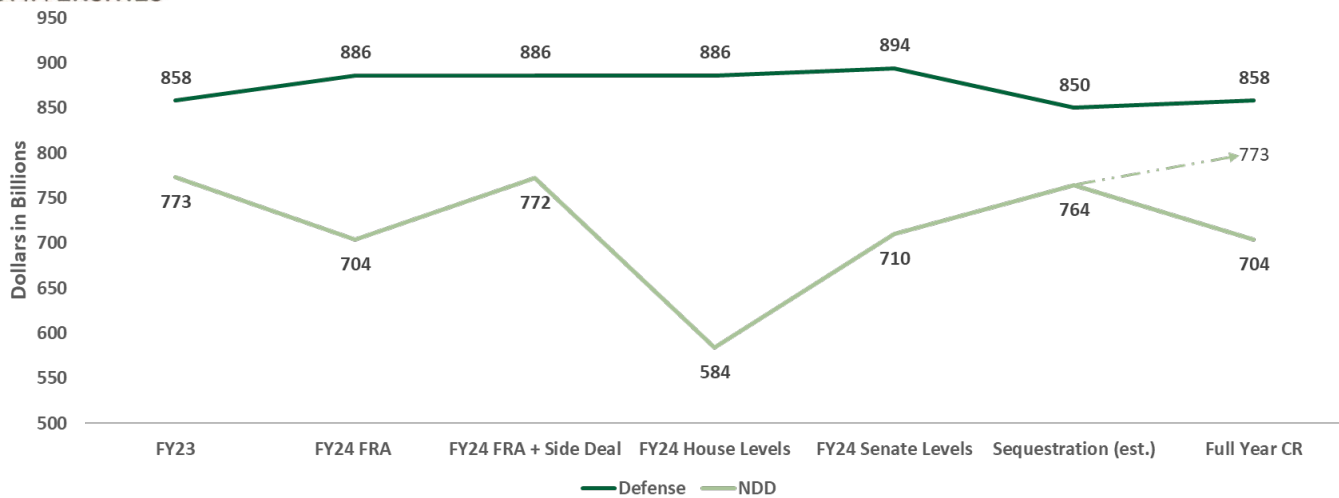




FY24 Defense and Non-Defense Discretionary Funding Levels Under Various Scenarios



FY23 spending levels are on the left. Non-defense discretionary (NDD) spending increased over earlier estimates.

The bipartisan Fiscal Responsibility Act (FRA) set topline spending levels for FY24, labelled FY24 FRA in the above chart. The FRA also set a topline for FY25.

During the FRA negotiation, then-Speaker Kevin McCarthy (R-CA) and President Biden agreed to a side deal in which previously approved, unspent funding was reallocated to FY24 NDD, increasing total FY24 NDD spending.

House Appropriations Chair Kay Granger (R-TX) marked up FY24 bills off the FY22 topline (\$1.47 trillion), and held defense appropriations at the level found in the FRA, resulting in a significant cut to NDD.

Early in the Senate's FY24 process, Appropriations Chair Patty Murray (D-WA) and Ranking Member Susan Collins (R-ME) agreed to add \$14 billion in emergency supplemental funds to the FY24 levels found in the FRA. \$8 billion went towards defense, and \$6 billion towards non-defense.

Due to the Continuing Resolutions passed on November 16th, on January 1st, 2024, FY24 topline spending levels revert to the levels set in the FRA, which are FY23 levels decreased by 1 percent. Under this revision scenario, the cuts only occur if all 12 funding bills are not approved by April 30th, 2024.

The FRA funding caps apply to any full year appropriations bill passed by April 30th. If a package is passed at levels at or below the FRA levels before April 30th, no revision sequestration goes into effect.

However, if Congress has not enacted a full year appropriations package by April 30th, NDD and defense spending reverts to the sequestration scenario and the overall spending caps from the FRA go into effect. Defense spending would remain flat, as FY23 defense spending is below the FY24 defense cap.

NDD would see a significant revision, as FY23 levels are above the FY24 NDD cap in the FRA. The dotted line represents NDD funding under a CR with no sequestration.

These final funding levels assume a strict adherence to the FRA. Of course, Congress and the White House have the option of renegotiating and later amending or superseding the FRA. See this Congressional Research Service [report](#) for additional information.