retirement, and unemployment insurance, the discretionary baseline is increased (or decreased) for changes in the number of beneficiaries in addition to the adjustments for inflation described earlier. It is also necessary to make assumptions about the continuation of expiring programs and provisions. As explained above, in the baseline estimates provided here, expiring excise taxes dedicated to a trust fund are extended at current rates. In general, mandatory programs with spending of at least \$50 million in the current year are also assumed to continue, unless the programs are explicitly temporary in nature. Table 22–4, available at <https://whitehouse.gov/omb/analytical-perspectives/>, provides a listing of

**Table 22-5. RECEIPTS BY SOURCE IN THE PROJECTION OF ADJUSTED BASELINE**  
(In billions of dollars)

	2023 Actual	Estimate										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2034	
Individual income taxes .....	2,176.5	2,509.8	2,639.0	2,914.7	3,145.4	3,325.2	3,496.1	3,658.4	3,848.1	4,055.2	4,265.4	4,486.1
Corporation income taxes .....	419.6	519.5	467.0	453.1	440.0	454.1	483.0	494.0	512.0	550.2	558.8	570.2
Social insurance and retirement receipts .....	1,614.5	1,692.5	1,754.2	1,832.5	1,910.2	2,005.2	2,083.5	2,173.1	2,264.1	2,354.4	2,479.2	2,578.4
(On-budget) .....	(420.7)	(452.3)	(469.6)	(489.8)	(511.5)	(535.8)	(555.8)	(580.7)	(605.8)	(629.6)	(662.7)	(691.5)
(Off-budget) .....	(1,193.8)	(1,240.2)	(1,284.5)	(1,342.7)	(1,398.7)	(1,469.4)	(1,527.8)	(1,592.4)	(1,658.3)	(1,724.8)	(1,816.5)	(1,887.0)
Excise taxes .....	75.8	96.7	97.5	99.9	100.0	99.2	100.8	103.2	102.8	103.6	104.6	104.6
Estate and gift taxes .....	33.7	29.0	31.3	33.2	48.8	51.1	53.5	56.1	60.1	64.7	69.5	74.7
Customs duties .....	80.3	81.4	60.7	52.5	52.9	54.5	56.6	58.8	61.2	53.4	55.6	57.7
Miscellaneous receipts .....	40.6	34.7	37.1	40.4	67.9	86.9	102.6	117.4	130.8	142.0	150.5	157.7
Total, receipts .....	4,440.9	4,963.7	5,086.7	5,426.2	5,765.1	6,076.1	6,376.1	6,660.9	6,979.2	7,323.5	7,683.6	8,029.3
(On-budget) .....	(3,247.2)	(3,723.5)	(3,802.2)	(4,083.6)	(4,366.4)	(4,606.8)	(4,848.4)	(5,068.5)	(5,320.9)	(5,598.7)	(5,867.1)	(6,142.4)
(Off-budget) .....	(1,193.8)	(1,240.2)	(1,284.5)	(1,342.7)	(1,398.7)	(1,469.4)	(1,527.8)	(1,592.4)	(1,658.3)	(1,724.8)	(1,816.5)	(1,887.0)

mandatory programs and taxes assumed to continue in the baseline after their expiration.<sup>9</sup> Many other important assumptions must be made in order to calculate the baseline estimates. These include the timing and content of regulations that will be issued over the projection period, the use of administrative discretion under current law, and other assumptions about the way programs operate. Table 22-4 lists many of these assumptions and their effects on the baseline estimates. The list is not intended to be exhaustive; the variety and complexity of Government programs are too great to provide a complete list. Instead, the table shows some of the more important assumptions.

### Current Services Receipts, Outlays, and Budget Authority

**Receipts.**—Table 22-5 shows the Administration's baseline receipts by major source. Table 22-6 shows the scheduled increases in the Social Security taxable earn-

ings base, which affect both payroll tax receipts for the program and the initial benefit levels for certain retirees.

**Outlays.**—Table 22-7 shows the growth from 2024 to 2025 and average annual growth over the five-year and ten-year periods for certain discretionary and major mandatory programs. Tables 22-8 and 22-9 show the Administration's baseline outlays by function and by agency, respectively. A more detailed presentation of these outlays (by function, category, subfunction, and program) is provided as part of Table 22-12. The last three of these tables are available on the internet at <https://whitehouse.gov/omb/analytical-perspectives/>.

**Budget authority.**—Tables 22-10 and 22-11 show estimates of budget authority in the Administration's baseline by function and by agency, respectively. A more detailed presentation of this budget authority with program-level estimates is provided as part of Table 22-12. These tables are available on the internet at <https://whitehouse.gov/omb/analytical-perspectives/>.

<sup>9</sup> Unless otherwise described in this chapter, all discretionary programs are assumed to continue, and are therefore not presented in Table 22-4.

