

UNDERSTANDING PRESIDENT TRUMP'S FY 2026 DISCRETIONARY FUNDING REQUEST

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May 6, 2025

The Trump administration has produced its [discretionary funding request](#) for fiscal year (FY) 2026, giving guidance to Congress for the annual [appropriations process](#).

While this “skinny budget” is smaller than the full budget, it will help inform negotiations on “topline” (total) levels for overall spending and major accounts.

The documents not only provide hundreds of discrete funding changes but also [overarching principles](#) to support what would be a generational transformation of the federal government.

Congress should embrace this opportunity to drain the D.C. swamp.

Toplines: Defense, Non-Defense, and Reconciliation

The administration requests a \$1.613 trillion topline in FY 2026 for programs funded by discretionary appropriations – the same as FY 2025 but slightly reduced after adjusting for inflation. This would include a \$119.3 billion increase for defense and an equal decrease for non-defense.

The total for defense would be \$1.012 trillion, with \$601.2 billion for non-defense. These include spending increases for defense, [border security](#), and other security-related agencies that are likely to be part of the [reconciliation](#) process.

While appropriated funding done through reconciliation is technically considered “mandatory” spending, the administration’s request places it in the context of the discretionary category.

Democrats passed mandatory appropriations through reconciliation with the Inflation Reduction Act in 2022. In contrast to the Trump budgetary approach, they still demanded increases to the same agencies in annual appropriations legislation as though the reconciliation funding did not exist. The Trump budget is more honest in that regard.

There is a strategic reason to obtain increases to defense and security agencies through reconciliation. Typically, when these increases are sought through the regular appropriations process, Democrats demand “parity” increases to non-defense discretionary spending. Utilizing reconciliation means that Democrats cannot hold security spending hostage.

Holding Scientific, Academic, and Public Health Agencies Accountable

Institutes of higher education currently receive multiple streams of federal funding and subsidies. The largest of these are direct handouts to students (e.g. Pell Grants) and subsidized loans, which enable universities to steadily increase [tuition costs](#).

Lesser known are tens of billions of dollars in grants to universities through a multitude of federal agencies, including the National Institutes of Health (NIH), National Science Foundation (NSF), National Aeronautics and Space Administration (NASA), Department of Energy, Environmental Protection Agency (EPA), and more.

Conservatives have long criticized silly academic grants. For example, such grants are a staple of Senator Rand Paul's annual "[Festivus](#) Reports" on wasteful spending.

Under the Biden administration, research grant programs became thinly concealed slush funds for the promotion of leftist ideology. The Senate Commerce Committee [revealed](#) that the NSF alone has funded billions of dollars of grants that promote various strains of identity-obsessed [Marxism](#).

These grants were often explicitly intended to [inject radical ideology](#) into scientific fields and institutions. This could cause long-term damage to the quality of scientific research in America given the astonishing number of grants and billions of tax dollars at issue.

This goes much deeper than the actions of the Biden administration. Federal bureaucrats and universities who disagree with an administration's agenda have many ways to make their displeasure known. However, thousands of non-political federal employees and countless university researchers and leaders happily complied with the scheme, suggesting widespread institutional agreement with the goals.

Additionally, federal health agencies have been found to be [complicit](#) in dangerous "gain of function" disease experiments, including at the Wuhan Institute of Virology, which was the [most likely](#) origin point of the COVID-19 virus. The attempt by public health agencies to stonewall investigations into the pandemic's origin and to politicize important debates such as [school re-openings](#) is a black mark.

President Trump's discretionary budget request seeks judicious reductions to the agencies in question.

Appropriators must not trust these institutions with the same level of public resources following the multitude of scandals and abject failures of recent years. Congress should significantly reduce funding to these agencies until there are substantial reforms to ensure these groups are once again working on behalf of the American people and using tax dollars wisely.

Congress should also embrace the Trump administration's [reforms](#) to "[indirect cost](#)" payments, which have become a gravy train for academia.

Reducing Welfare for Non-Americans

Foreign aid, which President Trump's budget seeks to reduce, has long been a hot-button issue in budgetary debates. Defenders of the status quo often claim that foreign aid should be left alone because it "only" costs Americans tens of billions of dollars per year.

This is a textbook example of how divorced from reality Washington D.C. has become. It takes hundreds of thousands of workers to produce the economic value that the foreign aid budget consumes each year. Neither the foreign aid lobby nor foreign citizens are entitled to the fruits of all that labor.

Foreign aid programs are also riddled with inefficiencies. "Economic development" has a poor track record of success, since economic freedom (not aid) is the proven path out of poverty. Worse, much foreign aid goes to "middle income" countries, and in some cases even to peer-wealth countries for the benefit of non-governmental organizations.

Finally, the notion of foreign aid as a key foreign policy tool is belied by the United Nations, with countries who receive aid regularly voting against U.S. interests.

Another way the administration seeks to reduce handouts to non-Americans is through cuts to aid programs for migrants. Such programs funnel billions of dollars to non-governmental organizations, many of which actively encourage illegal migration. During the Biden administration this aid even went to migrants who were on their way to the southern border.

Reducing Welfare for State and Local Governments

Federalism – properly distinguishing between federal and non-federal responsibilities – is another theme of President Trump's discretionary budget.

The funding request calls for reductions in federal aid for state and local responsibilities such as K-12 education, drinking water, low-income housing, social services, local law enforcement, and more.

Federal aid to states has grown to the point of becoming unaffordable. While no singular reduction can balance the budget, the expansive nature of welfare-for-government programs means that Congress must start somewhere. These handouts are also typically bundled with red tape that inflates costs and distorts local priorities.

Legislators worried about a reduction in pork for their state or district should remember that these programs are much less important to Americans than the health of the economy, which is hampered by excessive federal debt and the looming threat of the fiscal cliff. Congress must learn to say "no" to big government at the federal, state, and local levels.

Eliminating Bureaucratic Boondoggles

The sheer volume of federal programs and bureaus is far beyond what most people are aware of. This has warped federal policymaking for generations, as legions of bureaucrats and federally dependent organizations intensively lobby Congress and presidential administrators for ever-larger troughs of tax dollars.

Economist Milton Friedman famously said:

“Nothing is so permanent as a temporary government program.”

The fact that such an incredible number of programs and bureaus meant to address specific circumstances have continued to leech off the American economy for decades, regardless of performance or public need, represents a failure of governance.

Eliminations in President Trump’s discretionary budget include:

- The Corporation for Public Broadcasting, which is biased, unnecessary in an age of endless content, and could likely self-fund.
- The Woodrow Wilson Center, which honors a despicable man and does not need federal funding for its operations.
- The National Endowments for the Arts and the Humanities, welfare programs for artists that know how to appeal to federal bureaucrats.
- Essential Air Service, which began in 1978 as a “temporary” subsidy for small airports and regularly pays for near-empty flights.
- Regional commissions that provide handouts to arbitrary parts of the country.
- The Neighborhood Reinvestment Corporation, which is duplicative of many federal antipoverty and “development” programs.
- The Corporation for National and Community Service, which primarily gives funds to charities. The federal government’s tax deduction for charitable donations is a sufficient and much healthier approach to supporting civil society.

Congress will no doubt receive lobbying from backers of these programs and bureaus who want to retain their handouts. Eliminating some of these appropriations would send an overdue signal that federal agencies are not sacred.

With combined federal debt and unfunded liabilities of over \$110 trillion, Congress must put the needs of the American people ahead of bureaucrats and cronyist special interests.

They should heed President Trump’s budget request by removing corrupt, wasteful, and unnecessary appendages of the federal behemoth.