



Budget Brief 25-15, September 19, 2025

House Passes and Senate Rejects FY 2026 CR before Week-long Recess

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Summary

Most fiscal years begin with a continuing resolution (CR) to keep the government operating. These CRs don't usually vary significantly from year to year. This year, the House has passed a fiscal year (FY) 2026 CR ([H.R. 5371](https://www.congress.gov/bills/119/5371)) to keep the federal government operating through November 21. The legislation would also extend funding for several expiring health and human services programs. The Senate rejected the House-passed CR today.

This brief highlights CR provisions of interest to states. No matter what happens, the provisions described here are almost certain to be in the final CR; the question is whether and what additional provisions are included.

[Table 1](#) at the end of the brief compares funding in the CR to current and proposed funding for selected grants.

Key Provisions of CR

Division A of H.R. 5371 continues appropriations. Below is a description of its key provisions.

- The bill extends funding for discretionary programs through November 21, or until final appropriations are enacted.
- FY 2026 annualized funding for most discretionary programs is the FY 2025 enacted level. Once a full-year bill is enacted, its funding levels will replace those in the CR.
- The bill includes standard CR language, such as providing the most limited funding necessary to continue projects and services. This provision can be problematic for programs with high rates of operation or complete distribution of funds early in the fiscal year.
- The CR allows the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)** to spend at a faster rate to maintain activities, participation, and caseload.
- The CR allows the Federal Emergency Management Agency (FEMA) to spend from the Disaster Relief Fund (DRF) as needed to respond to disasters.
- It allows the Department of Housing and Urban Development (HUD) to use certain carryover balances for **Tenant-Based Rental Assistance** renewals.
- The CR provides flexibility for the Forest Service to spend funds from the Wildland Fire Management account at a faster rate to prepare for wildfire suppression activities.
- Mandatory programs with budget authority provided in appropriations bills—such as **Medicaid**, **Child Nutrition**, and the **Supplemental Nutrition Assistance Program (SNAP)**—may operate at FY 2026

current-law levels. The CR allows certain mandatory benefits to be paid for up to 30 days after the CR's expiration, which among other things may allow the Department of Agriculture (USDA) to fund an additional month of SNAP benefits if no new appropriations are enacted. The FY 2025 full-year CR provided funding for Medicaid, Foster Care, Adoption Assistance, and Child Support Enforcement through December 31, 2025.

- The CR repurposes \$54 million in previously appropriated disaster relief money for Drinking Water State Revolving Fund (DWSRF) capitalization grants to cover public water system operational costs in areas that received an emergency declaration in August 2022.
- It extends the authorization to administer and the requirements under the State and Local Cybersecurity Grant Program through November 21.
- It permits the **District of Columbia** to spend local funds at the FY 2026 approved level.
- The CR includes the following funding extensions through November 21:
 - **National Flood Insurance Program**
 - **Temporary Assistance for Needy Families (TANF)**, allowing first quarter payments to be made to states

Other Matters

Division B of H.R. 5371 contains other provisions and program extensions. Notably, it:

- Extends funding through November 21 for several health and human services programs that have been operating under short-term extensions (most recently through FY 2025). These programs receive funding in their authorizing legislation instead of the annual appropriations process. As such, they require a current authorization for funding to continue. The table below provides details on the funding extensions.

| Funding Extensions for Health and Human Services Programs | | |
|---|-----------------------------|--------------------------------------|
| Program 1/ | FY 2025 (\$ in millions) | New Funding (Through November 21) |
| Human Services | | |
| Personal Responsibility Education Program | \$75 | Pro rata basis |
| Sexual Risk Avoidance Education | 75 | Pro rata basis |
| Health | | |
| Community Health Centers (mandatory funding) | 3,905 | \$607 million |
| National Health Service Corps | 317 | \$49 million |
| Teaching Health Center Graduate Medical Education | 164 | \$25 million |
| Medicare Enrollment Assistance Program | | |
| <i>Area Agencies on Aging</i> | 15 | \$2.1 million |
| <i>Aging and Disability Resource Centers</i> | 5 | \$0.7 million |
| <i>State Health Insurance Assistance Programs</i> | 15 | \$2.1 million |
| <i>National Center for Benefits Outreach and Enrollment</i> | 15 | \$2.1 million |
| Family-to-Family Health Information Centers | 6 | 854,795 |
| 1/ Funding is subject to mandatory sequestration under the Budget Control Act (BCA). However, sequestration does not apply in FY 2025 and FY 2026 due to the timing of reauthorization. | | |