**Table 22-6. EFFECT ON RECEIPTS OF CHANGES IN THE SOCIAL SECURITY TAXABLE EARNINGS BASE**  
(In billions of dollars)

Social security (OASDI) taxable earnings base increases:	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$168,600 to \$176,700 on Jan. 1, 2025 .....	4.8	12.0	13.1	14.3	15.4	16.8	18.2	19.6	21.5	23.2
\$176,700 to \$184,800 on Jan. 1, 2026 .....	.....	4.7	11.9	13.0	14.1	15.3	16.5	17.9	19.6	21.2
\$184,800 to \$192,000 on Jan. 1, 2027 .....	.....	.....	4.2	10.6	11.5	12.5	13.5	14.6	16.0	17.4
\$192,300 to \$199,500 on Jan. 1, 2028 .....	.....	.....	.....	4.4	11.1	12.0	13.0	14.1	15.4	16.7
\$199,500 to \$207,300 on Jan. 1, 2029 .....	.....	.....	.....	.....	4.6	11.5	12.5	13.6	14.9	16.1
\$207,300 to \$215,400 on Jan. 1, 2030 .....	.....	.....	.....	.....	.....	4.8	12.0	13.0	14.3	15.4
\$215,400 to \$223,800 on Jan. 1, 2031 .....	.....	.....	.....	.....	.....	.....	5.0	12.5	13.7	14.8
\$223,800 to \$232,200 on Jan. 1, 2032 .....	.....	.....	.....	.....	.....	.....	.....	5.0	12.7	13.7
\$232,200 to \$241,500 on Jan. 1, 2033 .....	.....	.....	.....	.....	.....	.....	.....	.....	5.6	14.1
\$241,500 to \$250,800 on Jan. 1, 2034 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5.6

**Table 22-7. CHANGE IN OUTLAY ESTIMATES BY CATEGORY IN THE ADJUSTED BASELINE**  
(In billions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Change 2024 to 2025		Change 2024 to 2029		Change 2024 to 2034	
											Amount	Percent	Amount	Average annual rate	Amount	Average annual rate
Outlays:																
Discretionary:																
Defense .....	852	884	902	923	938	958	972	998	1,022	1,046	32	3.7%	105	2.4%	218	2.3%
Non-defense .....	965	995	993	1,003	1,009	1,019	1,033	1,054	1,087	1,112	30	3.1%	54	1.1%	171	1.6%
Subtotal, discretionary .....	1,818	1,879	1,894	1,926	1,947	1,977	2,005	2,052	2,109	2,158	62	3.4%	159	1.7%	389	2.0%
Mandatory:																
Farm programs .....	27	22	21	21	21	21	19	19	20	20	-5	-18.3%	-6	-5.1%	-7	-3.1%
Medicaid .....	567	587	622	662	701	742	785	833	885	940	19	3.4%	175	5.5%	428	5.8%
Other health .....	188	174	163	166	172	180	186	180	185	193	-14	-7.7%	-8	-0.9%	13	0.6%
Medicare .....	839	936	997	1,075	1,219	1,176	1,335	1,423	1,534	1,789	97	11.6%	337	7.0%	927	7.7%
Federal employee retirement and disability .....	181	194	200	206	219	212	225	232	239	253	13	7.0%	31	3.2%	71	3.4%
Unemployment compensation ...	52	49	44	43	45	47	52	55	57	59	-4	-6.9%	-5	-2.1%	9	1.6%
Food and nutrition assistance ....	178	155	161	165	168	171	174	177	181	185	-23	-13.0%	-7	-0.8%	11	0.6%
Other income security programs	247	202	198	185	194	187	195	198	200	209	-45	-18.3%	-61	-5.5%	-40	-1.7%
Social Security .....	1,452	1,543	1,637	1,730	1,824	1,919	2,018	2,118	2,221	2,325	92	6.3%	468	5.7%	980	5.3%
Veterans programs .....	203	234	247	262	297	277	315	336	359	405	31	15.4%	74	6.4%	203	7.2%
Other mandatory programs ....	375	157	158	158	88	177	178	170	172	148	-218	-58.1%	-198	-13.9%	-231	-9.1%
Undistributed offsetting receipts	-145	-149	-155	-168	-163	-166	-171	-175	-182	-186	4	3.1%	-21	2.8%	-45	2.8%
Subtotal, mandatory .....	4,165	4,104	4,294	4,503	4,786	4,943	5,311	5,565	5,870	6,339	-62	-1.5%	777	3.5%	2,319	4.5%
Net interest .....	890	969	1,022	1,088	1,158	1,220	1,278	1,347	1,425	1,500	79	8.9%	330	6.5%	682	5.9%
Total, outlays .....	6,873	6,952	7,211	7,517	7,891	8,140	8,594	8,964	9,404	9,997	79	1.2%	1,267	3.4%	3,390	4.1%

\*Less than \$500 million.