



**OFFICE OF
MANAGEMENT AND BUDGET**

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**FACT SHEET:
The President's Budget for Fiscal Year 2023**

Under the President's leadership, America is on the move again. We created more than 6.5 million jobs in 2021, the most our country has ever recorded in a single year. Our economy grew at 5.7 percent, the strongest growth in nearly 40 years. And the unemployment rate has fallen to 3.8 percent, the fastest decline in recorded history. At the same time, the deficit fell last year—by around \$300 billion. This progress was a direct result of the President's strategy to grow the economy from the bottom up and the middle out and his effective management of the American Rescue Plan—a strategy that was built on smart, fiscally prudent investments that helped jumpstart our economy.

As our historic economic and labor market recovery continues, the President's Budget projects that the deficit in 2022 will be more than \$1.3 trillion lower than last year's—the largest ever one-year decline in our country's history. The strongest economic growth in four decades, powered by the American Rescue Plan, has also contributed to a historic decline in the deficit—by fueling strong revenue growth and allowing the Administration to responsibly phase down emergency pandemic-related spending.

Today, the President released a Budget that details his vision to expand on our economic and fiscal progress—investing in our economy and our people while cutting deficits, improving our country's long-term fiscal outlook, and keeping the economic burden of debt low.

As he made clear in his State of the Union address, the President is committed to working with Congress to enact legislation that lowers costs for American families, expands the productive capacity of the American economy, and further reduces the deficit: by reducing prescription drug costs and fixing the tax code to ensure corporations and wealthy people pay the taxes they already owe and close loopholes they exploit.

The President's FY 2023 Budget also proposes additional smart, targeted investments designed to spur durable economic growth, create jobs, reduce cost pressures, and foster shared prosperity. These investments are more than fully paid-for through tax reforms that ensure corporations and the wealthiest Americans pay their fair share, while also fulfilling the President's ironclad promise that no one earning less than \$400,000 per year will pay an additional penny in new taxes. Overall, the Budget reduces deficits by more than \$1 trillion over the next 10 years and deficits under the Budget policies would fall to less than one-third of the 2020 level the President inherited.

The Budget improves our country's long-term fiscal outlook while also delivering on the ambitious agenda the President laid out in his State of the Union address—to build a better America, reduce costs for families, advance equity, and grow our economy from the bottom up and the middle out. It proposes significant new investments in proven strategies to reduce gun crime and keep our communities safe. It makes additional investments in the American people that will help lay a stronger foundation for shared growth and prosperity. It advances a bipartisan unity agenda through proposals to take on the mental health crisis, combat the opioid epidemic, support our veterans, and accelerate progress against cancer. And during what will be a decisive decade, it strengthens our military and leverages America's renewed strength at home to meet pressing global challenges, deepen partnerships and alliances, and manage crises as they arise.

PUTTING THE NATION ON A SOUND FISCAL AND ECONOMIC COURSE

The Budget proposes smart, targeted, fully-offset investments while also cutting deficits, improving our country's long-term fiscal outlook, and keeping the economic burden of debt low. The Budget's investments are more than paid for with tax reforms focused on making sure the rich and the largest corporations pay their fair share, reducing deficits by over \$1 trillion over the next 10 years.

- **Proposes a New Minimum Tax on Billionaires.** The tax code currently offers special treatment for the types of income that wealthy people enjoy. This special treatment, combined with sophisticated tax planning and giant loopholes, allows many of the very wealthiest people in the world to end up paying a lower tax rate on their full income than many middle-class households. To finally address this glaring problem, the Budget includes a minimum tax on multi-millionaires and billionaires who so often pay indefensibly low tax rates. This minimum tax would apply only to the wealthiest 0.01 percent of households—those with more than \$100 million—and over half the revenue would come from billionaires alone. It would ensure that, in any given year, they pay at least 20 percent of their total income in Federal income taxes.
- **Ensures Corporations Pay Their Fair Share.** The Budget also includes an increase to the rate that corporations pay in taxes on their profits. Corporations received an enormous tax break in 2017. While their profits have soared, their investment in our economy did not: the tax breaks did not trickle down to workers or consumers. Instead of allowing some of the most profitable corporations in the world to avoid paying their fair share, the Budget raises the corporate tax rate to 28 percent, still the lowest tax rate faced by corporations since World War II except in the years after the 2017 tax cut. This increase is complemented by other changes to the corporate tax code that incentivize job creation and investment in the United States and ensure that large corporations pay their fair share.
- **Prevents Multinational Corporations from Using Tax Havens to Game the System.** For decades, American workers and taxpayers have paid the price for a tax system that has rewarded multinational corporations for shipping jobs and profits overseas. Last year, the Administration rallied more than 130 countries to agree to a global minimum tax that will ensure that profitable corporations pay their fair share and will incentivize U.S. multinationals to create jobs and invest in the United States. The Budget contains additional measures to ensure that multinationals operating in the United States cannot use tax havens to undercut the global minimum tax.

