



Written by [Thomas R. Eddlem](#) on April 15, 2011

CBO Finds 37.5B in "Cuts" Were Gimmicks, 2011 Budget Increases Spending

The bill passed the House by a [vote](#) of 260-167 and the Senate by a [vote](#) of 81-19. The "nay" votes included conservative and Tea Party-aligned Republicans (e.g., Senators Rand Paul, Jim DeMint and Mike Lee; and Representatives Ron Paul, Justin Amash, and Michele Bachmann) who refused to support the big spending — as well as some leftist Democrats who believed the bill did not spend enough money.



The *Washington Post* for April 12 [reported](#): "A federal budget compromise that was hailed as historic for proposing to cut about \$38 billion would reduce federal spending by only \$352 million this fiscal year, less than 1 percent of the bill's advertised amount, according to the Congressional Budget Office."

The CBO [concluded](#) in an analysis of the legislation that about half of the reductions are for future years, and nearly half of the rest are phantom cuts. "Many of the reductions in budget authority for mandatory programs would have little or no effect on outlays in 2011 or future years. As a result, the estimated change in cumulative outlays under H.R. 1473 (\$20 billion to \$25 billion) is less than the reduction in 2011 budget authority (\$37.7 billion)." In short, the *Washington Post* [reported](#) April 14: "The analysts found that \$13 billion to \$18 billion of the cuts involve money that existed only on paper and was unlikely to be tapped in the next decade."

About half of the "cuts" are cuts in funds that wouldn't have been spent anyway, "accounting alchemy" to the very leftist *Washington Post*. These are unused funds agencies don't need and won't spend. The *Post* [noted](#) that "A *Washington Post* analysis of the 459-page budget revealed at least 98 cases in which Congress took back unused IOUs and called it a cut."

One example provided by the *Washington Post* was a cut of \$560 million from the U.S. Education Department's Academic Competitiveness and SMART programs. "We would not have used this money," a spokesman [told](#) the *Washington Post*.

The CBO analysis also found that the spending cuts were more than offset by increased spending for wars. As the *Washington Post* explained April 13: "About \$8 billion in immediate cuts to domestic programs and foreign aid are offset by nearly equal increases in defense spending. When war funding is factored in the legislation would actually increase total federal outlays by \$3.3 billion relative to current levels."

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