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Partisan House Appropriations Bills Underfund Non-Defense Priorities and Are a Sharp Break From the Bipartisan Debt Ceiling Agreement

By David Reich

The House Appropriations Committee has approved ten of the fiscal year 2024 appropriations bills and the remaining two have been approved by subcommittees. Each of the votes has been strictly partisan, with only Republicans supporting the measures. The bills impose cuts in non-defense appropriations that are far deeper than agreed to in the debt ceiling deal; make large rescissions of Inflation Reduction Act (IRA) funding, particularly from programs designed to address climate change and modernize the Internal Revenue Service; and contain a range of poison-pill legislative riders pushing policies against LGBTQ people, racial equity, and access to reproductive health care.

The House process stands in stark contrast to the work of the Senate Appropriations Committee, which so far has been bipartisan — with several bills being adopted unanimously. The bills hew much closer to the bipartisan debt ceiling agreement reached earlier this year, avoiding partisan riders and sticking to rescissions previously agreed to. Media accounts indicate that where the Senate will differ from the agreement — the addition of a modest amount of additional emergency funding — was the product of bipartisan discussion and consensus between Senator Patty Murray, the chair of the Appropriations Committee, and Senator Susan Collins, the ranking Republican member.

The House’s sharply partisan approach is likely to make it harder to reach an agreement on final funding bills. It could also complicate passing a short-term funding measure that will likely be needed in September while negotiations continue on final appropriations. Without either full-year funding bills or a short-term measure, many basic government functions will come to a halt — hurting people, businesses, communities, and states that all count on a broad array of federal services or need to be paid for services provided. Studies have shown that shutdowns can hurt the economy, particularly if they last for more than a few days.¹

¹ Council of Economic Advisers, “Economic Activity During the Government Shutdown and Debt Limit Brinkmanship,” October 2013, https://obamawhitehouse.archives.gov/sites/default/files/docs/weekly_indicators_report_final_0.pdf; Congressional Budget Office, “The Effects of the Partial Shutdown Ending in January 2019,” January 2019, <https://www.cbo.gov/system/files/2019-01/54937-PartialShutdownEffects.pdf>.

Funding Levels in the House Bills

The Fiscal Responsibility Act (FRA) of 2023, enacted with bipartisan support to resolve disagreements over raising the debt ceiling, directs Congress to use a total of \$1.59 trillion for its 2024 appropriations bills² (and establishes legally enforceable caps on 2024 appropriations at that total). Nevertheless, the House Appropriations Committee has been writing and approving bills, on party-line votes, to a total that is \$119 billion lower than the FRA calls for and identical to the level House Republicans adopted prior to the debt ceiling agreement. All of these cuts come in non-defense, rather than defense, appropriations.

The debt ceiling compromise also includes agreements for specific additional measures to add \$69 billion to the FRA funding totals, through approaches used in past appropriations bills.³ The House Appropriations bills include just \$35 billion of those measures,⁴ bringing the total shortfall relative to the debt ceiling agreement to \$153 billion.

The House legislation does not absorb all of that \$153 billion shortfall through cuts to 2024 appropriations. Instead, it uses \$94 billion in problematic rescissions from funding that had been provided outside the appropriations process (primarily in the 2022 Inflation Reduction Act).⁵ The rescissions mainly come from funding to rebuild the Internal Revenue Service’s capacity to enforce tax laws and funding to begin to address climate change. In total, the bills would rescind \$67 billion of the IRS funding — the vast majority of what remains of the \$80 billion provided in the IRA — even though the debt ceiling agreement envisioned only a \$10 billion rescission this year.⁶

Looking just at the 2024 funding levels for appropriated programs, overall funding for non-defense programs is about \$59 billion below the agreed-on levels — or 7 percent below the 2023

² Section 111 of the FRA directs the chair of the House Budget Committee to file in the Congressional Record a set of funding allocations for the House Appropriations Committee, consistent with the levels set in the FRA, and specifies that these allocations would have the same effect as if they were “302(a) allocations” adopted in a congressional budget resolution. When such an allocation is received, section 302(b) of the Congressional Budget Act directs the Appropriations Committee to subdivide the total among its 12 subcommittees. In fact, however, the House Budget Committee chair has not filed such an allocation and the House Appropriations Committee majority decided to subdivide a different — and smaller — total.

In contrast, the Senate Budget Committee chair followed the instructions in the FRA, gave the Senate Appropriations Committee a 302(a) total equal to the level in the agreement, and the Senate Appropriations Committee subdivided that total.