Advancing Legislation to Lower Costs, Reduce the Deficit, and Expand Productive Capacity

The President is committed to working with Congress to sign legislation that lowers costs for American families, reduces the deficit, and expands the productive capacity of the American economy. That means cutting costs for prescription drugs, healthcare premiums, child care, long-term care, housing, and college; reducing energy costs by combatting climate change and accelerating the transition to a clean energy economy; supporting families by providing access to free, high-quality preschool, up to two years of free community college, nutritious food at school and resources to purchase food over the summer months, and paid family and medical leave and by continuing the enhanced Child Tax Credit and Earned Income Tax Credit; and providing health coverage to millions of uninsured Americans. The President believes these proposals must be paired with reforms that ensure corporations and the wealthiest Americans pay their fair share, including ensuring that they pay the taxes they already owe.

Because discussions with Congress continue, the President's Budget includes a deficit neutral reserve fund to account for a future agreement, preserving the revenue from tax and prescription drug reforms the President proposed last year for this legislation for the investments needed to bring down costs for American families and expand our productive capacity.

BUILDING A BETTER AMERICA

The Budget includes smart, targeted investments in the American people that will help build a better America. It will keep our communities safe and combat violent crime; promote job creation and expand the productive capacity of our economy; improve our public health infrastructure; ensure America leads the world in combating the climate crisis; and advance equity and opportunity for all. It strengthens our military and leverages America's renewed strength at home to meet pressing global challenges, deepen partnerships and alliances, and manage crises as they arise.

Combating Crime to Keep Our Communities Safe

- **Puts More Police Officers on the Beat.** The Budget provides \$3.2 billion in discretionary resources for State and local grants, and \$30 billion in mandatory resources to support law enforcement, crime prevention, and community violence intervention, including putting more officers for community policing on the beat across the Nation.
- **Provides More Tools to Tackle Gun Violence.** The Budget provides \$1.7 billion for the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to expand multijurisdictional gun trafficking strike forces with additional personnel, increase regulation of the firearms industry, enhance ATF's National Integrated Ballistic Information Network, and modernize the National Tracing Center.
- **Increases Federal Law Enforcement Capacity to Combat Violent Crime.** Under the President's Budget, key Federal law enforcement agencies like the FBI and U.S. Marshals Service will have the resources they need fight violent crime, including through fugitive apprehension and enforcement operations. The Budget also ensures U.S. Attorneys have the necessary support to prosecute violent crimes.

- **Strengthens Civil Rights Enforcement.** The Budget makes important investments to support law enforcement while addressing longstanding inequities and strengthening civil rights protections. The Budget invests \$367 million, an increase of \$101 million over the 2021 enacted level, at the Department of Justice to support police reform, the prosecution of hate crimes, enforcement of voting rights, and efforts to provide equitable access to justice.
- **Supports Criminal Justice System Reform.** The Budget includes \$100 million for a historic multi-agency collaboration to provide comprehensive workforce development services to people in the Federal prison system and proposes \$106 million to support the deployment of body-worn cameras to DOJ's law enforcement officers.

Promoting Job Creation, Reducing Cost Pressures, and Boosting Productive Capacity

