



COMMITTEE ON THE BUDGET

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Trump Budget: An Irresponsible and Cynical Vision for our Nation

Summary of the President's Budget for 2020

The third budget proposal from President Trump has arrived, and it's the third strike for the Administration – once again, the President has abjectly failed to produce a responsible vision for our country and the American people. It adheres to a philosophy of using the levers of government to help wealthy individuals and corporations at the expense of hardworking Americans. It is a cynical document replete with backward priorities, broken promises, and blatantly dishonest gimmicks.

Sticks to the Republican three-step plan: 1) cut taxes for the rich, 2) increase the deficit, 3) make working Americans pay — The budget confirms what we already knew about the Republicans' \$1.9 trillion tax scam: it does not pay for itself, it will increase the deficit, and to help fill in the enormous hole they have created, Republicans will demand cuts to programs upon which working Americans, our economy, and national security rely. The budget shows trillion-dollar deficits each year through 2022 – unprecedented levels when the economy is not in recession – and adds more than \$7 trillion of new debt over 10 years. The President's response to bulging deficits made worse by the 2017 tax cuts is all too familiar: call for more tax cuts for the wealthy and implement a massive austerity program that disinvests in education, public health, and infrastructure; dismantles health care for millions of Americans; and cuts off nutrition assistance and other support to working families struggling to get by and people who cannot work due to disability. In sum, it is a recipe for American decline.

Proposes another massive tax cut mostly benefitting the wealthy — The budget permanently extends the GOP tax scam, which will add another \$1 trillion to deficits over the last four years of the 10-year budget window. Like the first GOP tax scam, making tax cuts for the wealthy permanent will do nothing to raise workers' wages, create good-paying jobs, or reduce the growing inequality in income and wealth.

Cuts NDD by more than \$1 trillion over 10 years – starting at 9 percent in 2020, not 5 percent as the White House claims — The budget's NDD cuts would severely damage our economic and national security. NDD includes investments critical to families and the economy, including education, energy, infrastructure, health care research, and much more. It also includes activities directly related to our national security. These include homeland security, diplomatic operations and foreign aid, veterans' health care, law enforcement, food safety, and disease prevention and control. The White House makes a dishonest comparison to claim that the cut to NDD is 5 percent by misrepresenting the 2019 enacted level to make the cut appear smaller

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than it is. Adjusting to make the correct comparison shows a 9 percent cut. The budget also eliminates \$8 billion of NDD OCO funding for international affairs programs. Adding this element to the equation increases the cut to more than 10 percent. After 2020, the budget cuts NDD 2 percent year after year so that by 2029, the end of the 10-year budget window, NDD is down to \$453 billion, one-quarter less than the 2019 cap – and that is before factoring in inflation.

Continues pursuit of an ineffective border wall — The budget includes \$8.6 billion to fund new construction of an unnecessary and ineffective border wall. In addition, the budget includes \$3.6 billion, as part of the Department of Defense’s \$9 billion emergency request, to pay back military construction projects the President is deferring as part of his bogus emergency declaration.

Dismantles Medicaid and Medicare and weakens protections for consumers – The budget builds on the Trump Administration’s actions to sabotage the Affordable Care Act by making yet another attempt to “repeal and replace” the law. The budget’s proposed “replacement” would leave millions of people without meaningful health insurance coverage and weaken protections for people with pre-existing conditions. On net, the budget cuts \$1.4 trillion from health care programs over ten years. This includes a \$1.5 trillion cut from Medicaid and a \$0.5 trillion cut from Medicare, partially offset by inadequate investments in health plans that bypass consumer protections. That’s a cut of roughly one out of every four dollars spent on Medicaid, meaning that millions of Americans who currently rely on the program could lose their coverage.

Makes college unaffordable — The budget cuts \$207 billion from student loan programs – worsening the student debt crisis and making it harder for students to attend college. This includes increasing costs for students by eliminating subsidized student loans while making it more difficult for students to repay their loans by eliminating the Public Service Loan Forgiveness Program and creating a less generous single income-driven student loan repayment plan.

Puts deficit reduction on the backs of people struggling to make ends meet — The budget cuts \$327 billion over 10 years from mandatory programs that support working families and those struggling to get by, including \$220 billion from the Supplemental Nutrition Assistance Program (SNAP). Barely three months ago, Congress rejected cuts to SNAP when it passed a bipartisan farm bill that protected the program for the 42 million people, including 18 million children, who rely on it to meet their basic needs. The budget also puts unnecessary bureaucratic barriers between families and the benefits they receive from the Earned Income and Child Tax Credits, resulting in a \$68 billion cut to these important benefits, and cuts \$84 billion from Social Security and other disability programs.

Falls short again on infrastructure — The budget repeats last year’s woeful infrastructure proposal. It provides \$200 billion for infrastructure over 10 years and relied on unrealistic assumptions about the ability of state and local governments, and the private sector, to finance most of the costs of new projects under the plan. The budget also takes away from infrastructure with one hand even as the other hand pretends to make it a priority. The budget cuts Department of Transportation funding by \$5.9 billion (21.5 percent) next year, with even deeper cuts in the future as the budget’s discretionary spending cuts deepen.

Uses giant OCO gimmick to get around budget caps for defense — The budget uses a patently dishonest budget maneuver to seek an end-run around the budget caps for defense while severely shortchanging other vital national and economic security investments. For 2020, it includes \$576 billion for the base defense budget – matching the Budget Control Act level – but adds \$165 billion for Overseas Contingency Operations (OCO) and \$9 billion of emergency funding, which are both exempt from budget caps. This increases the overall defense topline to \$750 billion (\$34 billion above the 2019 level). The OCO request is an eye-popping \$96 billion more than the 2019 enacted level. This strategy to bypass the budget process and avoid a negotiation to raise both the defense and nondefense discretionary (NDD) budget caps could put us on a path to a government shutdown once again.

Relies on fantasy economic projections — The Administration assumes the economy will grow about 3 percent annually over the next decade, with growth accelerating to 3.2 percent this year before decelerating to 2.8 percent by 2026. These growth rates are much higher than those projected by private forecasters and the Congressional Budget Office, which forecasts average annual growth of less than 2 percent. The growth rates assumed in the budget are unlikely even in the near term: 3 percent growth was only barely achieved in 2018, facilitated by the temporary stimulus from the 2017 tax cuts and 2018 spending agreement. Most independent analysts believe the economic boost from these policies peaked last year. Over the long run, 3 percent growth is unlikely to be maintained given the much slower projected rates of labor force growth associated with our aging population – unless we were to significantly increase the work force by passing comprehensive immigration reform, for example.

President's 2020 Budget Totals											
<i>(in billions of dollars)</i>											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2029
Receipts.....	3,645	3,877	4,129	4,421	4,753	5,040	5,323	5,608	5,939	6,292	49,027
Outlays.....	4,746	4,945	5,177	5,330	5,453	5,671	5,899	6,122	6,447	6,495	56,285
Deficit.....	1,101	1,068	1,049	909	700	631	577	513	508	202	7,258
Debt held by the public	18,087	19,222	20,334	21,304	22,064	22,756	23,390	23,957	24,519	24,770	