



## Zero Votes for Obama Who Balances the Budget in 2055

By: Edward Morrissey – April 10, 2013

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Heard of zero-based budgeting? Anyone who has had to put together a budget in the private sector, especially in publicly traded companies, knows how that works. One cannot assume the spending of the previous year as a baseline for budget proposals in the next. Managers have to justify every dollar in the plan for the new budget, forcing them to rethink assumptions and ensure that old initiatives actually produce benefits for the organization and its shareholders.

Many people would like government at all levels to adopt zero-based budgeting, especially at the federal level. In the absence of normal-order budgeting over the last four years, Congress has instead used baselines from FY2010 to enact a series of continuing resolutions and omnibus-spending agreements as the US danced along the edge of fiscal cliffs.

During that period, Barack Obama offered two successive budget proposals that gave us a different kind of zero base – zero votes. In three floor votes on Capitol Hill, neither of President Obama's budgets received a single vote in favor, not even from members of his own party.

After the rollout of the new budget proposal from the White House, it seems as though Obama wants to go for the hat trick.

Let's start with the bottom line. Obama proposes to spend \$3.78 trillion dollars in FY2014, the highest level of spending ever. Cato Institute's Chris Edwards calculates this against the budget that preceded Obama's term in office, the FY2008 budget that was the last to get a signature from George W. Bush. Obama's proposal increases spending by 27 percent over those six years and by 8 percent over the last normal-order budget for FY2010.

This increase comes despite Obama's promises to introduce budget and deficit discipline, and in defiance of voters who want the federal government to reduce spending. It comes after the initiation of the budget sequester, which was supposed to lop off a mere \$85 billion in spending each year for the next decade, which would have been just 2.3 percent of last year's budget. Instead, this proposal would increase spending by \$154 billion, almost twice what sequestration was supposed to save taxpayers.

So much for a multi-year approach to fiscal discipline! Obama's budget bypasses the very sequester his White House demanded and got in 2011. AEI's Jim Pethokoukis pointed out that Obama's own budget office projected that the new budget proposal would lead to a balanced budget by ... 2055. That assumes, of course, that

whatever savings Obama claims to make in this budget will last 41 years longer than the sequester savings did.

Needless to say, Republicans on Capitol Hill were not impressed. Republicans on the Senate and House Budget Committees released a joint statement immediately after the launch highlighting the glaring flaws in Obama's idea of budget discipline. Among them: \$964 billion in new spending over the next ten years, \$8.2 trillion in new debt, and more than \$1.1 trillion in increased taxes – “on top of \$1 trillion in taxes from Obamacare and more than \$600 billion from the President's recent tax hike.”

The inclusion of tax hikes seems especially odd, given the circumstances of the economy. The last GDP report, from 2012's fourth quarter, measured US economic growth at an annualized rate of just 0.4 percent. Friday's jobs report for March showed only 88,000 jobs added, with a civilian labor force participation rate of 63.3 percent -- the lowest in 34 years. Hiking taxes while adding Obamacare mandates for employment is a recipe for more economic stagnation, if not contraction.

However, Obama apparently wants to refight the last two fiscal-cliff battles more than he wants to grow the economy, trying to get tax hikes in exchange for minimal entitlement-program reforms which deliver limited savings years into the future. So far, Republicans aren't buying either end of that deal.

For that matter, neither are Democrats. Earlier in the week, after the White House floated the trial balloon on entitlement reform, Roll Call reported outrage from the Left over Obama's strategic retreat on Social Security and Medicare. “I'm well past the point of trying to understand what, if any, strategy is behind anything this administration does,” Roll Call quoted an anonymous Democratic aide. “It most definitely does not outline party priorities, as evident by the reaction from the base.”

The Washington Post reported last Friday that Democrats on Capitol Hill opposed “any cuts to Social Security,” including Obama's proposed use of chained CPI to calculate cost-of-living increases, and would likely be “furious” over any hint of weakness in this area.

It didn't get any better for the White House after Obama announced the proposal. Progressive Senators Elizabeth Warren (MA), Tom Harkin (IA), and Bernie Sanders (VT) sent out messages strongly opposing any attempt to reform Social Security and Medicare. Sherrod Brown (OH) told reporters that “senior citizens didn't cause [the 2008 recession],” and shouldn't have their benefits “cut,” even though chained CPI would only reduce the rate of increase for those benefits.

On the other end of the spectrum, the Democratic candidate in the special election for South Carolina's open 1st Congressional District blasted the proposal for its lack of seriousness on spending. Elizabeth Colbert Busch, who will face former Governor Mark Sanford next May for the seat held by now-Senator Tim Scott, objects to both the “cuts” to Social Security as well as higher taxes and increased spending.

Where will this leave Barack Obama and his budget proposal? It leaves him in position for a third straight year of zero-vote budgeting. If Obama had either embraced real entitlement reform, spending reductions, or even stuck entirely with the tax-and-spend

argument that his party has framed for the last several months, he might have ended up with at least a few votes for his FY2014 budget proposal. Instead, Obama will win the hat trick and be relegated once again to the fringe of the budget debate.