- Delays Medicaid Disproportionate Share Hospital (DSH) cuts through November 21
- Funds **Tennessee's** DSH program at \$7.6 million through November 21
- Extends certain pandemic preparedness authorities through November 21, including the ability of states and territories to request reassignment of federally funded personnel to support public health emergency response
- Extends various authorities for veteran health care

Next Steps

The CR has been rejected in the Senate, as has an alternative CR put forward by the minority party. This alternative would extend enhanced tax credits for health insurance premiums that expire at the end of December. It would also restrict the administration's ability to rescind and impound appropriated funds. Negotiations are set to continue, although Congress will be on recess next week. The new fiscal year begins October 1.

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Table 1
Funding for Selected Programs
 (\$ in millions)

| Discretionary | ALN | FY 2024 | FY 2025 | FY 2026 | | | CR |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | President | Latest House | Latest Senate | |
| Department of Agriculture (USDA) | | \$7,510 | \$8,113 | \$7,788 | \$8,213 | \$8,716 | \$8,113 |
| Commodity Assistance Program (CAP) | 10.565 | 480 | 516 | 91 | 516 | 516 | 516 |
| Women, Infants & Children (WIC) /11 | 10.557 | 7,030 | 7,597 | 7,697 | 7,697 | 8,200 | 7,597 |
| Department of Commerce (DOC) | | 400 | 400 | 0 | 257 | 360 | 400 |
| Economic Development Administration (EDA) Assistance | 11.300+ | 400 | 400 | 0 | 257 | 360 | 400 |
| Department of Education (ED) | | 44,965 | 44,965 | 38,613 | 37,324 | 45,065 | 44,965 |
| Title I: Education for the Disadvantaged 14/ | 84.010+ | 18,407 | 18,407 | 18,407 | 14,626 | 18,457 | 18,407 |
| K-12 Simplified Funding Program 14/ | N/A | 0 | 0 | 2,000 | 0 | 0 | 0 |
| Comprehensive Literacy Development Grants | 84.371 | 194 | 194 | 0 | 194 | 194 | 194 |
| English Language Acquisition | 84.365 | 890 | 890 | 0 | 0 | 890 | 890 |
| Supporting Effective Instruction 14/ | 84.367 | 2,190 | 2,190 | 0 | 1,681 | 2,190 | 2,190 |
| Teacher and School Leader Incentive Grants | 84.374 | 60 | 60 | 0 | 0 | 60 | 60 |
| Impact Aid | 84.041 | 1,625 | 1,625 | 1,625 | 1,630 | 1,625 | 1,625 |
| 21st Century Community Learning Centers | 84.287 | 1,330 | 1,330 | 0 | 1,330 | 1,330 | 1,330 |
| State Assessments | 84.369 | 380 | 380 | 0 | 0 | 380 | 380 |
| Student Support and Academic Enrichment Grants | 84.424 | 1,380 | 1,380 | 0 | 1,385 | 1,380 | 1,380 |
| Special Education State Grants (Part B-611) | 84.027 | 14,214 | 14,214 | 14,891 | 14,234 | 14,264 | 14,214 |
| Career and Technical Education State Grants | 84.048 | 1,440 | 1,440 | 1,440 | 1,465 | 1,440 | 1,440 |
| Adult Basic and Literacy Education State Grants | 84.002 | 715 | 715 | 0 | 0 | 715 | 715 |
| Federal Supplemental Ed. Opportunity Grants | 84.007 | 910 | 910 | 0 | 0 | 910 | 910 |
| Work Study | 84.033 | 1,230 | 1,230 | 250 | 779 | 1,230 | 1,230 |
| Department of Health and Human Services (HHS) | | 50,574 | 50,102 | 41,111 | 46,118 | 49,375 | 49,789 |
| Behavioral Health Innovation Block Grant 4/ | N/A | 0 | 0 | 4,025 | 0 | 0 | 0 |
| Substance Use Prevention, Treatment, and Recovery Services Block Grant 4/ | 93.959 | 2,008 | 2,008 | 0 | 2,013 | 2,028 | 2,008 |
| Mental Health Block Grant 4/ | 93.958 | 1,070 | 1,070 | 0 | 1,018 | 1,008 | 1,008 |
