

## Summary of Trump FY2018 Budget Proposal

March 16, 2017

The budget proposal submitted by President Trump today continues a disturbing pattern that “features large increases in defense funding that are offset by cuts in a range of critical domestic priorities, substantial tax reductions for the wealthy, losses in health care for low- and moderate-income Americans, and potentially deep cuts in entitlement programs outside of Medicare and Social Security.”<sup>1</sup> The current budget release relates only to the first of these (cuts in domestic appropriations to offset increases in defense spending and a few other Trump priorities), with the others included in Trump’s tax plan,<sup>2</sup> and the House GOP health care legislation backed by the President.<sup>3</sup>

The March 16 Trump FY 2018 budget calls for increases in defense spending (+\$52 billion),<sup>4</sup> homeland security (+\$2.8 billion, most of which is to serve as a “down-payment” on the President’s proposed wall along the U.S-Mexico border) and veterans’ programs (+\$4.4 billion), which would be offset by large reductions in funding for other federal programs,<sup>5</sup> including—

- A 21% budget cut for the Agriculture Department, including a \$200 million reduction in the Women’s, Infants and Children nutrition assistance program).
- A 21% budget cut for the Labor Department. Most of these cuts would come from substantial reductions in funding for job training programs for disadvantaged youth and seniors, including the closing of a number of Job Corps centers.<sup>6</sup>
- An 18% budget cut for the Department of Health and Human Services. Though the Trump budget document provides few details about where these reductions are to be made, aside from a \$5.8 billion decrease in funding for the National Institutes of Health—the government’s major source of biomedical research—and the elimination of the Low Income Home Energy Assistance and Community Services Block Grant programs, this category includes such vital programs as Head Start and Temporary Assistance for Needy Families, or TANF, the nation’s main cash assistance program.<sup>7</sup>
- A 14% budget cut for the Education Department, including cuts in teacher training, afterschool programs, and aid to low-income and minority college students.
- A 13% cut for the Department of Housing and Urban Development. The Trump plan would eliminate the Community Development Block Grant program, which has supported a large number of urban renewal projects over the years, and a series of

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other programs that aid homeownership and neighborhood redevelopment in low-income neighborhoods, and would make substantial cuts in maintenance funds for public housing units.<sup>89</sup>

As with the other pieces of the Trump agenda, the burden of these cuts falls mostly on lower- and moderate income individuals, especially people of color, young people and unmarried women.

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<sup>1</sup> Sharon Parrott, David Reich, and Isaac Shapiro, "Trump Skinny Budget Will Be Short on Details, But Troubling Fiscal Agenda Is Emerging," Center on Budget and Policy Priorities, March 15, 2017, <http://www.cbpp.org/sites/default/files/atoms/files/3-15-17bud.pdf>.

<sup>2</sup> Jim Nunns, Len Burman, Ben Page, Jeff Rohaly, and Joe Rosenberg, *An Analysis of Donald Trump's Revised Tax Plan*, Tax Policy Center, October 18, 2016, p. 1, <http://www.taxpolicycenter.org/sites/default/files/alfresco/publication-pdfs/2000924-an-analysis-of-donald-trumps-revised-tax-plan.pdf>.

<sup>3</sup> Congressional Budget Office, *American Health Care Act*, cost estimate, March 13, 2017, [http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact\\_0.pdf](http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf).

<sup>4</sup> It is worth noting that in 2015 (the most recent year to be analyzed), U.S. defense expenditures exceeded the *combined* defense spending of the next seven largest military spenders (several of which are U.S. allies): China; Saudi Arabia; Russia; United Kingdom; India; France; and Japan). Peter G. Peterson Foundation, "The United States spends more on defense than the next seven countries combined," [http://www.pgpf.org/sites/default/files/0053\\_defense-comparison.pdf](http://www.pgpf.org/sites/default/files/0053_defense-comparison.pdf).

<sup>5</sup> The cuts exclude mandatory (entitlement) programs, such as Social Security, Medicare and SNAP, which are to be addressed in a separate Trump proposal that is to be released later.

<sup>6</sup> Jonnelle Marte, "Labor Dept. cuts target job training programs for seniors, disadvantaged youths," *Washington Post*, March 16, 2017, <http://www.washingtonpost.com/business/economy/labor-dept-cuts-target-job-training-programs-for-seniors-disadvantaged-youths/2017/03/15/>.

<sup>7</sup> Amy Goldstein, "Federal health department would face a nearly 18 percent cut," *Washington Post*, March 16, 2017, <http://www.washingtonpost.com/national/health-science/federal-health-department-would-face-a-nearly-18-percent-cut/2017/03/15/>.

<sup>8</sup> Jose A. DelReal, "Trump budget asks for \$6 billion in HUD cuts, drops development grants," *Washington Post*, March 16, 2017, <http://www.washingtonpost.com/politics/trump-budget-asks-for-6-billion-in-hud-cuts-drops-development-grants/2017/03/15/>.

<sup>9</sup> Kim Soffen and Denise Lu, "What Trump cut in his budget," *Washington Post*, March 16, 2017, <http://www.washingtonpost.com/graphics/politics/trump-presidential-budget-2018-proposal/>.