



President Trump Releases 2018 Budget Recommendations

The White House released their budget proposal on May 23, cutting \$4.3 trillion over 10 years and including steep cuts to many domestic non-defense programs. About half of those cuts come from changes in programs including Medicaid, food assistance and federal student loans. The budget also includes steep cuts to the Environmental Protection Agency (31 percent), the State Department (29 percent, with an additional 2 percent cut per year) and the Education Department (13.5 percent).

The proposal includes changing the funding formula for Medicaid and the Children's Health Insurance Program, making \$600 billion in cuts over 10 years. Included in the Medicaid changes are setting annual limits on federal payments to each state in 2020. In addition, the plan:

- Cuts SNAP by \$190 billion (a reduction of more than 25 percent)
- Estimates \$40 billion in savings from barring undocumented immigrants from collecting the EITC and child care credit
- Narrows access to Social Security Disability Insurance, testing "new approaches to increase labor force participation"
- Cuts TANF by \$21 billion over 10 years, including a \$15.6 billion reduction in the amount of money the federal government gives to states to administer the program

Much of the savings from TANF and SNAP come from the President's proposal to tighten eligibility requirements for benefits and "encourage" work.

In addition to the severe cuts, the budget proposal eliminates various programs and agencies including:

- Community Development Block Grants (CDBG)
- HOME Investment Partnerships Program
- Choice Neighborhoods program
- National Housing Trust Fund
- Corporation for National and Community Services (which includes AmeriCorps)
- Legal Services Corporation
- Neighborhood Reinvestment Corporation
- Interagency Council on Homelessness

- Great Lakes Restoration funding

It also calls for the elimination of federally subsidized student loans, as well as the public service loan forgiveness program for nurses, policy officers and teachers.

There are spending increases included in the recommendations, which include a 10 percent increase to the Pentagon's base budget, \$1.6 billion for the border wall, \$200 billion for investment in infrastructure (which consists of a public/private investment plan) and extending the Veterans Choice Program. Also included is funding to provide six weeks of paid leave to new parents.

The general consensus is that the budget is unlikely to pass Congress without any changes. While the White House projects a balanced budget under this plan by 2027, the projections are made using assumptions that few economists or policy experts outside the administration view as realistic. The numbers assume a higher economic growth rate than most economists project, as well as not taking into consideration any deficits that would be caused by the tax reform proposed by the administration. It also assumes that the latest version of the health care bill will become law.

"I just think it's the prerogative of Congress to make those decisions in consultation with the President," Sen. John Cornyn (R-Texas) [told](#) the AP. "But almost every president's budget proposal that I know of is basically dead on arrival."