



April 10, 2026

The Honorable Jody Arrington  
Chairman  
Committee on the Budget  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Brendan Boyle  
Ranking Member  
Committee on the Budget  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Arrington, Ranking Member Boyle, and Members of the Committee:

President Trump released his fiscal year (FY) 2027 budget blueprint, two months past the February statutory deadline. The administration proposes a 42 percent increase in defense spending while making paltry cuts to nondefense programs. The budget omits even mentioning, let alone spelling out, the needed reforms to the major entitlement programs driving the debt, such as Medicare and Social Security.

For the second year in a row, the president's budget abdicates the fundamental responsibility of putting the debt on a sustainable path.

With deficits at nearly \$2 trillion and publicly held federal debt set to exceed the nation's entire economic output this year, Congress desperately needs fiscal responsibility. Congress ought to reject the president's proposed spending boosts. Congress should use reconciliation to cut spending and reduce the deficit rather than to increase it. And to arrest the long-term growth of the debt and deficit, Congress needs to adopt meaningful budget targets and establish an empowered independent fiscal commission to address the growth of old-age retirement and health care programs.

**Reject the Defense Surge and Embrace Nondefense Cuts**

President Trump's FY2027 budget requests \$1.8 trillion in discretionary budget authority, a nearly \$100 billion increase over enacted FY2026 discretionary levels. On top of this, the administration requests \$350 billion in new mandatory spending via reconciliation, bringing total requested new budgetary resources for FY2027 to \$2.2 trillion.

Most of that new spending is driven by a \$1.5 trillion defense spending request, a more than \$440 billion increase over the combined FY2026 enacted level (\$903 billion) and the \$155 billion in additional defense spending from the One Big Beautiful Bill Act (OBBBA). A \$1.5 trillion defense budget is fiscally reckless and militarily unnecessary.

This defense surge is partially offset by cuts to nondefense programs. Year over year, the administration requests a \$73 billion, or 10 percent, reduction in base nondefense discretionary resources. That is far less aggressive than last year's FY2026 presidential request, which

proposed a 23 percent cut. The FY2027 request retreats from last year's modest spending restraint on the nondefense side.

To be fair, the budget includes a number of worthwhile program cuts and eliminations. For example, the budget proposes eliminating Community Development Block Grants (CDBG), a federal subsidy program plagued by waste and pork-barrel politics. It also takes a step towards privatizing the TSA and returning disaster responsibility to the states. Cuts like these are worth pursuing and long overdue, even if they are swamped by the scale of the defense increase.

Over the next decade, the administration envisions \$13.5 trillion in defense spending and \$6 trillion in nondefense spending. For context, the CBO baseline projects 10-year discretionary budget authority at \$10.3 trillion for defense and \$9.8 trillion for nondefense. Shifting dollars from domestic programs to the Pentagon is shuffling deck chairs on the Titanic given our mounting fiscal crisis. By 2036, net interest costs, Medicare, Medicaid, and Social Security will consume 100 percent of federal revenue. The current growth trajectory for entitlements will inevitably crowd out defense spending, whether war hawks like it or not.

The presidential budget is supposed to be the administration's opportunity to explain to the American people how it would put our budget back on track. This budget entirely fails to do so. It includes no comprehensive 10-year fiscal plan to address mandatory spending and revenue, and thus no path to stabilizing the debt. The budget contains no proposals to address the looming automatic benefit cuts to Social Security and Medicare. And the budget continues the use of reconciliation to fund discretionary priorities, eroding the checks and balances that the appropriations process is supposed to provide.

### Congress Must Do What This Budget Won't

This budget, like last year's, does not address the programs actually driving the debt. Old-age retirement, health care, and net interest costs account for virtually all the projected spending growth over the next few decades. Failing to address these components of the budget is a failure to budget responsibly.

Congress ought to reject the administration's mammoth defense spending increase. A responsible budget should cut both defense and nondefense programs. Ideally, Congress should target a deficit-to-GDP ratio of 3 percent or lower to achieve debt sustainability. That target, combined with an empowered fiscal commission, could guide Congress in making the entitlement reforms needed to put the budget back on the right track. And if Congress is dead set on using reconciliation to pass unwise defense or other spending increases, they should at least offset the spending to make the package fiscally responsible.

Trump has previously said he would “balance the federal budget.” That objective, abandoned almost immediately after it was uttered, is not even paid lip service in this latest presidential budget. To call this budget a disappointment is an understatement.

Sincerely,  
Dominik Lett  
Policy Analyst, Cato Institute