- **Increases Affordable Housing Supply.** In communities throughout the country, rents are skyrocketing and homeownership is becoming increasingly out of reach. This strains family budgets and holds back our economy – making it harder for workers to afford to live near good jobs and good transportation options. To address the critical shortage of affordable housing in communities throughout the Nation, the Budget proposes \$50 billion for housing construction and supply – addressing existing market gaps and helping to stabilize housing prices over the long-term. This includes funding, via the Department of Housing and Urban Development, for state and local housing finance agencies and their partners to provide grants, revolving loan funds, and other streamlined financing tools to boost housing supply, with a particular focus on housing types that have traditionally been difficult to finance using existing Federal financing but have the potential to boost supply and density in supply-constrained communities. The Budget also includes grants to advance and reward state and local jurisdictions' efforts to remove barriers to affordable housing development. It also includes modifying Low-Income Housing Tax Credits to better incentivize new unit production, and funding for the Department of the Treasury's Community Development Financial Institutions Fund to support financing of new construction and substantial rehabilitation that creates net new units of affordable rental and for sale housing.
- **Accelerates Efforts to Move More Goods Faster through American Ports and Waterways.** The Budget continues support for the historic levels of Federal investment to modernize America's port and waterway infrastructure provided under the Bipartisan Infrastructure Law. It includes \$230 million for the Port Infrastructure Development Program to strengthen maritime freight capacity, as well as \$1.7 billion in spending for the Harbor Maintenance Trust Fund to facilitate safe, reliable, and environmentally sustainable navigation at coastal ports.
- **Strengthens the Nation's Supply Chains through Domestic Manufacturing.** To help ignite a resurgence of American manufacturing and strengthen domestic supply chains, the Budget provides \$372 million, an increase of \$206 million over the 2021 enacted level, for the National Institutes of Standards and Technology's (NIST) manufacturing programs to launch two additional Manufacturing Innovation Institutes in 2023 and continue support for the two institutes funded in 2022. The Budget includes a \$125 million increase for the Manufacturing Extension Partnership to make America's small and medium manufacturers more competitive. The Budget also invests

\$200 million for a new Solar Manufacturing to build domestic capacity in solar energy supply chains while moving away from imported products.

- **Expands Access to Registered Apprenticeships and Equips Workers with Skills They Need to Obtain High-Quality Jobs.** The Budget invests \$303 million, a \$118 million increase above the 2021 enacted level, to expand Registered Apprenticeship opportunities in high growth fields, such as information technology, advanced manufacturing, health care, and transportation, while increasing access for historically underrepresented groups, including people of color and women. In addition, the Budget invests \$100 million to help community colleges work with the public workforce development system and employers to design and deliver high-quality workforce training programs. The Budget also provides \$100 million for a new Sectoral Employment through Career Training for Occupational Readiness program, which will support training programs focused on growing industries, enabling disadvantaged workers to enter on-ramps to middle class jobs, and creating the skilled workforce the economy needs to thrive.
- **Fosters Competitive and Productive Markets and Targets Corporate Concentration.** The Budget reflects the Administration's commitment to vigorous marketplace competition through robust enforcement of antitrust law by including historic increases of \$88 million for the Antitrust Division of the Department of Justice (ATR) and \$139 million for the Federal Trade Commission (FTC).

Restoring American Leadership and Confronting Global Threats

- **Supports United States' European Allies and Partners.** The Budget includes \$6.9 billion for the European Deterrence Initiative, the North Atlantic Treaty Organization (NATO), and countering Russian aggression to support Ukraine, the United States' strong partnerships with NATO allies, and other European partner states by bolstering funding to enhance the capabilities and readiness of U.S. Forces, NATO allies, and regional partners in the face of Russian aggression.
- **Defends Freedom Globally.** To support American leadership in defending democracy, freedom, and security worldwide, the Budget includes nearly \$1.8 billion for the State Department and USAID to support a free and open, connected, secure, and resilient Indo-Pacific Region and the Indo-Pacific Strategy, and \$400 million for the Countering the People's Republic of China Malign Influence Fund. In addition, the Budget provides nearly \$1 billion in assistance to Ukraine for State Department, USAID, and Department of Defense to counter Russian malign influence and to meet emerging needs related to security, energy, cyber security issues, disinformation, macroeconomic stabilization, and civil society resilience.
- **Promotes Integrated Deterrence in the Indo-Pacific and Globally.** The Budget proposes \$773 billion for the Department of Defense. To sustain and strengthen deterrence, the Budget prioritizes China as the Department's pacing challenge. DOD's 2023 Pacific Deterrence Initiative highlights some of the key investments the Department is making that are focused on strengthening deterrence in the Indo-Pacific region. DOD is building the concepts, capabilities, and posture necessary to meet these challenges, working in concert with the interagency and our allies and partners to ensure our deterrence is integrated across domains, theaters, and the spectrum of conflict.

