Trump's 'taxpayer-first' budget focuses spending, proposes $3.6 trillion in cuts

Proposal will balance in 10 years and boost military spending

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The budget that the Trump administration will roll out Tuesday does much more than balance in 10 years and boost military spending; it forces a major change in the way Washington looks at the spending by putting the focus on taxpayers instead payees.

President Trump's team went through the budget line by line with a simple question: Would taxpayers want their money spent on this?

Turns out that plenty of times the answer was "No."

The result was $3.6 trillion in cuts over 10 years — the most ever proposed by a U.S. president — to reach balance in 2027 without touching Medicare or Social Security retirement benefits, as Mr. Trump promised.

Still, cuts to education, social welfare and other programs while increasing defense spending by $54 billion raised eyebrows on Capitol Hill.

Mick Mulvaney, the president's budget director, called it a "taxpayer-first budget."

With the U.S. carrying a $20 trillion debt, he said, there is no excuse for continuing to pay for feel-good programs that don't work.

"We cannot continue to simply measure our compassion or our success by the amount of money we spend. We are going to measure our compassion and success by actually helping people and by respecting taxpayers who pay for it in the first place," he said.

For the budget's math to work, the Trump administration relies on increasing economic growth to 3 percent, which is an ambitious goal above the 1.9 percent average of the past decade.

Mr. Trump's plans to reform spending, taxes, welfare and federal regulations are all geared toward restoring the 3 percent growth that had been the norm in the U.S. since World War II.

Like every other presidential budget, Mr. Trump's spending plan documents his priorities but will be pronounced dead on arrival in Congress. But this budget, more than others, has opened the negotiations from a new vantage point.

Democrats slammed the budget as soon as details leaked out.

"Instead of protecting public education, health insurance and other programs that help working Americans, President Trump is simply committed to make room for his massive tax cut for the rich," said Democratic National Committee spokeswoman Adrienne Watson.

Lawrence Mishel, president of the liberal Economic Policy Institute, was taken aback.

"This is ludicrous," he said. "If they think they know what the voters want, which is what they are claiming now, then why didn't they explain it to voters when it could affect their vote?"

"It's a flimflam and it's unseemly," he said. "It's wrong for America, and I think that it is a betrayal to working-class Americans."

White House officials argued that the spending cuts made good on Mr. Trump's pledge to reduce the size of the federal workforce and create a leaner, less-intrusive and more-effective government.

"People don't mind paying their taxes as long as they know their money is not being wasted and for too long, I think, the government has not been able to prove to them that that's the case," said Mr. Mulvaney.

Pushing Mr. Trump's priorities, the budget increases military, law enforcement and border security spending.

It allots $2.6 billion for new border security infrastructure and technology, including $1.6 billion for new and replaced wall construction along the border with Mexico.

The crackdown on illegal immigration took other forms in the budget.

The taxpayer-first review resulted in a proposal to require people receiving the earned income tax credit and child tax credit to have a Social Security number. The change would prevent illegal immigrants from pocketing the refundable tax credits designed to help poor families, saving $40 billion over 10 years.

Those and other welfare reforms would save $274 billion over 10 years.

Other cuts are aimed at prodding people on food stamps and Social Security disability insurance back into the workforce.

Mr. Mulvaney said getting able-bodied Americans off disability benefits didn't break Mr. Trump's promise not to cut Social Security. He said voters understood the promise to be about retirement benefits.

Other cuts, contributing to a 2 percent reduction in nondefense spending each year, included:

• A $800 billion cut from Medicaid spending over 10 years that is part of the House-passed Republican bill to replace Obamacare.

• Zeroing out the heating assistance program for the poor for a $3 billion savings.

• Reducing food stamps by $193 billion, or 25 percent, over 10 years.

Chris Edwards, director of tax policy studies at the libertarian Cato Institute and editor of DownsizingGovernment.org, said the new budget perspective was long overdue.

He noted that the earned income tax credit has a 25 percent fraud rate, according to government data.

"Congress has known this, but they don't seem to be able to solve the problem," he said.

"That's just ridiculous, and it's unfair to taxpayers.

"I think Mulvaney is being more aggressive in pushing reforms. He is the most fiscally conservative budget director that I can remember in the last three decades," said Mr. Edwards.