

FY 2020 Consensus Cuts for Congress

David Ditch

KEY TAKEAWAYS

The federal debt and annual deficits are irresponsibly high, requiring congressional action.

Despite the absence of an enacted budget resolution, legislators can use budget proposals from other sources for guidance.

Proposals by the President's Budget, Heritage's *Blueprint for Balance*, and the Republican Study Committee Budget would be a sensible start to finding savings.

Members of Congress have an opportunity to show sound judgment regarding the nation's finances over the coming months. The nation badly needs such leadership at a time when the annual federal deficit could exceed \$1 trillion just a year from now.¹

All 12 appropriations bills for fiscal year (FY) 2020 are due by September 30, 2019, and none has passed the Senate Appropriations Committee due to ongoing negotiations over discretionary spending levels set by the Budget Control Act. As a result, there will be a flurry of appropriations activity stretching at least into the fall. If recent history is a guide, a final resolution for the spending bills will most likely occur months after the deadline.²

A common political narrative is that Congress must significantly increase spending, with the Budget Control Act's limits described as "austere," "strict,"

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“harsh,” “severe,” and other unpleasant-sounding terms. In contrast to complaints that spending has been “cut to the bone,” the reality is that dozens of pet projects have survived for years due to purely political considerations.

While there are ways that Congress should reform the Budget Control Act caps,³ especially by removing the firewall between defense and non-defense spending, the overall spending level provides more than enough room to cover necessary federal functions, such as national defense.

Rather than seeking increased funding for non-defense programs and further adding to the nation’s \$22 trillion debt,⁴ Congress should start the necessary work of cutting government waste through thoughtful reforms and program eliminations.

With many individual appropriations bills well over a hundred pages long, and with thousands of discrete spending items overall, it can be difficult for Members’ offices to know where to start the work of bringing the federal book closer to balance. Since both chambers are unlikely to pass a detailed congressional budget resolution,⁵ legislators must find guidance elsewhere.

The Trump Administration,⁶ Heritage Foundation analysts,⁷ and the Republican Study Committee⁸ have all produced budgets for FY 2020. Each document includes over 100 policy changes designed to reduce systemic deficits.

While there are some differences of opinion among the three groups on specific programs, the budgets share 34 policies, and dozens more overlap at least in part. There are broad similarities in the approach taken by all three organizations when identifying savings:

- **Eliminating waste.** Programs that have failed to demonstrate meaningful value to taxpayers, such as the Justice Department’s Community Oriented Policing Services and the Community Development Block Grant, are commonsense cuts.
- **Ending unfair handouts.** Subsidies that pick economic winners and losers, benefit specific regions, and provide welfare payments to able-bodied adults are fundamentally unfair to the rest of the country. Congress should discontinue these immediately.
- **Shrinking the federal footprint.** The growth of the federal government in both size and scope since the early 20th century has been explosive. As a result, citizens and legislators alike are unable to monitor the full scope of the federal juggernaut, allowing untold amounts of waste and fraud to go undetected. Congress should discontinue federal

meddling in activities that are properly the domain of civil society, the private sector, and lower levels of government. A leaner federal government would be simultaneously more affordable and more accountable.

In total, the 34 consensus reductions would save at least \$33.2 billion in the current fiscal year, split between \$19.7 billion in discretionary spending and \$13.5 billion in mandatory spending.

Although this amount is not dramatic in the context of a fiscal year deficit that could exceed \$1 trillion,⁹ it is vital for Congress to know where to begin when it comes to reducing spending. Further, the three budgets provide additional ideas that offer hundreds of billions of dollars in potential savings.

Table 1, which contains the 34 consensus cuts, shows that there is plenty of low-hanging fiscal fruit to harvest. While reforms to Social Security¹⁰ and Medicare¹¹ are necessary to address the nation's dire long-term fiscal outlook,¹² these spending reductions would be a promising start.

David Ditch is Research Associate in the Grover M. Hermann Center for the Federal Budget, of the Institute for Economic Freedom, at The Heritage Foundation.

TABLE 1

Consensus Spending Cuts (Page 1 of 2)

Listed below are 34 policy proposals included in the 2020 *Blueprint for Balance*, the President’s budget, and the Republican Study Committee budget.

