

To: Interested Parties
From: Shalanda Young, Director of the Office of Management and Budget
Date: Tuesday, May 16th, 2023
Re: House Appropriations Bills

House Republicans have tried to make deep cuts to discretionary funding a centerpiece of their demands in exchange for doing their Constitutional duty of avoiding default. The bill House Republicans passed last month is vague by design and does not explain how their proposed cuts would be dispersed throughout appropriations bills—leaving the American people to wonder which programs will be on the chopping block.

To help fill in those gaps, the Administration has put out [extensive analyses](#) showing that if House Republicans keep their word and don't cut defense spending, then the cuts Republicans propose would have [severe impacts](#) on education, public safety, child care, veterans' healthcare, and more. While any of these could have been carved out in the initial legislation, none were. In recent days, some Republicans have said that they would change direction and avoid cutting certain types of funding and that they will release appropriations bills to prove it.

This memo builds on those analyses by examining what the spending bill mark-ups House Republicans will begin this week will tell us about their planned cuts. House Republicans will likely attempt to continue to hide the cuts in their budget and likely only release a few spending bills rather than a full slate of allocations showing how they would fund each appropriation bill. In other words, they want credit for the size of their cuts, without any accountability for the impacts.

Nevertheless, even if House Republicans release just a few bills, their approach will give us a clear roadmap for how their draconian cuts will end up affecting the American people. **As explained below, the likely impact would be a cut of at least 30 percent to all areas outside defense, the Veterans Affairs Department, and Homeland Security, with severe impacts on programs including cancer research at the National Institutes of Health, Meals on Wheels for seniors, preschool and childcare for thousands of children, as well as on veterans' programs outside the Department of Veterans Affairs.**

House Republicans' Budget Math

The House Republican bill that passed with only Republican votes sets overall appropriations for Fiscal Year 2024 at the same level as FY 2022, and the simplest way to make that math work across all 12 appropriations bills would be to cut them all by 9 percent, including the military, veterans' medical care, border security and more. Those cuts would be incredibly damaging, self-defeating, and unpopular. If House Republicans choose not to cut funding for military, veterans' medical care, and border security, then their cuts to everything else must get even deeper. The math is unequivocal.

For example, House leaders have already promised that they will protect defense funding from any cuts. If their Defense appropriations bill merely maintains funding at the baseline level—that

is to say, at last year’s levels adjusted only for inflation—then every other bill must absorb a cut of over 20 percent.

House Republicans have also come under enormous pressure to avoid cutting the Department of Veterans Affairs (VA), and for good reason. Meeting our commitments to America’s veterans is a sacred obligation. If Republicans in the House ultimately choose to do the right thing and not impose draconian cuts on the VA, then the cuts to everything else—including to veterans benefits in other agencies, such as the Veterans’ Homeless program at the Department of Housing and Urban Development—go up to more than 25 percent.

And what about Homeland Security? If House Republicans put out a Homeland Security appropriations bill that merely maintains funding for the Department at this year’s level, adjusted only for inflation—which would be wholly inadequate—then the cuts to everything else rise to 30 percent.

Table 1: Summary of Topline Funding Assumptions by Bill

Bill	FY23 Enacted (\$ in billions)	Possible FY24 House Republican Bills ¹ (\$ in billions)	Percent Change
Total	\$1,614	\$1,471	-9%
Defense	\$798	\$822	3%
Military Construction, Veterans Affairs	\$154	\$165	7%
Homeland Security	\$61	\$63	3%
All Other Bills	\$602	\$421	-30%

To be clear, these calculations will likely prove to be *optimistic*. House Republicans will almost certainly be unable to find cuts of 30 percent in the any of their appropriations bills that they consider this week. If they don’t, then the cuts go deeper everywhere else. And if they also decide to increase defense funding, the cuts get even deeper.

What’s in the Bills House Republicans Are *Not* Releasing

House Republicans are likely hoping that by releasing the first few appropriations bills without enormous cuts, they will avoid having to defend the unrealistic and damaging positions they support. But the opposite is true. Next week, those first few bills will make it plain and inescapable that Republicans do, indeed, support enormous and unpopular cuts to vital services and investments.

