



215 SW Washington St., Ste 200  
Portland, OR 97204

T 503.242.1745  
F 503.242.1072

HOBBSSTRAUS.COM

## MEMORANDUM

July 28, 2025

TO: TRIBAL HOUSING CLIENTS

FROM: Ed Clay Goodman & Cari Baermann  
HOBBS, STRAUS, DEAN & WALKER, LLP

RE: ***House and Senate Release FY26 THUD Appropriations Bills***

---

This Memorandum builds on a previous Memorandum from May 5, 2025, regarding the "President's Budget Request; Federal Funding Pause Update," and reports on two recent developments. The first update is the House's release of its Fiscal Year 2026 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act (FY 26 THUD Appropriations Bill or House Bill). The second update is the Senate's release of its Fiscal Year 2026 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act (FY 26 THUD Appropriations Bill or Senate Bill). Both the House Bill and the Senate Bill have been voted out of Committee. Whether and when either of these bills will be voted upon by the House and the Senate is still an open question.

### **I. House Committee on Appropriation Advances FY26 THUD Appropriations Bill.**

On July 17, 2025, the House Committee on Appropriations approved the House Bill with a vote of thirty-five (35) to twenty-eight (28). The House Bill would provide \$1.344 billion to Native American Programs, with \$1.111 billion recommended for Indian Housing Block Grant Program formula grants. The House Bill, therefore, rejects President Trump's Skinny Budget proposal, which would cut Native American Programs by \$479 million. Additionally, the House Bill recommends providing \$ 1.7 million to the Indian Housing Loan Guarantee Program. A summary of the House Bill can be found [here](#).

### **II. Senate Committee on Appropriations Advances FY26 THUD Appropriations Bill.**

On July 24, 2025, the Senate Committee on Appropriations approved the Senate Bill with a vote of twenty-seven (27) to one (1). The Senate Bill, as with the House Bill, rejects President Trump's FY26 Skinny Budget and its proposed cuts to Native American Programs. Specifically, the Senate Bill recommends providing \$1.354 billion to Native American Programs, a small increase from the House Bill, with \$1.111 billion recommended for Indian Housing Block Grant Program formula grants. The Senate Bill recommends providing \$1.4 million to the Indian Housing Loan Guarantee Program, a small decrease from the House Bill. A summary of the Senate Bill can be found [here](#).

***Conclusion***

If you have any questions about the contents of this Memorandum, please do not hesitate to contact us by phone at (503) 242 – 1745 or by email at [egoodman@hobbsstrauss.com](mailto:egoodman@hobbsstrauss.com) or [cbaermann@hobbsstrauss.com](mailto:cbaermann@hobbsstrauss.com).



# APPROPRIATIONS

CHAIRMAN TOM COLE *Tom Cole*

## TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2026

The Transportation, Housing and Urban Development, and Related Agencies Appropriations Bill provides a total discretionary allocation of \$89.910 billion, which is \$4.458 billion (4.7%) below the Fiscal Year 2025 enacted level. This level reflects the America First agenda by including responsible levels for housing programs and reprioritizing transportation funding to meet infrastructure needs across the nation.

The bill provides a non-defense discretionary total of \$89.522 billion and a defense discretionary total of \$388 million. This bill prioritizes air traffic control infrastructure, controller hiring, and transportation safety while maintaining essential housing assistance for our nation's most vulnerable.

### KEY TAKEAWAYS

- **Invests in transportation safety and rebuilds America by:**
  - Increasing funding for the Federal Aviation Administration (FAA) by \$2.307 billion over FY25 enacted levels, which will keep our skies safe and help build a world-class air traffic control system.
  - Providing the FAA with resources to hire 2,500 new air traffic controllers and replace FAA's aged telecommunication infrastructure.
  - Redirecting \$4.4 billion in wasteful Democratic priorities from the Infrastructure Investments and Jobs Act (IIJA) to instead invest in safety and improve the movement of freight and the traveling public.
  - Supporting the next generation of mariners through investments in the U.S. Merchant Marine Academy.
- **Supports the Trump Administration and mandate of the American people by:**
  - Upholding America First priorities by guaranteeing that the U.S. has the most modern, safe, and efficient transportation system in the world.
  - Empowering HUD to refocus housing assistance to promote self-sufficiency while maintaining support for America's most vulnerable – including the elderly and disabled.
  - Reinforcing President Trump's executive orders on eliminating DEI initiatives, regulatory streamlining, American security, and innovation.
  - Rebuilding America with \$3.8 billion above FY25 for highways, rail, airports, and maritime infrastructure.



