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House Republicans' Pledge to Cut Appropriated Programs to 2022 Level Would Have Severe Effects, Particularly for Non-Defense Programs

By Joel Friedman and Richard Kogan

House Republicans reportedly pledged to cut programs funded by annual appropriations in 2024 back to their 2022 levels as part of the deal to elect Rep. McCarthy as Speaker — a pledge made more salient by House Republicans' calls for deep spending cuts as their price for agreeing to raise the debt limit. There are no details to know how such a cut to 2024 appropriations would be implemented. But the required cuts to important domestic needs would be deep under any likely scenario that meets their pledge, and would hit programs still feeling the after-effects of a decade of austerity.

In this short analysis, we show the likely implications of the House Republicans' pledge under a few different scenarios. To return total funding for all defense and non-defense programs funded through annual appropriations to their 2022 levels would, for example, require cutting these appropriations below their 2023 enacted level by roughly 8 percent on average. To the extent that certain programs are exempted from these cuts, as some Republicans have indicated they will seek to do, other programs would need to be cut more deeply. For instance, fully funding veterans' medical care and shielding defense from cuts (but still freezing it at its 2023 level) would mean an average cut of 23 percent to other non-defense programs to achieve the House Republican goal of lowering total funding for appropriations to the 2022 level.

The non-defense programs under threat touch a wide array of public services that the federal government provides and that people and communities depend on, including public health; food safety inspections; air traffic control operations; the administration of Medicare and Social Security; housing and other assistance for families with low incomes; education and job training; and scientific and medical research, to name just a few.[1]

[1] For more details about non-defense appropriations, see David Reich and Richard Kogan, "Congress Should Reject Proposals to Cut Non-Defense Program Funding," CBPP, March 8, 2023, https://www.cbpp.org/research/federal-budget/congress-should-reject-proposals-to-cut-non-defense-program-funding.

Moreover, many of these programs are still feeling the effects of austerity imposed largely by the 2011 Budget Control Act.[2] Even with a recent boost in 2023, funding for non-defense programs outside of veterans' medical care is about 3 percent *below* its 2010 level, adjusted for inflation, and 10 percent below when adjusted for both inflation and population growth. Funding for these programs needs to *rise* to meet national needs, address shortfalls that hamper the delivery of government services, and help create an economy in which everyone has the resources needed to thrive.

A Closer Look at the Cuts Required in Different Scenarios

There is no agreed-on way to measure total funding for annually appropriated programs, also known as discretionary programs. In general, we focus on annual funding that addresses ongoing programmatic needs.[3] Applying our methodology, we estimate that a total of $1.52 trillion was appropriated for defense and non-defense programs in 2022 and $1.65 trillion in 2023. Therefore, funding these programs at the 2022 level in 2024, consistent with the House Republicans' pledge, would require a cut of $133 billion or 8 percent from the current 2023 level.

As Table 1 shows, if defense and non-defense discretionary programs were each reduced to their 2022 levels, the percentage reduction for each would be 9 percent for defense and 7 percent for non-defense. But because House Republicans have already raised concerns about cutting defense and veterans' programs, it is likely that other non-defense programs would bear the brunt of their pledge to hold *total* discretionary funding to its 2022 level. (Importantly, the defense budget is almost entirely the Department of Defense, while the Department of Veterans Affairs, including its hospitals, is considered part of the non-defense budget.) As Rep. Tom Cole, chair of the House Rules Committee and Appropriations panel on transportation and housing, said: "I don't know very many that honestly want to cut defense spending. I think a lot of members don't understand that it's over half the discretionary budget. And nobody I know wants to cut veterans spending."[4]

Let's look first at veterans' medical care. Particularly in recent years, Congress has sought to provide the full amount necessary to meet the needs of eligible veterans seeking care. Virtually all of these services are funded through annual appropriations and now represent the largest single non-defense program area, accounting for close to one-sixth of all non-defense appropriations. In 2023 veterans' medical care received $124 billion, or $21 billion more than in 2022. Typically, more than 85 percent of funding for veterans' medical care is provided through advance appropriations (for example, most such funding for 2023 was provided a year in advance, in the 2022 appropriations bill, with the remainder appropriated in the 2023 bill). This approach protects the program from funding disruptions and gives appropriators an opportunity to top up funding a year later, when more information on funding needs becomes available.

