



# An Analysis of the Discretionary Spending Proposals in the President's 2024 Budget

MAY | 2023

**T**he Administration submitted its latest annual set of budgetary proposals to the Congress on March 9, 2023.<sup>1</sup> In this report, the Congressional Budget Office examines how the discretionary spending proposals in that budget compare with CBO's most recent baseline budget projections, which span 2023 to 2033.<sup>2</sup>

In analyzing the President's budget, CBO compares outcomes under the discretionary funding requested by the Administration for each year from 2024 through 2033 with outcomes under the funding levels in CBO's baseline, which incorporate the assumption that funding will grow with inflation after 2023 (or, in the case of advance appropriations, from the amount of the final enacted advance appropriation). The main differences between the two sets of projections are as follows:

- Under the President's budget, CBO estimates that funding would be \$70 billion (or 4 percent) below baseline amounts in 2024 and \$2.5 trillion (or 12 percent) below baseline amounts over the 2024–2033 period.
- The President's budget contains less funding designated as an emergency requirement than CBO's baseline does, accounting for roughly two-thirds of the total difference between the estimates over the next decade.
- For all other funding—that is, funding not designated as an emergency requirement—amounts in the

President's budget are \$28 billion (or 2 percent) higher in 2024 and \$819 billion (or 4 percent) lower over the 2024–2033 period than baseline amounts, growing at an average of 1.3 percent annually during that period. Under CBO's baseline, such funding grows at 2.4 percent per year, on average.

As a result of those differences in funding, outlays under the President's budget would be lower than those in the baseline by \$16 billion (or 1 percent) in 2024, CBO estimates, and by \$1.5 trillion (or 7 percent) from 2024 to 2033. (Unless otherwise noted, amounts in this report do not include the effects of proposed changes in mandatory programs that would be enacted in appropriation bills.) Outlays stemming from funding designated as an emergency requirement would account for three-quarters of the total difference over the next decade. As a share of gross domestic product (GDP), discretionary outlays in 2033 would be 2.5 percent for defense and 2.8 percent for nondefense—the two subcategories of discretionary outlays. Both amounts would be lower than their values in any of the past 50 years.

CBO's baseline, which reflects the assumption that current laws governing federal spending and revenues will generally remain in place, is intended to provide a benchmark that policymakers can use to assess the potential effects of future policy decisions on federal spending and revenues and, thus, on deficits and debt. Both CBO's baseline and its analysis of the Administration's budget are based on the agency's most recent economic forecast.<sup>3</sup>

1. This analysis does not include the budgetary effects of the amendments to the proposed budget that the Administration submitted to the Congress on May 9, 2023.

2. Discretionary spending is controlled by appropriation acts that provide funding or otherwise specify how much money can be obligated for certain government programs in specific years. Such appropriations fund a broad array of government activities.

3. For CBO's most recent baseline budget projections, see Congressional Budget Office, *An Update to the Budget Outlook: 2023 to 2033* (May 2023) [www.cbo.gov/publication/59096](http://www.cbo.gov/publication/59096). For CBO's most recent economic projections, see Congressional Budget Office, *The Budget and Economic Outlook: 2023 to 2033* (February 2023), [www.cbo.gov/publication/58848](http://www.cbo.gov/publication/58848).

Table 1.

## Proposed Changes in Discretionary Budget Authority in the President's Budget, 2022 to 2024

Billions of Dollars

	Actual, 2022	Enacted, 2023	President's Budget, 2024	Percentage Change	
				2022– 2023	2023– 2024
<b>Defense</b>					
Base funding <sup>a</sup>	782	858	886	9.7	3.3
Emergency funding					
IIJA and BSCA	*	*	*	-82.5	0
Other	34	33	0	-3.3	n.a.
Subtotal, Emergency Funding	34	33	*	-3.5	-99.9
Subtotal, Defense	816	891	886	9.2	-0.6
<b>Nondefense</b>					
Base funding <sup>a</sup>	717	767	843	7.1	9.9
Emergency funding					
IIJA and BSCA	165	70	68	-57.8	-2.9
Other	64	70	13	8.4	-81.8
Subtotal, Emergency Funding	229	139	80	-39.2	-42.4
Other nonbase funding <sup>b</sup>	26	28	28	8.9	-2.7
Subtotal, Nondefense	972	935	952	-3.8	1.8
<b>Total</b>	<b>1,788</b>	<b>1,826</b>	<b>1,838</b>	<b>2.1</b>	<b>0.6</b>
<b>Memorandum:</b>					
Obligation Limitations	76	78	79	2.1	2.3

Data source: Congressional Budget Office. See [www.cbo.gov/publication/59097#data](http://www.cbo.gov/publication/59097#data).