# APPROPRIATIONS

CHAIRMAN TOM COLE *Tom Cole*

- **Bolsters U.S. national security and border protections by:**
  - Promoting defense readiness capabilities by funding the U.S. Merchant Marines, shipyards, the strategic sealift programs, including the Cable Security Program, the Maritime Security Program, and the Tanker Security Program.
  - Supporting America’s vehicle and aircraft manufacturers to ensure global leadership and to counter China’s malign influence.
  - Maintaining “Buy American” provisions that maximize the federal government’s use of services, goods, products, and materials produced and offered in the United States.
- **Safeguards American taxpayer dollars and preserves core functions by:**
  - Cutting or redirecting \$9.4 billion through program eliminations, rescissions, and repurposing, as compared to a Continuing Resolution that would repeat Democrat priorities.
  - Cutting HUD staff by 26%, consistent with reductions in force implemented by Secretary Turner, saving \$334 million in salaries and expenses compared to the FY25 enacted level. Overall, the bill cuts staff by 5% across all Departments and Agencies, while holding DOT safety harmless.
  - Returning agencies to their core missions by eliminating and reducing 38 wasteful programs, totaling \$7.3 billion in savings below FY25.

## DETAILED FUNDING SUMMARY

### Department of Transportation

Provides a discretionary total of \$22.097 billion to the Department of Transportation, which is \$3.149 billion below the FY25 enacted level and \$4.744 billion below OMB’s budget request. Taken together with \$83.285 billion in obligation limitation for highway and airport trust fund programs, the bill provides \$105.078 billion in total budgetary resources to improve the safety and efficiency of our nation’s transportation system.

- \$23.296 billion in total budgetary resources for the Federal Aviation Administration (FAA), \$2.307 billion above the FY25 enacted level.
  - \$10.368 billion to fully fund air traffic control operations and allow the FAA to hire 2,500 air traffic controllers to replace the retiring workforce.
  - \$5 billion for facilities and equipment, which is \$1.824 billion above the FY25 enacted level.
  - \$284 million in Community Project Funding for 88 airport improvement projects requested by 80 Members.
- \$64.366 billion in total budgetary resources for the Federal Highway Administration, which is \$1.972 billion above the FY25 enacted level.
  - \$63.396 billion in highway trust fund programs.
  - \$415 million for priority infrastructure needs, including Tribal transportation and



# APPROPRIATIONS

CHAIRMAN TOM COLE *Tom Cole*

- truck parking projects.
- \$954 million in Community Project Funding for 464 highway infrastructure projects requested by 222 Members.
- \$3.123 billion in total budgetary resources for the Federal Railroad Administration, which is \$198 million above the FY25 enacted level.
  - Prioritizes rail safety programs, including \$265 million for safety and operations.
  - \$2.313 billion for Amtrak, of which \$925 million is for the Northeast and \$1.388 billion is for the National Network.
  - \$538 million for the Consolidated Rail Infrastructure Safety Improvement (CRISI) program, including \$38 million in Community Project Funding for 25 projects requested by 25 Members.
- \$14.910 billion in total budgetary resources for the Federal Transit Administration, which is \$1.777 billion below the FY25 enacted level.
  - \$14.642 billion in highway trust fund transit programs.
    - \$54 million for Capital Investment Grants. Through utilizing unallocated balances from FY25 and \$1.6 billion in advance appropriations available through IJA, the bill provides funding for all projects ready for construction in 2026.
  - \$96 million in Community Project Funding for 95 transit infrastructure projects requested by 81 Members.
- \$828 million for the Maritime Administration, which is \$72 million below the FY25 enacted level.
  - \$43 million for the Port Infrastructure Development Program, including \$22 million in Community Project Funding for 19 port infrastructure projects requested by 16 Members.
- \$2.561 billion for transportation safety agencies.
  - \$927 million for the Federal Motor Carrier Safety Administration, which is \$21 million above the FY25 enacted level, for grants and activities related to preventing commercial motor vehicle-related fatalities and injuries.
  - \$1.272 billion for the National Highway Traffic Safety Administration to fund critical safety activities.
  - \$362 million to fund safety and inspection activities within the Pipelines and Hazardous Materials Safety Administration.
- \$865 million for the Office of the Secretary.
  - \$514 million to fully fund the Essential Air Service program, which provides air service to rural communities otherwise unserved.
  - Does not provide additional appropriations for the RAISE or Mega grant programs, as the programs receive a collective \$2.5 billion (\$1.5 billion for RAISE and \$1 billion for Mega) in advanced appropriations for FY25 through the IJA.
  - \$5 million to launch a nationwide dashboard for shippers and carriers to track real-time supply chain movements and better respond to bottlenecks.
- \$105 million for the DOT Office of the Inspector General (OIG) to ensure the OIG has the tools it needs to eliminate waste, fraud, and abuse, especially as it relates to the



