## \$3.7 Trillion Obama Budget Sets Up Spending Fight With GOP

Republicans plan to vote on immediate cuts this week as deficit and debt battle unfolds By <u>ALEX M. PARKER</u> Posted: February 14, 2011

After weeks of behind-the-scenes maneuvering, the battle over the federal <u>budget</u> is finally out in the open this week.

President <u>Obama</u> proposed a \$3.7 trillion budget this morning, which cuts some programs while boosting others.

Meanwhile House <u>Republicans</u> plan to bring a bill to the floor this week that will continue funding for the government through September, but at reduced levels across all departments. The debate marks the first chance for newly elected Republicans to make good on their promises to scale back the scope of the government and tackle the growing government deficit.

The Obama <u>budget</u> and the GOP continuing resolution, as it is called, are not directly related--Obama's budget is for fiscal year 2012, while the GOP bill would continue funding the government for the remainder of fiscal year 2011 (for which no budget was passed). But the two measures will frame the broader spending debate that figures to consume Washington for the coming months.

Obama's proposal includes a spending freeze, and cuts to social programs such as home heating for poor Americans, Pell Grants, and cleanup programs for the Great Lakes. Obama emphasized long-term cuts, combined with investments for the future. "Even as we cut out things that we can afford to do without, we have a responsibility to invest in those areas that will have the biggest impact in our future," the president said at an appearance in Baltimore Monday morning. [See photos of the Obamas behind the scenes.]

But Republicans have blasted the budget as too little, too late. "The president missed a unique opportunity to provide real leadership by offering a budget that fails to address the grave fiscal situation facing our country," House Majority Leader <u>Eric</u> <u>Cantor</u> said in a released statement.

On Thursday, the House is scheduled to vote on the fiscal year 2011 funding bill, which would enact drastic cuts throughout the government, although it would leave the <u>military</u> and entitlement programs such as <u>Medicare</u> mostly intact. The continuing resolution would trim the government by about \$60 billion, compared with the budget passed for fiscal year 2010. It would ban earmarks, rescind all unspent stimulus funding, and cut scores of social programs treasured by <u>Democrats</u>. [See more stories about the budget, the deficit, and the national debt.] Republicans want to drastically slash spending, and they don't want to wait until 2012 to do it. Their 2011 continuing resolution bill would cut funding for high-speed rail, which President Obama touted during his State of the Union address last month by \$2.5 billion, compared with fiscal 2010's budget. The cuts go across government, but environmental programs,

the<u>Internal Revenue Service</u>, and anti-poverty measures, such as job training programs, get particular attention. The Departments of Transportation, Justice, and Housing and Urban Development, as well as federal programs for science, would see many of the proposed spending cuts, according to the <u>Appropriations</u> <u>Committee</u>. The final product will also likely bar funding for the enforcement of Obama's <u>healthcare reform</u> law, according to Cantor. [See a slide show of the 10 Best Cities for Public <u>Transportation.</u>]

At first, Republicans proposed smaller budget cuts, equalling about a \$35 billion decrease from 2010 levels. GOP leaders defended their cuts, claiming that larger cuts were unrealistic, because the fiscal year is nearly half over. But newly elected Republican lawmakers and conservative activists revolted against the proposed spending cuts, claiming that the GOP was backing down from its pledge to cut at least \$100 billion from the budget. "If we're going to draw the ire of folks who say we don't care about women and children, why aim so low?" asks Tad DeHaven, a budget analyst with the libertarian Cato Institute, of the original proposal. Republican appropriators were forced to wield a bigger knife. The bill which will be brought to the floor this week ultimately cuts about \$100 billion from Obama's proposed budget for 2011, and \$60 billion from the budget enacted for 2010. [See an opinion slide show of 10 wasteful stimulus projects.]

The <u>budget</u> wrangling has been an early test for the Republican majority in the House, and an early demonstration of how powerful the deficit hawks are in <u>Congress</u>. But with Democrats still in control of the Senate and the <u>White House</u>, the battle to keep the government funded has only begun.