



Five takeaways from Trump's first budget proposal

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May 23, 2017

Office of Management and Budget Director Mick Mulvaney on Tuesday rolled out President Trump's first budget proposal, touting it as a break from the past.

"We looked at the budget through the eyes of the people who are actually paying the bills," Mulvaney said.

While the president's budget is thought of as more of a political statement than an expected outline for what will pass in Congress, it also offers a roadmap to the president's priorities and policy goals.

So what did we learn about Donald Trump and his priorities from his budget proposal? Here are five key takeaways

It is a very conservative budget

Candidate Trump ran as a shake-things-up outsider that didn't conform to Republican dogma.

Yet his budget plan is the kind of proposal that conservatives in the party have long dreamed of. It torches non-defense discretionary spending, ending dozens of federal programs, and boosts funding for the military— all while seeking balance within 10 years.

Conservative think tanks in Washington showered the proposal with praise.

"President Obama left office having roughly doubled the gross federal debt from about \$10 trillion to \$20 trillion," the Cato Institute's Chris Edwards wrote in an analysis of the budget. "We don't know yet whether Trump will be any more fiscally responsible than Obama. But he

does get credit for giving his budget team room to explore major downsizing options across the vast \$4.1 trillion federal government.”

The Heritage Foundation’s Romina Boccia said that “overall, this budget takes important strides toward cutting the federal government down to size.”

But while each of those groups had something to like in the budget, some Republicans said aspects of the plan didn’t go far enough.

Deficit hawks scoffed at the lofty growth rates the budget relied on to hit its debt goals. Small government conservatives were upset that Medicare and the retirement portion of Social Security were left untouched. And defense hawks like Sen. John McCain (R-Ariz.) said the defense spending remained short of what was necessary.

Still, a budget that proposes cutting \$1.5 trillion in non-defense discretionary funding over a decade is no small feat.

Trump is not afraid to cut entitlements

After the Trump Tower escalator ride that opened his presidential campaign, Trump made a promise: “Save Medicare, Medicaid and Social Security without cuts.”

Tuesday’s budget made good on half that promise, and once again showed Trump’s flexibility when it comes to his own promises and the slaughtering of Washington’s sacred budget cows.

Through a mix of the House-passed ObamaCare repeal bill and a new set of rules and requirements, the budget proposal makes over \$1.4 trillion in cuts to Medicaid, the healthcare program for the poor and disabled.

Though the budget does not touch the retirement portion of Social Security, it contains reforms and cuts to the Social Security Disability Insurance program, which cover people unable to work.

Medicare, the healthcare program for retirees, is left alone in Trump’s budget.

When asked how the proposals square with Trump’s campaign promises, Mulvaney said the cuts would allow the programs to keep covering people who need them. Work requirements would get able-bodied people off the rolls, and closer scrutiny would ensure that people receiving disability help were truly disabled, he said.

Mulvaney also argued that the natural growth path for such spending was nonsensical. Mandatory spending programs grow based on eligibility, so the baseline usually goes up from year to year. Thus, Mulvaney complained, Washington looks at steady levels as a cut.

“There are no Medicaid cuts in terms of what ordinary human beings would call a cut,” he said.

He also said that most people think of Social Security as referring only to the retirement program, so cuts to disability insurance didn't count.

Trump is pushing welfare reform

The Trump administration says large swaths of anti-poverty programs are being misspent or misallocated and need to be reformed.

"We're not kicking anybody off of any program who really needs it. We have plenty of money in this country for people who need help," Mulvaney said. The only people who would be affected by the changes, he said, were those who shouldn't rightfully be receiving help.

"The folks who want to work are not the problem," he said. "It's the folks out there who don't want to work."

Robin Rudowitz, an associate director for the Kaiser Family Foundation, says that the level of cuts in the budget far surpasses what might be saved from "fairer" eligibility requirements.

"I would say that our data does not support the notion that you could make up \$800 billion plus in reductions and financing for Medicaid with imposition of a work requirement," she said. Some 80 percent of adults on Medicaid, she said, live in working families, and a majority are already working themselves. Most of those not working, she said, have major disabilities or impairments.

But Mulvaney said that the government should consider the taxpayers when making such decisions as well.

"Compassion needs to be on both sides. You have to have compassion for the people receiving the federal funds, but you also have to have compassion for the folks who are paying it," he said.

Most of the budget is dead on arrival

Hours after the budget rollout, Democrats gleefully compiled and distributed a list of Republican complaints, gripes, and disavowals for its proposals.

Since the release of Trump's "skinny budget" outline in March, leaders on the Hill—including many Republicans, particularly in the Senate—have scoffed at the deep cuts to programs they see as vital.

Sen. Lindsey Graham (R-S.C), a frequent Trump critic, said proposed cuts would mean "we'd have to retreat from the world and put a lot of people at risk," and lead to "a lot of Benghazis," meaning security vulnerabilities abroad.

Senate budget committee chairman Sen. Mike Enzi (R.-Wyo.) noted that "the President's budget is a suggestion."

Senator Oran Hatch (R.-Utah), who heads the Senate Finance Committee, said, “We must study this budget in its entirety and carefully examine it to ensure that the efficiencies and savings suggested are sustainable in the long run.”

It’s unclear which of the president’s big proposals, if any, will survive, and which will get left on the cutting room floor.

Trump's budget would cut benefits to his voters

Trump rode to electoral victory with the support of white, blue-collar workers, including those in the Rust Belt.

The budget’s cuts, however, are likely to affect the very people who helped put him in office, experts say.

“Without question, Trump voters are going to feel the pain of it,” said Harry Nelson who runs the healthcare law firm Nelson Hardiman.

Some of the biggest changes will come to those in states that accepted federal funds to expand Medicaid, funds that would be pulled back under the Trump budget.

Among those states are Ohio, Michigan and Pennsylvania, a crucial trio that delivered the election to Trump.

Rural voters that swung heavily toward Trump in the election may also be in for a disappointment — the budget includes some \$38 billion in cuts to the farm bill, including limiting insurance subsidies.