The Leviticus 25 Plan

An Economic Acceleration Plan
for America 2018

"PROCLAIM LIBERTY THROUGHOUT ALL THE LAND
UNTO ALL THE INHABITANTS THEREOF"
Leviticus 25:10

\- *A Novel Economic Initiative –*
Advancing the cause of economic liberty to all Americans

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The Leviticus 25 Plan
January 2017

"He who will not apply new remedies must expect new evils."
- Sir Francis Bacon

<u>Overview</u>:

The **Leviticus 25 Plan** is a novel economic initiative granting direct liquidity benefits for American families, while at the same time scaling back the role of government in managing and controlling the affairs of citizens. It is a comprehensive plan with long-term economic and social benefits for citizens and government. The inspiration for this plan is based upon the Biblical principle set forth in the Book of Leviticus, tendering direct economic liberties to the people.

<u>The legitimacy of The Leviticus 25 Plan is derived from five foundational principles</u>:

1. The Biblical precedent set forth in the *Book of Leviticus, Chapter 25*, commands a direct, periodic restoration of economic liberty at the family level.

2. Liquidity must be restored at the family level for genuine economic revitalization.

3. The true U.S. fiscal deficit, on a Net Present Value (NPV) basis, is beyond containment.

4. American families should be granted the same opportunities for direct liquidity access from the Federal Reserve, or the Department of Treasury, that were advanced to major U.S. financial institutions and foreign banks during the Great Financial Crisis.

5. Federal Reserve monetary policy must include a channel for direct liquidity extensions to U.S. citizens, in the form of a *Citizens' Credit Facility,* to advance the cause of economic liberty for U.S. citizens and revitalize free market dynamics in America.

<u>Benefits - The Leviticus 25 Plan will</u>:

Provide direct liquidity infusions to American families.

Optimize the allocation of health-care services and spending (including Medicare and Medicaid).

Improve the economic climate for U.S. small businesses.

Improve employment opportunities for all Americans.

Generate healthy, long-term, tax revenue growth patterns for government (federal, state, local).

Reduce the cost of government, strengthen U.S. housing market, and stabilize the banking system.

Reduce the scope of social programs and government control over the daily lives of U.S. citizens.

The Leviticus 25 Plan will revitalize economic growth and re-establish free market principles with positive economic and social incentives for all Americans.

The Plan – liquidity extension details:

The Leviticus 25 Plan will provide substantive economic and social benefits to individual American families by granting U.S. citizens direct access to liquidity through a *Citizens Credit Facility* to be established by the Federal Reserve. This *Citizens Credit Facility* will grant American families the same privileged access to liquidity that was extended to scores of major U.S. and foreign banking institutions and insurers during the critical years of the financial crisis (2007 – 2010), the very institutions whose leveraged risk profiles with concentrated positions in Mortgage Backed Securities (MBS), Credit Default Swaps (CDS), Collateralized Debt Obligations (CDOs), and other related derivative products triggered the U.S. financial crisis.

American citizens deserve nothing less than the same direct access to liquidity that was granted to these financial institutions through the Federal Reserve Discount Window, and numerous funding facilities created by the Federal reserve, including the *Term Auction Facility (TAF), Commercial Paper Funding Facility (CPFF), Primary Dealer Credit Facility (PDCF),* the *Term Securities Lending Facility (TSLF), Single-Tranche Open Market Operations (ST OMO),* the *Asset-Backed Commercial Paper Money Market Mutual Funding Liquidity Facility (AMLF)* and several other credit facilities.

The Leviticus 25 Plan restores financial stability for American families and the freedom for citizens to directly allocate resources in managing their daily affairs – rather than requiring submission to central planning and government allocation of resources. **The Plan** is voluntary – participation is not mandated by government.

1. $75,000 per U.S. Citizen

Participating American families would qualify for a direct credit extension from the Federal Reserve amounting to $75,000 per family member. $50,000 of that total would be directed into a Family Account (FA) and $25,000 would be directed into a Medical Savings Account (MSA).

To activate their participation in **The Leviticus 25 Plan**, individual families would be required to open up both a Family Account (FA) and a Medical Savings Account (MSA) at an authorized bank or financial institution of their choice. Participants would be required to prove U.S. citizenship. They would be required to acknowledge that they understand and agree to the liquidity recapture provisions of the program. And they would be required to name beneficiaries for their accounts and select any other specific options for disbursements available within the plan.

A family of four, upon opening their two qualified accounts, would receive an electronic credit extension from the Federal Reserve of $300,000. $200,000 would be deposited into the Family Account and $100,000 would be deposited into the family's Medical Savings Account.

The primary goal of this targeted credit extension is to restore economic liberty, provide massive debt relief at the family level, and strengthen America's financial health from the ground up.

The Plan would reignite sustainable economic growth. It would reestablish individual freedom and liberty by allowing citizens to allocate resources, rather than government. It would pay for itself over a 10-15 year period and set America on course for long term economic stability.

The Leviticus 25 Plan must become America's top economic priority.

2. **Medical Savings Account (MSA)** – ***U.S. Health Care Freedom Plan***

The sum of $25,000 would be electronically deposited into a family's Medical Savings Account for each participating family member under a new *U.S. Health Care Freedom* plan. These qualified accounts, opened through participating financial institutions, would allow families the freedom to allocate their healthcare dollars in a manner that best meets their needs.

Participating families would be granted exemption status from Affordable Care Act and allowed to allocate their own health care resources. Families would be allowed to enroll in high-deductible ($10,000 - $15,000) major medical plans, which would substantially lower costs for consumers and employers. Employers would be allowed to share cost savings employees through incentive-based employer MSA contributions under the *U.S. Health Care Freedom* provisions.

Qualifying medical policies must include a primary option that allows families the freedom to select a basic, no-frills, major medical plan with optional coverage riders (e.g. alcohol treatment coverage, mental health counseling, etc.), only as desired on a family-by-family basis. Policies would not be automatically loaded with expensive government healthcare mandates.

Premium costs would be dramatically lower with the high-deductible feature and the elimination of expensive government mandates.

Families would pay directly (MSA debit card) for normal, day-to-day healthcare purchases, up to a level of $5,000 per single family member, for example, to $10,000 or $15,000 per family of four. Health care would not be under the 'management' and control of a big government bureaucracy. Insurance coverage would be in place for major medical expenditures above the deductible trigger.

With the elimination of millions of minor insurance claims across the nation over the course of each month, efficiencies would improve, medical costs would drop significantly, and the direct patient-provider relationship would be restored. Medical professionals would not have to answer to HMOs, insurance companies, or government agencies in providing basic day-to-day healthcare access for their patients.

Those with extraordinary medical issues may be included in a high-risk category, with such plans being eligible for a government subsidy (similar to current Medicare Advantage).

Individuals enrolled in Medicare / Medicaid / VA / TRICARE / FEHB programs would be required to pay an annual deductible ($5,000 per year per enrolled family member) for a period of five years for those benefits. The dedicated MSA funds would fully fund the offset for the higher ($5,000) deductible feature. MSA funds could also be used to pay Medicare supplement premiums and other potential co-pay obligations.

3. **Family Account (FA)**

For each participating member of a family, $50,000 would be deposited into the Family Account. There would be no income tax assessed on the credit extensions received under **The Leviticus 25 Plan**. And there would be no penalty (reduction of **Leviticus 25 Plan** funds) for additional new income earned by family members. Incremental installments (quarterly or semiannually) may be required for those with unremarkable (poor) credit / job histories – in lieu of a full disbursement of funds to the Family Account during the initial funding phase.

4. <u>Recapture provision – Income tax refunds</u>

Those individuals / families choosing to participate in **The Plan** would agree, under the *Recapture Provisions*, to give up their individual income tax refunds for a period of 5 years.

Individual members of a given family may choose not to participate if their anticipated income tax refunds substantially exceeded the value of the plan benefits.

Income tax obligations each year of the five-year period would be maintained at a level not less than the average sum of income tax withheld for each year of the past 3 years prior to plan's inauguration date, or the average sum of taxes paid annually for the past 3 years prior to the plan's inauguration date – whichever is greater.

