

Trump to propose \$54 billion in cuts to 'most federal agencies'

By [Dan Merica](#), [Jeremy Diamond](#) and [Kevin Liptak](#), CNN

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- Few details were provided on how the cuts will be made

Washington (CNN) President Donald Trump's first budget proposal will look to increase defense and security spending by \$54 billion and cut roughly the same amount from non-defense programs, the White House said Monday.

"This budget will be a public safety and national security budget," Trump said at a bipartisan gathering of US governors at the White House Monday, vowing substantial increases in defense, law enforcement and infrastructure spending.

The majority of "lower priority programs and most federal agencies" will see a reduction in their budget as a result of the proposal, according to an official at the Office of Management and Budget speaking with reporters on background.

The official said those cuts will come through "unauthorized programs" and places "where there is duplication, where consolidation needs to occur."

Few details were provided on how the cuts will be made, but a Trump administration official told CNN that all \$54 billion will be cut in fiscal year 2018. Multiple officials have also made clear over the last 48 hours that the Environmental Protection Agency and foreign aid will be cut significantly under the new plan.

The budget, one OMB official said, expects "the rest of the world to step up in some of the programs this country has been so generous in funding" over the years.

Foreign aid makes up roughly 1% of the federal budget and includes a host of programs meant to help implement national security policy. (See graphs on the next page.) While foreign aid has long been a target for conservatives, cuts to these programs are unlikely to get the Trump administration close to the \$54 billion in proposed overall cuts.

The budget blueprint, which will outline in the clearest terms to date what Trump's policy priorities will be as president, fits with Trump's pledges to increase defense spending and cut government waste as a candidate.

Congress is not mandated to follow Trump's budget plan and in the coming weeks Republicans on Capitol Hill are expected to call administration officials to Congress to explain their proposal. The administration will also work with agencies to figure out how they will focus on cuts to their funding.

Trump said throughout the 2016 campaign that he would focus on spending cuts and tax reform, rhetoric that helped woo Republicans who questioned his commitment to other conservative principals.

"I want the American people to know that our budget will reflect their priorities," Trump said in a budget meeting earlier this month. "We'll be directing all of our departments and agencies to protect every last American and every last tax dollar. No more wasted money."

Trump's closest advisers have also previewed dramatic changes to the federal government budget. At the Conservative Political Action Conference on Thursday, Steve Bannon, a top Trump aide, said that new administration's aim was "deconstruction of the administrative state," a comment many federal workers saw as a pledge to weaken regulatory agencies.

Monday, Trump vowed "a budget of great rationality" that would be unveiled in "great detail" during his address to a joint session of Congress on Tuesday evening.

He wasn't specific about where he planned to cut spending, saying only he aimed for a more streamlined federal government without listing any specific agency or program that might see its budget slashed.

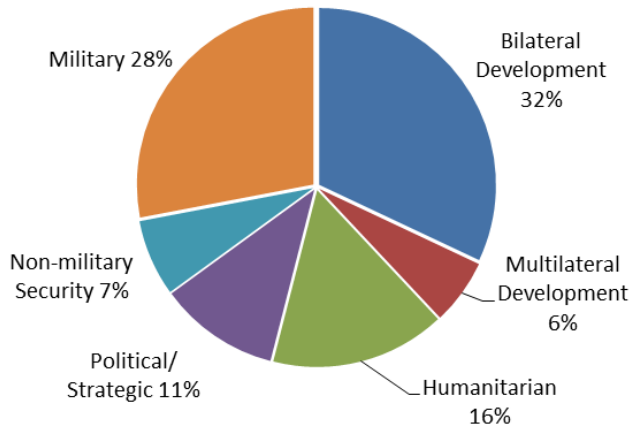
"We're going to do more with less," Trump said, promising a government that's "lean and accountable to the people."

"With 20 trillion dollars in debt, the government must learn to tighten its belt," Trump said.

Trump's proposed cuts have already been met with concern inside the federal government's bureaucracy. EPA employees have told CNN that many inside the agency are still in denial about the incoming cuts to their budget, despite the fact that Trump and Scott Pruitt, the newly approved EPA administrator, pledged to trim the agency.

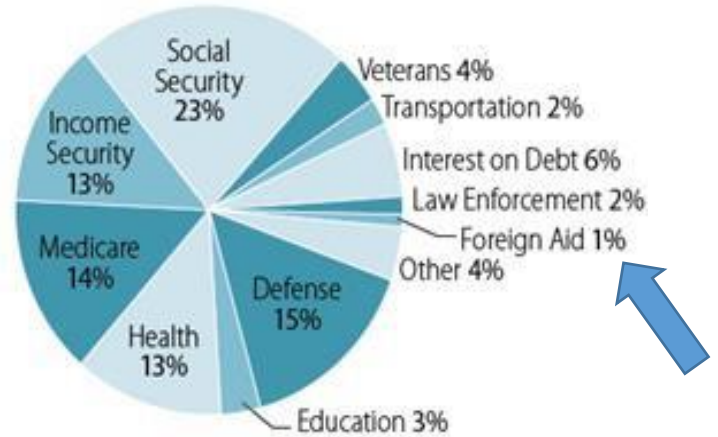
"It is clear to me, and will be to most agency employees very soon, that Mr. Scott Pruitt has been nominated and confirmed as administrator of the U.S. EPA in order to make significant and substantial changes to the agency," John O'Grady, the president of the union that represents EPA employees, said in response to the proposed cuts.

Figure 1. Aid Program Composition, FY2015



Source: OMB Historic Budget Table FY2016; CRS calculations.

Figure 6. FY2015 Budget Authority by Major Category



Source: U.S. Department of State, Summary and Highlights, International Affairs, Function 150, FY2016; CRS calculations.

Table 1. Department of State and USAID Foreign Assistance by Objective and Program Area: FY2015

(planned allocations in millions of current dollars)

Aid Objectives and Program Areas	FY2015	Aid Objectives and Program Areas	FY2015
Peace and Security	9,070.00	Investing in People	9,870.00
Counter-Terrorism	1,260.00	Health	8,700.00
Combating Weapons of Mass Destruction	288.95	Education	783.88
Stabilization/Security Sector Reform	6,560.00	Social Services/Protection of Vulnerable	386.12
Counter-narcotics	555.33		
Transnational Crime	91.24	Governing Justly & Democratically	2,430.80
Conflict Mitigation	311.60	Rule of Law & Human Rights	644.28
		Good Governance	1,050.00
Promoting Economic Growth	3,795.65	Political Competition	233.43
Macroeconomic Growth	284.80	Civil Society	501.72
Trade & Investment	170.25		
Financial Sector	104.72	Humanitarian Assistance	4,680.00
Infrastructure	550.85	Protection, Assistance & Solutions	4,500.00
Agriculture	1,180.00	Disaster Readiness	149.78
Private Sector Competitiveness	522.32	Migration Management	30.50
Economic Opportunity	271.30		
Environment	711.41		

Source: ForeignAssistance.gov; CRS calculations.