These estimates include the effects of legislation enacted to date and are based on CBO's latest economic projections, which reflect economic developments through December 6, 2022. They do not include obligation limitations for certain transportation programs. Nor do they include changes to certain mandatory programs that were made through the appropriation process and enacted in previous years or the changes proposed for future years. In keeping with long-standing procedures, those changes are credited against discretionary appropriations for purposes of budget enforcement.

BSCA = Bipartisan Safer Communities Act; IIJA = Infrastructure Investment and Jobs Act; n.a. = not applicable; \* = between zero and \$500 million.

- Consists of discretionary appropriations that would have been constrained by the caps on funding originally put in place by the Budget Control Act of 2011. Those caps expired in 2021.
- Consists of certain funding for disaster assistance activities, program integrity initiatives (which identify and reduce overpayments in some benefit programs), wildfire suppression efforts, operation and maintenance of federal ports, and programs designated in the 21st Century Cures Act. Such funding was not constrained by the caps on funding originally put in place by the Budget Control Act. Although those caps expired in 2021, appropriation acts continue to designate funding provided for those categories.

## Proposals for Discretionary Appropriations in 2024

The President has requested a total of \$1.81 trillion in discretionary appropriations for 2024. That amount includes the effects of proposed changes in mandatory programs that would be enacted in the 12 annual appropriation bills; those provisions would, on net, reduce budget authority by \$31 billion in 2024 (and increase it by about that same amount in 2025), CBO estimates.<sup>4</sup>

Excluding those effects on mandatory programs, the proposed appropriations for 2024 would total \$1.84 trillion (see Table 1). That amount is \$11 billion (or 1 percent) more than what had been appropriated for 2023 when

2024 to 2025 the availability of certain funding for the Child Enrollment Contingency Fund (\$19 billion) and the Children's Health Insurance Program (\$11 billion) accounts for nearly all of the reduction in budget authority attributable to proposed changes to mandatory programs in appropriation bills for 2024. Those proposals would boost budget authority by those same amounts in 2025, when the delayed funding would become available again. Neither of those changes would affect outlays in any year, CBO estimates.

4. Budget authority is the authority provided by federal law to incur financial obligations that will result in immediate or future outlays of federal government funds. A proposal to delay from

CBO prepared its baseline. (Those baseline projections likewise exclude the effects of changes to mandatory programs enacted in 2023 appropriation legislation.) In addition, the President requested obligation limitations of \$79 billion for certain transportation programs for 2024, about 2 percent more than the amount provided in 2023.<sup>5</sup>

Each subcategory of discretionary spending (defense and nondefense) can be further divided between base (or regular) funding and nonbase funding. Base funding refers to discretionary appropriations that would have been limited by the caps on discretionary funding originally put in place by the Budget Control Act of 2011. Nonbase funding refers to appropriations that would not have been constrained by those caps, including funding that is designated as an emergency requirement or is provided for certain other purposes or activities. Those caps on funding expired at the end of 2021, but appropriation acts continue to designate funding that would not be constrained by those limits.

The President's budget for 2024 includes base funding of \$1.7 trillion and nonbase funding of \$108 billion. Compared with base funding in earlier years, that amount is 6 percent greater than was appropriated in 2023 and 15 percent greater than was appropriated in 2022. Compared with nonbase funding in earlier years, that amount is 46 percent less than was appropriated in 2023 and 63 percent less than was appropriated in 2022.