For example, if a family of 4 had $5,000 in income tax withheld, on average, each of the past 3 years, and received an average of $2,500 refund each of those 3 years, the tax obligation for this family would be not less than $5,000 per year. Taxes beyond the $5,000 average would be owed only if/when additional new income, in an improving economy, triggered a higher tax obligation.

Where an individual or family paid more income tax than that amount withheld on one or more of the past 3 years prior to the plan's inauguration date, and the average for total taxes paid exceeded the average for income taxes withheld, then the tax obligation would be the greater average. Again, total income taxes paid may be more, based upon additional income earned.

The Plan assumes that government would not impose unanticipated new tax obligations which would undermine the commitments to, and major benefits of, **The Plan**.

Funds deposited in the Family Accounts of participating U.S. citizens would be "protected" from any legal confiscation by creditors or courts. Any funds withdrawn from the Family Account would be allowed to be repatriated within 30 days to retain "protected" status. Additional deposits into the Family Account, above and beyond the original **Leviticus 25 Plan** deposit, would not be allowed.

Funds deposited in the Medical Savings Accounts of participating U.S. citizens would also be "protected" from any legal confiscation by creditors or courts. Additional pre-tax deposits into MSAs would be allowable annually in amounts authorized by law.

5. <u>Recapture provision – social program / general welfare benefits curtailed</u>

Participating families would give up benefits from means-tested welfare programs, income security programs, social insurance programs, and unemployment insurance benefits for a minimum of 5 years. See full listing of individual program in these categories in FAQ section 6.

Participants concurrently enrolled in Medicare / Medicaid / VA / TRICARE / FEHB benefit programs would be required to pay an annual deductible of $5,000 per year per enrolled family member for each year in the initial 5-year period. MSA funds would provide a full offset for the costs of the higher deductible. MSA funds could also be used to pay Medicare supplement premiums and other potential co-pay obligations. There are currently **150.8 million** enrolled beneficiaries in those five programs, with projections for significant growth over the coming 5-year period.

6. <u>State, Federal Institution provisions (nursing homes, assisted-living centers, jails, prisons, other)</u>

U.S. citizens who are institutionalized under direct government-sponsored care (residing in nursing homes, assisted-living, prisons, jails or other such facilities) do qualify for participation in **The Leviticus 25 Plan.** The credit extension funds for those citizens would be held in a custody account in the individual's name at that institution. The federal, state or local government jurisdiction involved would determine a fair monthly charge to that account for living expenses involved – for as long as the person remained in such a facility.

Individuals being granted release or discharge from the participating institution would qualify for receipt of the balance of funds (not subject to further Medicaid repayment obligations) which were held in that person's name in the custody account, with such funds being then transferred proportionately into a qualified Family Account and a qualified Medical Savings Account.

7. <u>Eligibility</u>

Participants must be citizens of the United States of America to be eligible for **The Plan**.

Minors who are citizens are eligible for participation. Parents or legal guardians (U.S. citizens) of eligible minors would act on behalf of the minors in receiving and managing funds in the Family Account and MSA account of that family. Proportionate funds may be may be transferred into qualified accounts on behalf of a minor subsequently turning 18.

Additional guidelines would specify the receipt and management of funds where the parent(s) or legal guardian(s) of eligible minor(s) is/are not U.S. citizen(s).

All new-born baby U.S. citizens, born to U.S. citizen parents within 10 months of the program closing date, would be eligible.

The Leviticus 25 Plan would be voluntary for eligible Americans. No eligible person or family would be forced to participate.

8. <u>Cost</u>

The Leviticus 25 Plan assumes that approximately 80% of U.S. citizens would participate in the Plan. The Plan assumes that wealthy Americans, with typically large annual tax refunds, would not participate. It also assumes that a percentage of low-income Americans, receiving significant social and medical program benefits would not opt out of those programs in order to participate.

The Plan therefore assumes an 80% participation rate, with an initial draw on the *Citizens Credit Facility* of $18.0 trillion – with $12 trillion deposited into the Family Accounts and $6.0 trillion into Medical Savings Accounts of participating families. *See FAQ for further details*.

Recapture provisions alone would yield a return of approximately 9-10% **($1.72 trillion**) per year, resulting in a projected **$8.56 trillion** recapture over the first five years. This projection does not take into account the dynamic benefits of an improving economy and less dependence upon government by the general population. Additional revenue gains for the U.S. Treasury, as well as for state and local government entities, would begin immediately and would be significant, setting the nation and individual states on track for a balanced budget.

The private sector economy would experience a healthy relief from deflationary pressures, retail sales would improve, existing jobs would be saved and new jobs created– all directed from the private market allocation of resources.

Dynamic inertia would generate economic and social benefits for decades following, with excess reserves from 'recaptured' tax revenues and reduced social spending transferred back to the Federal Reserve each year to systematically reduce the size of the Federal Reserve balance sheet.

Case Study #1
Family of four. Father and/or mother laid off from their jobs or working part-time; living on food stamps, unemployment extensions, and other means-tested welfare programs.

Under ***The Leviticus 25 Plan****, this eligible family may voluntarily 'enroll' in the plan with a bank / financial institution of their choice for their family's $300,000 credit extension. A qualifying Family Account would be set up for receipt of the $200,000 deposit, and a qualified Medical Savings Account (with a presumably high-deductible major medical policy attached to the account) would receive a deposit of the remaining $100,000 for the family.*

In return, the family would forego any tax refunds for a period of five years. Their annual tax obligation during the five-year period would be the average amount of taxes withheld over the previous 3 years – or the average amount of taxes paid over the previous 3 years – whichever amount was greater. Income tax obligations beyond the applicable average would be owed only if additional new income, in an improving economy, triggered a higher tax obligation.

The family would also give up primary benefits from federal and state means-tested welfare benefits, income security and social insurance benefits, unemployment insurance and workman's compensation benefits for a period of 5 years. There would be an additional $5,000 deductible per family member for any Medicaid, Medicare, VA, TRICARE, and FEHB eligible expenses each year of the succeeding 5-year period.

A family of four, with $200,000 in their Family Account, would then have $40,000 per year for general living expenses for each year of the 5-year period. The family would also have a portable health insurance policy which they would manage themselves.

Case Study #2
Elderly person living alone on Social Security on modest retirement income; means-tested welfare benefits and income security benefits are significant, amounting to more than $75,000 over a 5-year period. This person would likely choose not to participate in ***The Plan.***

Justification:

1. SIGTARP, the oversight agency of the Troubled Asset Relief Program (TARP), in its July 2009 report, vetted by Treasury, noted that the U.S. Government's "*Total Potential Support Related to Crisis*" (page 138) amounted to $23.7 trillion. While this figure represents a backstop commitment, not a measure of total potential loss, it is nonetheless an astounding degree of support, in the form of liquidity infusions, credit extensions and guarantees, various other forms of assistance for financial institutions and other business entities affected by the financial crisis.

One example of the mechanics of these backstop commitments involved two of the major investment-banks which were at the forefront of the U.S. financial crisis, Goldman Sachs and JP Morgan who, through their high-risk exposure to subprime debt and derivatives, received enormous financial assistance at the expense of U.S. taxpayers.

Goldman Sachs and J.P. Morgan received these direct liquidity infusions during the financial crisis via Fed disbursements through the *Primary Dealer Credit Facility* and numerous other credit facilities. The two (according to *ZeroHedge* 4-1-11) "had the temerity to pledge bonds that had defaulted (i.e. had a rating of D)… as in bankrupt, and pretty much worthless. . . that have no value whatsoever. . ." Goldman Sachs received $24.7 million and JP Morgan $1.4 million on the worthless collateral (September 15, 2008). Goldman Sachs pledged D-rated securities again September 29, 2008 and received $82.7 million (Citigroup received $102.8 million; Merrill Lynch - $217.8 million; Morgan Stanley - $261.0 million; UBS - $202.2 million).

U.S. citizens deserve nothing less than the same access to credit extensions for resolving liquidity issues of their own at the family level, that have been extended to major domestic and foreign financial institutions.

In addition, the same two investment banking giants, Goldman Sachs and JP Morgan, earned free interest (again at taxpayer expense) through their access to credit extensions at the Federal Reserve discount window. Within two years, Goldman Sachs was paying out $111.3 million in "delayed bonuses" for the years 2007 and 2009 (*NY Times* 12-15-10).

