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**CRFB Reacts to President's Completed FY2010 Budget
May 11, 2009**

Today, the Administration released the final parts of the President's FY2010 Budget. In comparison with the initial estimates released in February, fiscal deficit estimates are higher over the ten year forecast period, and raise questions about whether we'll be facing an upward deficit trend ten years from now. The Committee for a Responsible Federal Budget (CRFB) believes these high deficit projections in the later years are cause for concern, and should serve as a warning to policymakers that major tax and spending adjustments will be needed to restore the country to a sustainable fiscal path.

"This budget doesn't do enough to control spending, nor does it raise the money to pay for spending growth," said CRFB policy director Marc Goldwein. "It's true that the Administration has proposed some good offsets on both sides of the budget, and has used this budget to show its support for some form of statutory PAYGO – but that's not going to be enough."

Under OMB's assumptions, the budget deficit peaks at \$1.84 trillion (12.9% of GDP) in 2009 before declining to \$512 billion (2.9% of GDP) in 2013, but then starts to rise again in the later years, hitting \$779 billion (3.4% of GDP) in 2019. In total, the budget deficit is \$139 billion higher over ten years than the administration estimated in its February budget outline.

"Even using their February economic assumptions– which now appear to be out of date and overly optimistic – the Administration never puts us on a stable path," Goldwein concluded. "In his transmission letter, the President made clear that he understands the critical importance of fiscal discipline. Now we need to see some action."