| State Opioid Response Grants 4/ | 93.788 | 1,575 | 1,575 | 0 | 1,575 | 1,595 | 1,575 |
| Maternal & Child Health Block Grant | 93.994 | 814 | 814 | 767 | 767 | 800 | 814 |
| Community Health Centers 4/ | 93.224 | 6,485 | 5,762 | 6,118 | 5,762 | 5,762 | 5,762 |
| Preventive Health Block Grant | 93.758 | 160 | 160 | 0 | 0 | 160 | 160 |
| Family Planning | 93.217 | 286 | 286 | 0 | 0 | 286 | 286 |
| Ryan White AIDS Grants | 93.914, 93.917+ | 2,571 | 2,571 | 2,500 | 2,046 | 2,571 | 2,571 |
| Hospital Preparedness Program (HPP) | 93.074 | 305 | 305 | 30 | 65 | 309 | 305 |
| Public Health Emergency Preparedness (PHEP) | 93.074 | 735 | 735 | 350 | 735 | 735 | 735 |
| Head Start | 93.600 | 12,272 | 12,272 | 12,272 | 12,272 | 12,357 | 12,272 |
| Preschool Development Grants | 93.434 | 315 | 315 | 0 | 0 | 315 | 315 |
| Child Welfare Services | 93.645 | 269 | 269 | 269 | 269 | 269 | 269 |
| Community Services Block Grant | 93.569 | 770 | 770 | 0 | 775 | 770 | 770 |
| Child Care & Development Block Grant 12/ | 93.575 | 8,746 | 8,996 | 8,746 | 8,746 | 8,831 | 8,746 |
| Low Income Home Energy Assistance 13/ | 93.568 | 4,125 | 4,125 | 0 | 4,035 | 4,145 | 4,125 |
| Refugee Assistance | 93.584 | 6,327 | 6,327 | 4,293 | 4,293 | 5,691 | 6,327 |
| Aging Grants to States | 93.044, 93.045+ | 1,741 | 1,741 | 1,741 | 1,747 | 1,743 | 1,741 |
| Department of Housing and Urban Development (HUD) | | 67,435 | 72,036 | 40,236 | 68,904 | 74,202 | 72,036 |
| Community Development Block Grant - Entitlement (CDBG) 7/ 12/ | 14.218 | 2,312 | 2,312 | 0 | 2,312 | 2,170 | 2,312 |
| CDBG - Nonentitlement 7/ 12/ | 14.228 | 988 | 988 | 0 | 988 | 930 | 988 |
| Homeless Assistance Grants 7/ | 14.231 | 4,051 | 4,051 | 4,024 | 4,158 | 4,530 | 4,051 |
| HOME Program | 14.239 | 1,250 | 1,250 | 0 | 0 | 1,250 | 1,250 |
| Public Housing Fund | 14.850, 14.872 | 8,811 | 8,811 | 0 | 7,334 | 8,397 | 8,811 |
| Tenant-Based Rental Assistance (Section 8) 7/ | 14.871 | 32,387 | 36,041 | 0 | 35,268 | 37,355 | 36,041 |
| Project-Based Rental Assistance (Section 8) 7/ | 14.856 | 16,010 | 16,890 | 0 | 17,127 | 17,804 | 16,890 |
| State Rental Assistance Program 7/ | N/A | 0 | 0 | 36,212 | 0 | 0 | 0 |
| Housing for the Elderly | 14.157 | 913 | 931 | 0 | 950 | 972 | 931 |
| Housing for Persons with AIDS | 14.241 | 505 | 505 | 0 | 505 | 529 | 505 |
| Housing for Persons with Disabilities | 14.181 | 208 | 257 | 0 | 262 | 265 | 257 |
| Department of Energy and EPA | | 6,584 | 8,403 | 5,511 | 6,510 | 7,374 | 8,403 |
| DOE Weatherization Assistance Program 8/ | 81.042 | 366 | 366 | 0 | 195 | | 366 |
| DOE State Energy Program 8/ | 81.041 | 66 | 66 | 0 | 55 | | 66 |
| EPA Clean Water State Revolving Fund 9/ 12/ 13/ | 66.458 | 3,254 | 4,242 | 2,758 | 3,253 | 3,892 | 4,242 |
| EPA Drinking Water State Revolving Fund 9/ 12/ 13/ | 66.468 | 2,897 | 3,729 | 2,753 | 3,007 | 3,482 | 3,729 |
| Department of Justice (DOJ) | | 1,056 | 1,106 | 818 | 1,100 | 743 | 1,106 |
| Violence Against Women Act (VAWA) STOP Grants | 16.588 | 255 | 255 | 190 | 265 | 255 | 255 |
| COPS hiring grants | 16.710 | 157 | 157 | 205 | 164 | 107 | 157 |
| State Criminal Alien Assistance Program (SCAAP) | 16.606 | 234 | 234 | 0 | 234 | 0 | 234 |
| Byrne Justice Assistance Grants (JAG) - formula grants 10/ | 16.738 | 346 | 396 | 359 | 397 | 317 | 396 |
| Juvenile Justice-Part B Formula Grant | 16.540 | 65 | 65 | 65 | 40 | 65 | 65 |