2. The initial credit extension outlay with **The Leviticus 25 Plan** ($18.0 trillion – assuming an 80% participation rate by U.S. citizens) would hardly be prohibitive, in light of the trillions of dollars in Federal Reserve and Treasury outlays over the past 5 years to major U.S. banking and financial institutions (Morgan Stanley, Citigroup, Bank of America, State Street Corp, Goldman Sachs, Merrill Lynch, JPMorgan Chase, Wachovia, Lehman Brothers, Wells Fargo, Bear Stearns) and major foreign financial institutions (Royal Bank of Scotland, UGS AG, Deutsche Bank AG, Barclays, Credit Suisse. Dexia, BNP Paribas).

The Federal Reserve's various credit facilities, Discount Window transactions, emergency loans, Foreign Exchange swap lines, Interest on Excess Reserves (IOER) for foreign banks, and Treasury's TARP and stimulus programs have done little to improve the financial status for the majority of American families. These government programs have also done nothing to change the dominance and risk profile of "too big to fail banks," and they have done little to lessen the counterparty default risk in the global derivatives markets.

3. U.S. taxpayer dollars have been used to support the IMF bail-out of Greece. The U.S. funded at least $780 million (17.09%) of the July $4.6 billion IMF transfer to Greece (purportedly funding interest payments to hedge funds which had speculated in purchasing the high-risk Greek debt).

U.S. taxpayers also funded approximately $2.9 trillion of a massive 2014 IMF loan to Ukraine to help Kiev pay off creditors including Western banks, Gazprom (the big Russian oil company), and previous IMF loan payment obligations).

The U.S. Treasury Department followed that up by guaranteeing a $1 billion Ukrainian bond issuance.

If U.S. taxpayer funds are being used to bail out the citizens of bankrupt foreign nations, then U.S. citizens deserve equal access to their own money to resolve liquidity issues at the family level.

4. The U.S. government will be piling on trillions of dollars of additional debt over the next eight years – which will compound financial stress issues for American families for decades to come.

The U.S. Government budget deficit for FY2016 came in at $587 billion. The Congressional Budget Office (CBO) Baseline Budget Projection (March 2016) forecasts that the U.S. will add $3.194 trillion to the national debt through FY2021 and an additional $7.940 trillion to the national debt through FY2025. This growing national debt burden will prove to be a significant drag on economic growth, and it will not generate meaningful, broad-based liquidity benefits for American families. The U.S. Government will be forced into monetary and fiscal policies which will continue the gradual erosion in the purchasing power of the U.S. Dollar.

U.S. citizens must be provided with direct liquidity access through a *Citizens Credit Facility*, in order to reduce/eliminate debt at the family level and off-set the potentially devastating consequences of a future major fiat currency 'reset.'

The Leviticus 25 Plan's one-time credit extension of approximately $18.0 trillion to U.S. citizens' Family Accounts and Medical Savings Accounts would set America on a new course. It would provide immediate and substantial liquidity benefits to American families. It would strengthen small businesses and reignite true economic growth in the U.S. economy.

The Plan would also stabilize the U.S. Dollar and strengthen the nation's banking system.

5. There is a Biblical precedent for **The Leviticus 25 Plan**.

The Leviticus 25 Plan is justified upon the basis of its profound historical correlations with the Biblical year of the "*Jubile*" (*The Book of Leviticus, Chapter 25*). This Year was established by God to free Israelites from economic indebtedness and oppression. It provided individuals and families a fresh start, with economic liberties and a societal rebalancing to counter permanent and restrictive class structures.

America wins:

The Leviticus 25 Plan will rebuild America's economic foundation. It will return control and responsibility for allocating financial resources back to individual American citizens, rather than allowing government to allocate resources.

Government allocation of resources inevitably leads to loss of freedom (F.A. Hayek). It replaces individual economic choice with government dictate. It is inefficient, it distorts cost structures, and it creates artificial imbalances in the free market system.

The Leviticus 25 Plan will substantially decrease, and in many cases eliminate, house-hold debt levels in America. It will generate meaningful gains in Real Median Household Income. It will provide financial security for American families and restore economic liberty. And it will free millions of Americans from big-government oppression and control over their daily lives.

The Plan will make it possible for Americans at all levels to avoid home loan foreclosures, provide for their family's daily needs, and start small business enterprises on their own – without government involvement.

Small business will not need to depend upon government-directed stimulus programs and tax incentives. They will instead benefit from financially secure customers walking in their doors.

State governments will benefit enormously from decreased costs for on-going social programs (unemployment benefits, food stamp benefits, heating-rental-phone assistance, partial off-sets to monthly Medicaid spending obligations, partial off-sets to penal institution funding, etc). State tax revenues would also grow significantly with the improving economic climate.

The housing market would stabilize, foreclosures should slow dramatically. Distressed properties would be more efficiently 'moved' in the market place.

There is a dangerous global "derivatives overhang" – approximately $553 trillion as of June 2015, this, in a $60 trillion world economy. Major exposure exists in Interest Rate Contracts, Foreign Exchange Contracts, and Credit Derivatives. In the U.S., four large U.S. commercial banks, J.P. Morgan, Goldman Sachs, Bank of America, and Citibank, account for 91.3% of the $203.1 trillion in derivatives sitting on US commercial bank balance sheets. The Bank for International Settlements (BIS) has advised that if only 1% of large U.S. commercial bank derivatives are "at risk" and "10% of that 'at risk' money is lost you will wipe out up to 1/3 of the banks' equity.

The stabilization of certain asset classes, particularly housing and credit markets, would forestall, or substantially neutralize, severe damages from future credit default events.

The elimination of debt at the family level, along with stabilization of the housing market, would allow the Federal Reserve to gradually reverse course on their "Zero Interest Rate Policy" (ZIRP) and allow interest rates to assume a more realistic, market-based level. Slightly higher interest rates would also encourage and benefit savings by American families – as well as major business sectors such as investment/pension funds, insurance companies.

The Leviticus 25 Plan will lower healthcare costs for American families by eliminating layers of bureaucracy, oversight, and administrative costs. It will re-incentivize wise decision-making in the allocation of healthcare spending at the family level. Those families with increased healthcare funding needs would continue to have access to normal benefits from Medicare and Medicaid after a monthly off-set from their Medical Savings Account.

Federal Regulators seized 157 banks in 2010 "in the wake of economic distress and soured loans." 92 banks were taken over in 2011, 51 were seized in 2012, 24 in 2013, and 18 in 2014. The U.S. economy continues to struggle with financially stressed borrowers and structural problems that continue to adversely impact America's banks.

The Plan will reignite economic growth, strengthen Main Street America, and strengthen the banking system with increased cash reserves, reduced exposure to at-risk loans, and enhanced collateral quality.

<u>Summary</u>:

It is time for an economic recovery plan in America that will offer a fresh start for American families. It is time for U.S. citizens to be granted direct access to liquidity transfers through a *Citizens Credit Facility*.

America needs a plan that employs a qualitatively new approach to strengthening our nation's economic foundation. It needs a plan driven by popular appeal, rather than by politics.

Considerations of a new direction in the recovery plan must include these critical factors:

1. Economic health at the family level must be restored before America can hope to regain financial vitality and economic liberty for citizens

Despite trillions of dollars in bailouts, big bank pump-priming and stimulus programs, the U.S. Economy remains lethargic. Despite the hundreds of billions of dollars spent on social welfare programs each year, millions of American families remain financially distressed. As of December 2016, a record 95.1 million working age Americans were not participating in the labor force.

American families are in dire need of debt relief. The Fed reported that in November 2016, "Consumer Credit Outstanding" (seasonally adjusted) had risen to $3.749 trillion. The Federal Reserve's Second Quarter Flow of Funds report showed total household debt had risen to over $12.35 trillion. *Real Median Household Income* has been in a steady decline for over a decade.

2. The national debt of the United States remains an enormous, potentially destabilizing problem for the future of our country, and America must have a plan to address it – a plan that will stimulate the economy and generate healthy, long-term tax revenue growth – and reduce dependency on government.