# APPROPRIATIONS

CHAIRMAN TOM COLE *Tom Cole*

implementation of the IJA.

## Department of Housing and Urban Development

Provides a net discretionary total of \$67.751 billion for the Department of Housing and Urban Development (HUD), which is \$939 million below the FY25 enacted level.

- Public and Indian Housing
  - \$35.268 billion for the Tenant-Based Rental Assistance Program (voucher program), which will maintain housing support for over 2 million households.
  - \$1.344 billion for Native American programs, upholding our nation's Tribal trust obligations.
  - \$175 million for Self-Sufficiency programs.
  - \$7.334 billion for the Public Housing Fund.
- Community Planning and Development
  - \$3.3 billion for the Community Development Block Grant program.
  - \$56 million for the Self-Help and Assisted Homeownership Opportunities Program (SHOP), including \$42 million for the Section 4 Capacity Building program.
  - \$4.158 billion for Homeless Assistance Grants, which is a \$107 million increase above the FY25 enacted level.
  - No funds for the HOME Investment Partnerships program to reflect the nearly \$5 billion yet to be spent from the Democrats' American Rescue Plan.
  - \$2.312 billion in Community Project Funding for 1,678 Economic Development Initiative (EDI) projects requested by 356 Members.
- Project-Based Housing Programs
  - \$17.127 billion for Project-Based Rental Assistance, which is a \$237 million increase above FY25 enacted levels. This funding provides a full renewal of housing contracts serving about 1.2 million households.
  - \$950 million for Housing for the elderly, which provides a full renewal of housing contracts serving about 120,000 households, a \$18.6 million increase above FY25 enacted levels.
  - \$261.8 million for Housing for Persons with Disabilities, serving about 33,000 households, a \$5.1 million increase above the FY25 enacted level.
- Federal Housing Administration
  - \$400 billion limitation on guaranteed loans for the Mutual Mortgage Insurance Program and \$160 million to carry out the program.
  - \$35 billion limitation on guaranteed loans for the General and Special Risk Insurance Program.
  - \$550 billion limitation on guaranteed loans for the Government National Mortgage Association and \$54 million to carry out the program.
- \$296 million for the Office of Lead Hazard Control and Healthy Homes.
- \$143 million for the HUD Office of the Inspector General to ensure that the OIG has the



# APPROPRIATIONS

CHAIRMAN TOM COLE *Tom Cole*

tools it needs to eliminate waste, fraud, and abuse at HUD.

- \$1.469 billion for salaries and expenses to reflect a 26% reduction in staffing at HUD.

## **Related Agencies**

- \$9.95 million for the Access Board.
- \$40 million for the Federal Maritime Commission.
- \$31.1 million for the Amtrak Office of Inspector General.
- \$145 million for the National Transportation Safety Board, a critical independent agency in the wake of the DCA Flight 5342 crash, Francis Scott Key Bridge collapse, and near-misses at airports nationwide.
- \$100 million for Neighborhood Reinvestment Corporation (NeighborWorks).
- \$40.7 million for the Surface Transportation Board.
- Eliminates the U.S. Interagency Council on Homelessness, in line with the budget request.

## **Community Project Funding**

Includes \$3.728 billion in Community Project Funding for 2,369 projects requested by 382 Members.



## U.S. SENATE COMMITTEE on APPROPRIATIONS

SUSAN COLLINS, U.S. SENATOR *for* MAINE, CHAIR

**For Immediate Release**  
July 24, 2025

**Contact:** [Phoebe Ferraiolo](#)  
202-224-2523

### **Senate Committee Approves FY 2026 Transportation, Housing and Urban Development Appropriations Bill**

*Bill passes Committee by a vote of 27-1*

**Washington, D.C.** – The Senate Committee on Appropriations today approved the Fiscal Year (FY) 2026 Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Act, providing resources to revitalize America’s infrastructure, improve aviation safety, and address housing availability and affordability challenges.

