

Appropriations

Outlook for the 119th Congress & the Trump Administration

Key Takeaways

- Negotiations in 2025 to increase or suspend the debt ceiling could result in new budget and appropriations limits for the next congress and administration. Annual discretionary appropriations limits may be revised relative to the 1 percent increase set by the Fiscal Responsibility Act of 2023. Expect Republicans to push for a decrease in nondefense discretionary spending.
- With slim GOP majorities in the House and Senate, expect it will remain difficult for Congress to pass a budget resolution and discretionary spending bills on time through regular order. President Trump's stated pledge to reform the executive branch may further complicate the appropriations process. Multi-month delays in appropriations are likely. Temporary shutdowns and across-the-board cuts are possible.
- Unified GOP control could mean an end to earmarks. Bill and report language will continue to play a key role in shaping agency spending and policy.

Additional Insights

- In 2023, Congress suspended the national debt limit, which will be reinstated automatically on January 2, 2025. A default could occur in early- to mid-2025 absent an agreement. As in the past, any debt ceiling agreement is likely to include new restrictions on future spending, particularly nondefense discretionary appropriations.
- Congress must meet certain deadlines and complete the annual budget process before October 1, 2024. However, given recent precedent and the possibility of punting the fiscal year (FY) 2025 funding decisions to the new Congress, expect missed deadlines and delays in future budget processes to continue in the 119th Congress.
- A unified GOP-controlled Congress may seek to reinstate an earmark ban. A majority of Senate Republicans complied with a conference-wide ban in the 118th, and renewed focus on the national debt in the 119th may spur enough political pressure to reinstate a ban. However, President Trump previously supported earmarks as a means of facilitating the legislative process, and many House Republicans historically skeptical of earmarks have increasingly embraced them as a tool to address local infrastructure needs, economic development and other community priorities.
- Irrespective of earmark ban prospects, annual appropriation bills in the 119th Congress are likely to continue to be among the few major, bipartisan bills enacted into law. Consequently, legislative text and report language in appropriation bills will continue to play an influential role in federal agency funding and policy.

Contributors: [Charlie Johnson](#), [Ed Pagano](#), [Sam Olswanger](#), [Darren Benjamin](#)