### Funding for Defense Programs in 2024

The President proposes total discretionary defense funding of \$886 billion in 2024, \$5 billion (or 1 percent) less than the amount provided for 2023. Funding for operation and maintenance (a category that covers day-to-day operations ranging from health care to equipment maintenance) would fall by \$19 billion (or 5 percent), from \$348 billion in 2023 to \$330 billion in 2024. That decline in funding would be partially offset by increases in other areas, including funding for military personnel, which would rise by \$6 billion (or 3 percent) to \$179 billion, and funding for research and development, which would rise by \$5 billion (or 4 percent) to \$145 billion, CBO estimates.

The President proposes no defense funding designated as an emergency requirement beyond the \$20 million already provided under current law for each year from 2024 through 2026. (When CBO prepared its baseline, \$33 billion in such funding had been provided for 2023, mostly for operation and maintenance.)

### Funding for Nondefense Programs in 2024

Under the Administration's budget, total discretionary nondefense funding for 2024 (not including obligation limitations for certain transportation programs) would total \$952 billion, \$16 billion (or 2 percent) more than the amount provided for 2023. That increase would be the net result of changes in base funding, discretionary funding designated as an emergency requirement, and other funding.

Base funding in 2024 would rise to \$843 billion, \$76 billion (or 10 percent) more than the amount provided for 2023, CBO estimates. The largest total increases under the President's budget would be \$14 billion (or 13 percent) for programs related to education, training, employment, and social services, \$13 billion (or 15 percent) for income security programs, and \$10 billion (or 11 percent) for health programs.

Discretionary funding designated as an emergency requirement would drop by \$59 billion (or 42 percent) in 2024, from \$139 billion provided so far in 2023 to \$80 billion, CBO estimates. The largest decline would be a \$23 billion reduction in funding for international affairs activities, primarily funding providing military aid to Ukraine. In addition, funding for community and regional development programs would fall by \$13 billion, CBO estimates, driven by less funding for assistance following natural disasters. For each of those purposes, the President's budget does not include any 2024 funding that would be designated as an emergency requirement. Furthermore, funding provided in division J of the Infrastructure Investment and Jobs Act (IIJA, Public Law 117-58) and in division B of the Bipartisan Safer Communities Act (BSCA, P.L. 117-159)—which was designated as an emergency requirement—is set to decrease under current law by \$2 billion in 2024, to \$68 billion. In 2024, funding for those two laws accounts for most of the emergency funding in the President's budget.<sup>6</sup>

5. The budget authority for those transportation programs is mandatory, but the spending is constrained by obligation limitations set in appropriation acts and thus outlays for those programs are considered discretionary. Obligation limitations restrict the amount, purpose, or period of availability of budget authority.

6. In addition, the President's budget includes an estimated \$3 billion in emergency funding already provided under current law for 2024. The President has also requested an additional \$9 billion in emergency funding in 2024, primarily for refugee assistance and border security.

Table 2.