The measure, which was advanced by a vote of 27-1, provides \$400 million in defense funding and \$99.8 billion in nondefense funding.

“It is critical that we make significant investments to modernize our air traffic control systems and improve our airports, roads, railways, bridges, and ports. We must also ensure that a greater supply of safe, affordable housing is available to communities throughout the country,” **said Senator Collins, Chair of the Appropriations Committee.** “This legislation directly addresses those needs by maintaining existing rental assistance for more than 4.6 million households and supporting programs aimed at tackling homelessness, especially for our nation’s youth.”

“We’ve worked to achieve a strong bipartisan product that maximizes finite resources to carry out a broad range of programs and activities, ranging from highway safety to homelessness prevention to community development,” **said Senator Cindy Hyde-Smith, Chair of the THUD Appropriations Subcommittee.** “In the end, this bill is fiscally responsible and responsive to our nation’s needs, adhering to budgetary constraints, while making key investments to improve our nation’s transportation infrastructure and, among other things, fully funding existing rental assistance for seniors, the disabled, and working families.”

#### **Bill Highlights:**

**Department of Transportation (DOT):** \$26.5 billion in discretionary budget authority.

- **Office of the Secretary:** \$1.1 billion, including \$250 million for the BUILD grant program and \$513.6 million for the Essential Air Service program.
- **Federal Aviation Administration:** \$22 billion, including \$13.8 billion for Operations, \$4 billion for Facilities and Equipment, \$290 million for Research and Development, and \$4 billion for Grants-in-Aid for Airports. This funding provides for an additional 2,500 new air traffic controllers and prioritizes investments to modernize outdated systems in our National Airspace.
- **Federal Highway Administration:** \$63.3 billion, including \$350 million for a competitive Rural Bridge Repair and Rehabilitation program, \$25 million for high priority Tribal transportation projects, and \$10 million for the National Scenic Byways Program.
- **Federal Railroad Administration (FRA):** \$2.9 billion, including \$2.4 billion for Amtrak, of which \$1.6 billion is for the National Network, as well as \$100 million is for the Consolidated Rail Infrastructure and Safety Improvements grant program. Additionally, \$4.8 million is provided for FRA's Close Call Reporting System, as well as funding for railroad trespass prevention and positive train control support.
- **Federal Transit Administration:** \$16.8 billion, including \$1.9 billion for the Capital Investment Grants program, \$1.1 billion for the bus and bus facilities program, and \$55 million for the ferry program, which includes rural ferries.
- **Maritime Administration:** \$874 million, including \$75 million for the Port Infrastructure Development Program and \$30 million for Assistance to Small Shipyards Grants. The bill also includes a total of \$400 million for the Maritime Security Program, Cable Security Fleet, and Tanker Security Program, which are critical to national security. Additionally, \$143 million is provided for State Maritime Academies and more than \$160 million is provided for the United States Merchant Marine Academy.

**Department of Housing and Urban Development (HUD):** \$73.3 billion for rental assistance and self-sufficiency support for low-income working families, seniors, and the disabled; housing and services to homeless individuals; and support for economic and community development.

- **Office of Public and Indian Housing:** \$47.4 billion, including \$37.4 billion for Tenant-based Rental Assistance, \$8.4 billion for the Public Housing Fund, \$211 million for self-sufficiency programs, and \$1.4 billion for Native American/Native Hawaiian programs.
- **Office of Community Planning and Development:** Nearly \$11 billion, including \$3.1 billion for the Community Development Block Grant program, \$4.5 billion for Homeless Assistance Grants, \$1.2 billion for the HOME

Investment Partnerships program, \$70 million for the Self-Help and Assisted Homeownership Opportunity Program, and \$30 million for the SUPPORT for Patients and Communities Act recovery housing program.

- **Office of Housing:** \$19 billion, including \$17.8 billion for Project-based Rental Assistance, \$972 million for Housing for the Elderly, and \$265 million for Housing for Persons with Disabilities.

**Independent Agencies:** \$423.7 million, including \$10 million for the Access Board, \$40 million for the Federal Maritime Administration, \$29.2 million for the Amtrak Inspector General, \$145 million for the National Transportation Safety Board, \$158 million for NeighborWorks, \$40.8 million for the Surface Transportation Board, and \$2 million for the U.S. Interagency Council on Homelessness.

###