Subcommittee and Proposals	Category	Blueprint for Balance Savings (millions)
Agriculture, Rural Development, Food and Drug Administration		
Include a Work Requirement for Able-Bodied Adult Food Stamp Recipients	Mandatory	\$9,700.0
End Broad-Based Categorical Eligibility for Food Stamps	Mandatory	\$525.0
Commerce, Justice, Science		
Eliminate the Justice Department’s Office of Community Oriented Policing Services	Discretionary	\$304.0
Eliminate the Legal Services Corporation	Discretionary	\$415.0
Eliminate the Commerce Department’s Hollings Manufacturing Extension Partnership	Discretionary	\$140.0
Eliminate the Commerce Department’s Economic Development Administration	Discretionary	\$265.0
Eliminate National Oceanic and Atmospheric Administration Grants and Education Programs	Discretionary	\$273.0
Energy and Water Development		
Eliminate the DOE Advanced Research Projects Agency–Energy Program	Discretionary	\$366.0
Financial Services and General Government		
Repeal the Rum Excise Tax Cover-Over	Discretionary	\$648.0
Interior, Environment, and Related Agencies		
Eliminate the EPA’s Geographic Programs	Discretionary	\$413.6
Reduce the EPA’s Surface Water Protection Program	Discretionary	\$29.3
Eliminate the National Endowment for the Humanities	Discretionary	\$155.0
Eliminate the National Endowment for the Arts	Discretionary	\$155.0
Labor, Health and Human Services, Education		
Federal Personnel Reform: Eliminate the Special Retirement Supplement	Mandatory	\$113.0
Federal Personnel Reform: Eliminate the 25 Percent FEHB Premium Requirement	Discretionary	\$0.0
Strengthen Work Requirements in the Temporary Assistance for Needy Families Program	Mandatory	\$0.0
Eliminate Funding for the Social Services Block Grant	Mandatory	\$1,800.0
Eliminate Funding for the Community Services Block Grant	Discretionary	\$725.0

TABLE 1

Consensus Spending Cuts (Page 2 of 2)

Subcommittee and Proposals	Category	<i>Blueprint for Balance Savings (millions)</i>
Labor, Health and Human Services, Education (cont.)		
Eliminate Funding for the Low Income Home Energy Assistance Program	Discretionary	\$3,690.0
Eliminate the Community Development Block Grant	Discretionary	\$3,300.0
Eliminate Funding for 21st Century Community Learning Centers	Discretionary	\$1,200.0
Eliminate Federal Supplemental Educational Opportunity Grants	Discretionary	\$840.0
Eliminate Supporting Effective Instruction State Grants	Discretionary	\$2,056.0
Eliminate Competitive Teaching Grant Programs	Discretionary	\$318.0
Privatize the Corporation for Public Broadcasting	Discretionary	\$445.0
Eliminate the Corporation for National and Community Service	Discretionary	\$787.0
Eliminate Funding for the Institute of Museum and Library Services	Discretionary	\$242.0
Consolidate and Reform Financing of Graduate Medical Education Programs	Mandatory	\$1,400.0
Modify Payments to Hospitals for Uncompensated Care in Medicare and Medicaid	Mandatory	\$0.0
State, Foreign Operations, and Related Programs		
Enforce the Cap on United Nations Peacekeeping Assessments	Discretionary	\$193.0
Eliminate the U.S. Trade and Development Agency	Discretionary	\$79.5
Overhaul U.S. Development Assistance Programs	Discretionary	\$1,000.0
Eliminate the African Development Foundation and the Inter-American Foundation	Discretionary	\$52.5
Transportation, Housing and Urban Development		
Eliminate the Home Equity Conversion Mortgage Program	Discretionary	\$1,600.0
	Total	\$33,229.9
	Mandatory	\$13,538.0
	Discretionary	\$19,691.9

SOURCE: The White House, "President's Budget," <https://www.whitehouse.gov/omb/budget/> (accessed June 25, 2019), and Republican Study Committee, "Preserving American Freedom," <https://rsc-johnson.house.gov/policy-solutions/preserving-american-freedom> (accessed June 25, 2019.)

Endnotes

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