

THE GOVERNMENT WE DESERVE - Gene Steuerle
From the Peter G. Peterson Foundation

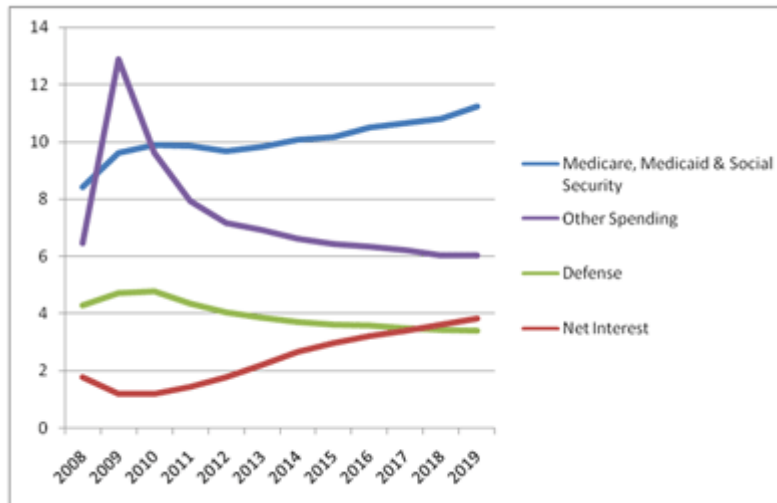
TRANSFORMATIONAL? NOT YET.

Long-term budget projections do not yet demonstrate transformation of government, but mainly rising interest costs and continued growth in health and retirement expenses.

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Pundits and press alike are declaring President Obama's budget "transformational." ... Administration insiders are more careful with their claims, knowing that the hard work remains to be done.

If one looks at changes that the Administration itself portends by the tenth year, they suggest that the chief additional legacy of this budget, considered in isolation from other legislation, would be a semi-permanent increase in the amount of federal expenditures that go simply to interest payments. ... [W]here is the long-term growth in government headed? Projected growth in Medicare, Medicaid, and Social Security-almost all of which goes to the elderly and near elderly-dominates the charts, just as it did under Presidents George W. Bush, Bill Clinton, George H.W. Bush, and Ronald Reagan.



Tim Roper and Eugene Steuerle. Based on the President's proposed spending as analyzed by the Congressional Budget Office, "A Preliminary Analysis of the President's Budget and an Update of CBO's Budget and Economic Outlook" March 2009.

Transformation of government requires fixing and dramatically changing very complex systems. After only a few weeks in office, many of the Administration's proposals, including in the health and tax arenas, are necessarily incomplete and undeveloped. The jury isn't just out-the trial hasn't even begun. Calling this budget transformational runs the danger of deterring us from the much larger reforms to fundamentally restructure government so that it better serves the public.