Concord Coalition blasts Trump budget proposal

By Editorial Staff Wed, Mar 13, 2019

'Non-defense appropriations, which make up roughly 16% of the budget, would be reduced by more than \$1 trillion over 10 years. Nothing in recent experience would suggest that cuts of this magnitude are anywhere near likely to be enacted,' says the Coalition's director.

President Trump's proposed 2020 budget "does not provide a realistic plan for the coming fiscal year and—even worse—fails to lay out a credible path to fiscal sustainability," the Concord Coalition said in a statement released this week.

"The combination of deep spending cuts for non-defense programs and a large increase in defense spending, assisted by a blatant gimmick to avoid existing budget caps, has the potential to induce congressional gridlock on Fiscal Year 2020 appropriations," said Robert L. Bixby, the Concord Coalition's executive director, in the release.

"Over the longer term, the budget's purported success at reining in the growing debt relies upon very rosy economic assumptions and improbable spending cuts, mostly targeted at portions of the budget that are not projected to see the fastest growth. Even with all of its favorable assumptions, the president's plan would not produce a balanced budget until 2034."

The budget is based on economic growth assumptions that are considerably higher than most other forecasts, with the administration projecting inflation-adjusted GDP growth at 3% or above through 2024. This substantially boosts assumed revenue. The administration is projecting individual income tax revenues higher than the Congressional Budget Office (CBO) baseline, which assumes that the individual income tax cuts from 2017 expire, the release said.

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Trump's budget calls for a boost in defense spending via the Overseas Contingency Operations (OCO) funding. The budget proposes to spend above defense spending caps over the next two years by increasing OCO funding from \$69 billion this year to \$165 billion in 2020 and \$156 billion in 2021. Such funding, which does not count against current spending caps, is supposed to be used for conflicts abroad. "OCO funding has long been used as a way to slip some extra money into the Pentagon, but Trump's new budget plan takes this to an entirely new level. It is over the top. The administration's bizarre explanation is that the 'only fiscally responsible way' to avoid 'unaffordable' increases in spending caps is to circumvent them," Bixby wrote.

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