



Written by [Michael Tennant](#) on May 17, 2018

Trump's Rescissions Would Shrink Deficit by Less Than \$1.3 Billion Over 11 Years

President Donald Trump's proposed spending-cuts package would reduce the deficit by less than half the amount the administration claims it would, the nonpartisan Congressional Budget Office (CBO) estimates.

In a May 11 [letter](#) to House Majority Leader Kevin McCarthy (R-Calif.), the CBO projected that Trump's [proposed rescissions](#) would shrink the deficit by just \$1.26 billion over the next 11 years. The White House Office of Management and Budget (OMB), by contrast, had forecast a \$3-billion deficit reduction.



While the CBO agreed with the OMB's projection that the rescissions would reduce spending authority by \$15 billion in fiscal 2018, it found that

outlay savings would be significantly lower than the amount of budget authority rescinded for two reasons. First, many of the amounts proposed for rescission have remained unspent by agencies for years; CBO reviewed the historical spending patterns of the affected accounts and concluded that most of the funding would not be spent under current law. Second, the administration has indicated that these proposals are aimed at reducing funding that is no longer necessary for agencies to fulfill the purposes for which it was originally appropriated by the Congress.

The rescissions would save \$64 million in 2018, \$380 million in 2019, and then declining amounts over the following nine years. The largest cuts would come from the Department of Agriculture, which would lose \$259 million over the projection period, and the Department of Health and Human Services, which would forgo \$198 million.

More than half of the proposed rescissions would come from programs that are considered mandatory and whose budgets are not subject to the annual appropriations process. The vast majority of these cuts would come from reclaiming \$7 billion from Children's Health Insurance Program (CHIP) accounts and \$800 million from an ObamaCare innovation program. Among the remaining cuts, according to CQ, are "the Justice Department's assets forfeiture account; Treasury's Capital Magnet Fund, which finances affordable-housing projects; the Railroad Retirement Board's extended unemployment benefits program; and the Agriculture Department conservation funds."

Needless to say, all of these programs are unconstitutional. But that hasn't stopped congressmen and senators of both parties, most of whom pay little attention to that document, from decrying Trump's meager proposed cuts to the programs — this despite the fact that, as both the CBO and OMB have pointed out, most of the rescissions, including those to CHIP, involve money that was never going to be disbursed anyway.



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“Democrats and Republicans typically use CHIP rescissions to offset other public health program funding in annual appropriations bills,” writes CQ. “But even while acknowledging states don’t need the \$7 billion, Democrats have launched an aggressive messaging war to paint the GOP as insensitive to low-income children and others who benefit from similar programs.”

Democrats are also fighting back against a \$252 million rescission from a program to combat the Ebola virus in developing countries, which they claim is needed again with Ebola on the rise in Africa.

While some House Republicans are, in typical fashion, running scared over Democrats’ baseless charges, others remain confident that the rescissions bill will pass their chamber. Representative Duncan Hunter (R-Calif.) told CQ “he had only heard opposition from those ‘who don’t understand it.’”

The bill’s fate in the Senate, where Republicans hold only a one-seat majority, is even less certain. Democrats there have been particularly vocal about their opposition to the bill, while Republicans haven’t paid much attention to it because it originated in the House.

If the bill does get to the Senate, the GOP hopes to be able to pass it with a simple majority vote, avoiding the possibility of a filibuster. However, there are questions as to whether current law allows the passage of rescissions to mandatory accounts under those conditions. The Government Accountability Office (GAO) is currently investigating the matter and is expected to rule on it by May 22.

Given the fact that the CBO [projects](#) the deficit to top \$1 trillion in 2020, whether or not Trump’s comparatively minuscule rescissions pass is of little consequence. On the other hand, lawmakers’ hysterical reactions to the possibility of such infinitesimal cuts tell Americans everything they need to know about their elected officials’ senses of fiscal responsibility and constitutional fidelity.



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