America's true, GAAP-based sovereign debt has been reported in the *U.S. Treasury Statement of Social Insurance in the Financial Report* since 2005. The GAAP-based debt, which accounts for the Net Present Value (NPV) of unfunded liabilities, was recently estimated at $86.6 trillion. This represents 550% of the U.S. GDP, and it represents 150% of the global GDP. The U.S. sovereign debt is clearly "beyond containment." There is no feasible way of bringing it back under control. The GAAP-based deficit over the past 7 years (2008 - 2015) has averaged more than $5 trillion per year (with the 2015 deficit coming in at approximately $6.0 trillion). At these levels, the Government could take all of the income earned by everyone in America, and it still would not cover the deficit. America's sovereign debt is now clearly "beyond containment."

Government debt, corporate debt, and household debt are all near historic highs. Debt is deflationary, and liquidity is critical for preserving our nation's economic viability. The Federal Reserve, over the long term, is faced with a 'print or collapse' scenario. With their goal of maintaining an "interest rate cap," the Fed will need to engage in on-going liquidity support to underpin Treasury Auctions. Risk is rising for on-going, long-term Dollar debasement with potentially devastating costs for millions of American families and destabilizing consequences for the nation's economic system.

The clock is ticking. America needs a new plan – granting direct liquidity infusions to U.S. citizens.

3. U.S. citizens deserve nothing less than the same access to liquidity, for resolving debt burdens and financial distress at the family level, that have been accorded to major U.S. and foreign financial institutions.

The Federal Reserve has opened the Fed Discount Window ("Fed Window), extending credit (providing liquidity at "zero" or "near zero percent interest") to the very U.S. bank holding companies, and foreign banks with U.S. subsidiaries, which led us into the financial crisis in the fall of 2008 with their excessive risk exposure to subprime debt and credit market derivatives.

Two of the global banking giants, Goldman Sachs and Morgan Stanley, earned free interest (at taxpayer expense) through their access to credit extensions at the Federal Reserve Discount Window, and within two years Goldman Sachs was paying out $111.3 million in "delayed bonuses" for the years 2007 and 2009 (NY Times 12-15-10).

The Fed Window was also opened up to foreign banks, including: Dexia SA (DEXB) – Brussels, Paris; Depfa Bank Plc – Dublin; Arab Banking Corp (at the time "29 percent owned by the Central Bank of Libya").

Additional foreign banks/financial centers, as members of the Fed's designated Primary Dealers, were allowed access to the Fed Window: BNP Paribas Securities Corp; Barclays Capital Inc; Credit Suisse Securities; Daiwa Capital Markets America, Inc; Deutsche Bank Securities, Inc; HSBC Securities (USA) Inc; Mizuho Securities USA, Inc; Nomura Securities International, Inc; RBC Capital Markets, LLC; RBS Securities, Inc; SG Americas Securities, LLC; UBS Securities LLC.

The Leviticus 25 Plan *rollout ($18.0 trillion – assuming an 80% participation rate by U.S. citizens), delivered through a 'Citizens Credit Facility' would not be prohibitive, in light of the trillions of dollars in Federal Reserve and Treasury outlays over the past five years to major U.S. banking and financial institutions (Morgan Stanley, Citigroup, Bank of America, State Street Corp, Goldman Sachs, Merrill Lynch, JPMorgan Chase, Wachovia, Lehman Brothers, Wells Fargo, Bear Stearns) and major foreign financial institutions (Royal Bank of Scotland, UGS AG, Deutsche Bank AG, Barclays, Credit Suisse. Dexia, BNP Paribas).*

The Federal Reserve's various credit facilities, Discount Window transactions, emergency loans, Foreign Exchange swap lines, Interest on Excess Reserves (IOER) for foreign banks, and Treasury's TARP and stimulus programs have done little to improve the financial status for the majority of American families. These government programs have also done nothing to change the dominance and risk profile of "too big to fail banks," and they have done little to lessen the counterparty default risk in the global derivatives markets.

5. **The Leviticus 25 Plan**, once fully implemented, would immediately balance the budget of the federal government.

The projected federal deficit for FY 2016 came in at $587 billion (projected: $537 billion). Projected deficits for 2017-2021: $550B, $549B, $710B, $798B, $890B (average: $699.4B). **The Leviticus 25 Plan** recapture provisions would eliminate those budget deficits and further generate a **$1.08 trillion** budget surplus for each of the first five years. Significant additional benefits would accrue from the savings on interest expense each year ($200.7 billion), and the additional dynamic benefits of a resurging national economy would be exponential.

The **$1.08 trillion** budget surplus each of the first five years following implementation would be transferred back to the Federal Reserve for ongoing reductions of the *Citizens Credit Facility* balance sheet.

*6. The **Book of Leviticus,** Chapter 25 outlines a divinely inspired plan which "the Lord spake unto Moses" in proclaiming a unique period of Jubile. "And ye shall hallow the fiftieth year, and proclaim liberty throughout all the land unto all the inhabitants thereof" (verse 10).*

Debtors - bondmen and bondmaids - were granted liberty from their indebtedness. Property was returned to the rightful owners, and distinct benefits were accorded "the poor, who now were acquitted from all their debts, and restored to their possessions" (Wesley). Leviticus 25:17 sets forth the solemn reminder, "Ye shall not therefore oppress one another; but thou shalt fear thy God: for I am the Lord your God."

Jubile "set bounds both to the insatiable avarice of some, and the foolish prodigality of others, that the former might not wholly and finally swallow up the inheritances of their brethren, and the latter might not be able to undo themselves and their posterity forever, which was a singular privilege of this law and people." (Wesley)

Jubile provided a fresh start with economic liberties and a societal rebalancing to counter permanent class structures.

America needs a plan that is modeled upon these divine concepts – an economic recovery plan that directly benefits American citizens in a timely manner.

Quotes:

"When human beings become dependent upon the political power of the state for their livelihood, the independence of person must disappear. It is the identification of economic power with police power that destroys the right of the individual to liberty."

- George Sokolosky, columnist

"Our freedom of choice in a competitive society rests on the fact that, if one person refuses to satisfy our wishes, we can turn to another. But if we face a monopolist we are at his absolute mercy. And an authority directing the whole economic system of the country would be the most powerful monopolist conceivable… it would have complete power to decide what we are to be given and on what terms. It would not only decide what commodities and services were to be available and in what quantities; it would be able to direct their distributions between persons to any degree it liked." - Friedrich A. von Hayek, The Road to Serfdom

"In the end, more than freedom, they wanted security. They wanted a comfortable life, and they lost it all – security, comfort, and freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free and was never free again. "
- Edward Gibbon (Apr 27, 1737 – Jan 16, 1784) English historian and Member of Parliament

"The will of man is not shattered, but softened, bent, and guided, men are seldom forced to act, but they are constantly restrained from acting. Such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, till each nation is reduced to nothing better than a flock of timid and industrious animals, of which the government is the shepherd."

- Alexis de Tocqueville, Democracy in America

"Lenin is said to have declared that the best way to destroy the Capitalistic System was to debauch the currency... Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million can diagnose." - John Maynard Keynes

"You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete. –R. Buckminster Fuller

"We all want progress, but if you're on the wrong road, progress means doing an about-turn and walking back to the right road; in that case, the man who turns back soonest is the most progressive." – C.S. Lewis

"At the foot of every page in the annals of nations may be written, "God reigns."
Events as they pass away proclaim their original; and if you will but listen reverently,
you may hear the receding centuries, as they roll into the dim distances of departed time,
perpetually chanting "Te Deum Laudamus," with all the choral voices of the countless
congregations of the age." - George Bancroft, American historian and statesman (1800-1891)

Key Statistics:

Poverty: 47.7 million Americans lived in poverty in 2014 with 52.2 million Americans (21.3% of the population) participating in major means-tested welfare programs.

U.S. Employment: The broad U-6 unemployment figures from the Bureau of Labor Statistics show approximately 10.0% of the workforce as unemployed / marginally attached / short-term discouraged / underemployed. *ShadowStats Alternate* puts the percentage at 23% (October 2015).

In October 2015, the Bureau of Labor Statistics (BLS) reported that 94,610,000 working-age Americans had dropped out of the labor force.

Millions of unemployed Americans have been dropped from extended unemployment benefits over the past 4 years – and are no longer counted in the government's unemployment statistics.

