

Trump Budget Would Boost Defense Spending, Cut EPA and More

By Paul M. Krawzak, CQ Roll Call

The Trump administration plans to send federal departments and agencies draft fiscal 2018 budget numbers Monday that would increase defense spending and pay for it through big cuts to domestic spending, CQ has learned.

That would tear down the so-called firewall between the two types of spending, though just discretionary programs will be included in the blueprint, a person familiar with the plan said, speaking on background. Such an approach would be sure to provoke intense criticism from Democrats who have insisted on parity in defense and nondefense spending, although it has been clear the administration intends to boost military spending.

Separately, the Office of Management and Budget's communications director, John Czwartacki, confirmed that the plan coming from the OMB on Monday will only include discretionary spending targets, not mandatory spending proposals or taxes. He added that OMB Director [Mick Mulvaney](#) was confirmed later than any other OMB director "in modern history."

Czwartacki said mandatory spending and tax proposals would be included in the full budget submission expected later this year. Discretionary spending makes up about one-third of federal spending.

President Donald Trump's budget also will increase spending for border security and provide additional resources for the Department of Veterans Affairs, the individual familiar with the plan said. Trump's budget also would rearrange priorities in domestic spending and eliminate programs that administration officials believe have been ineffective or should not be a federal responsibility.

The EPA would take one of the largest cuts, but other agencies also would see reductions.

CQ was told that the budget blueprint, or "skinny budget," which is expected to be unveiled in mid-March, proposes to increase defense spending without adding to the debt.

That budget blueprint, an outline of a fuller administration budget, is intended to comply with the overall fiscal 2018, \$1.064 trillion cap on discretionary spending, according to one person with knowledge of the plan.

But it would increase defense to about \$603 billion from the \$549 billion, post-sequester limit in the 2011 deficit reduction law ([PL 112-25](#)), people with knowledge of the deliberations said.

Nondefense spending, allowed to reach \$515.4 billion in fiscal 2018 under the post-sequester cap, would be cut further to offset the higher defense spending.

The 2011 deficit reduction law set caps on spending, but those caps were then lowered further after a special congressional committee was unable to agree on \$1.2 trillion in additional deficit reduction.

The initial overall cap set for fiscal 2018 was \$1.156 trillion. It was lowered to \$1.064 trillion when the sequester took effect.

Both during and after the campaign, Trump vowed to increase military spending and make cuts in domestic spending. The draft budget numbers that the OMB sends to agencies Monday are expected to reflect this. Trump also promised an anti-crime agenda.

Earlier in the day, Treasury Secretary Steven Mnuchin said the full budget would not propose cuts to Social Security or Medicare. "We are not touching those now," Mnuchin told Fox News' "Sunday Morning Futures" with Maria Bartiromo. "So don't expect to see that as part of this budget."

In a statement, Czwartacki declined to comment on what he called "the specifics of this internal discussion" about the skinny budget before it is issued in mid-March.

Czwartacki said the president and his Cabinet "are working collaboratively to create a budget that keeps the president's promises to secure the country and restore fiscal sanity to how we spend American taxpayers' money."

One person with knowledge of budget deliberations said the White House had gone back to find additional domestic discretionary program cuts to offset a larger increase in military spending than the OMB initially envisioned.

The New York Times and Axios first reported that the budget numbers would be sent to agencies Monday.

Ryan McCrimmon contributed to this report.