

# ALSTON & BIRD



## President's 2018 Budget

### Implications and Opportunities for Multiemployer Plans

Earl Pomeroy  
September 22, 2017



# Budget Process 101

- Role of Presidential Budget
- Congressional Budget Process
- President's Budget as a Driver Of Public Policy

# The President's Budget

1. \$585B deficit in 2017 turned to \$16B Surplus in 2028
2. Revenue neutral tax reform, increases in military and homeland security spending.
3. No reduction in Social Security or Medicare
4. 3.3% annual GDP growth



# Spending Decisions

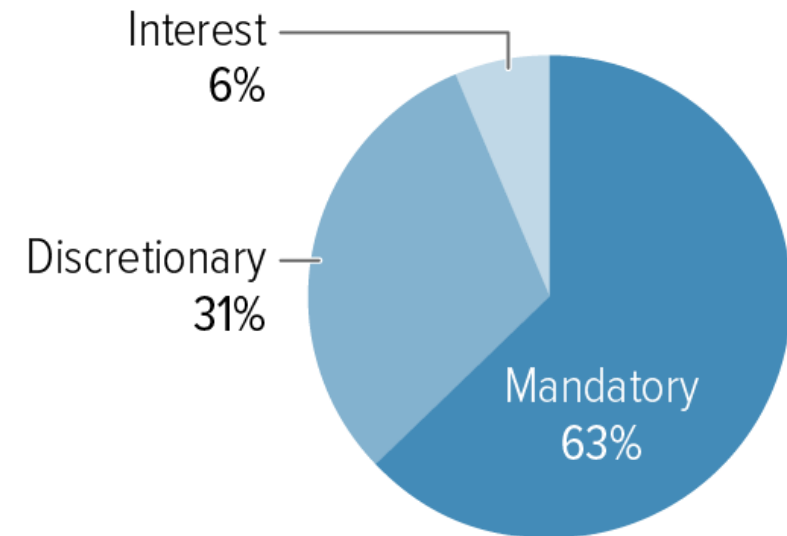
- \$2T mandatory spending cuts (healthcare = \$1.9T)
- \$1.9T cuts in discretionary domestic spending and overseas military ops
- \$.3 interest savings





Most of the federal budget is for Social Security and mandatory federal spending on healthcare programs.