"Means-tested welfare" costs**:** Federal and state spending climbed to $927 billion in 2011. This is projected to average reach the $1.6 trillion level for the year 2022.

U.S. Sovereign Debt: The U.S. annual GAAP-based deficits (Generally Accepted Accounting Principles) include the net present value of unfunded liabilities, such as Social Security and Medicare. Over the past 5 years the GAAP deficits have averaged $5 trillion annually (2008 - $5.1 trillion; 2009 - $4.7 trillion; 2010 - $5.3 trillion; 2011 - $4.6 trillion; 2012 - $6.9 trillion; 2013 - $6.6 trillion; 2014 - $6 trillion; 2015 - $6 trillion).

"You could tax 100 percent of everyone's income and 100 percent of corporate profits and the U.S. government would still be showing a federal budget deficit on a GAAP accounting basis," according to John Williams – economist statistician at *ShadowStats*. "The federal government cannot cover such an annual by raising taxes, as there are not enough untaxed wages and salaries or corporate profits to do so." The GAAP debt is estimated to be $86.6 trillion – which represents 550% of the U.S. GDP. And it represents 150% of world GDP. GAAP analysis represents true accounting – corporations are required to use GAAP in tax filings.

Greece Bailout: The United States paid between 17.09% and 21% of the July, 2011 International Monetary Fund (IMF) disbursement to Greece. This amounted to a minimum $780 million of U.S. taxpayer money being used for a Greece bailout. The money likely was used to pay interest payment on Greek bonds to hedge fund holders.

Egypt aid: The U.S. government is working out a major debt forgiveness package to the nation of Egypt ($1 billion – December 2012). The IMF is also preparing to offer Egypt a $4.8 billion economic assistance loan. The U.S., as a 17% stakeholder in the IMF, will contribute over 17% of the economic assistance in that package (approximately $820 million).

Ukraine aid: The U.S. government has supported a major IMF aid package for Ukraine, and has guaranteed a $1 billion Ukraine bond offering.

Total global derivatives exposure amounts to approximately $630 trillion (Bank of International Settlements *Survey of OTC derivatives markets, December 2014*). The top 25 holding companies in the U.S. control $333 trillion in derivatives contracts (July 2015) in the form of Interest Rate derivatives, FX, Equity Contracts, Commodity and Credit Default Swaps.

Derivatives risk is centered primarily among four major banks: JPM with $78.1 trillion, Citibank National Assn - $56.1 trillion, Bank of America NA - $53.2 trillion, Goldman Sachs Bank USA $47.7 trillion.

After receiving trillions of dollars in bailouts, emergency loans, and other forms of liquidity infusions at the height of the financial crisis, the banking world has once again taken on a significant level of counter party default risk. This could set the stage for economic contraction.

The Leviticus 25 Plan - Projection limitations

There can be no question that **The Leviticus 25 Plan** would generate healthy, broad-based economic growth from broad-based debt reduction and improved financial stability at the family level, the restoration of free market dynamics in commerce, and scaling back social program work disincentives.

The Leviticus 25 Plan does not attempt to project how much additional tax revenue and reduced cost of government will be realized, above and beyond the *Recapture Provisions*, over the course of the initial five years of the plan.
In that sense, **The Plan** understates the effect of additional dynamic economic benefits.

Robust funding of Medical Savings Accounts and the elimination of millions of insurance claims and claims resolutions for basic primary care and everyday healthcare purchases swill save millions of man-hours of health care cost on an annual basis. Scaling back government involvement in basic primary care and everyday healthcare purchases for millions of Americans will also generate massive cost savings.

The Plan makes no attempt to project the positive effects of the streamlined, consumer-driven efficiencies that will emerge, and the cost reduction and improvement in services.
The Plan therefore understates the benefits.

The Plan projects an 80 percent participation rate by U.S. citizens. It is assumed that a large number of wealthy Americans will not participate, because their tax refunds are larger than the annual **Plan** benefits. And it is assumed that a large number of Americans receiving significant government benefits for extraordinary health or economic issues will also not participate.

Cost savings from the reductions in massive social welfare spending and other programs, like unemployment insurance, workman’s compensation, SSI and SSDI can be difficult to quantity, since state and federal funding mechanisms may both be involved in various ways.
In that regard, **The Plan** may understate, or it may overstate, the benefits.

The Leviticus 25 Plan

FAQs –

1. How much would the Leviticus 25 Plan's initial credit extension expand the balance sheet of a Fed-based *Citizens Credit Facility*?

The Plan assumes a participation rate of 80% of the 300 million U.S. citizens (approximately 240 million Americans). 300 million X 80% X $75,000 = **$18.0 trillion**

2. Why is a Plan like this so vital for reigniting economic growth?

Total U.S. public and private debt, also called "*All sectors; Credit Market Instruments; Liability, Level*" reached $38.770 trillion as of 2015:Q4 (St. Louis Fed).

David Rosenberg, Gluskin Sheff, has further outlined the private sector debt burden problem:

> *"Considering that total private sector credit market debt relative to national income is still near a record-high of 137% versus a long-run norm of 80%, the mean-reversion process suggests that before we can even consider embarking on a fresh credit cycle in the household sector alone, mean reverting debt-to-asset or debt-to-income ratios would imply that anywhere from $4 to $6 trillion of leverage has to be extinguished before we can bring the outstanding level of liabilities to levels that would allow for a return to a sustainable pace of credit creation."*

3. How can the Leviticus 25 Plan effectively restore liquidity to American families, while at the same time reducing pressures from the U.S. sovereign debt problem?

The Leviticus 25 Plan does not require additional borrowing by the U.S. Treasury. **The Plan** is capitalized by credit extensions, direct to American families, from the Federal Reserve. Treasury revenue gains, directly related to the "recapture provisions," will be transferred back, periodically, to the Federal Reserve to shrink the Fed balance sheet back down to pre-expansion levels.

The primary benefit of the **Leviticus 25 Plan** flows from the massive debt reduction effect (mortgage and consumer loans) at the family level. As an example - A family of 4, with $200,000 in their Family Account, choosing to pay off a $100,000 mortgage balance (20-year maturity), would no longer have a $600-$700 principle/interest mortgage payment obligation each month. This would free up funds each month for saving, investing, additional debt elimination, and discretionary cash purchases.

It should also be noted that by paying off a $100,000 balance on a given mortgage, those families would actually save over $200,000 each in principle and interest costs, that they would have paid over the remaining life of their respective mortgages.

Perhaps most importantly, massive debt reduction at the family level would help insulate Americans against the economic fallout from future, potentially severe, economic contractions.

If 1,000 families (4 members per family) in an average-size community, all chose to pay off similar mortgage obligations, that community would benefit by $600,000 to $700,000 of 'new money' coming into that community each month for the next 20 years. This would provide healthy economic stimulation for the economy, and it would generate growing tax revenues, while reducing "income protection" costs in government.

The big picture benefit of **The Leviticus 25 Plan**: it would take a large proportion of the trillions of dollars paid out to banks and other lending institutions (debt service) each year, and redirect those dollars to American families, small businesses, and to federal, state, and local government entities. In addition, government entities would benefit from massive cost savings in social welfare spending.

4. Wouldn't the initial $18.0 trillion disbursement direct to U.S. citizens lead to hyperinflation?
No. By far, the greater hyperinflation threat would be realized by NOT shifting away from the current big-government, central-planning approach to managing the nation's financial affairs.

The U.S. government and the Federal Reserve have already set America on a hyperinflationary track with the snowballing federal deficits, stagnant economic growth, runaway social/entitlement spending, and the on-going Permanent Open Market Operation activities necessary to support orderly Treasury auctions and rate cap management.

The Leviticus 25 Plan, on the other hand, would improve economic and healthcare efficiencies in the marketplace and revitalize economic growth. It would generate a balanced budget for the federal government for each of the first five years and alleviate current, persistent pressures to 'print' fiat currency.

A. A large percentage of the $18.0 trillion credit extension will simply replace money that is already being spent by federal and state governments (welfare spending, healthcare benefits claims, unemployment benefits, etc.). This replacement spending would not be inflationary.
B. The disbursements ($6.0 trillion) into Medical Savings Accounts (MSAs) would generate new efficiencies in the healthcare marketplace, significantly reducing costs – over time.
C. A large percentage of the $12.0 trillion going into Family Accounts would be allocated to reduce mortgage and installment debt. "Debt service" is not inflationary.