³ For a description of these adjustments, see David Reich, “Debt Ceiling Deal Squeezes Non-Defense Appropriations, Even With Agreed-Upon Adjustments,” CBPP, June 21, 2023, p. 4, <https://www.cbpp.org/research/federal-budget/debt-ceiling-deal-squeezes-non-defense-appropriations-even-with-agreed-upon>.

⁴ The adjustments included in the House bills that had been agreed on in the debt ceiling deal are rescissions of \$10 billion from multi-year IRS funding, \$11 billion from a Commerce Department account, and \$14 billion from other mandatory funding (what’s known as “CHIMPs”).

⁵ The House Republicans have talked about total rescissions (or “clawbacks”) of \$115 billion. Of that total, \$21 billion were part of the adjustments agreed to as part of the debt ceiling deal.

⁶ Chuck Marr and Samantha Jacoby, “Bipartisan Senate Action Passes Minimal Test for IRS Funding While Multiple House Republican Bills Fail,” CBPP, July 20, 2023, <https://www.cbpp.org/research/federal-budget/bipartisan-senate-action-passes-minimal-test-for-irs-funding-while-multiple>.

enacted level, before adjustment for inflation or growing population. (See the next section for examples of these cuts.)

The Senate is taking a very different path. The Senate Appropriations Committee has completed action on all 12 appropriations bills, all with strong bipartisan support. The Senate committee allocated the full total funding level approved in the debt ceiling agreement among its subcommittees, as the Fiscal Responsibility Act directs, and the approved bills are following those totals. There are no extraneous rescissions from IRS, climate, or other funding in the Inflation Reduction Act, and no severe programmatic cuts similar to those in the House bills.

Media reports indicate that Senators Murray and Collins have agreed on a bipartisan basis to add a modest amount of additional emergency funding in both defense and non-defense areas that could not be otherwise accommodated under the agreed-upon levels.⁷

Major Program Cuts Made in the House Bills

The overall totals for the bills approved by the House Appropriations Committee this year are often not good indicators of the cuts being made in the programs that the bills usually cover, because many of the bills include massive (but unrelated) rescissions from funding in the Inflation Reduction Act. Both components are damaging, but are worth looking at separately.

Focusing on cuts in programs regularly covered by each appropriations bill, rough estimates based on available data indicate that the biggest cuts come in the Labor, Health and Human Services, Education bill, where funding is reduced by about 20 percent (about \$42 billion) relative to 2023 (without adjusting for inflation). Other large cuts include the roughly 15 percent reduction in the State Department and Foreign Operations bill and the roughly 14 percent reduction in the Interior and Environment bill.⁸

Here are just a few examples of what the House bills do:

- **Cut the fruit and vegetable benefit in the Agriculture Department’s Special Supplemental Nutrition Program for Women, Infants and Children (WIC)**, which provides food assistance and other services to pregnant and postpartum adults, infants, toddlers, and preschoolers, by between 56 and 70 percent (depending on the recipient’s age), for about 5 million participants. Even with the benefit cut, it is also now apparent that the House Agriculture bill’s funding for WIC is well below the level needed to serve all eligible families who wish to participate.⁹
- **Cut the Education Department’s “Title I” Education for Disadvantaged Students program** by 77 percent (\$14.7 billion). This program makes grants to school districts serving

⁷ Paul M. Krawzak and David Lerman, “Murray, Collins Strike Deal on Fiscal 2024 Emergency Funds,” *Roll Call*, July 17, 2023, <https://rollcall.com/2023/07/17/murray-collins-strike-deal-on-fiscal-2024-emergency-funds/>.

⁸ All of these cuts are in non-defense funding, as none of the three bills cited includes defense funding.

⁹ Katie Bergh and Zoë Neuberger, “Hundreds of Thousands of Young Children and Postpartum Adults Would Be Turned Away From WIC Under House and Senate Funding Levels,” CBPP, July 26, 2023, <https://www.cbpp.org/research/food-assistance/hundreds-of-thousands-of-young-children-and-postpartum-adults-would-be>.

communities experiencing high levels of poverty to help them provide additional services and supports to students from low-income or disadvantaged backgrounds. This funding is a core federal support for K-12 education.

