



CRS Report for Congress

Federal Programs With Over \$10 Billion in Outlays in FY2006

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The government spent \$2,655 billion in fiscal year 2006, the most recent fiscal year with complete budget data. Mandatory spending (\$1,412 billion) accounted for 53.2% and discretionary spending (\$1,017 billion) accounted for 38.3% of total outlays that year. Outlays for net interest (\$227 billion) accounted for the remaining 8.5%. This fact sheet, using data from the Administration's FY2008 budget (*The Budget of the United States Government for Fiscal Year 2008*, Office of Management and Budget — OMB, February 2007), lists, from largest to smallest, federal programs that generated outlays over \$10 billion in FY2006.

Federal spending is often divided into two types of spending listed above: mandatory and discretionary. Mandatory spending (also called direct spending) is provided by law authorizing the program. Most mandatory programs are funded by permanent appropriations, but some are funded in annual appropriations acts. However funded, spending for mandatory programs is based on benefit levels or other factors established by the substantive laws rather than through the appropriations process. By contrast, discretionary spending is established in the regular annual appropriations acts and other appropriations measures (supplemental, emergency) adopted over the course of a fiscal year.

The table on the next page lists the 33 federal programs with outlays greater than \$10 billion in FY2006. Each program is labeled mandatory or discretionary. These programs generate about 82% of total federal outlays. The 19 largest mandatory programs represented about 56% of total outlays, while the 14 largest discretionary programs had about 26% of total outlays.¹

¹ Many mandatory programs have associated offsetting receipts, which are subtracted from the programs' total outlays to produce net outlays. The table displays gross outlays. This accounts for the sum of the *gross* outlays of the 19 largest mandatory programs (\$1,481.2 billion) being larger than the *net* outlays of all mandatory programs (\$1,412.1 billion).

Federal Outlays by Spending Programs Over \$10 Billion, FY2006

(in millions of dollars and percentage of total outlays)

Rank	Program or Spending Activity	FY2006 Outlays	Percent of Total Outlays	Type ^a
1	Social Security-Old-age and survivors insurance (OASI) ^b	\$458,689	17.27%	M
2	DoD-Operation and maintenance	202,704	7.63	D
3	Medicare-Hospital insurance (HI) ^c	181,973	6.85	M
4	Medicaid grants to States	180,625	6.80	M
5	Medicare-Supplementary medical insurance (SMI) ^d	158,644	5.97	M
6	DoD-Military personnel	125,199	4.71	D
7	Social Security-Disability insurance (DI) ^e	91,235	3.44	M
8	DoD-Procurement	89,757	3.38	D
9	DoD-Research, development, test and evaluation	68,629	2.58	D
10	Federal civilian employee retirement and disability	58,572	2.21	M
11	Military retirement	41,145	1.55	M
12	Supplemental security income (SSI)	37,371	1.41	M
13	Earned income tax credit (refundable portion)	36,166	1.36	M
14	Compensation and pensions for veterans	34,680	1.31	M
15	Food stamps (including Puerto Rico) ^f	34,602	1.30	M
16	Highways	33,111	1.25	D
17	Medicare prescription drug (SMI)	31,718	1.19	M
18	Unemployment insurance (UI) programs	30,520	1.15	M
19	National Institutes of Health	27,609	1.04	D
20	Medical care and hospital services for veterans ^g	27,558	1.04	D
21	Federal family education loan program	27,132	1.02	M
22	Disaster relief	24,069	0.91	D
23	Section 8 rental assistance	23,534	0.89	D
24	Temporary assistance for needy families (TANF) and related programs	16,974	0.64	M
25	Commodity Credit Corporation	16,818	0.63	M
26	National flood insurance fund	16,519	0.62	M
27	Child tax credit (refundable portion)	15,473	0.58	M
28	Education for the disadvantaged	14,696	0.55	D
29	Student financial assistance	14,690	0.55	D
30	Airports and airways (FAA)	14,371	0.54	D
31	State child nutrition programs	12,430	0.47	M
32	Special education	11,836	0.45	D
33	Border and transportation security directorate activities	11,049	0.42	D
Mandatory subtotal greater than \$10 billion		1,481,286	55.78	
Discretionary subtotal greater than \$10 billion		688,812	25.94	
Total greater than \$10 billion		2,170,098	81.72	
Total outlays		2,655,435	100.00	

Source: Office of Management and Budget, *Budget of the U. S. Government, Fiscal Year 2008, Analytical Perspectives, CD-ROM* (Washington: GPO, 2007), Budget Authority and Outlays by Function, Category and Program, Table 27-1, available at [http://www.whitehouse.gov/omb/budget/fy2008/pdf/ap_cd_rom/27_1.pdf].

a. M = mandatory; D = discretionary.

b. Excludes discretionary outlays for administrative expenses (\$2,324 million in FY2006).

c. Excludes both premiums and collections (\$2,652 million in FY2006), and discretionary outlays for administrative expenses (\$1,812 million in FY2006).

d. Excludes both premiums and collections (\$41,647 million in FY2006), and discretionary outlays for administrative expenses (\$2,637 million in FY2006).

e. Excludes discretionary outlays for administrative expenses (\$2,007 million in FY2006).

f. The food stamp program is defined as direct spending by Section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900), as amended, rather than by its substantive legislation.

g. Deduction made for medical care collections (\$1,897 million in FY2006).