

Assessment of President Trump's FY 2026 Discretionary Budget Proposal

Priorities that are addressed in the Budget

The FY 2026 discretionary budget preparation announced by the Director of the Office of Management and Budget (OMB), Russell Vought, provides a clear list of priorities grounded in conservative fiscal and ideological principles. The budget focuses on national security, border protection, domestic energy hegemony, health, education sector reform, and curbs on federal excesses.

Key priorities consist of:

Rebuilding Military Strength - The budget suggests that the defense spending will rise by 13%, to \$1.01 trillion, to target the deterrence of Chinese aggression in the Indo-Pacific, nuclear modernization, and next-generation technologies (F-47 fighter and a missile defense shield) (The White House, 2025a, p. 20).

Border Security - An unprecedented \$175 billion multi-year investment will be devoted to border security, such as the wall, high-tech surveillance devices, and mass deportations (The White House, 2025a, p. 16).

Promoting American Energy Independence - The budget removes more than \$15 billion in renewable energy and electric car subsidies under the Infrastructure Investment and Jobs Act (IIJA), and redirects the funds to fossil fuel and nuclear energy research (The White House, 2025a, p. 21).

Health and Veteran Support - Make America Healthy Again (MAHA) initiative will also receive \$500 million to improve nutrition, lifestyle, and environmental health. Veterans will also have \$3.3 billion added on top of the expenditure on healthcare, with \$50 billion added in the Toxic Exposures Fund (The White House, 2025a, p. 9; p. 35).

Education and Federalism - The budget simplifies K-12 funding by merging 18 grant programs, preserves Title I and special education funding, and spends more on charter schools, which are encouraged to promote parental choice by adding \$60 million annually (The White House, 2025a, p. 4).

These priorities are based on the America First agenda, which cuts non-defense discretionary expenditure by 22.6% (\$163 billion) and spares defense, veterans, and law enforcement (BGR Group, 2025, p. 1; The White House, 2025d).

Proposed Funding Mechanisms

The budget will use a mixture of expenditure reductions, program solutions, and resource reallocation to finance these priorities. The initial funding methodology is a substantial cut to non-defense discretionary spending, which can be considered woke, wasteful, or beyond the federal jurisdiction.

Significant sources of funds include:

Cuts to International and Domestic Programs - The budget reduces the State Department and the USAID by \$49.1 billion (83.7%) by removing economic aid, climate programs, and donations to foreign organizations (The White House, 2025a, p. 44). Diversity, equity, and inclusion (DEI), LGBTQ+, and climate programs are selected to reduce or eliminate them explicitly (The White House, 2025b, p. 1).

Decrease in Health and Education Spending - The Department of Health and Human Services (HHS) is facing a \$33.3 billion cut, including the elimination of the Low Income Home Energy Assistance Program (LIHEAP) and the consolidation of CDC programs (The White House, 2025a, p. 44). The Department of Education loses \$12 billion, and such programs as Federal work-study and TRIO are cut (The White House, 2025a, 5-7).

Budget Reconciliation - The administration advises applying the Budget Reconciliation, as a mechanism that only needs a simple majority in Congress, to pass the mandated funding of defense and border security amounting to \$325 billion, so that such priorities are not used as a ransom to matters of opposition (The White House, 2025a p. 43; CBS News 24/7, 2025).

Repudiation of Green New Deal Programs - More than \$20.2 billion in climate-related expenditures are eliminated, including renewable energy research, environmental justice grants, and electric vehicle infrastructure (The White House, 2025c, p. 1-2).

The rationale behind these actions is presented as a return to fiscal discipline, and the administration claims that earlier expenditures were directed to “niche non-governmental organizations and institutions of higher education committed to radical gender and climate ideologies antithetical to the American way of life”. (The White House, 2025a, p. 1).

Impact on the Deficit

The administration claimed that the budget would go a long way toward cutting the deficit over the next 10 years. The proposal seeks to eliminate \$163 billion in non-defense discretionary spending in FY 2026 alone and to get rid of wasteful programs to create the trillions of dollars in savings needed to balance the budget (The White House, 2025a, p. 1). The claims of accomplishing this through the budget and enhancing defense and border security through reconciliation are presented as a fiscally prudent way to finance national priorities without increasing the base discretionary deficit.