The Leviticus 25 Plan would support prices and counter persistent deflationary pressures in the global economy. Over the longer term, by supporting free market allocation of capital rather than a big government allocation of capital, it would promote new efficiencies in nearly all markets across the economic spectrum, thereby stabilizing prices and minimizing inflationary risks.

If America does not change its current track, there will be a dramatic inflationary reset ahead.

5. Is there any type of 'fail safe' mechanism that would minimize the danger of some participants in the Plan simply "blowing" their money?
Answer: Yes, there is a 'fail safe' mechanism. When prospective participants apply for the plan, the banks / financial institutions must verify that they have properly screened the applicants for credit risk and job history. If an applicant family has a poor credit history / poor job history they would not be eligible to receive a lump sum deposit into their Family Account (FA), but would receive only 3-month incremental deposits – to manage their family's affairs.

At the same time under current big-government programs, many are "blowing it" now: food stamp-for-drugs fraud, SSI fraud, SSDI fraud, EITC fraud, Medicaid and Medicaid fraud, Workman's Compensation fraud.

Furthermore, the government has already "blown" billions of dollars with worthless and ineffective stimulus programs, massive financial infusions for foreign banks, IMF transfers to foreign nations, emergency loans and discount window transfers to scores of major financial institutions, including JP Morgan, and Goldman Sachs (providing over $100 million in bonuses to Lloyd Blankfein and upper level GS management).

Participants in **The Plan** would be "off" all or most of the federal/state "means-tested welfare programs" for a period of five years. Government social welfare programs would not be available during the defined participation period or between incremental deposits, if they did not properly manage their Family Accounts and Medical Savings Accounts. Their recourse would then be to turn for help to: family members, community groups / churches / other religious and charitable organizations.

An improving job market would also support newly motivated workers moving into the market.

6. Won't banks and other lending institutions get hurt by the Plan?

On the contrary, the Government's central-planning approach to the handling of the financial crisis banks has led to sluggish economic growth – which is not beneficial to the banking industry. Banks continue to need, and receive, liquidity support from the Federal Reserve. Major financial institutions have taken on significant exposure to various derivatives – which are entirely dependent upon the strength of the counter-parties. Fragile elements remain embedded within the system. The banking industry needs market-based economic growth.

The **Leviticus 25 Plan** will benefit banks with increased cash reserves and stronger loan portfolios. Loan loss reserve requirements should contract as loan loss provision decreases. Non-performing loans (non-accrual and restructured loans) would improve, with non-performing assets declining substantially over time. An improving economy, with significantly reduced debt burdens, would generate new loan demand, over time, from credit-worthy borrowers.

7. Does the Plan affect small business taxes – or corporate taxes?

No. The **Leviticus 25 Plan** does not affect current tax law regarding small business or corporate taxes. Tax reform in those sectors, to improve the business climate for American businesses, would need to be addressed independently of the Plan.

Reducing "corporate welfare" ($90-100 billion per year) would also be a key factor in support of deficit reduction – and should be addressed on its own merits. It would also help to level the playing field between large corporations and small business in America.

The **Leviticus 25 Plan's** liquidity restoration benefits for families would generate healthy, market-driven economic growth, benefiting both small businesses and large corporations.

8. How will The Leviticus 25 Plan affect government tax revenues?

The economic scoring assumes that at least 80% of U.S. citizens will participate in the **Plan**.

The Plan's recapture provision regarding income tax refunds (where participating families agree to give up their tax refunds for a period of five years) will provide for a massive revenue recapture. The IRS reported issuing 111,069,000 refunds, totaling $317.615 billion for 2016 (through December 30, 2016).

Income tax refund recapture:

$317.615 billion X 80% participation = $254.092 billion / year for five years. Total: **$1.270 trillion**. *(Note: this conservative incorporates no growth in recapture over the 5-year period)*

A proportional amount of this revenue would be transferred back to the Federal Reserve each year to reduce the $18.0 trillion balance sheet expansion of the Fed-based *Citizen's Credit Facility*.

Aside from the 'recapture revenues,' the debt reduction benefits would lead to the elimination of major sums of mortgage / HELOC interest-expense deductions and with significant health care deductions, which would generate considerable new federal and state tax revenue.

Revitalized economic growth would result in more Americans working, paying taxes and social security and Medicare and Medicaid payroll taxes.

9. How certain and how significant would the Plan's cost-saving features be?

The significance of **The Plan's** cost-saving benefits cannot be overstated, and the credit extension would be well-collateralized.

The 'recapture provisions would generate massive cost savings for state and federal government agencies, as they accrue over time, from the reduction in specified means-tested welfare spending, income security programs, unemployment insurance payments, modest adjustments in deductibles for Medicare, Medicaid, VA, TRICARE, and Federal Employee Health Benefits (FEHB) eligible health care expenses. The majority of these savings at the federal level would be transferred back to the Federal Reserve each year in the recapture process.

Aside from the recapture provisions, additional savings would accrue from the reduced cost of government (reduced participation in government social / welfare programs) and from the potential cancellation of various other projects such as economic stimulus programs.

A. Means-tested welfare programs - assumes 80% participation by participants

Total "means-tested welfare spending" (federal, state) reached the $927 billion level in 2011. This is projected to reach the $1.6 trillion level in the year 2022**.**

Source: Heritage Foundation, "Examining the Means-tested Welfare State: 79 Programs and $927 Billion in Annual Spending" - Robert Rechter, May 3, 2012

Appendix Table One *(Spending in millions of dollars)*

Categories / Budget Code	Federal Spending	State Spending	Total Spending
CASH . .			
Cash 01 SSI/OAA 75-0406-0-1-609; 28-0406-0-1-609	56,462.00	4,673.00	61,135.00
Cash 02 Earned Income Tax Credit (refundable portion) 20-0906-0-1-609	55,652.00		55,652.00
Cash 03 Refundable Child Credit 20-0922-0-1-999, 20-0922-0-1-609	22,691.00		22,691.00
Cash 05 Make Work Pay Tax Credit (Refundable Portion)	13,905.00		13,905.00
Cash 04 AFDC/TANF 75-1501-0-1-609; 75-1552-0-1-609	6,882.89	6, 876.86	13,759.74
Cash 05 Foster Care Title IVE 75-1545-0-1-506; 75-1545-0-1-609/.01	4,456.00	3,921.28	8,377.28
Cash 06 Adoption Assistance Title IVE 75-1545-0-1-506/.04	2,362.00	1,316.00	3,678.00
Cash 07 General Assistance Cash None	2,625.00		2,625.00
Cash Refugee Assistance 75-1503-0-1-609	167.86		167.86
Cash 10 General Assistance to Indians 14-2100-0-1-452, 14-2100-0-1-999	115.00		115.00
Cash 11 Assets for Independence 75-1536-0-1-506/3.06	24.00		24.00
CASH TOTAL	**162,717.75**	**19,412.14**	**182,129.88**

