



ANOTHER SWING AND A MISS: REPUBLICAN BUDGET IS STRIKE 3.0

The “America Last” Budget Fails Middle Class Families

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After exploding the deficit with their first two reconciliation bills, Republicans crafted another budget-busting, partisan monstrosity. Instead of fixing the affordability crisis they created, Donald Trump and Congressional Republicans are making things worse.

They could have repealed the cuts to health care and food assistance from their first reconciliation measure. They could have enacted common-sense reforms and accountability in immigration enforcement that they failed to incorporate into their second reconciliation bill. They could have stopped President Trump’s slush fund for violent January 6 insurrectionists who assaulted police or blocked his taxpayer-funded ballroom vanity project. Instead, they are funding unauthorized wars, tampering with the way states administer elections, and increasing the deficit.

Reconciliation Instructions Increase the Deficit

Committee	Deficit Increase	Expected Policy
Armed Services	\$60 billion	Trump's illegal war in Iran
Intelligence	\$13 billion	
Agriculture	\$12 billion	Mitigate effects of Trump's tariffs
House Administration	\$10 billion	Election interference at Trump's behest

The budget resolution provides instructions to four House Committees that increase the deficit by up to \$95 billion over ten years. The deficit effect of this new spending is conveniently missing from the deficit totals included in the budget. No committees are instructed to find savings, but committees could use spending cuts to offset additional spending above their target.

False Promises on Deficits and Debt

Summary of Proposals in the House Republican Budget (2027-2036, deficit effects in trillions of dollars)

CBO February baseline deficits	24.4
Proposals in the Chairman's Mark:	
Magic "macroeconomic effects"	-2.6
Discretionary spending cuts	-2.5
Mandatory spending cuts	-0.8
Exaggerated net interest savings	-1.7
Deficits in the Chairman's Mark	16.7

Not included: Reconciliation spending (up to \$95 billion) and expiring tax cuts

Table may not add due to rounding. Negative numbers make the deficit smaller.

The budget reflects a deficit of \$1.8 trillion for 2027 and \$16.7 trillion over ten years (2027-2036). Using GDP projections heftily boosted from the Congressional Budget Office's February baseline, the Republican budget resolution shows a 2027 deficit of 5.4 percent of GDP that eventually falls to 3 percent of GDP by the end of the period. Debt held by the public rises from \$34 trillion (101.1 percent of GDP) in 2027 to \$48.5 trillion (96.1 percent of GDP) at the end of 2036.

Phony Math

- The budget assumes **no changes to revenues**. This means Republicans plan to allow the expiring tax cuts to go away, or they assume other tax increases will exactly offset the cost of extending those policies.
- The budget once again relies on a **\$2.6 trillion magic asterisk** of deficit reduction it calls a "macroeconomic impact on the deficit." This has become a routine feature in the Chairman's budget resolutions, but its repeat inclusion makes it no more credible or likely to materialize. It is simply a bald-faced gimmick to create deficit reduction out of thin air.
- The budget claims \$1.7 trillion in deficit reduction from **net interest savings**, more than double what CBO's rule of thumb supports. Even crediting the budget with the phony economic effects, taking the unspecified savings at face value, and assuming the deficit increases from reconciliation will be miraculously offset would instead produce net interest savings of just under \$800 billion.
- The budget reflects deficit reduction of \$3.4 trillion over ten years from **unspecified spending cuts**.

- Wildly inconsistent with the spending boosts it allows under reconciliation, the budget reflects cuts of \$839 billion in mandatory spending. It does not suggest which programs would be subject to these cuts.
- Appropriated programs shoulder an even larger proportion of spending cuts: \$2.7 trillion in budget authority and \$2.5 trillion in outlays over ten years. The budget does not specifically protect defense spending, but if the cut comes completely from the non-defense side the reduction would be \$415 billion (43 percent) in 2036 alone.
- For 2027, the budget provides a total discretionary level of \$1.7 trillion: a reduction of \$106 billion from baseline and about \$200 billion below the levels of the 2027 appropriations currently moving in the House. If the reduction is limited to the non-defense side of the budget, the resolution is still \$233 billion below the President's defense request for 2027.

Months Late and Nearly \$200 Billion Short

Republicans delayed moving a 2027 budget resolution for months while they jammed through a \$70 billion slush fund for Immigration and Customs Enforcement and Customs and Border Protection. After Budget Committee Republicans abandoned their primary responsibility of setting spending levels for other committees, other committees simply moved forward with their work and decided on their own spending levels.

Now, several months into the appropriations process, Republicans are finally setting an appropriations ceiling in this budget resolution of \$1.7 trillion for 2027. The bills that have already been approved in committee or passed in the House total \$1.9 trillion; the House will need to cut nearly \$200 billion to comply with this spending level. A budget process that allows other committees to set their own levels, followed by a months-late limit that is drastically lower than the work that has been done, undermines the budget and appropriations process.



Local Impacts: See the impacts of the Trump-Republican cost-of-living crisis using the House Budget Committee's website, which contains information about rising costs in communities across the country:

democrats-budget.house.gov/costofliving

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.



**HOUSE COMMITTEE
ON THE BUDGET**

RANKING MEMBER BRENDAN F. BOYLE

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