

FISCAL YEAR 2015

BUDGET

OF THE U.S. GOVERNMENT



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SUMMARY TABLES

Table S-9. Mandatory and Receipt Proposals—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Totals	
												2015-2019	2015-2024
Reform the Federal Employees' Compensation Act (FECA)		-11	-1	-8	-16	-24	-32	-41	-49	-59	-68	-60	-309
Total, Labor	15,382	14,529	9,876	-7,259	-9,584	-6,335	-7,245	-8,900	-8,471	-9,915	-9,419	1,227	-42,723
Transportation:													
Establish a mandatory surcharge for air traffic services ¹		-725	-756	-787	-816	-844	-870	-894	-921	-947	-973	-3,928	-8,533
Establish a co-insurance program for aviation war risk insurance		-19	-10	-3	-1			1	1	2	2	-33	-27
Total, Transportation		-744	-766	-790	-817	-844	-870	-893	-920	-945	-971	-3,961	-8,560
Treasury:													
Establish a Pay for Success Incentive Fund		1	1	10	24	40	56	49	42	24	15	76	262
Reauthorize and reform the Terrorism Risk Insurance Program													
Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of recovery		-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
Increase delinquent Federal non-tax debt collections by authorizing administrative bank garnishment for non-tax debts		-32	-32	-32	-32	-32	-32	-32	-32	-32	-32	-160	-320
Increase levy authority for payments to Medicare providers with delinquent tax debt ¹		-50	-71	-74	-76	-76	-77	-78	-80	-80	-81	-347	-743
Allow offset of Federal income tax refunds to collect delinquent State income taxes for out-of-state residents													
Reduce costs for States collecting delinquent income tax obligations													
Implement tax enforcement program integrity cap adjustment ¹		-370	-1,265	-2,584	-3,978	-5,426	-6,620	-7,431	-7,850	-8,137	-8,343	-13,623	-52,004
Outlays from discretionary cap adjustment (non-add)		451	834	1,200	1,581	1,973	2,062	2,113	2,175	2,239	2,306	6,039	16,934
Provide authority to contact delinquent debtors via their cell phones		-12	-12	-12	-12	-12	-12	-12	-12	-12	-12	-60	-120
Reauthorize the State Small Business Credit Initiative		277	626	539	38	8	7	5				1,488	1,500
Total, Treasury		-189	-756	-2,156	-4,039	-5,501	-6,681	-7,502	-7,935	-8,240	-8,456	-12,641	-51,455
Veterans Affairs:													
Establish Veterans Job Corps		50	237	237	238	238						1,000	1,000
Extend round-down of cost of living adjustments (compensation)		-30	-69	-107	-148	-191	-206	-215	-225	-236	-246	-645	-1,673
Extend round-down of cost of living adjustments (education)			-1	-1	-2	-3	-3	-3	-3	-4	-4	-7	-24

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ANALYTICAL PERSPECTIVES

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BUDGET CONCEPTS AND BUDGET PROCESS

State, and local prisoner data. Recent legislation has expanded the information the prisons are required to report to SSA to include release dates, making the system more valuable to users. The PUPS data will help prevent prisoners from illegally receiving unemployment compensation.

Improve Treasury Debt Collection.—The Budget includes four proposals that would increase collections of delinquent debt:

