

Mandatory Savings

Chained CPI

- Shift to chained CPI for all indexed programs
 - Current measures of inflation overestimate increases in cost of living by failing to account for “substitution bias”
 - Adopting a more accurate measure of inflation would achieve savings government-wide

Agriculture

- Reduce farm subsidies by \$3 billion per year by reducing direct payments and other subsidies, Conservation Security Program funding, and funding for the Market Access Program

Mandatory Savings

Military and Civil Service Retirement

- Use highest 5 years to calculate civil service pensions
- Ask federal workers to contribute $\frac{1}{2}$ the cost (not $1/14^{\text{th}}$)
- Reform COLA payments for civilian & military early retirees
- Reform military retirement system to vest after 10 years (not 20); defer collection until age 60

Universal Services Fund

- Reduce spending from Universal Services Fund

Student Loans

- Eliminate in-school interest subsidies for student loans

Other Mandatory Savings Options

- End payments to states and tribes for abandoned mines.
- Extend FCC's authority to auction radio spectrum licenses.
- Restructure Power Marketing Administration to charge market-based rates.
- Require Tennessee Valley Authority to impose transmission surcharge on electricity sales.
- Require IRS to deposit fees for its services in Treasury as miscellaneous receipts.
- Index all fixed-dollar user fees to inflation.
- Fund program integrity efforts for Medicare, Medicaid, the IRS, and other programs with significant improper payments.

Mandatory Savings

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2015	2011-2020
Chained CPI (excluding effects on Social Security and revenue)	0	-1	-1	-2	-3	-4	-6	-7	-9	-10	-7	-43
Federal Employer/Employee Pension Contributions	0	0	0	-1	-4	-6	-8	-9	-11	-13	-5	-51
Federal Civilian and Military Retirement System	0	0	-1	-1	-2	-2	-3	-4	-4	-5	-4	-22
In-School Interest Subsidies	0	-3	-5	-5	-5	-5	-5	-5	-5	-5	-18	-43
Farm Subsidies	0	-1	-1	-2	-3	-3	-3	-3	-3	-3	-7	-22
Universal Service Fund	0	-1	-1	-2	-3	-4	-5	-5	-5	-5	-7	-29
Program Integrity	0	-1	-1	-2	-3	-4	-4	-5	-5	-5	-8	-30
Other Changes	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-8
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Total Deficit Reduction	0	-6	-11	-16	-23	-29	-34	-38	-42	-47	-57	-248