

FACT SHEET

THE PRESIDENT'S FISCAL YEAR 2018 BUDGET: OVERVIEW

The President believes that we must restore the greatness of our Nation and reject the failed status quo that has left the American dream out of reach for too many families. The policies of previous administrations have resulted in a broken and stagnant economy, more than \$20 trillion in debt, and a Government that dramatically underserves the needs of its citizens.

The 2018 Budget, *The New Foundation for American Greatness*, will balance our Nation's spending and begin to reduce the national debt as a percent of GDP. It makes substantial changes to the priorities of the previous administration to ensure that our citizens are safe and prosperous in the future. It ensures that the Federal Government spends precious taxpayer dollars only on worthwhile policies, and in the most efficient, effective manner. And, the *Budget* supports broader efforts to streamline Government, which will drive an economic boom and raise incomes and expand job opportunities for all Americans.

NEW POLICIES FOR JOBS AND GROWTH

The *Budget* brings Federal deficits and debt under control, sparks job creation, and finances important new priorities. These proposals complement ongoing efforts – including a roll-back of burdensome regulations, the reorganization of Federal agencies, and the reduction of the Federal civilian workforce – that are part of a new approach to support American workers and job creators.

Balance the Federal Budget. To avoid loading our children and grandchildren with unsustainable levels of debt, the *Budget* includes \$3.6 trillion in spending reductions – the most proposed by any President in a Budget – to reach balance within 10 years. This plan will reduce publicly held debt to 60 percent of GDP, the lowest level since 2010, when the economic policies of the last administration took effect. The *Budget* will:

- **Repeal and Replace Obamacare.** The *Budget* assumes deficit savings as part of the President's commitment to rescue Americans from the failures of Obamacare, and to expand choice, increase access, and lower premiums in health care.
- **Reform Medicaid.** To realign financial incentives and provide stability to both Federal and State budgets, the *Budget* proposes to reform Medicaid by giving States the choice between a per capita cap and a block grant and by empowering States to innovate and prioritize Medicaid dollars to the most vulnerable populations.

The Budget also follows through on a campaign promise and prohibits any funding in the Labor-HHS appropriations bill for certain entities that provide abortions, including Planned Parenthood. This prohibition applies to all funds in the bill, including Medicaid.

- **Provide a Path Toward Welfare Reform.** The *Budget* encourages able individuals to return to the workforce and includes a number of reforms to tighten welfare eligibility to

those most in need. This includes SNAP reforms and proposals that strengthen child support and limit the Earned Income Tax Credit and the Child Tax Credit to those authorized to work in the United States.

- **Reduce Improper Payments Throughout the Government.** While the majority of Government payments are proper, any waste of taxpayer money is unacceptable. The *Budget* proposes to curtail Government-wide improper payments by half through actions to improve payment accuracy and tighten administrative controls.
- **Redirect Foreign Aid Spending.** The *Budget* supports the proper and appropriate activities of the Department of State and other international programs, while refocusing their work on the highest priorities and strategic objectives. It also proposes to reduce or end direct funding for international programs and organizations whose missions do not substantially advance United States foreign policy interests.
- **Reduce Non-Defense Spending and Redefine the Proper Role of the Federal Government.** In March, the President outlined a plan to reduce non-defense discretionary (NDD) spending by \$54 billion in 2018, to offset increases in defense spending. To build on this approach and achieve a balanced budget by 2027, the *Budget* reduces NDD spending by two percent each year.

Simplify the Tax Code and Provide Tax Relief. A comprehensive overhaul to our tax code will boost economic growth and investment. A simpler, fairer, and more efficient tax system is critical to growing the economy and creating jobs. Earlier this month, the Administration articulated several core principles that will guide its discussion with taxpayers, businesses, Members of Congress, and other stakeholders. The President is committed to working with these stakeholders to create a tax system that is fair, simple, and efficient – one that puts Americans back to work and puts taxpayers first.

Reform Immigration Policy. The *Budget* supports commonsense immigration standards that protect American workers, and reduce burdens on taxpayers and public resources. When fully implemented, these changes have the potential to save American taxpayers trillions of dollars over future decades.

NEW PRIORITIES FOR FEDERAL SPENDING

The *Budget* reprioritizes spending in several important ways.

Invest in Defense and Reverse the Defense Sequester. The *Budget* includes \$639 billion for the Department of Defense, reversing the defense sequester and filling critical gaps in our warfighting readiness. These resources provide for the military forces needed to conduct ongoing operations, deter potential adversaries, and protect the security of the United States. At the same time, the *Budget* lays the groundwork for an ambitious defense reform agenda to reduce the costs of military programs wherever feasible without reducing effectiveness or efficiency.

Increase Border Security and Investments in Public Safety. The *Budget* includes \$44.1 billion for the Department of Homeland Security (DHS) and \$27.7 billion for the Department of Justice (DOJ), including critical law enforcement, public safety and immigration enforcement programs and activities, such as:

- *Border Security Infrastructure and Technology.* The *Budget* secures our borders by investing \$2.6 billion for Customs and Border Protection to deploy high-priority tactical infrastructure and border security technology, including funding to plan, design, and construct a physical wall along the southern border.
- *Immigration Enforcement.* The *Budget* strengthens border security and immigration enforcement with more than \$300 million to recruit, hire, and train 500 new Border Patrol Agents and 1,000 new Immigration and Customs Enforcement (ICE) law enforcement personnel.
- *Enforcing the Nation's Laws.* The *Budget* enhances ICE's ability to enforce of our Nation's immigration laws with an additional \$1.5 billion for expanded detention, transportation, and removal of illegal immigrants.
- *Investing in Law Enforcement.* The *Budget* provides critical resources for DOJ to confront terrorism, reduce violent crime, tackle the Nation's opioid epidemic, and combat illegal immigration.
- *Investing in Cybersecurity.* The *Budget* supports the President's focus on cybersecurity to ensure strong programs and technology to defend the Federal networks we operate on behalf of the American people.

Support \$1 Trillion in Infrastructure Investments. If the United States continues to underinvest in infrastructure, we will continue to fall behind other nations and our economic performance will suffer. The *Budget* provides for the President's target of \$1 trillion in infrastructure investments, that will be met with a combination of new Federal funding, incentivized non-Federal funding, and expedited projects that would not have happened but for the Administration's involvement (for example, the Keystone XL Pipeline). The impact of this investment will be amplified with other administrative and regulatory actions the Administration plans to pursue.

Support Families and Children. The *Budget* proposes a fully paid-for proposal to provide six weeks of paid family leave to new mothers and fathers, including adoptive parents, so all families can afford to take time to recover from childbirth and bond with a new child without worrying about paying their bills. Building on the Unemployment Insurance System as a base, the *Budget* proposes to allow States to establish paid parental leave programs that are most appropriate for their workforce and economy.

Reform Student Loans. The *Budget* streamlines student loan repayment by consolidating multiple Income Driven Repayment (IDR) plans into a single plan that caps monthly payments at 12.5 percent of discretionary income and forgives any balance for undergraduate borrowers after 15 years. The *Budget* also supports Year-Round Pell to incentivize students to complete their degrees faster, helping them reduce their loan debt and enter the workforce sooner.