### Proposed Discretionary Spending in the President's Budget Compared With CBO's Baseline Projections

Billions of Dollars

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total	
												2024–2028	2024–2033
<b>Budget Authority</b>													
IIJA, BSCA, and Other Emergency Requirements <sup>a</sup>													
CBO's baseline	172	179	182	182	186	190	194	199	203	207	211	919	1,933
CBO's estimate of the President's budget	172	80	71	68	4	4	4	4	4	4	4	227	247
Difference	0	-98	-111	-114	-183	-187	-191	-195	-199	-203	-207	-693	-1,687
Other <sup>b</sup>													
CBO's baseline	1,654	1,729	1,772	1,814	1,858	1,902	1,947	1,994	2,042	2,090	2,141	9,075	19,290
CBO's estimate of the President's budget	1,654	1,758	1,711	1,766	1,802	1,839	1,865	1,892	1,919	1,946	1,974	8,875	18,471
Difference	0	28	-61	-49	-56	-63	-82	-103	-123	-144	-167	-201	-819
<b>Total</b>													
CBO's baseline	<b>1,826</b>	<b>1,908</b>	<b>1,954</b>	<b>1,997</b>	<b>2,045</b>	<b>2,092</b>	<b>2,142</b>	<b>2,193</b>	<b>2,245</b>	<b>2,297</b>	<b>2,353</b>	<b>9,995</b>	<b>21,224</b>
CBO's estimate of the President's budget	<b>1,826</b>	<b>1,838</b>	<b>1,781</b>	<b>1,834</b>	<b>1,806</b>	<b>1,843</b>	<b>1,869</b>	<b>1,896</b>	<b>1,923</b>	<b>1,950</b>	<b>1,979</b>	<b>9,102</b>	<b>18,718</b>
Difference	<b>0</b>	<b>-70</b>	<b>-173</b>	<b>-163</b>	<b>-239</b>	<b>-249</b>	<b>-273</b>	<b>-297</b>	<b>-322</b>	<b>-347</b>	<b>-374</b>	<b>-893</b>	<b>-2,506</b>
<b>Outlays</b>													
IIJA, BSCA, and Other Emergency Requirements <sup>a</sup>													
CBO's baseline	50	91	122	145	161	171	179	183	187	191	195	689	1,624
CBO's estimate of the President's budget	50	60	65	70	72	66	55	40	28	19	13	333	488
Difference	0	-31	-56	-74	-89	-105	-124	-144	-159	-172	-182	-356	-1,137
Other <sup>b</sup>													
CBO's baseline	1,662	1,754	1,818	1,850	1,894	1,941	1,974	2,026	2,073	2,122	2,178	9,257	19,631
CBO's estimate of the President's budget	1,662	1,769	1,820	1,845	1,881	1,924	1,944	1,981	2,006	2,033	2,066	9,239	19,269
Difference	0	15	3	-5	-13	-17	-30	-44	-67	-89	-112	-18	-361
<b>Total</b>													
CBO's baseline	<b>1,712</b>	<b>1,845</b>	<b>1,939</b>	<b>1,995</b>	<b>2,055</b>	<b>2,112</b>	<b>2,153</b>	<b>2,209</b>	<b>2,260</b>	<b>2,313</b>	<b>2,373</b>	<b>9,947</b>	<b>21,255</b>
CBO's estimate of the President's budget	<b>1,712</b>	<b>1,829</b>	<b>1,886</b>	<b>1,915</b>	<b>1,953</b>	<b>1,990</b>	<b>1,999</b>	<b>2,021</b>	<b>2,034</b>	<b>2,052</b>	<b>2,079</b>	<b>9,572</b>	<b>19,757</b>
Difference	<b>0</b>	<b>-16</b>	<b>-54</b>	<b>-80</b>	<b>-102</b>	<b>-123</b>	<b>-154</b>	<b>-188</b>	<b>-226</b>	<b>-261</b>	<b>-294</b>	<b>-374</b>	<b>-1,498</b>

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Funding for certain other nondefense categories (like funding designated as an emergency requirement) is not typically considered part of base funding. For those categories, funding is set to decrease by \$1 billion (or 3 percent) in 2024, to \$28 billion. Such nonbase funding includes certain appropriations for disaster assistance activities, program integrity initiatives (which identify and reduce overpayments in some benefit programs), wildfire suppression efforts, operation and maintenance of federal ports, and programs designated in the 21st Century Cures Act.

### How Discretionary Spending in the President's Budget Compares With CBO's Baseline Projections From 2024 to 2033

Discretionary funding under the President's budget in 2024 would be \$70 billion less than the amount projected in CBO's baseline (see Table 2). That difference would be evenly split between defense and nondefense funding, with each category lower than baseline amounts by \$35 billion (or about 4 percent).



Table 2.

Continued

### Proposed Discretionary Spending in the President's Budget Compared With CBO's Baseline Projections

Billions of Dollars

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total	
												2024–2028	2024–2033
<b>Memorandum:</b>													
Total Outlays (Percentage of GDP)													
CBO's baseline	6.5	6.8	6.8	6.7	6.6	6.5	6.4	6.3	6.2	6.1	6.0	6.6	6.4
CBO's estimate of the President's budget	6.5	6.7	6.6	6.4	6.2	6.1	5.9	5.8	5.6	5.4	5.3	6.4	5.9
Outlays Excluding IIJA, BSCA, and Other Emergency Requirements (Percentage of GDP)													
CBO's baseline	6.3	6.4	6.4	6.2	6.1	6.0	5.8	5.8	5.7	5.6	5.5	6.2	5.9
CBO's estimate of the President's budget	6.3	6.5	6.4	6.2	6.0	5.9	5.7	5.6	5.5	5.4	5.3	6.2	5.8

Data source: Congressional Budget Office. See [www.cbo.gov/publication/59097#data](http://www.cbo.gov/publication/59097#data).