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[2] Ibid.

[3] For instance, we exclude large offsets that reduce scored appropriations totals but that allow for more programmatic funding, and we exclude funding that tends to be variable from year to year, such as for emergencies and disasters or for the Census Bureau. More broadly, we have tried to apply a consistent approach in our recent analyses, to facilitate assessments of discretionary funding over time. See the Appendix in Reich and Kogan, ibid, for more detail on our adjustments to nominal funding data.

[4] Paul Krawzak, "Debt limit battle set to dominate 2023 fiscal agenda," CQ, January 13, 2023 https://rollcall.com/2023/01/13/debt-limit-battle-set-to-dominate-2023-fiscal-agenda/.

Given the advance appropriation already provided in the 2023 bill for 2024, the Congressional Budget Office (CBO) estimates in its most recent baseline projections[5] that total 2024 appropriations for veterans' medical care will be $17 billion higher than the 2023 level. If the cost of that increase were offset by reductions in *other* non-defense programs (but *defense* were still cut back to the 2022 level), then non-defense programs outside veterans' medical care would need to be reduced by 11 percent on average to meet the House Republicans' pledge.[6]

Policymakers' reluctance to cut defense funding would likely force far larger cuts in non-defense program areas if overall discretionary funding were ratcheted back to its 2022 level.[7] Reducing defense funding to its 2022 level in 2024 would require a cut of $76 billion from its current level. If instead one assumes that defense funding is frozen in 2024 — that is, held at its 2023 level rather than being reduced to the 2022 level — but that House Republicans still press to return total discretionary funding to its 2022 level, then those additional cuts would need to be absorbed by non-defense programs. If that comes on top of protecting veterans' medical care, then the remaining non-defense programs would need to be cut by 23 percent on average. (See Figure 1.) If policymakers increase defense above its 2023 level, then non-defense programs would have to be cut even more deeply.

[5] CBO, "The Budget and Economic Outlook: 2023 to 2033," February 15, 2023, https://www.cbo.gov/publication/58848. CBO backup data for funding and spending by budget account are available in https://www.cbo.gov/system/files/2023-02/51142-2023-02-Spending-Projections.xlsx.

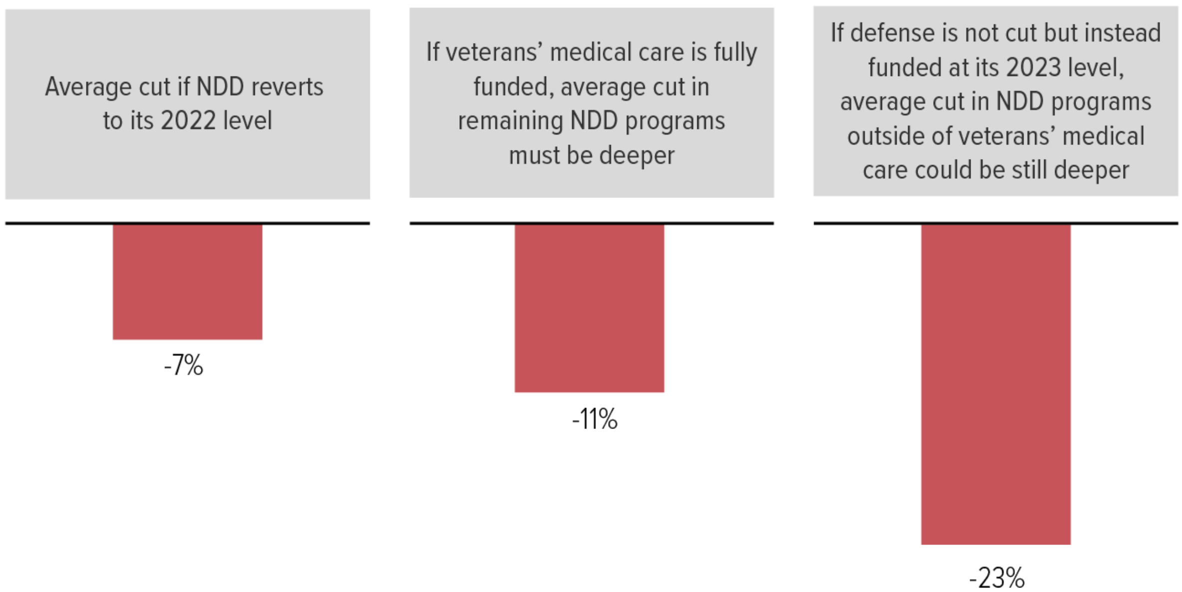
[6] We are assuming that protecting veterans' medical care from cuts would require deeper cuts in other non-defense programs, consistent with the defense/non-defense categorization of appropriations used in recent years. If both defense and non-defense programs were instead cut to offset the cost of an increase in veterans' medical care, then the reduction across all of these programs would be 10 percent. In addition, the reductions could be mitigated to the extent that more of the cost of treating veterans exposed to toxic chemicals is covered through the Toxic Exposure Fund, which was created by the 2023 PACT Act and is classified under the Act as mandatory, rather than through discretionary appropriations.