- **Cut overall funding for the Environmental Protection Agency** by 39 percent (\$4.0 billion). Within this total, the account that covers personnel and other operating costs is cut by 26 percent and the grants that help cover the costs of infrastructure projects in states and communities, such as drinking water and wastewater treatment facilities, are cut by 55 percent.
- **Cut funding for agencies that protect workers' rights**, including a 33 percent cut to the National Labor Relations Board (which protects the rights of workers to form unions and engage in union activity), a 29 percent cut to the Labor Department's Wage and Hour Division (which enforces laws relating to minimum wages, overtime, child labor, and family and medical leave, among others), a 15 percent cut to the Occupational Safety and Health Administration, and a 16 percent cut to the Mine Safety and Health Administration.
- **Cut funding for agency Offices of Civil Rights**, which enforce civil rights requirements related to their agency's mission and programs, including a 39 percent cut at the Department of Agriculture, a 25 percent cut at the Department of Education, and a 20 percent cut at the Department of Health and Human Services.
- **Cut funding for the Centers for Disease Control and Prevention** by 18 percent (\$1.6 billion).
- **Eliminate funding for "Title X" grants to support family planning clinics** serving people with low incomes; this program received \$286 million in 2023.
- **Cut the Housing and Urban Affairs Department's Home Investment Partnership Program** by two-thirds, from \$1.5 billion to \$500 million. This program provides funding to state and local governments for development of affordable housing for low-income families.
- **Cut the annual appropriation for the IRS** by \$1.1 billion (9 percent), on top of other provisions virtually eliminating the multi-year funding provided in the Inflation Reduction Act for long-term rebuilding of IRS capacity to serve taxpayers and enforce tax laws.
- **Cut the Social Security Administration's customer service budget** by \$250 million, on top of more than a decade of cuts that have forced the agency to serve millions more beneficiaries at its lowest staffing level in over 25 years, causing significant backlogs and long waits for service.
- **Cut Head Start** by \$750 million (6 percent) and freeze funding for child care assistance, thus providing no adjustment for rising costs or large unmet needs for child care.
- **Eliminate the Education Department's English Language Acquisition program** (funded at \$890 million in 2023), which makes grants to help schools meet the needs of students learning English.
- **Freeze the maximum amount of Pell Grants**, which help students of modest means afford college, while college costs continue to rise. The House bills also eliminate funding for Work Study and Supplemental Educational Opportunity Grants, two other college student aid programs, which received \$1.23 billion and \$910 million, respectively, in 2023.

These cuts could have been avoided entirely or been far smaller if the House bills adhered to the bipartisan agreement reached earlier this year between Speaker McCarthy and President Biden.

Major Rescissions Carried in the House Bills

The House appropriations bills rescind about \$115 billion in “mandatory” funds originally provided through authorizing legislation outside the appropriations process, in addition to more routine (and much smaller) rescissions of funds from prior years’ appropriations bills. Of the \$115 billion in rescissions, \$21 billion were called for in the debt ceiling agreement, while the remaining \$94 billion are outside that agreement. Of that \$94 billion, more than \$92 billion come from funds enacted in the 2022 Inflation Reduction Act.

The rescissions of mandatory funding are often unrelated to the bill that includes them. For example, the Transportation and Housing bill is carrying \$25 billion in rescissions of funding for the IRS, and the State Department and Foreign Operations bill is carrying \$11 billion in rescissions of domestic greenhouse gas reduction funding.

House Republicans spread large rescissions of IRS funding across four of their appropriations bills, cancelling a total of \$67 billion in multi-year mandatory funding. These rescissions would eliminate nearly all of what remains of the \$80 billion in mandatory IRS funding provided in the Inflation Reduction Act, which was enacted to help finance a long-overdue rebuilding effort at the IRS following years of budget cuts that the House Republicans aggressively pursued after regaining the House majority in 2010. As a result of these cuts, in 2018 the IRS had fewer auditors capable of auditing complex tax returns than at any time since 1953, and some of its computer software dates back to the Kennedy Administration.

This has resulted in a sharp decline in tax enforcement capacity and poor customer service. The IRA mandatory funding along with adequate base funding provided through annual appropriations would allow the agency to undertake the years-long process of hiring and training staff and to make badly needed technology upgrades to improve the experience for honest households and businesses that need to file their tax returns while bolstering capacity to ensure that wealthy households pay the taxes they owe.¹⁰

The supplementary IRA funding has already yielded promising early results: the IRS is now answering taxpayer calls as it should, clearing backlogs, and transmitting timelier tax refunds. Debt ceiling negotiators agreed to cut this funding infusion by \$21 billion, mostly by rescinding \$10 billion in appropriations bills in each of the next two years. These cuts already threaten serious damage, accelerating the funding cliff when the mandatory funds will run out and Congress will need to act or see the IRS terminate the auditors and customer service employees newly hired with the IRA funds. But rescinding \$67 billion of this funding, as the House Republicans propose, would grind the modernization effort to a halt by gutting investments for operations support and enforcement that are at the heart of the effort.