MEDICAL				
Medical 01 Medicaid 75-0512-0-1-551	274,964.00		157,600.00	432,564.00
Medical 02 SCHIP State Supplemental Health				
Insurance Program 75-0515-0-1-551	8,629.00		3,796.76	12,425.76
Medical 03 Medical General Assistance None	6,965.90			6,965.90
Means-Tested Welfare Spending, FY2011				
Medical 04 Indian Health Services 75-0390-0-1-551	3,815.00			3,815.00
Medical 05				
Consolidated Health				
Centers/Community Health Centers 75-0350-0-1-550/.10	1,481.00			1,481.00
Medical 06 Maternal and Child Health 75-0350-0-1-550.18	656.00		492.00	1,148.00
Medical 06 Medical Assistance to Refugees 75-1503-0-1-609	167.86			167.86
Medical 06 Healthy Start 75-0350-0-1-550/.19	104.00			104.00
MEDICAL TOTAL	**289,816.86**		**168,854.66**	**458,671.52**
FOOD				
Food 01 Food Stamps 12-3505-0-1-605	77,637.00		6,987.33	84,624.33
Food 02 School Lunch 12-3539-0-1-605/.91	10,321.00			10,321.00
Food 03 WIC -Women, Infant and Children				
Food Program 12-3510-0-1-605	6,787.00			6,787.00
Food 04 School Breakfast 12-3539-0-1-6050/1.91	3,076.00			3,076.00
Food 05 Child Care Food Program 12-3539-0-1-605/2.91	2,732.00			2,732.00
Food 06				
Nutrition Program for the Elderly,				
Nutrition Service Incentives 12-3503-0-1-605; 75-0142-0-1-506/1.07	820.00		139.40	959.40
Food 07 Summer Program 12-3539-0-1-605/3.01	376.00			376.00
Food 08				
Commodity Supplemental Food				
Program 12-3512-0-1-605; 12-3507-0-1-605/.91	196.00			196.00
Food 09 TEFAP Temporary Emergency Food Program				
12-3635-0-1-351; 12-3507-0-1-605/2.01; 12-4336-0-3-999	247.00			247.00
Food 10 Needy Families 12-3505-0-1-605.06	60.00			60.00
Food 11 Farmers' Market Nutrition Program 12-3507-0-1-605/4.01	23.00			23.00
Food 11 Special Milk Program 12-3502-0-1-605/3.02	13.00			13.00
FOOD TOTAL	**102,288.00**		**7,126.73**	**109,414.73**
HOUSING				
Housing 01 Section 8 Housing (HUD) 86-0302-0-1-604	28,435.00			28,435.00
Housing 02 Public Housing (HUD) 86-0304-0-1-604	8,973.00			8,973.00
Housing 03 Low Income Housing Tax Credit for Developers	6,150.00			6,150.00
Housing 04 Home Investment Partnership				
Program (HUD) 86-0205-0-1-999, 86-0205-0-1-604/.01	2,853.00			2,853.00
Housing 05 Homeless Assistance Grants (HUD) 86-0192-0-1-604/.01	2,280.00			2,280.00
Housing 06 State Housing Expenditures (from SWE) None	2,085.00			2,085.00
Housing 07				
Rural Housing Insurance Fund (Agriculture) 12-2081-0-1-371	1,689.00			1,689.00
Housing 08 Rural Housing Service (Agriculture) 12-0137-0-1-604	1,085.00			1,085.00
Housing 09 Housing for the Elderly (HUD) 86-0320-0-1-604	934.00			934.00
Housing 10 Native American Housing Block Grants (HUD) 86-0313-0-1-604		854.00		854.00
Housing 11				
Other Assisted Housing Programs (HUD) 86-0206-0-1-999	496.00			496.00
Housing 12				
Housing for Persons with Disabilities (HUD) 86-0237-0-1-604	309.00			309.00
Choice Neighborhoods				
HOUSING TOTAL	**54,058.00**		**2,085.00**	**56,143.00**
ENERGY AND UTILITIES				
Energy 01				
LIHEAP Low Income Home Energy Assistance 75-1502-0-1-609/.	4,419.00			4,419.00
Energy 02 Universal Service Fund -- Susidized				
Phone Service for Low Income Persons 27-5183-0-2-376	1,750.00			1,750.00
Energy 02 Weatherization				
89-0215-0-1-999, 89-0215-0-1-272, 89-				
0224-0-1-999, 89-0321-0-1-270/.12	234.00			234.00
ENERGY AND UTILITIES TOTAL	**6,403.00**			**6,403.00**

EDUCATION			
Education 01 Pell Grants 91-0200-0-1-502/1.01	41,458.00		41,458.00
Education 02 Title One Grants to Local Education Authorities 91-0900-0-1-501	14,472.00		14,472.00
Education 03 21st Century Learning Centers 91-1000-0-1-501/0004	1,157.00		1,157.00
Education 04 Special Programs for Disadvantaged (TRIO) 91-0201-0-1-502/2.01	883.00		883.00
Education 05 Supplemental Education Opportunity Grants 91-0200-0-1-502/2.01	740.00		740.00
Education 06 Adult Basic Education Grants 91-0400-0-1-501/0191	607.00		607.00
Education 07 Migrant Education 91-0900-0-1-501/.13	444.00		444.00
Education 08 Gear-Up 91-0201-0-1-502/2.02	303.00		303.00
Education 09 LEAP Formerly State Student Incentive Grant Program (SSIG) 91-0200-0-1-502	1.00		1.00
Education 10 Education for Homeless Children and Youth 91-1000-0-1-501/.09	65.00		65.00
Education 11 Even Start 91-0900-0-1-501/.08	4.00		4.00
Education 12 Aid for Graduate and Professional Study for Disadvantaged and Minorities 91-0900-0-1-502	41.00		41.00
EDUCATION TOTAL	**60,175,000.00**		**60,175,000.00**
TRAINING			
Training 01 TANF Work Activities and Training 75-1552-0-1-609	2,504.90	831.93	3,336.83
Training 02 Job Corps 16-0181-0-1-1504	1,659.00		1,659.00
Training 03 WIA Youth Opportunity Grants Formerly Summer Youth Employment 16-0174-0-1-504	946.00		946.00
Training 04 Senior Community Service Employment 16-0175-0-1-504	705.00	77.55	782.55
Categories Budget Code Federal Spending State Spending Total Spending			
Training 05 WIA Adult Employment and Training formerly JTPA IIA Training for Disadvantaged Adults & Youth 16-0174-0-1-504/.01	766.00		766.00
Training 07 Food Stamp Employment and Training Program 12-3505-0-1-605/.03	393.00	166.00	559.00
Training 06 Foster Grandparents 44-0103-0-1-506	104.00	10.40	114.40
Training 08 YouthBuild 16-0174-0-1-504/.24	110.00		110.00
Training 09 Migrant Training 16-0174-0-1-504/.11	85.00		85.00
Training 10 Native American Training 16-0174-0-1-504/.10	52.00		52.00
TRAINING TOTAL	**7,324.90**	**1,085.88**	**8,410.78**
SERVICES			
Services 01 TANF Block Grant Services 75-1552-0-1-609	5,385.12	4,838.13	10,223.25
Services 02 Title XX Social Services Block Grant 75-1534-0-1-506	1,787.00		1,787.00
Services 03 Community Service Block Grant 75-1536-0-1-506/3.01	678.00		678.00
Services 04 Social Services for Refugees Asylees and Humanitarian Cases 75-1503-0-1-609/.01	417.28		417.28
Services 05 Safe and Stable Families 75-1512-0-1-506	553.00		553.00
Services 06 Title III Aging Americans Act 75-0142-0-1-506	369.00		369.00
Services 07 Legal Services Block Grant 75-0142-0-1-506	406.00		406.00
Services 08 Family Planning 75-0350-0-1-550/.32	298.00		298.00
Services 09 Emergency Food and Shelter Program 58-0103-0-1-605; 70-0707-0-1-605/1.01	48.00		48.00
Services 10 Healthy Marriage and Responsible Fatherhood Grants 75-1552-0-1-609/.09	150.00		150.00
Services 11 Americorps/ VISTA 95-2728-0-1-506/.04	99.00		99.00
Services 12 Independent Living (Chafee Foster Care Indpendence Program) 75-1545-0-1-609	140.00	28.00	168.00
Services 13 Independent Living Training Vouchers 75-1536-0-1-506	45.00		45.00
Services 14 Maternal, Infants and Children Home Visitation 75-0321-0-1-331	36.00		36.00
SERVICES TOTAL	**10,411.40**	**4,866.13**	**15,277.53**