[7] For instance, Rep. Tom Emmer, the House Republican Whip, said, "We aren't cutting defense. We assured our appropriators and ask our House Armed Services Committee. That's not what we're doing." Lisa Mascaro, "Hockey brawls to debt limit: Emmer wrangles House GOP votes," Associated Press, January 22, 2023, https://apnews.com/article/politics-us-republican-party-thomas-emmer-united-states-house-of-representatives-hockey-744b602f30285f3398da09d1489f37dd.

FIGURE 1

Non-Defense Discretionary Funding Could Be Cut Significantly if Overall Appropriations Are Cut to 2022 Level

Cuts in non-defense discretionary (NDD) funding, 2023 to 2024, in three scenarios under House GOP pledge



Note: Each scenario assumes total 2024 discretionary appropriations are set at 2022 levels. Years are fiscal.
Source: CBPP analysis of data from the Office of Management and Budget, and Congressional Budget Office

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Demands to cut discretionary programs ignore the need to invest more in many areas. Statutory caps on defense and non-defense appropriations set by the Budget Control Act (BCA) of 2011 limited appropriations through 2021, when the caps expired and Congress returned to the normal practice of setting overall funding levels each year. Well before 2021, Congress recognized that the caps were too tight and began amending the BCA to raise them somewhat. Nevertheless, significant austerity in most appropriated programs resulted, even when recent increases are taken into account.

For non-defense discretionary programs other than veterans' medical care, inflation-adjusted regular funding in 2023 is 3 percent lower than it was in 2010, the last year before appropriations faced sharp reductions. If also adjusted for population growth, to take note of the increasing number of people these federal programs serve, the decrease is 10 percent. Moreover, looking only at the net change between these two years does not capture the large decreases that occurred in the early and middle part of the decade before being gradually reversed, and which produced a loss of services and investments that has yet to be recovered at today's funding levels.[8] Some of the cuts earlier in the decade meant that opportunities for the programs to assist and serve people were lost, but in many cases needed maintenance was not done and investments in technology and infrastructure were not made, leading to higher costs in the future.

[8] See Figure 1 in Reich and Kogan, op. cit.

