



Insight

How the “Super-Skinny Budget” Fits into The Budget Process

GORDON GRAY | MARCH 17, 2017

On Thursday, the Trump Administration released a truncated budget that proposed discretionary spending levels for FY2018 and little else. It did not include economic projections, tax proposals, changes to mandatory spending programs, net interest expense, debt, or deficit projections. It left out [most of the essential elements](#) of a budget. Incoming administrations typically release initial budget documents that are fleshed out later in the first term. While these initial or “skinny” budgets are less complete than is typical of presidents’ budgets, the incoming Bush and Obama administrations included, at least to some degree, all the major elements of a budget that the Trump Administration left out. Indeed, including major programmatic changes in these “skinny budgets” is often an essential part of the drive to achieve legislative goals in the crucial first year of an administration. The absence of these elements from Thursday’s “super-skinny budget,” extends the uncertainty over the administration’s overall policy priorities.

Despite its brevity, the administration’s budget request mirrors what is typically the most consequential aspect of a congressional budget resolution – discretionary spending limits. When Congress considers a budget resolution, the public and the press often focus on aspects of the budget that in a practical sense matter least, such as whether it balances by a certain year or the shrill cries from interest groups over “cuts” to Medicare. These concerns are usually misplaced, since a budget resolution isn’t a law, and therefore can’t “cut,” tax, or borrow a red cent. Rather, the budget is just an agreement between the House and the Senate on major budgetary levels, the most consequential of which is the annual appropriation level – the amount of money for defense and non-defense programs that Congress controls on an annual basis. Indeed, the actual limits (known as the 302(a) allocation) aren’t in the legislative text of the budget resolution at all, but rather report language.

The Trump “super-skinny budget” looks similar to this formulation, providing agency spending request totals and offering a discretionary budget framework that pairs a \$54 billion defense increase with a \$54 billion non-defense cut. President Obama had his own framework for discretionary spending that required any increase in defense spending to be paired with an equal increase in non-defense spending. This demand was backed up by veto threats to Congress, and was given its due attention. It is unclear if President Trump would veto appropriations bills that do not comport to his budgetary framework, which requires a defense increase be matched with equal and offsetting cuts to non-defense spending. The cuts proposed by the administration’s budget to non-defense programs are unlikely to be embraced on Capitol Hill, while critics in the defense community have dismissed Trump’s defense increase as inadequate. The net effect of these forces is to render the administration’s initial budget irrelevant.

The administration has signaled that it would release a full budget in May. This is consistent with the then-new Obama Administration's May 2009 update of its initial, albeit more substantial, February 2009 budget. The May release of the full budget is well past the usual due date for a president's budget, which is due the first week in February, and well after April 15th, when Congress is supposed to have concluded consideration of a budget resolution. However, given ongoing debate on the repeal of Obamacare that is backing up consideration of the FY2018 budget resolution, the full Trump budget could still be relevant to the formulation of the congressional budget resolution, and perhaps more importantly, to any legislation that actually attempts to grapple with the tax and spending challenges that the "super-skinny budget" leaves out.