CHILD CARE AND CHILD DEVELOPMENT			
Child Care and Development 01 Headstart 75-1536-0-1-506/1.01	7,559.00	1,889.75	9,448.75
Child Care and Development 02 Childcare and Child Development Block Grant 75-1515-0-1-609/.01	2,984.00	2,176.00	5,160.00
Child Care and Development 03 Childcare Entitlement to the States 75-1550-0-1-609	3,100.00		3,100.00
Child Care and Development 04 TANF Block Grant Child Care 75-1552-0-1-609	2,318.56	2,643.78	4,962.35
CHILD CARE AND CHILD DEVELOPMENT TOTAL	**15 ,961.56**	**6,709.53**	**22,671.10**
COMMUNITY DEVELOPMENT			
Development 01 Community Development Block Grant and Related Development Funds 86-0162-0-1-451	7,445.00		7,445.00
Development 02 Economic Development Administration (Dept of Commerce) 13-2050-0-1-452	423.00		423.00
Development 03 Appalachian Regional Development 46-0200-0-1-452	68.00		68.00
Development 04 Empowerment Zones, Enterprise Communities, Renewal Communities 86-0315-0-1-451	1.00		1.00
COMMUNITY DEVELOPMENT TOTAL	**7,937.00**		**7,937.00**
2011 TOTAL	**717,093.48**	**210,140.07**	**927,233.55**

<u>Cost savings</u> over the course of a 5-year ‘recapture period (federal and state spending):
Average Means-Tested Welfare spending of $1.1 trillion/year X 80% X 5 years = **$4.4 trillion**

Note: Medicaid cost savings is a factor of $5,000 deductible and a significant reduction in Medicaid-eligible families as more Americans become fully employed and covered under other more beneficial plans. Medicaid enrollment hit 69 million during 2015 and is projected to grow 12.5% by 2024, to 77.6 million. Expenditures are projected to grow from $554.3 billion to $920 billion during the same period.

Total cost savings under ***The Leviticus 25 Plan*** *would be substantial.*

B. Medicare savings – assumes 80% participation from Medicare recipients

In 2011 49.4 million Medicare beneficiaries collected approximately $564 billion in benefits "Americans paid $274 billion in Medicare taxes and premiums," resulting in a deficit of approximately $290 billion. "Looking into the future, even the most optimistic estimate by the program's trustees puts Medicare's future unfunded liabilities at more than $38.6 trillion. More realistic projections suggest the shortfall could easily top $90 trillion" (CATO - Aug 24, 2012).

A 2011 GAO report estimated "$60 billion to $90 billion in fraudulent claims paid out each year."

There were approximately 55.8 million enrolled Medicare beneficiaries in 2015, and that number is projected to grow to 64.3 million by 2020. Enrollment is projected to further expand to 73.5 million by 2025 and to 81.5 million by 2030. The Plan’s recapture provision incorporates a $5,000 deductible per participant per year for Medicare eligible expenses, projecting an average annual enrollment over the next five years (2017-2021) of 61.7 million people

<u>Cost savings</u> over the course of the 5-year ‘recapture’ period: 61.7 million Medicare recipients (projected average/year for the next 5 years) X 80% X 5 years X $5,000 deductible = **$1.234 trillion.**

Note: The Plan also assumes that with individual Americans managing the first $5,000 of their Medicare eligible expenses, fraud, overcharges/billing errors would be reduced.

C. Federal Employees Health Benefits Program (FEHB) – assumes 80% participation
This health care program for civilian government employees (including Congress) and their dependents covers approximately 8.2 million insured at any given time. $5,000 deductible for FEHB eligible expenses that would be a direct cost to the government.
Cost savings over 5-year recapture period: 8.2 million X 80% X $5,000 X 5 years = **$164.0 billion**

D. VA Healthcare savings – assumes 80% participation from VA Priority Group members
$5,000 deductible for VA eligible expenses that would be a direct cost to the VA.
Veteran's participation noted in Priority Groups (2015):
1, 2, 3, 4, 5, 6, 7A, 7C, 8A, 8B, 8C, 8D, 8E, 8G = 8,442,380 enrollees (assumes no growth)
Cost savings over 5-year 'recapture' period: 8,442,380 X 80% X $5,000 X 5 years = **$168.85 billion**

E. TRICARE – healthcare program for service members, retirees and dependents
Cost savings over 5 years: 9.4 million recipients X 80% X $5,000 X 5 years = **$188.0 billion**

F. Supplemental Security Disability Income (SSDI) – participants would forego SSDI benefits during 5-year period.
The Plan assumes 80% participation of the approximate 14.083 million disabled beneficiaries and non-disabled dependents who received total payments of $197.218 billion during 2016.
Cost savings over 5-year recapture period: $197.218 billion X 80% X 5 years = **$788.873 billion**

G. Supplemental Security Income (SSI) – participants would forego SSI benefits during 5-year period.
The Leviticus 25 Plan assumes 80% participation of the current 8.3 million recipients receiving a total annual payout of $32.8 billion (2016).
Cost savings over 5 years: $32.8 billion X 80% X 5 years = **$218.8 billion**

H. Unemployment benefits – assumes 80% participation of the 6.5 million recipients receiving $32 billion in payouts per year

> Liabilities: 31 states have $41 billion in loans outstanding to cover unemployment insurance payouts – a figure that is expected to rise further through 2015.

Cost savings over the 5-year 'recapture' period: $32 billion X 80% X 5 years = **$128 billion**
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Miscellaneous savings:
I. Stimulus bill - Additional stimulus bills would not be needed.

J. Corporate welfare – current $250-$300 billion / year.
Cutting 125 programs (Cato) would save taxpayers $85 billion per year.
Cost savings over 5 years: $85 billion/year X 5 years = **$425 billion**

Total from *Recapture Provisions*:

The Leviticus 25 Plan total recapture benefits over the first five years of the program (*Income tax refund recapture plus A thru J above*): **$8.56 trillion**, for an average of $1.72 trillion per year.

The Leviticus 25 Plan – primary scoring assumptions

The Plan assumes an 80% participation rate by U.S. citizens. Wealthier Americans would likely not participate, due to the size of their refunds. Certain individuals in the lower socio-economic sector would not participate, due to high benefits profiles that they would not want to give up.

The Plan assumes that participating families would use significant funds to pay down / eliminate debt and that the ongoing benefits of this debt reduction would flow to families and to federal, state, and local government entities (as tax revenue) for several decades beyond the event.

The Plan assumes that dynamic new efficiencies would emerge in the healthcare system – with more families managing/directing healthcare expenditures through their MSAs.

The Plan assumes that apart from the recapture provisions, there would be significant new general tax revenues growth for federal, state and local government entities. This would develop from free-market economic revitalization, more people working and paying taxes, and from the elimination of various income tax deductions (e.g. mortgage / HELOC interest expense).

The Plan assumes that there would not be a massive full-scale move back into the means-tested welfare programs, income security programs, SSDI, unemployment insurance at the end of the initial 5-year recapture period.

The benefits of a free market economy and newfound economic liberty for American families would provide positive economic inertia throughout years 5-10, and for many years beyond. Recapture provisions would provide an estimated $8.56 trillion return over the initial 5-year period. Economic growth over the following 10 years would generate significant additional tax revenues for both federal and state governments.

Significant inertia from **The Plan** would also provide on-going, market-based growth benefits over succeeding years that far exceed any prospect for healthy economic growth that may be expected under America's current big-government, central-planning approach.

These additional benefits would be generated from:

- Massive liquidity gains and debt reduction at the family level.
- Immediate, sweeping reversal of government "central planning" approach.
- Major reversal in work disincentives embedded in social welfare program structures.
- Economic growth, improved productivity and job creation.
- Stabilization of housing market.
- Strengthening bank capitalization.
- Minimizing the role of government in managing, directing, and controlling the affairs of citizens.

The Leviticus 25 Plan would restore Biblically-inspired economic liberty and freedom from oppression - as intended by *The Year of Jubile*.

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Goldman Sachs Group Inc. Chief Executive Officer Lloyd C. Blankfein and his top deputies will collect about $111.3 million in stock next month in a delayed payoff from last year and their record-setting 2007 bonuses. Bloomberg 2010-12-15

Blankfein, 56, is poised to receive about $24.3 million in January, based on yesterday’s share price, while President Gary D. Cohn, 50, will get about $24 million, company filings show. The payouts, just a portion of the $67.9 million bonus awarded to Blankfein for 2007 and the $66.9 million paid to Cohn, reflect a 24 percent decline in the stock’s value since it was granted at $218.86.

Within a year after the bonuses were approved, Goldman Sachs took $10 billion from the U.S. Treasury, converted to a bank and was borrowing as much as $35.4 billion a day from Federal Reserve emergency programs. This year the firm paid $550 million to settle U.S. regulators’ fraud charges related to a mortgage-security the company sold in 2007.