If defense and veterans' medical care are spared cuts as House Republicans seek to implement their pledge, then the remaining non-defense areas would face deep cuts, and they include important programs that people and communities across the country depend on. These could include public health programs, such as Centers for Disease Control and Prevention programs to protect against the outbreak and spread of diseases, and Department of Health and Human Services grants for treatment of opioid addiction and other substance use disorders. Also under threat would be the administration of Medicare and Social Security, which ensure that seniors and people with disabilities receive crucial benefits. Reductions in other programs could come in areas such as education, job training, rental housing assistance, and economic security and social services that are particularly important to broadening opportunity for people with low incomes — a group overrepresented by Black, Latino, and Indigenous people due to decades of systemic inequities.[9]

Other Ways to Meet the House Republican Pledge

House Republicans may well try to lessen the cuts on discretionary programs by seeking savings in programs outside appropriations and counting those savings to hit their target. Changes in mandatory programs (also known as CHIMPS) are typically included in appropriations bills to generate savings, but in relatively limited amounts.[10] Most CHIMPS are gimmicks, in that they only produce savings in an accounting sense, not in a way that actually reduces spending over time.

But CHIMPS can also be designed to impose real programmatic cuts by targeting benefit programs such as Medicare and unemployment insurance or the unobligated (and so not yet spent) balances of previously enacted mandatory funding. This possibility raises concerns that, in trying to hit an arbitrary and too-low funding target, policymakers will implement a different type of harmful spending reduction.

For instance, the first bill the House Republicans passed, after assuming the House majority, would cut nearly all of the Inflation Reduction Act's $80 billion in funding to rebuild the Internal Revenue Service, after a decade of budget cuts left the agency ill equipped to provide adequate customer service or ensure that wealthy individuals and profitable corporations pay their fair share in tax. This type of funding cut could be wrapped into an appropriations bill to achieve the House Republicans' funding target, but it would have significant negative policy consequences. In the case of the IRS budget cut, the Congressional Budget Office concluded it would hamper the agency's ability to administer the tax code, reducing revenues by an estimated $186 billion over the next decade — effectively providing tax cheats with a massive tax cut — and *increasing* the deficit overall, because the IRS funding cut would be more than offset by the decline in revenues collected.[11]

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[9] Jabari Cook et al., "House Appropriations Bills Take Steps to Use the Federal Budget as a Tool for Antiracism," CBPP, February 3, 2022, https://www.cbpp.org/research/house-appropriations-bills-take-steps-to-use-the-federal-budget-as-a-tool-for-antiracism.

[10] In recent years, CHIMPS have been around $15 billion a year. In the 2023 bill, they were slightly higher, $17.8 billion.

[11] See CBO, "Estimated Budgetary Effects of H.R. 23, the Family and Small Business Taxpayer Protection Act," January 9, 2023, https://www.cbo.gov/publication/58894. Although CBO concluded that cutting this IRS funding would reduce revenues and increase the deficit by $114 billion over the decade, if the proposal were included in a 2024 appropriations bill, only the savings from cutting the funding would count for purposes of the House Republican funding target (because congressional scoring treats spending and revenue separately).

Conclusion

The cuts the House Republicans are calling for, whether achieved by reducing non-defense programs categorized as discretionary or mandatory, are deep. Claims that they are designed merely to root out "wasteful spending" are highly misleading and distract from the policy implications of these proposals and the harm they would cause.

TABLE 1

Deep Cuts in Appropriated Programs in Various Scenarios Under House Republican Pledge to Reduce Total Discretionary Funding to 2022 Level

(dollars in billions)

	Total	Defense	Non-defense	Non-defense detail: Veterans' medical care	Non-defense detail: Other non-defense
2022 discretionary funding	1,516	782	734	103	631
2023 discretionary funding	1,650	858	791	124	668
Change in 2024 relative to 2023:					
Cut defense and non-defense programs to 2022 level					
dollar	-133	-76	-57	-21	-36
percent	-8.1%	-8.9%	-7.2%	-17.0%	-5.4%
Cut defense to its 2022 level, fully fund veterans' medical care, and cut other non-defense programs enough that total discretionary is at 2022 level					
dollar	-133	-76	-57	+17	-75
percent	-8.1%	-8.9%	-7.2%	+13.9%	-11.2%
Hold defense at its 2023 level, fully fund veterans' medical care, and cut other non-defense programs enough that total discretionary is at 2022 level					
dollar	-133	0	-133	+17	-151
percent	-8.1%	0.0%	-16.9%	+13.9%	-22.6%

Note. Shares may not add to totals due to rounding. Years are fiscal years.