

What's a few zeroes?

The April release of President Obama's \$3.77 billion budget claimed \$380 billion in new taxes. Subsequent analysis revealed that figure was off—by nearly half. The proposed \$1.1 trillion in new revenue would be used for expansive new federal programs—including a \$40 billion "Fix It First" infrastructure initiative, no billion for a new national infrastructure bank, and \$66 billion for a Preschool for All program (to join the 45 early educational and childcare federal programs already in existence). These "targeted investments," Obama said, will "prime our economy."

The budget puts more money in federal coffers from individuals and nonprofits by restricting the deductions allowed for charitable contributions and capping the amount earners can store in certain tax-sheltered investments like a Roth IRA. The charitable giving cap could lead to a \$3.6 billion decline in annual giving. The White House recommends the investment restrictions because some Americans have more savings than "needed to fund reasonable levels of retirement." Both changes reduce the ability of families to be less dependent on government.

Obama is also asking Congress for a \$30 million increase in federal funding for Title X programs—a key source for Planned Parenthood's government dollars. And he removes federal funding from abstinence-based sexual risk avoidance (SRA) education, diverting those dollars toward sex-ed programs emphasizing contraception.

The president's budget does propose saving \$130 billion over the next decade by tweaking the way the government calculates the annual cost-of-living adjustment for Social Security. Democrats pledge to block this step even though it could slow the growth of entitlement spending. With both political parties finding something to dislike, Obama's budget, delivered more than two months late, may have a hard time improving upon the 99-o Senate defeat suffered by last year's budget plan.