- **Increase levy authority for payments to Medicare providers with delinquent tax debt.**—The Budget proposes a change to the Department of the Treasury's debt collection procedures that will increase the amount of delinquent taxes collected from Medicare providers. Through the Federal Payment Levy Program, Treasury deducts (levies) a portion of a Government payment to an individual or business in order to collect unpaid taxes. Pursuant to the Medicare Improvements for Patients and Providers Act of 2008, Medicare provider and supplier payments are included in the Federal Payment Levy Program, whereby Treasury is authorized to continuously levy up to 15 percent of a payment to a Medicare provider in order to collect delinquent tax debt. The Budget proposal will allow Treasury to levy up to 100 percent of a payment to a Medicare provider to collect unpaid taxes. This proposal would result in PAYGO savings of \$743 million over ten years.
- **Provide authority to contact delinquent debtors via their cell phones.**—The Budget proposes to clarify that the use of automatic dialing systems and prerecorded voice messages is allowed when contacting wireless phones in the collection of debt owed to or granted by the United States. In this time of fiscal constraint, the Administration believes that the Federal Government should ensure that all debt owed to the United States is collected as quickly and efficiently as possible and this provision could result in millions of defaulted debt being collected. While protections against abuse and harassment are appropriate, changing technology should not absolve these citizens from paying back the debt they owe their fellow citizens. The proposal would also allow the Federal Communications Commission to implement rules to protect consumers from being harassed and contacted unreasonably. This proposal would result in PAYGO savings of \$120 million over 10 years.
- **Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the cost of recovery.**—States and other entities hold assets in the name of the United States or in the name of departments, agencies and other subdivisions of the Federal Government. Many agencies are not recovering these assets due to lack of expertise and funding. Under current authority, Treasury collects delinquent debts owed to the United States and retains

a portion of collections, which is the sole source of funding for its debt collection operations. While unclaimed Federal assets are generally not considered to be delinquent debts, Treasury's debt collection operations personnel have the skills and training to recover these assets. The Budget proposes to authorize Treasury to use its resources to recover assets of the United States. This proposal would result in PAYGO savings of \$30 million over 10 years.

- **Increase delinquent Federal non-tax debt collections. Authorize administrative bank garnishment for non-tax debts of commercial entities.**—Allow Federal agencies to collect non-tax debt by garnishing the bank and other financial institution accounts of delinquent commercial debtors without a court order and after providing full administrative due process. The Budget proposes to direct the Secretary of the Treasury to issue government-wide regulations implementing the authority of bank garnishment for non-tax debts of commercial entities. Bank garnishment orders under this authority would be subject to Treasury's rule (31 CFR 212) protecting exempt benefit payments from garnishment. To reach income of commercial entities and other non-wage income and funds available to commercial debtors owing delinquent non-tax obligations to the United States, this proposal would authorize agencies to issue garnishment orders to financial institutions without a court order. Agencies would be required to provide debtors with appropriate administrative due process and other protections to ensure that debtors have had the full opportunity to contest the debts and/or enter into repayment agreements to avoid issuance of an order. The Internal Revenue Service currently has similar authority to collect Federal tax debts. The Debt Collection Improvement Act of 1996 (DCIA) authorized Federal agencies to collect delinquent non-tax debt by garnishing the wages of debtors without the need to first obtain a court order. Since July 2001, the U.S. Department of the Treasury's Bureau of the Fiscal Service has collected \$131.6 million in garnished wages (as of April 30, 2013) on behalf of Federal agencies. This proposal would result in estimated savings of \$320 million over 10 years in commercial debts.

Improve Collection of Pension Information from States and Localities.—The Budget re-proposes legislation that would improve reporting for non-covered pensions by including up to \$70 million for administrative expenses, \$50 million of which would be available to the States, to develop a mechanism so that the Social Security Administration could enforce the offsets for non-covered employment, Windfall Elimination Provision (WEP), and Government Pension Offset (GPO). The proposal would require State and local governments to provide information on their noncovered pension payments to SSA so that the agency can apply the WEP and GPO adjustments. Under current law, the WEP and GPO adjustments are