- **Renews America's Leadership in International Institutions.** The Budget continues the Administration's efforts to lead through international organizations by meeting the Nation's commitments to fully fund U.S. contributions and to pay United Nations peacekeeping dues on time and in full. The Budget also provides \$1.4 billion for the World Bank's International Development Association (IDA). This investment restores the United States' historical role as the largest World Bank donor to support the development of low- and middle-income countries, which benefits the American people by increasing global stability, mitigating climate and health risks, and developing new markets for U.S. exports.
- **Advances Equity and Equality Globally.** The Budget provides \$2.6 billion to advance gender equity and equality across a broad range of sectors. This includes \$200 million for the Gender Equity and Equality Action Fund to advance the economic security of women and girls. This total also includes funding to strengthen the participation of women in conflict prevention, resolution, and recovery through the implementation of the Women, Peace, and Security Act.
- **Advances American Leadership in Global Health, Including Global Health Security and Pandemic Preparedness.** The Budget includes \$10.6 billion to bolster U.S. leadership in addressing global health and health security challenges. Within this total, the Budget supports a \$2 billion contribution to the Global Fund's seventh replenishment, for an intended pledge of \$6 billion over three years, to save lives and continue the fight against HIV/AIDS, tuberculosis, and malaria, and to support the Global Fund's expanding response to COVID-19 and global health strengthening. This total also includes \$1 billion to prevent, prepare for, and respond to future infectious disease outbreaks, including the continued expansion of Global Health Security Agenda capacity-building programs and a multilateral financial intermediary fund for health security and pandemic preparedness.

Strengthening America's Public Health & Advancing Cures for Cancer and Other Diseases

- **Prepares for Future Pandemics and Other Biological Threats.** In addition to combatting the ongoing COVID-19 pandemic, the United States must catalyze advances in science, technology, and core capabilities to prepare for future biological threats. The Budget makes transformative investments in pandemic preparedness across the Department of Health and Human Services (HHS)—\$81.7 billion available over five years—to enable an agile, coordinated, and comprehensive public health response to protect American lives, families, and the economy.
- **Builds Advanced Public Health Systems and Capacity.** The Budget includes \$9.9 billion to build capacity at CDC and state and local levels to improve the core immunization program, expand public health infrastructure in States and Territories, strengthen the public health workforce, support efforts to modernize public health data collection, increase capacity for forecasting and analyzing future outbreaks, including at the Center for Forecasting and Outbreak Analytics, and conduct studies on Long COVID to inform diagnosis and treatment options.
- **Transforms Mental Health Care.** The United States faces a mental health crisis that has been exacerbated by the COVID-19 pandemic. The Budget proposes reforms to

health coverage and invests in the behavioral health workforce. It provides sustained and increased funding for community-based centers and clinics, and mental health staff in schools, makes historic investments in youth mental health and suicide prevention programs, and strengthens access to crisis services by building out the National Suicide Prevention Lifeline and crisis services infrastructure. These resources will help build system capacity, connect more Americans to care, and create a system of support to improve mental health for all.

- **Advances Maternal Health and Health Equity.** The United States has the highest maternal mortality rate among developed nations, with an unacceptably high mortality rate for Black and American Indian and Alaska Native women. The Budget includes \$470 million to reduce maternal mortality and morbidity rates, expand maternal health initiatives in rural communities, implement implicit bias training for healthcare providers, create pregnancy medical home projects, and address the highest rates of perinatal disparities. The Budget also expands maternal and other health initiatives in rural communities to improve access to high-quality care.
- **Accelerates Innovation through the Advanced Research Projects Agency for Health (ARPA-H).** The Budget proposes a major investment of \$5 billion for ARPA-H, significantly increasing direct Federal research and development (R&D) spending in health to improve the health of all Americans. With an initial focus on cancer and other diseases such as diabetes and dementia, this major investment will drive transformational innovation in health technologies and speed the application and implementation of health breakthroughs.

Taking Historic Steps to Combat the Climate Crisis and Advance Environmental Justice