BSCA = Bipartisan Safer Communities Act; GDP = gross domestic product; IIJA = Infrastructure Investment and Jobs Act.

These estimates include the effects of legislation enacted to date and are based on CBO's latest economic projections, which reflect economic developments through December 6, 2022. They do not include obligation limitations for certain transportation programs. Nor do they include changes to certain mandatory programs that were made through the appropriation process and enacted in previous years or the changes proposed for future years. In keeping with long-standing procedures, those changes are credited against discretionary appropriations for purposes of budget enforcement.

- a. Division J of the IIJA and division B of the BSCA specify discretionary funding for certain programs each year from 2023 through 2026. When preparing its baseline, CBO followed provisions of law that require the agency to project funding for years in which no appropriation exists by adjusting the most recently provided annual funding for inflation. As a result, the amount of funding related to the IIJA and BSCA in CBO's baseline exceeds the amounts specified in that law.
- b. Other nondefense spending includes base spending as well as all nonbase spending other than that which has been designated as an emergency requirement. That nonbase spending includes certain amounts designated in 2024 for disaster assistance activities, program integrity initiatives (which identify and reduce overpayments in some benefit programs), wildfire suppression efforts, operation and maintenance of federal ports, and programs designated in the 21st Century Cures Act. For years after 2024, CBO cannot distinguish base and nonbase amounts of nondefense, nonemergency spending because the budget includes proposed reductions in funding that are not distributed to specific accounts and may affect both base and nonbase spending.

Discretionary outlays in 2024 would be \$16 billion smaller than in CBO's baseline projections, primarily because of reductions in nondefense outlays. Defense outlays would be largely unchanged from baseline amounts because the reduction in budget authority for defense stems from a sharp decline in emergency funding. CBO projects that such funding would be spent more slowly than other defense funding, so the effect of that reduction on defense outlays in 2024 is small.

Over the following decade, appropriations under the President's budget would increase by 0.8 percent per year, on average, rising from \$1.84 trillion in 2024 to \$1.98 trillion in 2033. If not for the reductions in IIJA and BSCA funding scheduled to occur under current law, as well as the proposed changes to other emergency funding, discretionary budget authority in the President's budget would increase by about 1.3 percentage points

per year, on average, between 2024 and 2033. That rate of increase would be 1.1 percentage points slower than the 2.4 percent average annual growth in CBO's baseline.

All told, over that decade, discretionary outlays under the President's budget would be \$1.5 trillion (or 7 percent) less than the amount in the most recent baseline, CBO estimates. As a percentage of GDP, outlays under the President's budget would decline in each year of the projection period, from 6.7 percent of GDP in 2024 to 5.3 percent in 2033; in CBO's baseline, they are projected to fall from 6.8 percent to 6.0 percent, respectively. Over the past 50 years, total discretionary outlays have averaged 8.0 percent of GDP.

Most of that difference in outlays stems from funding designated as an emergency requirement. In CBO's baseline projections, funding designated as an emergency



Table 3.

### Proposed Defense and Nondefense Discretionary Spending in the President's Budget Compared With CBO's Baseline Projections