## Components of Federal Spending, Fiscal Year 2016

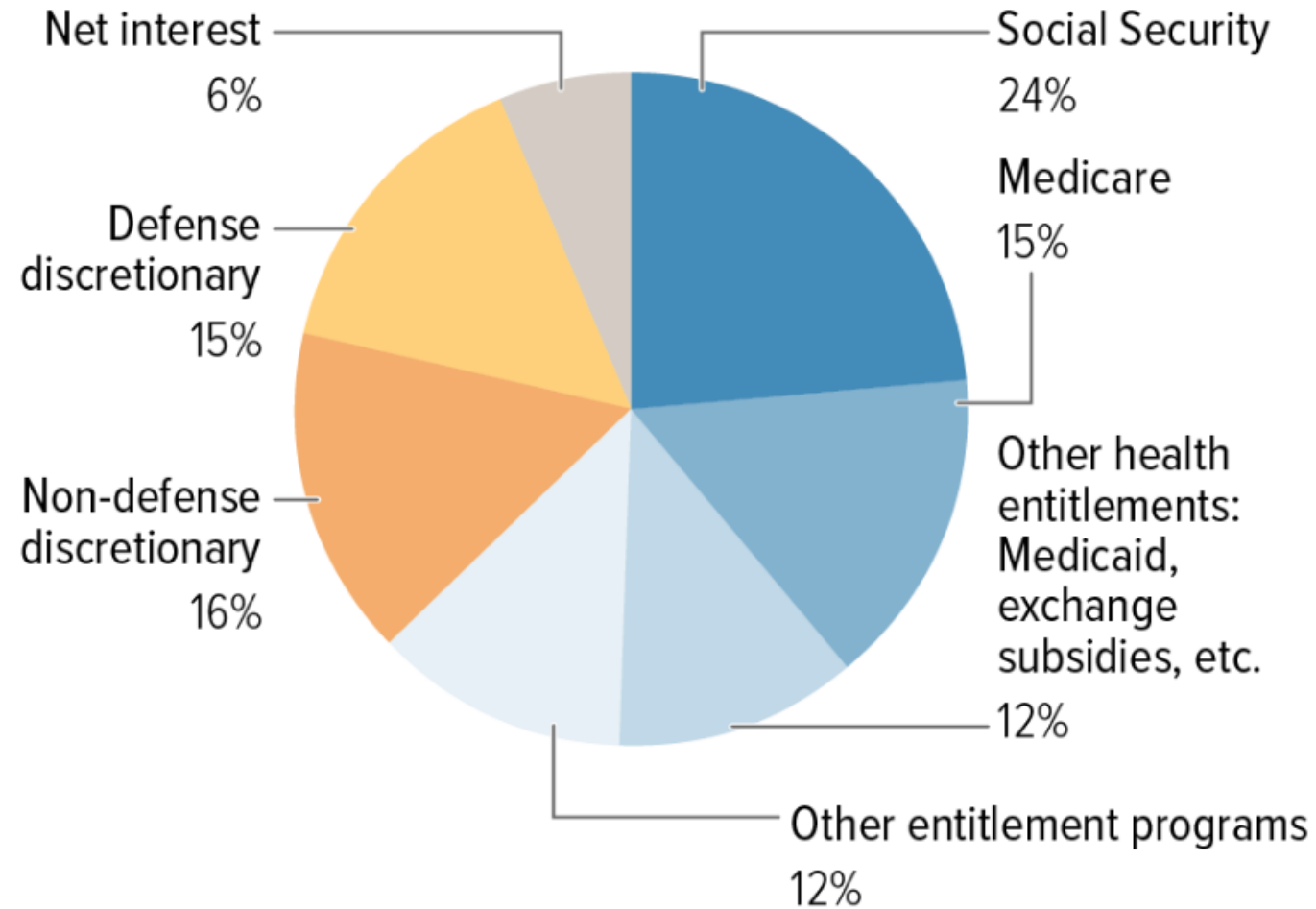


Source: Office of Management and Budget

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG



## Federal Spending, Fiscal Year 2016



Source: Office of Management and Budget



# The President's Budget Meets Congress

*"It is the duty of the President to propose and it is the privilege of the Congress to dispose."*