- **Invests in Clean Energy Infrastructure and Innovation.** The Budget invests \$3.3 billion to support clean energy projects that will create good paying jobs, continue to cut to cost of clean energy, and drive progress toward President Biden's climate goals. Investments include \$502 million to weatherize and retrofit low-income homes, including \$100 million for a new LIHEAP Advantage pilot to electrify and decarbonize low-income homes, and \$260 million to support energy efficiency improvements to USDA-assisted multifamily homes. In addition, the Budget provides \$150 million to electrify Tribal homes and transition Tribal colleges and universities to renewable energy, and \$80 million for a new Grid Deployment Office to build the grid of the future.
- **Strengthens Climate Resilience.** The Budget provides more than \$18 billion for climate resilience and adaptation programs across the Federal Government. These critical investments will reduce the risk of damages from floods and storms, restore the Nation's aquatic ecosystems, and make HUD-assisted multifamily homes more climate resilient. In line with President Biden's commitment to ensure the American's fighting wildfires earn \$15 an hour, the Budget includes \$1.8 billion in the Forest Service and Department of the Interior to strengthen the Federal firefighting workforce, increase capacity, and improve firefighter compensation.
- **Advances Equity and Environmental Justice.** The Budget provides historic support for underserved communities, and advances the President's Justice40 commitment to ensure 40 percent of the benefits of Federal investments in climate and clean energy reach disadvantaged communities. The Budget includes \$1.45 billion to

bolster the EPA's environment justice efforts that will help create good-paying jobs, clean up pollution, implement Justice40, advance racial equity, and secure environmental justice for communities that too often have been left behind

- **Achieves the President's Historic Climate Pledge.** The Budget includes over \$11 billion in international climate finance, meeting the President's pledge to quadruple international climate finance a year early. This funding will accelerate the global energy transition to net zero emissions by 2050; help developing countries build resilience to the growing impacts of climate change, including through the President's Emergency Plan for Adaptation and Resilience and other programs; and support the implementation of the President's Plan to Conserve Global Forests. Among these critical investments are \$1.6 billion for the Green Climate Fund, a critical multilateral tool for financing climate adaptation and mitigation projects in developing countries and support for a \$3.2 billion loan to the Clean Technology Fund to finance clean energy projects in developing countries.

Expanding Economic Opportunity, Advancing Equity, and Strengthening our Democracy

- **Makes Historic Investments in K-12 Schools and Education Beyond High School.** The Budget more than doubles funding for Title I compared to the 2021 enacted level through a combination of discretionary and mandatory funding. This substantial funding, which serves 25 million students in nearly 90 percent of school districts across America, is a major step toward fulfilling the President's commitment to addressing long-standing funding disparities between under-resourced schools—which disproportionately serve students of color—and their wealthier counterparts. The Budget increases support for children with disabilities by providing a \$3.3 billion increase for IDEA Grants to States – the largest two-year increase ever for the program. The budget also doubles funding for IDEA Grants for Infants and Families and proposes to reforms to increase equitable access to early intervention services with a proven record for improving academic and developmental outcomes. The Budget also provides \$1 billion in sustainable funding to help schools increase the number of school counselors, psychologists, social workers and other health professionals. The Budget provides an additional \$438 million for Full Service Community Schools, ramping up the mental health and wraparound supports in schools for students and their families. The Budget proposes to double the maximum Pell Grant by 2029, beginning with a historic \$2,175 increase over the 2021-2022 school year, thereby expanding access and helping nearly 6.7 million students afford college.
- **Advances Child and Family Well-Being in the Child Welfare System.** The Budget proposes to expand and incentivize the use of evidence-based foster care prevention services to keep families safely together and to reduce the number of children entering foster care, while also targeting resources to reduce the overrepresentation of children and families of color in the child welfare system. For children who do need to be placed into foster care, the Budget provides States with support to place more children with relatives or other adults who have an existing emotional bond with the child and fewer children in group homes and institutions while also providing additional funding to improve the educational outcomes of foster youth and support youth who age out of care without a permanent caregiver.

- **Guarantees Adequate and Stable Funding for the Indian Health Service (IHS).** The Budget significantly increases IHS's funding over time, and shifts it from discretionary to mandatory funding. For the first year of the proposal, the Budget includes \$9.1 billion in mandatory funding, an increase of \$2.9 billion above 2021. After that, IHS funding would automatically grow to keep pace with healthcare costs and population growth and gradually close longstanding service and facility shortfalls. Providing IHS stable and predictable funding will improve access to high quality healthcare, rectify historical underfunding of the Indian Health system, eliminate existing facilities backlogs, address health inequities, and modernize IHS' electronic health record system.

Protects Our Elections and the Right to Vote. As our democracy faces threats across the country—and to provide state and local election officials with a predictable funding stream for critical capital investments and increased staffing and services—the Budget proposes \$10 billion in new elections assistance funding to be allocated over ten years. The Budget also proposes to fund an expansion of U.S. Postal Service delivery capacity in underserved areas and support for vote-by-mail, including making ballots postage-free and reducing the cost of other election-related mail for jurisdictions and voters.

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