Billions of Dollars

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total	
												2024–2028	2024–2033
<b>Budget Authority</b>													
<b>Defense</b>													
IIJA, BSCA, and Other Emergency Requirements <sup>a</sup>													
CBO's baseline	33	37	38	39	40	41	42	43	44	45	46	195	415
CBO's estimate of the President's budget	33	*	*	*	0	0	0	0	0	0	0	*	*
Difference	0	-37	-38	-39	-40	-41	-42	-43	-44	-45	-46	-195	-415
<b>Other</b>													
CBO's baseline	858	884	907	929	952	975	998	1,022	1,046	1,071	1,097	4,648	9,882
CBO's estimate of the President's budget	858	886	905	924	944	963	970	977	984	991	998	4,623	9,542
Difference	0	2	-2	-5	-9	-12	-28	-45	-63	-80	-99	-25	-340
<b>Total, Defense</b>													
<b>CBO's baseline</b>	<b>891</b>	<b>921</b>	<b>945</b>	<b>969</b>	<b>992</b>	<b>1,016</b>	<b>1,040</b>	<b>1,065</b>	<b>1,090</b>	<b>1,116</b>	<b>1,143</b>	<b>4,843</b>	<b>10,297</b>
<b>CBO's estimate of the President's budget</b>	<b>891</b>	<b>886</b>	<b>905</b>	<b>924</b>	<b>944</b>	<b>963</b>	<b>970</b>	<b>977</b>	<b>984</b>	<b>991</b>	<b>998</b>	<b>4,623</b>	<b>9,542</b>
<b>Difference</b>	<b>0</b>	<b>-35</b>	<b>-40</b>	<b>-44</b>	<b>-49</b>	<b>-53</b>	<b>-70</b>	<b>-88</b>	<b>-106</b>	<b>-125</b>	<b>-145</b>	<b>-220</b>	<b>-755</b>
<b>Nondefense</b>													
IIJA, BSCA, and Other Emergency Requirements <sup>a</sup>													
CBO's baseline	139	141	144	143	146	149	152	156	159	162	165	724	1,518
CBO's estimate of the President's budget	139	80	71	68	4	4	4	4	4	4	4	227	247
Difference	0	-61	-73	-75	-143	-146	-149	-152	-155	-158	-161	-497	-1,272
<b>Other<sup>b</sup></b>													
CBO's baseline	796	845	865	885	906	927	949	972	996	1,019	1,045	4,428	9,408
CBO's estimate of the President's budget	796	871	805	841	858	876	895	915	935	956	977	4,252	8,929
Difference	0	26	-60	-43	-48	-51	-54	-57	-61	-64	-68	-176	-480
<b>Total, Nondefense</b>													
<b>CBO's baseline</b>	<b>935</b>	<b>986</b>	<b>1,009</b>	<b>1,028</b>	<b>1,052</b>	<b>1,076</b>	<b>1,101</b>	<b>1,128</b>	<b>1,154</b>	<b>1,181</b>	<b>1,210</b>	<b>5,152</b>	<b>10,927</b>
<b>CBO's estimate of the President's budget</b>	<b>935</b>	<b>952</b>	<b>876</b>	<b>910</b>	<b>862</b>	<b>879</b>	<b>899</b>	<b>919</b>	<b>939</b>	<b>960</b>	<b>981</b>	<b>4,479</b>	<b>9,175</b>
<b>Difference</b>	<b>0</b>	<b>-35</b>	<b>-133</b>	<b>-118</b>	<b>-190</b>	<b>-197</b>	<b>-203</b>	<b>-209</b>	<b>-216</b>	<b>-222</b>	<b>-229</b>	<b>-673</b>	<b>-1,751</b>

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Data source: Congressional Budget Office. See [www.cbo.gov/publication/59097#data](http://www.cbo.gov/publication/59097#data).

BSCA = Bipartisan Safer Communities Act; GDP = gross domestic product; IIJA = Infrastructure Investment and Jobs Act; \* = between -\$500 million and \$500 million.

These estimates include the effects of legislation enacted to date and are based on CBO's latest economic projections, which reflect economic developments through December 6, 2022. They do not include obligation limitations for certain transportation programs. Nor do they include changes to certain mandatory programs that were made through the appropriation process and enacted in previous years or the changes proposed for future years. In keeping with long-standing procedures, those changes are credited against discretionary appropriations for purposes of budget enforcement.

- a. Division J of the IIJA and division B of the BSCA specify discretionary funding for certain programs each year from 2023 through 2026. When preparing its baseline, CBO followed provisions of law that require the agency to project funding for years in which no appropriation exists by adjusting the most recently provided annual funding for inflation. As a result, the amount of funding related to the IIJA and BSCA in CBO's baseline exceeds the amounts specified in that law.
- b. Other nondefense spending includes base spending as well as all nonbase spending other than that which has been designated as an emergency requirement. That nonbase spending includes certain amounts designated in 2024 for disaster assistance activities, program integrity initiatives (which identify and reduce overpayments in some benefit programs), wildfire suppression efforts, operation and maintenance of federal ports, and programs designated in the 21st Century Cures Act. For years after 2024, CBO cannot distinguish base and nonbase amounts of nondefense, nonemergency spending because the budget includes proposed reductions in funding that are not distributed to specific accounts and may affect both base and nonbase spending.