-Franklin D. Roosevelt



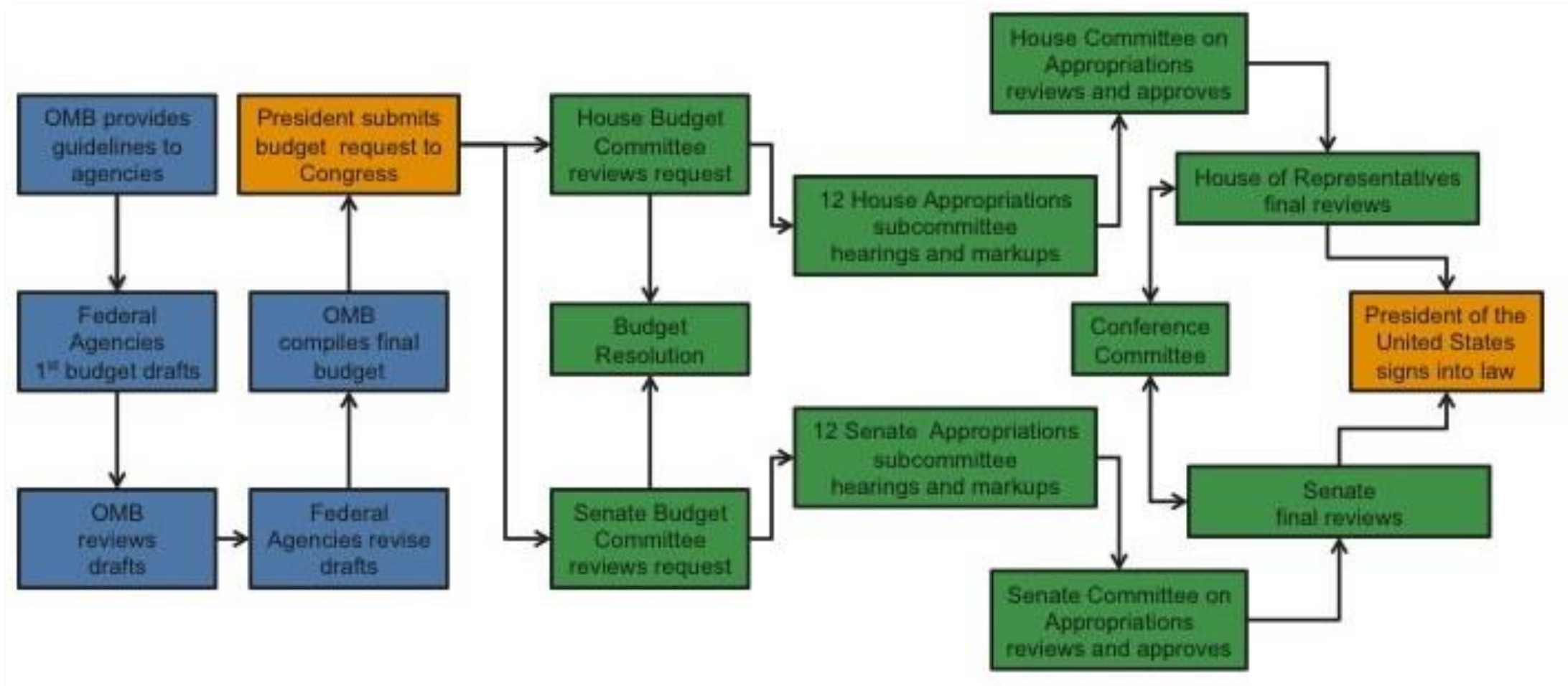
## House sets aside Trump's biggest budget cuts

September 16, 2017 – by Niv Elis

The House this week quietly pushed aside some of the most controversial proposals in President Trump's budget request.