House Republicans may protest, but the math is what the math is. If the scenarios discussed above for Defense, the VA, and Homeland Security hold true, then they are supporting cuts of roughly 30 percent to everything else. What does that look like? Here are just a few examples:

¹ For this table, we assume a scenario in which the three appropriations bills roughly match the levels assumed in the baseline. For the Department of Veterans Affairs, the scenario assumes the appropriations bill will not include a “second bite” of \$7.7 billion as assumed in the official CBO baseline.

- **Slash Funding for Schools with Low-Income Students and Students with Disabilities:** A 30 percent cut would impact 26 million students in schools that teach low-income students and 7.5 million students with disabilities, which could force a reduction of up to 150,000 teachers, aides or other key staff.
- **Reduce Access to Opioid Treatment:** A 30 percent cut would mean more than 37,000 people would lose admission to opioid use disorder treatment, denying them a potentially lifesaving path to recovery. An estimated 46.3 million Americans aged 12 or older had a substance use disorder and 106,000 people died from a drug-related overdose in 2021.
- **Eliminate Preschool and Child Care for Hundreds of Thousands of Children:** A 30 percent cut would mean 290,000 children lose access to Head Start slots and another 250,000 children lose access to child care—undermining our children’s education and making it more difficult for parents to join the workforce and contribute to our economy.
- **Worsen Social Security and Medicare Wait Times:** A 30 percent cut would mean people applying for disability benefits would have to wait at least two months longer for a decision. With fewer staff available, seniors would also be forced to endure longer wait times when they call or visit Social Security for assistance, and Social Security field offices would need to shorten the hours they are open to the public or as many as 360 Social Security field offices could be forced to close.
- **Raise Housing Costs for Hundreds of Thousands:** A 30 percent cut would eliminate funding for Housing Choice Vouchers for over 800,000 households, including 250,000 households headed by seniors.
- **Undermine Critical Research at the National Institutes of Health:** A 30 percent cut would mean \$14 billion less for critical research on finding treatments and cures for diseases like cancer and Alzheimer’s at the National Institutes of Health.
- **Scale Back Rail Safety Inspections:** A 30 percent cut would result in 10,000 fewer rail safety inspection days next year alone, and 44,000 fewer miles of track inspected annually.

Even if House Republicans don’t make cuts to veterans’ programs at VA, cuts in other bills would still negatively impact veterans who access critical services across the federal government. Specifically, these proposed cuts would:

- **Cut Housing for Veterans:** Every veteran deserves a good, safe home in this country they fought to defend. A 30 percent cut would eliminate funding for Housing Choice Vouchers for as many as 65,000 veterans, putting them at greater risk of homelessness.
- **Make College More Expensive:** Over 13,000 veterans rely on Pell grants to make higher education affordable. A 30 percent cut to Pell would mean 200 would lose their grant

entirely and the maximum award would be reduced by nearly \$1,400 for all remaining recipients.

- **Eliminate Job Training and Other Supports to Homeless Veterans:** A 30 percent cut would mean that 5,400 fewer Veterans experiencing or at risk of homelessness would receive job training, counseling, and job readiness services provided through the Department of Labor's Homeless Veterans' Reintegration Program.
- **Rob Veterans of Healthy Meals:** A 30 percent cut could mean deep cuts to nutrition services, such as Meals on Wheels, at a time when 350,000 nutrition program recipients are veterans. For many of these seniors, these programs provide the only healthy meal they receive on any given day.

House Republicans can do this math as well as anyone. They are absolutely aware of these very calculations. In fact, we have recent experience for what happens when House Republicans try to pass appropriations bills with draconian cuts—it fails. In 2013, House Republicans wrote a Transportation and Housing bill with 15% cuts and it failed to garner significant Republican support and it was pulled from the House floor.

This is all in stark contrast to President Biden's full Budget released on March 9th, which invests in the American people, lowers costs for families, protects and strengthens Social Security and Medicare, and reduces the deficit by nearly \$3 trillion over ten years by cutting wasteful spending on special interests and making the wealthy and big corporations pay their fair share.