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FOR YOUR INFORMATION
The Lewiston Tribune
Lewiston, Idaho
Tuesday May 23, 2017
**by Andrew Taylor &
Martin Crutzing (AP)**
Page 1 of 3

Trump's budget proposes deep domestic cuts

\$4.1 trillion plan looks to slash food stamps, Medicaid plan will be officially released today

WASHINGTON — President Donald Trump's proposed \$4.1 trillion budget slashes safety net programs for the poor, targeting food stamps and Medicaid, while relying on rosy projections about the nation's economic growth to balance the budget within 10 years.

The cuts are part of a budget blueprint for the coming fiscal year that amount to a dramatic restructuring of the government, with protection for retirement programs for the elderly, billions of dollars more for the military and the rest of the government bearing the bulk of the reductions.

The plan was outlined in White House summary documents. It will be officially released today.

The politically perilous cuts to Medicaid, the federal-state health care for the poor and disabled; college loans, food stamps and federal employee pension benefits guarantee Trump's budget won't go far in Congress, even though Republicans control both the House and Senate. Those cuts follow a partial plan from March that targeted domestic agency operations and foreign aid that were quickly dismissed by lawmakers.

"I just think it's the prerogative of Congress to make those decisions in consultation with the president," Sen. John Cornyn, R-Texas, said as he predicted the Medicaid cuts wouldn't survive the Senate. "But almost every president's budget proposal that I know of is basically dead on arrival."

The plan cuts almost \$3.6 trillion from an array of benefit programs and domestic agencies over the coming decade. It assumes Republicans will repeal and replace former President Barack Obama's health care law, known as "Obamacare," while reducing Medicaid, eliminating student loan subsidies, sharply slashing food stamps and cutting \$95 billion in the program for highway funds for the states.

"We need people to go to work," White House budget director Mick Mulvaney told reporters Monday. "If you are on food stamps, we need you to go to work. If you are on disability and you should not be, we need you to go back to work."

The budget plan reflects the small-government views of Mulvaney, a former tea party congressman; Trump has so far displayed little interest in budget issues and the plan is being released while the president is on his first overseas trip.

Trump's plan promises that overhauling the tax code and easing regulations will lift economic growth from the lackluster 2.1 percent average rate of recent years to sustained annual gains of 3 percent or better. Higher

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growth means lower deficits and Trump's plan folds in more than \$2 trillion in unspecified deficit savings over the coming decade from "economic feedback" to promise balance.

Without the juiced-up growth projections, Trump's plan would be almost \$500 billion in the red instead of sporting a small surplus in 2027, the target year.

Trump would keep campaign pledges to leave core Medicare and Social Security benefits for the elderly alone. His cuts to domestic agencies budgets approved by lawmakers each year would be redirected to the Pentagon. He promises a new parental leave program championed by his daughter Ivanka, but will fall short on his promises for a massive tax cut.

Among the cuts:

1 Medicaid would be reduced by more than \$600 billion over 10 years by capping payments to states and giving governors more flexibility to manage their rosters of Medicaid recipients. Those cuts are paired with the repeal of Obamacare's expansion of the program to 14 million people and amount to, by decade's end, an almost 25 percent cut from present projections.

1 A 10-year, \$191 billion reduction in food stamps — almost 30 percent — goes far, far beyond prior proposals by congressional Republicans. The program serves about 42 million people.

The budget lands as Trump's GOP allies in Congress are grappling with repealing and replacing Obama's health care law and looking ahead to a difficult rewrite of the loophole-clogged tax code. Trying to balance the budget isn't in the plan in Congress, but conservative Republicans are pushing for some action this year on spending cuts.

That includes cuts to pensions for federal workers and higher contributions toward those pension benefits, as well as cuts to refundable tax credits paid to the working poor.

On taxes, Trump promises an overhaul that would cut tax rates but rely on erasing tax breaks and economic growth to avoid adding to the deficit. It would create three tax brackets — 10 percent, 25 percent and 35 percent — instead of the current seven.

The budget adds details to the earlier blueprint, which proposed a \$54 billion, 10 percent increase for the military above an existing cap on Pentagon spending, financed by an equal cut to nondefense programs, which meant slashing medical research and foreign aid. Law enforcement and border security would get increases, however.

At least one Cabinet-level official, Energy Secretary Rick Perry, said Monday he would work with Congress to ensure money for the 17 national laboratories and other projects.

During a tour of Oak Ridge National Lab in Tennessee, Perry said he has "not been in the job long enough to go through the budget line item by line item."

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But Perry, who once called for the abolition of the department, has become an outspoken proponent of the department's importance, particularly the national labs.

"Hopefully we will be able make that argument to our friends in Congress that what DOE is involved with plays a vital role, not only in the security of America but the economic well-being of the country as we go forward," Perry said.

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