Nevertheless, the budget does not provide detailed long-term projections. It takes no action on compulsory spending programs such as Social Security and Medicare, which are not implemented through structural reforms. The administration's deficit reduction is based on

wishful thinking about economic growth, regulatory cost reductions, and the effectiveness of these deficit cuts in foreign aid and domestic grants.

Fiscal Sustainability Evaluation

The Trump administration's budget focuses on deficit reduction by cutting expenditures, but the long-term fiscal sustainability of this approach is dubious. It has significantly increased spending in defense and homeland security, which is to be financed through reconciliation, but also uses a drastic reduction in domestic spending, which could be highly politically and practically problematic. A significant number of the programs they have targeted, including LIHEAP, refugee aid, and education grants, have strong support and focus on vulnerable groups, and their abolition is unlikely to be passed to Congress as is.

In addition, the budget does not entail substantive reformation of entitlement programs, which are the major causes of long-term debt. The Congressional Budget Office (CBO) has repeatedly cautioned that it cannot be able to achieve a sustainable fiscal balance without tackling Social Security and Medicare (CBO, 2025). The preoccupation of the administration with discretionary spending, which only makes up about 30% of the entire federal outlays, lessens the effect of the proposal on the national debt.

The future government will have to take a more holistic fiscal sustainability policy, which will include a focused increase in revenue, entitlement policy, and strategic investments in growth-oriented sectors, such as infrastructure and education. There will be a need to have bipartisan collaboration in order to resolve structural deficits because polarized budgets, such as the FY 2026 proposal, do not always make it to law (CBS News 24/7, 2025). To have a sustainable fiscal course, one needs to balance deficit reduction and investments in economic

resilience, which this budget aims to do, but it might not succeed because of its severe cuts to critical social and scientific sectors.

To summarize, the budget prepared by President Trump appears to have an apparent strategy in terms of ideology and the economy, but its practicality and sustainability are doubtful. The country will probably need a more moderate, partisan approach to put it on a genuinely sustainable fiscal course.

References

BGR Group, (2025). President Trump Releases FY 2026 Budget Proposal. Retrieved from:
<https://bgrdc.com/wp-content/uploads/2025/05/BGR-FY2026-Trump-Budget-Summary-.pdf>
[Retrieved on: 12/02/2025].

CBO, (2025). *The Budget and Economic Outlook: 2024 to 2034*. Retrieved from:
<https://www.cbo.gov/publication/59946> [Retrieved on: 12/02/2025].

CBS News 24/7, (2025). *Breaking down Trump's 2026 budget plan*. Retrieved from:
<https://www.youtube.com/watch?v=CAAvApKeaFE> [Retrieved on: 12/02/2025].

The White House, (2025a). *The President's FY 2026 Discretionary Budget Request | Fiscal Year 2026 Discretionary Budget Request*. Retrieved from:
<https://www.whitehouse.gov/wp-content/uploads/2025/05/Fiscal-Year-2026-Discretionary-Budget-Request.pdf> [Retrieved on: 12/02/2025].

The White House, (2025b). *The President's FY 2026 Discretionary Budget Request | CUTS TO WOKE PROGRAMS*. Retrieved from:
<https://www.whitehouse.gov/wp-content/uploads/2025/05/Cuts-to-Woke-Programs-Fact-Sheet.pdf> [Retrieved on: 12/02/2025].

The White House, (2025c). *The President's FY 2026 Discretionary Budget Request | ENDING THE GREEN NEW SCAM*. Retrieved from:
<https://www.whitehouse.gov/wp-content/uploads/2025/05/Ending-the-Green-New-Scam-Fact-Sheet.pdf> [Retrieved on: 12/02/2025].

The White House, (2025d). *The President's FY 2026 Discretionary Budget Request* |
PRESIDENT TRUMP'S FISCAL YEAR 2026 DISCRETIONARY FUNDING REQUEST.

Retrieved from:

<https://www.whitehouse.gov/wp-content/uploads/2025/05/President-Trumps-Fiscal-Year-2026-Discretionary-Funding-Request-Overview.pdf> [Retrieved on: 12/02/2025].