



OMB director pick likely to be confirmed, but his battles have just begun

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Republican doubts about Rep. Mick Mulvaney, President Trump's choice to lead the Office of Management and Budget, could foreshadow an internal administration struggle over priorities in the federal budget.

Mulvaney is expected to attract the votes necessary for his confirmation on Thursday, despite early signs that a handful of senators were wavering on their support of the fiscal conservative.

But their initial reluctance to back Mulvaney demonstrates the challenges he will face when it comes to writing the president's first budget.

Sen. Thad Cochran, chairman of the Senate Appropriations Committee, did not announce his decision to vote for Mulvaney until Wednesday afternoon. Earlier in the day, an aide to the Mississippi Republican told the *Washington Examiner* that "he has not decided how he will vote."

Cochran's reservations reportedly stemmed from Mulvaney's past pushes to rein in defense spending. Sen. John McCain, chairman of the Senate Armed Services Committee, told CNN he was "leaning against" a vote to confirm Mulvaney due to the nominee's previous efforts to reduce the flow of funding to the Pentagon.

And Sen. Susan Collins, one of the most moderate Republicans in the upper chamber, said Wednesday that she still has concerns about Mulvaney despite her decision to support his nomination.

"I talked to him about his positions on defense spending, the fact that he has never voted for a budget or debt limit increase, and what he said to me was that he understood that his role as director was very different than his role as a congressman from a conservative district in South Carolina," Collins told reporters in a Senate hallway, according to her office. "I thought that was a good answer."

Resistance from defense hawks during his confirmation battle would be nothing compared to the resistance Mulvaney would face if he attempted to slash the Pentagon's budget in the coming weeks. The South Carolina lawmaker indicated he would not include cuts to defense spending in his budget, arguing during his confirmation hearing last month that he is "absolutely in lock step" with Trump's desire to beef up the military.

In the past, however, Mulvaney has advocated to close a loophole used to pad the Pentagon's budget by directing money in Overseas Contingency Operations, which are not subject to spending caps, into non-war activities.

Collins' concerns about the OMB nominee's prior refusal to support debt limit increases may preview another struggle on Mulvaney's horizon — one that would pit his revulsion to big spending against Trump's call to invest heavily in infrastructure while avoiding any cuts to major entitlement programs.

Chris Edwards, editor of DownsizingGovernment.com at the Cato Institute, said Mulvaney will likely pursue savings wherever he can find them.

"I think Mulvaney, his personal inclination will be to try to cut across the board," Edwards told the *Examiner*.

That's precisely what has many budget hawks excited about his nomination. Romina Boccia, the Grover M. Hermann Research Fellow at Heritage Foundation, said Mulvaney has his "heart in the right place" on the budget, and many are counting on him to finally attack the budget deficit.

"There are big hopes for Mulvaney that he will be able to demonstrate to the president the need for entitlement reform," Boccia told the Washington Examiner.

"Mick Mulvaney is a great choice for OMB," Sen. Rand Paul, R-Ky., said in a statement to Washington Examiner. "He's a fiscal conservative who's willing to give an honest assessment. One of President Trump's absolute best picks!"

And Rep. Diane Black, R-Tenn., who chairs the House Budget Committee, called Mulvaney a "great partner in the White House as we work towards a balanced budget."

One of Mulvaney's first tests will be how to handle the continuing resolution that is presently funding the government, but expires on April 28. Congress must pass another funding mechanism by then to keep the government running. Until the Senate confirms him, Mulvaney can't get to work on his budget, nor can he install a team to help him.

But Edwards said he expects Mulvaney to include a few people from conservative and libertarian think tanks on his staff. That could help to shape Mulvaney's final product.

"Obviously, there's lots of other internal power centers in the Trump White House that may want increases in certain areas like defense," Edwards said. "Like all budget directors, it's going to be a very tough task, balancing the demands."

Trump has already pledged to avoid tampering with Social Security and Medicare, blocking off one path to budget savings that Republicans might have otherwise taken.

Edwards said other paths have already been spelled out in previous proposals.

"Some of the big savings items, we can already see from Republican budgets in the last couple of years," he said.

One such approach could involve block-granting certain programs, such as Medicaid and food stamps, to states. That would place limits on how much each state could spend by forcing them to accept fixed payments, Edwards said.

Trump's campaign promise to deliver a multi-billion dollar infrastructure package has given conservatives on Capitol Hill anxiety.

A key method of paying for big-ticket items on the administration's wish list, the border adjustment tax, has fans in the House that include Speaker Paul Ryan and Ways and Means Committee Chairman Kevin Brady, but has received a lukewarm reception in the White House.

The White House did not respond to a request for comment about how much progress that administration has made on preparing its budget.