



Insight

Congress Approves \$9 Billion Rescissions Package

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Executive Summary

- Congress has approved a \$9 billion rescissions package that includes 21 budget authority cuts; the package now heads to the president's desk for his signature.
- The package rescinds funds from the Corporation for Public Broadcasting, the Department of State, the U.S. Agency for International Development, the U.S. Institute of Peace, and other international assistance programs.
- The package is the first that will codify the spending cuts identified by the Department of Government Efficiency into law.

Introduction

On May 28, President Trump sent a [formal rescissions request](#) to Congress that included 22 proposed budget authority (BA) cuts from the Corporation for Public Broadcasting, the Department of State, the U.S. Agency for International Development (USAID), the U.S. Institute of Peace, and other international assistance programs. The request proposed to rescind \$9.4 billion of BA that the Office of Management and Budget (OMB) estimated would reduce budget outlays by the same amount. The subsequent legislation, entitled [H.R.4: Rescissions Act of 2025](#), originally passed the House on June 12. An amended version of the legislation that includes 21 of the 22 proposed rescissions passed the Senate on July 17 and the House on July 18. It now heads to President Trump's desk for his signature. The Congressional Budget Office's (CBO) [score](#) of H.R.4 estimates it will reduce budget outlays by \$8.9 billion over the fiscal year (FY) 2025-2035 budget window. The package is the first that will codify the spending cuts identified by the Department of Government Efficiency (DOGE) into law.

What's in the \$9 Billion Rescissions Package?

A rescission is a process by which the administration places a 45-day hold on spending certain money that's been congressionally appropriated while Congress decides if it wants to permanently rescind the money (for more on rescissions, see [here](#)). The \$9.4 billion rescissions request President Trump sent to Congress came from a variety of federal accounts and the legislative package enacted by Congress includes the same proposed claw backs.

The largest single area is \$2.5 billion of the \$3.9 billion appropriated for fiscal year (FY) 2025 for Development Assistance. The next largest rescission - \$1.7 billion - comes from FY 2025 appropriations for the Economic Support Fund. Another \$1 billion would be rescinded from the Corporation for Public Broadcasting (CPB). This includes \$535 million in advance each for FY 2026 and FY 2027. This amount was the total appropriation for CPB each in FY 2024 and FY 2025; thus, the rescission would effectively eliminate federal funding for CPB.

Enacted Rescission by Account

Federal Account	Budget Authority Rescission	FY 2025-2035 Budget Outlay Savings
Development Assistance	\$2,500 million	\$2,464 million
Economic Support Fund	\$1,650 million	\$1,636 million
Migration and Refugee Assistance	\$800 million	\$800 million
Global Health Programs	\$500 million	\$497 million
International Disaster Assistance	\$496 million	\$496 million
Assistance for Europe, Eurasia, and Central Asia	\$460 million	\$447 million
International Organizations and Programs	\$437 million	\$437 million
Contributions to International Peacekeeping Activities	\$361 million	\$361 million
Contributions to International Organizations	\$202 million	\$201 million

Contributions to Clean Technology Fund	\$125 million	\$125 million
USAID Operating Expenses	\$125 million	\$123 million
Democracy Fund	\$83 million	\$78 million
Transition Initiatives	\$57 million	\$57 million
Complex Crises Fund	\$43 million	\$43 million
Inter-American Foundation	\$27 million	\$26 million
African Development Foundation	\$22 million	\$21 million
U.S. Institute of Peace	\$15 million	\$15 million
Corporation for Public Broadcasting	\$1,070 million	\$1,070 million
Total BA Rescissions	\$8,973 million	\$8,897 million

Sources: CBO and OMB.

The request would claw back \$500 million of the \$10 billion appropriated in FY 2025 for global health programs administered by USAID; \$800 million of the \$3.2 billion appropriated in FY 2025 for migration and refugee assistance; and \$496 million of the \$4 billion appropriated in FY 2024 for international disaster assistance. In addition, the package would rescind \$460 million – the full amount appropriated for FY 2025 – for assistance to Europe, Eurasia, and Central Asia, and \$437 million – the entire FY 2025 appropriation – for international organizations and programs, including the United Nations (UN) Children’s Fund, the UN Development Program, the UN Population Fund, and the Montreal Protocol.

Some of the smaller rescissions include \$125 million of the \$1.7 billion appropriated for FY 2025 for USAID operating expenses; \$125 million – the full amount appropriated for FY 2025 – for the Clean Technology Fund; \$83 million of the \$345 million appropriated in FY 2025 for the Democracy Fund; and \$15 million of the \$57 million appropriated in FY 2025 for the U.S. Institute of Peace.

CBO estimates the rescission package will reduce budget outlays and thus the primary (non-interest) budget deficit by \$8.9 billion over the FY 2025–2035 budget window. The impact of the rescissions package on the federal budget would be modest. \$8.9 billion represents just

a one-percent decrease in this year's projected primary budget deficit of \$913 billion.

Conclusion

Despite the modest size of the rescissions package, rescission packages are valuable in helping policymakers eliminate unneeded and unused federal funding. Even rescissions for funding that would otherwise never be spent can prevent policymakers from later using the funds for new spending increases or tax cuts. While rescissions themselves can't solve the nation's fiscal challenges, they are a step in the right direction to cut wasteful spending in the federal budget.