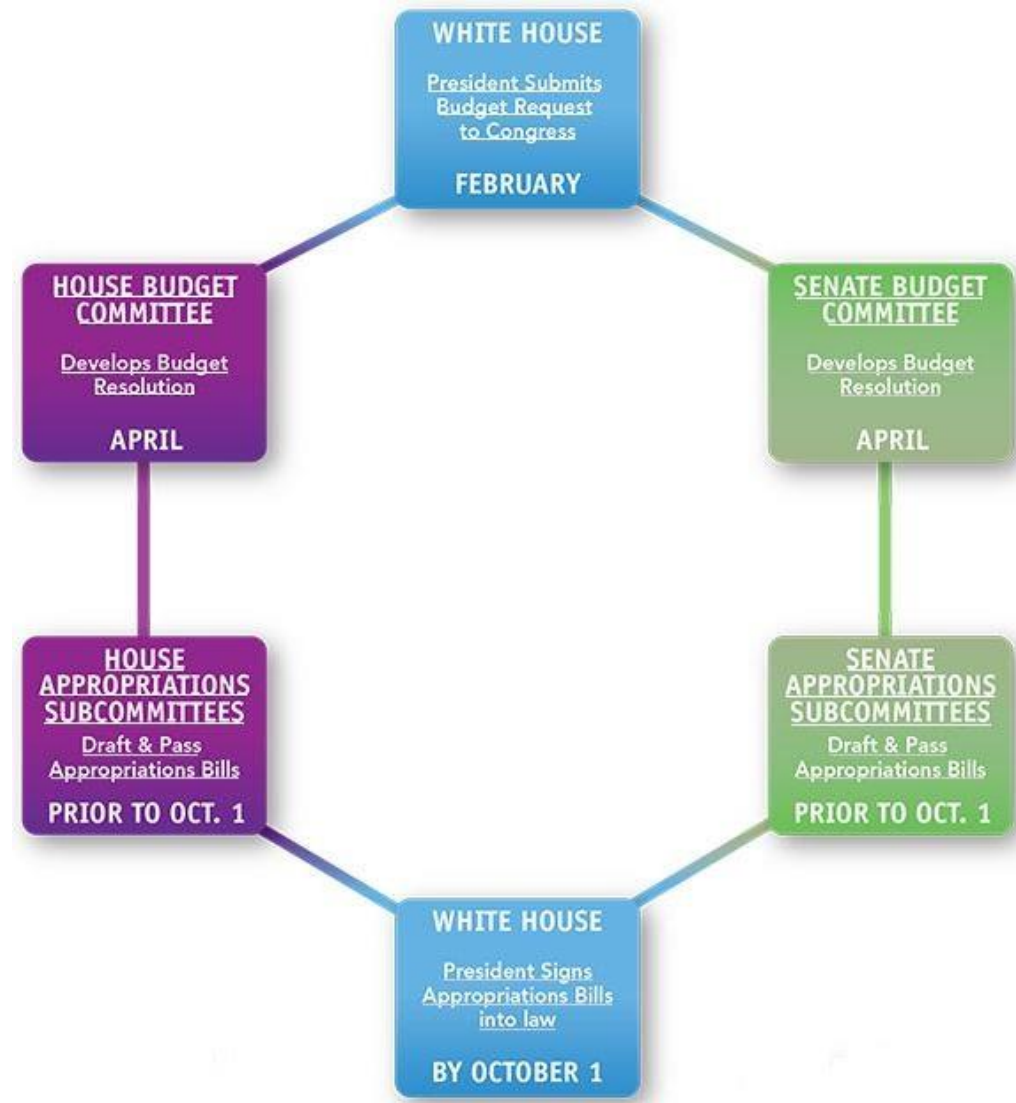
# Annual Budget Process – Flowchart







# Formal Budget Process Yields to...



# Legislative Shortcuts in an Evolving Budget Process



Continuing Resolution



Omnibus Spending Bill

# Modern Day Importance of Budget Reconciliation Act

2017: Repeal and  
Replace Obamacare

2018: Tax Reform

***Chance***

**GET OUT OF  
FILLABUSTER, FREE**



# Policy Guidance In The President's Budget

A presidential budget will contain hundreds of specific policy recommendations revealing executive branch intention for program administration





# Troubling Recommendations Regarding Multiemployer PBGC Premiums





## Excerpt from the President's Budget Document

*“The Budget directs the Board to raise \$15 billion in additional premiums revenue within the Budget window only from the multiemployer program.”*

*“The Budget assumes that the Board will raise these revenues by using its premium-setting authority to create a variable-rate premium (VRP) and an exit premium in the multiemployer program.”*



# NCCMP Weighs In

*“Premium Increases Are Not a Realistic Way to Solve Problems Facing the Multiemployer System; Properly Implementing MPRA and Pursuing Alternative Legislative Approaches Are Essential to Sustainability”*

## NATIONAL COORDINATING COMMITTEE FOR MULTIEMPLOYER PLANS

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**MICHAEL D. SCOTT**  
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August 25, 2017

The Honorable W. Thomas Reeder  
Director  
Pension Benefit Guaranty Corporation  
1200 K Street, NW  
Washington DC, 20005-4026

Submitted online at: <http://www.regulations.gov>

**RE: Pension Benefit Guaranty Corporation, Regulatory Planning and Review of Existing Regulations, Request for Information (82 Fed. Reg. 34619, July 26, 2017) Implementing Executive Order No. 13771 (January 30, 2017) and No. 13777 (February 24, 2017) (“RFI”)**

Dear Mr. Reeder:

The National Coordinating Committee for Multiemployer Plans (“NCCMP”) appreciates the opportunity to respond to the RFI issued by the Pension Benefit Guaranty Corporation (“PBGC”). With a view to the PBGC’s fall iteration of its semi-annual regulatory agenda and in furtherance