Table 11-3. MANDATORY AND RECEIPT SAVINGS FROM OTHER PROGRAM INTEGRITY INITIATIVES
(Receipts and outlays in millions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10-year total
Department of Health and Human Services:											
Cut Waste, Fraud, and Abuse in Medicare and Medicaid ¹	6	-43	-63	-72	-92	-91	-91	-100	-99	-99	-744
Cut Waste, Fraud, and Abuse in Medicare and Medicaid (non-PAYGO) ¹	-6	-15	-23	-34	-43	-43	-44	-45	-47	-48	-348
Department of Labor:											
Implement Unemployment Insurance Integrity	-5	-9	-14	-15	-15	-16	-16	-17	-18	-18	-143
Implement Unemployment Insurance Integrity (non-PAYGO receipt effect)				2	3	5	5	7	7	8	37
Cross-Match Prisoner Data for Improper Payments	-4	-8	-9	-9	-9	-9	-10	-10	-10	-11	-89
Cross-Match Prisoner Data for Improper Payments (non-PAYGO receipt effect)				1	2	2	3	4	4	5	21
Department of the Treasury:											
Increase levy authority for payments to Medicare providers with delinquent tax debt (receipt effect)	-50	-71	-74	-76	-76	-77	-78	-80	-80	-81	-743
Provide authority to contact delinquent debtors via their cell phones	-12	-12	-12	-12	-12	-12	-12	-12	-12	-12	-120
Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the cost of recovery	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-30
Increase delinquent Federal non-tax debt collection	-32	-32	-32	-32	-32	-32	-32	-32	-32	-32	-320
Social Security Administration:											
Improve Collection of Pension Information from States and Localities	70										70
Improve Collection of Pension Information from States and Localities (non-PAYGO)	-52	28	24	-307	-675	-907	-986	-935	-924	-905	-5,639
Reconcile OPM/SSA retroactive disability payments	6										6
Office of Personnel Management:											
Reconcile OPM/SSA retroactive disability payments			-38	-41	-41	-41	-41	-41	-41	-41	-325
Total, Mandatory and Receipt Savings	-82	-165	-244	-598	-993	-1,224	-1,305	-1,264	-1,255	-1,237	-8,367
<i>PAYGO Savings</i>	<i>-24</i>	<i>-178</i>	<i>-245</i>	<i>-260</i>	<i>-280</i>	<i>-281</i>	<i>-283</i>	<i>-295</i>	<i>-295</i>	<i>-297</i>	<i>-2,438</i>
<i>Non-PAYGO Savings</i>	<i>-58</i>	<i>13</i>	<i>1</i>	<i>-338</i>	<i>-713</i>	<i>-943</i>	<i>-1,022</i>	<i>-969</i>	<i>-960</i>	<i>-940</i>	<i>-5,929</i>

¹ Savings estimates may not include all interactions.

dependent on self-reported pension data and cannot be independently verified. This proposal would result in savings in the Old-Age, Survivors, and Disability Insurance program of more than \$5.6 billion over 10 years, which would be scored as non-PAYGO savings because the program is off-budget.

Coordination of Disability Benefit Payments between the Office of Personnel Management (OPM) and SSA through Automation.— The Budget proposes legislation to provide SSA with authority to automate coordination of disability benefit payments with OPM, which would substantially reduce OPM overpayments. This proposal would result in PAYGO savings of \$325 million over 10 years. In addition, SSA is provided \$6 million in 2015 to administer the coordination effort.

Other Program Integrity Initiatives.

Leveraging Technology to Reduce Improper Payments.— Under this Administration, the Federal Government has focused on increased use of technology to address improper payments. First, under EO 13520, work groups were created to analyze the role that cutting-edge forensic technologies could play in identifying and preventing fraud and other improper payments, as well as efforts that could be undertaken to improve data sharing between agencies. Second, the 2012 Budget re-

quested, and the Consolidated Appropriations Act, 2012 appropriated \$10 million to support expansion of the “Do Not Pay” list—created by a Presidential memorandum issued June 18, 2010—and to add forensic fraud detection capabilities to the basic “Do Not Pay” portal. Specifically, the funding helped to expand the number of databases and infrastructure of the “Do Not Pay” list, to procure the detection technology and hire staff to support an operations center to analyze fraud patterns utilizing public and private-sector information, and to refer potential issues to agency management and the relevant agency Inspector General. Third, to enhance data sharing, the President issued a memorandum that directed that a single portal be established through which agencies could check multiple eligibility databases before making an award or payment, and in November 2010, OMB released a memorandum that encouraged agencies to share high-value data that can be used to support important Administration initiatives, including preventing improper payments.

When the President signed into law the Improper Payments and Elimination and Recovery Improvement Act of 2012 (IPERIA; P.L. 112-248), he reinforced the Administration’s “Do Not Pay Initiative” already underway. Spearheaded by the Department of the Treasury, the Do Not Pay system contains an online portal that enables Federal Government officials to access information from