



Trump's plan to exercise GOP's 'spending cut muscles'

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President Trump, facing criticism that budget deficits and the size of the federal government are once again ballooning under the Republicans' watch, is dusting off an obscure legal provision that allows to him to propose new fast-tracked spending cuts.

Title X of the 1974 Congressional Budget and Impoundment Control Act allows the president to ask Congress to rescind funding it has already approved. This power went unused under the last two administrations, but Trump unveiled a \$15.4 billion rescission package — hailed by his Office of Management and Budget as the largest single request ever proposed — and the White House promised there would be more to come.

Most of the proposed cuts are small. The Trump administration would like to take back \$252 million appropriated in fiscal 2015 for the Ebola response, now mostly in the rearview mirror, that went unspent. It's also targeting \$148 million meant for the Agriculture Department to deal with disease outbreaks among plants and animals that were resolved before the money was used.

The big-ticket items are \$4.3 billion reclaimed from the Energy Department's loan program for Advanced Technology Vehicle Manufacturing, which the administration says has not actually made a loan in seven years, \$7 billion in Children's Health Insurance Program spending that is either no longer needed or no longer authorized.

Both houses of Congress will have to vote on Trump's rescission package, which is not subject to Senate filibuster. "The House is very interested in this package," said a senior administration official. "Then we want to have a conversation with the Senate."

"If the House is able to pass a rescission package, we'll take a look at it," Senate Majority Leader Mitch McConnell, R-Ky., said this month.

The money involved isn't huge. "If enacted, these rescissions would decrease Federal outlays in the affected accounts by an estimated \$3.0 billion; this would have a commensurate effect on the Federal budget deficit and the national economy, and would result in less borrowing from the Federal Treasury," budget director Mick Mulvaney wrote in a letter to Trump, since forwarded to Congress.

But the Trump administration wants to revive presidential rescission authority as a tool for cutting spending. Officials hope to start small, with money sitting unused in government

accounts, and eventually take an ax to bigger targets, such as the controversial \$1.3 trillion omnibus spending bill.

“My first reaction was: This is a cheap GOP stunt because these aren’t real cuts. They generally don’t reduce outlays or shrink bureaucracies,” said Chris Edwards, tax policies director at the libertarian Cato Institute. “However, my second reaction was more positive. This is a useful exercise even if the cuts are small. Like athletes who allow their muscles to atrophy, Republican efforts to control spending have been so weak lately because members are out of practice.”

The Trump administration specifically wants to reverse the atrophy of the rescissions authority, which was used by Presidents Ford through Clinton. “We want to make sure the muscle memory behind this process is remembered by Washington,” said a senior official.

Presidents of both parties have wanted to gain more control over federal spending through a line-item veto, a power 43 out of 50 governors possess. Proposals to control spending have been hamstrung by the courts, however. The most recent legislation enhancing the president’s rescission authority was struck down by the Supreme Court in 1996. A constitutional amendment looks like a nonstarter.

The tool Trump is seeking to wield is actually a watered down version of the impoundment powers presidents held until Richard Nixon’s administration. Congress felt Nixon abused this power by unilaterally holding back billions of dollars in funds to programs he opposed. Now lawmakers have a role, just as they pass rescission packages of their own.

Although some fiscal conservatives had hoped to see the first round of rescissions include cuts in the neighborhood of \$60 billion, Trump administration officials speak confidently about eventually exceeding President Reagan’s total of \$43 billion once Congress is reacquainted with the process.

“Rescissions are a way to cut spending with a simple majority, so if we are ever to tame soaring deficits, rescissions will be a central part of the strategy,” Edwards said. “Many newer Republican members claim to be conservatives, but they shy away from bold cuts because they don’t have any experience doing it. This small rescission package allows GOP members to exercise their spending-cut muscles in a small way, but if it is successful, it should strengthen their resolve to make larger cuts down the road.”