Roughly \$31 billion of other funding being rescinded is intended to promote energy efficiency and clean energy and address climate change. These rescissions include:

¹⁰ For more information, see Marr and Jacoby.

- \$18.9 billion from the Greenhouse Gas Reduction Fund, which makes grants to facilitate access to financing and technical assistance to support deployment of clean energy technologies, especially in low-income and disadvantaged communities;
- \$4.4 billion from rebate programs to assist low- and moderate-income consumers in upgrading to high-efficiency electric systems and appliances;
- \$1.35 billion from grants for environmental justice initiatives in disadvantaged communities, such as pollution prevention and remediation, investment in low- and zero-emission technologies, and climate resiliency and adaptation;
- \$1 billion for assistance to rural electric cooperatives “for the long-term resiliency, reliability, and affordability of rural electric systems”; and
- \$500 million from a program to foster energy efficiency and renewable energy among agricultural producers and rural small businesses.

House Bills Include Problematic, Exclusionary Riders

The bills produced by the House majority are replete with partisan legislative provisions or “riders,” mostly pursuing what have become common targets of Republican culture wars.

Examples of such riders include provisions in multiple bills that would stymie racial equity initiatives, such as prohibiting use of funds to carry out the President’s executive orders on diversity, equity, and inclusion or for agency offices dedicated to furthering those goals, and prohibiting use of funds to promote or advance critical race theory.

Other riders include anti-LGBTQ policies that would prohibit the use of funds for surgical procedures or hormone therapy for purposes of gender-affirming care, the implementation of an executive order on combatting discrimination based on gender identity or sexual orientation, and the flying of gay pride flags at federal facilities.

The Republican bills also seek to further restrict abortion rights, including by overturning a decision by the Food and Drug Administration that facilitates access to the medication abortion drug mifepristone; blocking a Defense Department policy to cover travel costs of service members and members of their families to obtain abortions if they are stationed in states restricting abortion services; prohibiting clinics affiliated with Planned Parenthood from receiving funds appropriated in the Labor-HHS-Education bill unless they stop performing legally permissible abortions; and blocking use of funds in the bill to implement two executive orders related to access to reproductive health care services.

In addition to the substantive problems with these and many other provisions, their inclusion will make it more difficult to reach final agreement on appropriations legislation that can be enacted into law.

House Approach Makes Government Shutdown More Likely

The House's sharply partisan approach — deep cuts that go well beyond the agreement negotiated by Speaker McCarthy and the White House, ideological riders, and rescissions in IRS and climate-related funding that are strongly supported by Democrats and the Administration — will likely make it harder to reach an agreement on final funding bills. The approach could also make it harder for Congress to reach agreement on a short-term funding measure in September, which will almost certainly be needed as final funding bills for the fiscal year that starts October 1 are unlikely to be completed on time. In the absence of either full-year funding bills or a short-term measure (known as a continuing resolution), many basic government functions will stop.

Short-term continuing resolutions are used to keep the government functioning while negotiations continue on full-year appropriations. They usually continue the prior year's funding levels and conditions, with some limited adjustments to take care of urgent needs. Insisting on including highly controversial funding cuts or policy riders in a short-term continuing resolution would defeat the purpose of that legislation as a stop-gap measure and risk an impasse that would cause many government functions to run out of funding and be forced to curtail operations.

If that happens, many federal workers would be sent home while others would be required to keep working. Neither group could be paid until the funding lapse ends. Action on grants, contracts, loans, or permits — including making payments to businesses — could be halted or delayed, and payments due could be held up until appropriations are restored. National Parks and other federal lands and facilities could be closed to visitors, or some kept open with no services. These are just a few examples of the harmful results of failing to reach agreement on either full-year appropriations or a stopgap continuing resolution.

The Speaker and the President reached an agreement in May to raise the debt ceiling and set the parameters for the appropriations process for the remainder of the year. The Senate took that agreement and proceeded to craft bipartisan bills through a normal process of give and take, with modest adjustments made only on the basis of bipartisan agreement. Had the House adopted such an approach, the likelihood of subjecting the nation and the economy to a new round of brinksmanship as the end of the fiscal year approaches would be far lower.