Table 3.

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## Proposed Defense and Nondefense Discretionary Spending in the President's Budget Compared With CBO's Baseline Projections

Billions of Dollars

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total		
												2024–2028	2024–2033	
<b>Outlays</b>														
<b>Defense</b>														
IIJA, BSCA, and Other Emergency Requirements <sup>a</sup>														
CBO's baseline	6	12	18	23	28	33	37	39	40	41	42	113	313	
CBO's estimate of the President's budget	6	6	5	4	5	4	4	1	*	0	0	24	29	
Difference	0	-6	-13	-18	-23	-28	-33	-38	-40	-41	-42	-89	-284	
Other														
CBO's baseline	787	835	871	898	920	948	959	988	1,012	1,036	1,067	4,473	9,534	
CBO's estimate of the President's budget	787	841	875	892	912	939	939	954	962	969	982	4,459	9,265	
Difference	0	6	4	-6	-8	-10	-20	-34	-50	-66	-85	-14	-269	
<b>Total, Defense</b>														
<b>CBO's baseline</b>	<b>793</b>	<b>847</b>	<b>889</b>	<b>920</b>	<b>948</b>	<b>981</b>	<b>996</b>	<b>1,027</b>	<b>1,052</b>	<b>1,077</b>	<b>1,109</b>	<b>4,586</b>	<b>9,847</b>	
<b>CBO's estimate of the     President's budget</b>	<b>793</b>	<b>847</b>	<b>880</b>	<b>897</b>	<b>917</b>	<b>943</b>	<b>943</b>	<b>955</b>	<b>962</b>	<b>969</b>	<b>982</b>	<b>4,483</b>	<b>9,295</b>	
<b>Difference</b>	<b>0</b>	<b>*</b>	<b>-9</b>	<b>-24</b>	<b>-32</b>	<b>-38</b>	<b>-54</b>	<b>-72</b>	<b>-90</b>	<b>-108</b>	<b>-127</b>	<b>-103</b>	<b>-553</b>	
<b>Nondefense</b>														
IIJA, BSCA, and Other Emergency Requirements <sup>a</sup>														
CBO's baseline	44	78	104	122	133	139	142	144	147	150	153	576	1,311	
CBO's estimate of the President's budget	44	54	60	66	67	62	51	38	28	19	13	309	458	
Difference	0	-25	-44	-56	-66	-77	-91	-106	-119	-130	-140	-267	-853	
Other <sup>b</sup>														
CBO's baseline	875	920	947	952	973	993	1,015	1,038	1,062	1,086	1,111	4,785	10,096	
CBO's estimate of the President's budget	875	929	945	953	969	985	1,005	1,027	1,044	1,063	1,084	4,780	10,004	
Difference	0	9	-1	1	-5	-8	-10	-11	-18	-23	-27	-4	-93	
<b>Total, Nondefense</b>														
<b>CBO's baseline</b>	<b>919</b>	<b>998</b>	<b>1,051</b>	<b>1,074</b>	<b>1,107</b>	<b>1,131</b>	<b>1,157</b>	<b>1,182</b>	<b>1,208</b>	<b>1,236</b>	<b>1,264</b>	<b>5,361</b>	<b>11,408</b>	
<b>CBO's estimate of the     President's budget</b>	<b>919</b>	<b>982</b>	<b>1,005</b>	<b>1,019</b>	<b>1,036</b>	<b>1,047</b>	<b>1,056</b>	<b>1,066</b>	<b>1,072</b>	<b>1,082</b>	<b>1,097</b>	<b>5,089</b>	<b>10,462</b>	
<b>Difference</b>	<b>0</b>	<b>-16</b>	<b>-45</b>	<b>-56</b>	<b>-71</b>	<b>-85</b>	<b>-101</b>	<b>-116</b>	<b>-137</b>	<b>-153</b>	<b>-167</b>	<b>-272</b>	<b>-945</b>	
<b>Memorandum:</b>														
Defense Outlays (Percentage of GDP)														
CBO's baseline	3.0	3.1	3.1	3.1	3.0	3.0	2.9	2.9	2.9	2.8	2.8	3.1	3.0	
CBO's estimate of the President's budget	3.0	3.1	3.1	3.0	2.9	2.9	2.8	2.7	2.6	2.6	2.5	3.0	2.8	
Nondefense Outlays (Percentage of GDP)														
CBO's baseline	3.5	3.7	3.7	3.6	3.5	3.5	3.4	3.4	3.3	3.3	3.2	3.6	3.4	
CBO's estimate of the President's budget	3.5	3.6	3.5	3.4	3.3	3.2	3.1	3.0	2.9	2.9	2.8	3.4	3.1	

