



Insight

House Begins Work on FY 2025 Appropriations Bills

JORDAN HARING | MAY 22, 2024

Executive Summary

- House Appropriations Committee Chairman Tom Cole (R-LA) has released interim Fiscal Year (FY) 2025 302(b) subcommittee allocations that would spend more than \$1.6 trillion in the next fiscal year, including \$895.2 billion for defense discretionary programs and \$710.7 billion for nondefense discretionary programs.
- The interim 302(b) allocations adhere to the FY 2025 caps on defense and nondefense spending set by the Fiscal Responsibility Act (FRA) and do not include any of the “side deals” made outside of the FRA.
- The 302(b)s indicate the spending priorities for House Republicans heading into FY 2025, with the Commerce, Justice, and Science and the Financial Services and General Government subcommittees receiving significant increases and the Agriculture, Homeland Security, Interior and Environment, Labor, Health and Human Services, and Education, and State Department and Foreign Operations subcommittees receiving decreases.
- Despite the House beginning appropriations work four months before the current fiscal year ends, a continuing resolution will still likely be needed to fund the federal government once the current fiscal year ends.

Introduction

House Appropriations Committee Chairman Tom Cole has released [interim Fiscal Year \(FY\) 2025 302\(b\) subcommittee allocations](#) and [begun markups](#) of the 12 appropriations bills. The 302(b) allocations specify the amount that each of the 12 subcommittees must draft their respective appropriations bill for the programs under their jurisdiction. The proposed 302(b)s would allocate more than \$1.6 trillion of total base discretionary budget authority (BA) for FY 2025, including \$895.2 billion for defense discretionary programs and \$710.7 billion for nondefense discretionary programs.

The 302(b)s Adhere to the Fiscal Responsibility Act’s Cap Levels

The FRA capped FY 2025 defense discretionary spending at \$895.2 billion and nondefense discretionary spending at \$710.7 billion, for a total of just over \$1.6trillion of base discretionary BA. A series of “side deals” were made outside of the FRA to boost appropriations beyond the specified levels, however, including rescissions of unused COVID relief funds, Department of Commerce funding, and enhanced Internal Revenue Service funding, as well as [changes in mandatory programs](#) – which are provisions in appropriations bills that make changes to mandatory spending, usually to limit it, and the savings are then used to boost discretionary spending. Chairman Cole indicated that the “bills written...will adhere to [the] law set by the Fiscal Responsibility Act – with no side deals – and focus resources where they are needed most.” The 302(b)s put forward by Chairman Cole do not include any of these side deals and adhere to the FRA’s enacted cap levels for defense and nondefense discretionary spending.

The 302(b)s Indicate House Republicans’ FY 2025 Spending Priorities

The interim 302(b) allocations indicate House Republicans’ spending priorities as they begin FY 2025 appropriations work. The \$1.605.9 trillion of total base discretionary BA is a 1 percent (\$15.9 billion) increase over the FY 2024 enacted level of \$1.590 trillion. The \$895.2 billion of defense spending is a 1 percent (\$8.9 billion) increase from the FY 2024 level of \$886.3 billion and the \$710.7 billion of nondefense spending is 1 percent (\$6.9 billion) more than the FY 2024 level of \$703.8 billion.

Comparing FY 2024 Enacted and FY 2025 Interim Appropriations Levels

Subcommittee	FY 2024 Enacted	FY 2025 Interim	\$ Change	% Change
Agriculture	\$26.2 billion	\$25.9 billion	-\$0.4 billion	-1.4%
Commerce, Justice, and Science	\$66.5 billion	\$80.3 billion	+\$13.8 billion	+20.7%
Defense	\$824.5 billion	\$833.1 billion	+\$8.6 billion	+1.0%
Energy and Water Development	\$58.2 billion	\$59.2 billion	+\$1.0 billion	+1.7%
Financial Services and General Government	\$13.7 billion	\$23.6 billion	+\$9.9 billion	+71.9%
Homeland Security	\$61.8 billion	\$64.8 billion	+\$3.0 billion	+4.8%
Interior and Environment	\$38.6 billion	\$36.9 billion	-\$1.6 billion	-4.2%
Labor, Health and Human Services, and Education	\$194.4 billion	\$184.6 billion	-\$9.9 billion	-5.1%
Legislative Branch	\$6.8 billion	\$7.1 billion	+\$0.4 billion	+5.6%
Military Construction and Veterans Affairs	\$153.9 billion	\$147.5 billion	-\$6.4 billion	-4.2%
State Department and Foreign Operations	\$55.8 billion	\$51.7 billion	-\$4.1 billion	-7.4%
Transportation and Housing and Urban Development	\$89.5 billion	\$91.2 billion	+\$1.7 billion	+1.9%
Total	\$1.590.0 trillion	\$1.605.9 trillion	+\$15.9 billion	+1.0%

Sources: House Appropriations Committee and Congressional Budget Office.

Under the interim 302(b) allocations, some subcommittees would see their topline funding level increased while others would see their funding decreased relative to the FY 2024 enacted level. Most significant, the Financial Services and General Government subcommittee would see its funding increased by nearly 72 percent (\$9.9 billion), from \$13.7 to \$23.6 billion. The Commerce, Justice, and Science subcommittee would see its funding increased by nearly 21 percent (\$13.8 billion), from \$66.5 to \$80.3 billion. The Defense; Energy and Water Development; Homeland Security; Legislative Branch; and Transportation and Housing and Urban Development subcommittees would also see their funding allocations boosted.

In contrast, the State Department and Foreign Operations Subcommittee would see its topline funding level slashed by over 7 percent (\$4.1 billion), from \$55.8 to \$51.7 billion. The Labor, Health and Human Services, and Education subcommittee would see an over 5 percent (\$9.9 billion) cut in its 302(b) allocation, from \$194.4 billion to \$184.6 billion. The Agriculture; Interior and Environment; and Military Construction and Veterans Affairs subcommittees would also see their funding allocations cut.

A Continuing Resolution Will Likely Still Be Needed

The interim 302(b) allocations put forward by Chairman Cole are lower than [House Democrats](#) and leaders of both parties in the Senate are eyeing for FY 2025, which points to an expected battle over government funding over the next few months. As a result, work on government funding is unlikely to be completed by the time the current fiscal year ends on September 30. Therefore, a CR will be needed to fund the government at current levels for a designated amount of time.