requirement (including funding provided by division J of the IIJA and division B of the BSCA) rises from \$172 billion in 2023 to \$211 billion in 2033, totaling \$1.9 trillion in additional funding over the decade. Those projections follow provisions of law that require CBO to project funding for years in which no appropriation exists by adjusting the most recently provided funding for inflation.

By contrast, the President's budget includes the \$172 billion in emergency funding that has been provided for 2023, but such funding would decrease after that and total \$247 billion over the following 10 years. The advance appropriations provided by the IIJA and BSCA, which total \$199 billion from 2024 through 2026, make up the bulk of the emergency funding after 2023.<sup>7</sup> That smaller amount of emergency funding in the President's budget reduces outlays relative to amounts in CBO's baseline by \$1.1 trillion over the 2024–2033 period.

Beyond the effects of those differing amounts of emergency funding, all of the President's other proposals would reduce total discretionary outlays, relative to baseline amounts, by \$361 billion (or 2 percent). Discretionary outlays (excluding those resulting from emergency funding) under the President's budget would fall as a share of GDP in each year of the next decade, from 6.5 percent in 2024 to 5.3 percent in 2033; in CBO's baseline, they are projected to decrease from 6.4 percent to 5.5 percent, respectively.

Under the President's budget, discretionary outlays for defense programs and activities (again, excluding those that result from emergency funding) would be \$269 billion (or 3 percent) lower over the next decade than the amount in CBO's baseline (see Table 3 on page 6). Outlays for nondefense activities under the President's budget would be \$93 billion (or 1 percent) smaller over the period.

As a share of GDP, total discretionary outlays for defense programs would fall under the President's proposals,

7. Under current law, CBO estimates that emergency funding stemming from the permanent appropriation of revenues credited to the Hazardous Substances Superfund will boost budget authority by \$2 billion in 2024 and by \$35 billion over the 2025–2033 period.

from 3.1 percent in 2024 to 2.5 percent in 2033, when they would be about 0.3 percentage points lower than the amount in CBO's baseline in that year. The smallest percentage recorded for defense discretionary outlays as a share of GDP in the past 50 years was 2.9 percent.

Outlays for nondefense discretionary programs as a share of GDP would decline from 3.6 percent in 2024 to 2.8 percent in 2033 and would be about 0.4 percentage points lower than the amount in CBO's baseline in that year. The smallest percentage recorded for those outlays as a share of GDP in the past 50 years was 3.1 percent. Excluding outlays that result from emergency funding, nondefense discretionary outlays would be about the same under the President's budget as in the baseline, falling from about 3.4 percent in 2024 to 2.8 percent in 2033.

The Congressional Budget Office prepared this report at the request of the Senate Committee on Appropriations. In keeping with CBO's mandate to provide objective, impartial analysis, the report makes no recommendations.

Barry Blom wrote the report, with contributions from many members of CBO's Budget Analysis Division and with guidance from Christina Hawley Anthony, Megan Carroll, and Theresa Gullo.

Jeffrey Kling and Robert Sunshine reviewed the report. Christine Bogusz edited it, and Casey Labrack prepared the text and tables for publication. The report is available at [www.cbo.gov/publication/59097](http://www.cbo.gov/publication/59097).

CBO seeks feedback to make its work as useful as possible. Please send comments to [communications@cbo.gov](mailto:communications@cbo.gov).



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