continued

Table 1, continued
Funding for Selected Programs
(\$ in millions)

| Discretionary | CFDA | FY 2024 | FY 2025 | FY 2026 | | | |
|---|---------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | President | Latest House | Latest Senate | CR |
| Department of Homeland Security (DHS) | | \$1,377 | \$1,377 | \$946 | \$1,505 | \$0 | \$1,377 |
| State Homeland Security Grant Program (SHSGP) 3/ | 97.067 | 387 | 387 | 211 | 430 | | 387 |
| Urban Area Security Initiative (UASI) 3/ | 97.067 | 554 | 554 | 416 | 615 | | 554 |
| Emergency Food and Shelter 3/ | 97.024 | 117 | 117 | 0 | 105 | | 117 |
| Emergency Management Performance Grants | 97.042 | 320 | 320 | 320 | 355 | | 320 |
| Department of Labor (DOL) | | 6,746 | 6,752 | 6,193 | 5,358 | 6,821 | 6,752 |
| Dislocated Worker Assistance 5/ | 17.278 | 1,096 | 1,096 | 0 | 1,096 | 1,096 | 1,096 |
| Adult Training 5/ | 17.258 | 886 | 886 | 0 | 712 | 876 | 886 |
| Youth Training 5/ | 17.259 | 948 | 948 | 0 | 0 | 948 | 948 |
| Employment Service State Administration 5/ | 17.207 | 675 | 675 | 0 | 675 | 675 | 675 |
| Make America Skilled Again Grants 5/ | N/A | 0 | 0 | 2,966 | 0 | 0 | 0 |
| Unemployment Insurance State Administration 5/ | 17.225 | 3,142 | 3,148 | 3,227 | 2,876 | 3,227 | 3,148 |
| Department of Transportation (DOT) | | 95,353 | 97,529 | 98,493 | 97,018 | 99,155 | 97,529 |
| Airport Improvement Program (AIP) 2/ | 20.106 | 3,400 | 4,050 | 4,000 | 4,030 | 4,050 | 4,050 |
| Highway Obligation Limitation 2/ | 20.205+ | 60,096 | 61,314 | 62,657 | 62,657 | 62,657 | 61,314 |
| Highway Funding Exempt from Obligation Limitation 1/ 2/ 12/ 13/ | 20.205+ | 10,492 | 10,492 | 9,827 | 10,472 | 10,612 | 10,492 |
| Highway Traffic Safety Grants 2/ 13/ | 20.600+ | 875 | 893 | 912 | 912 | 912 | 893 |
| Transit and Bus Grants 2/ 13/ | 20.500+ | 16,686 | 16,975 | 17,292 | 17,294 | 17,374 | 16,975 |
| Capital Investment Grants 13/ | 20.500 | 3,805 | 3,805 | 3,805 | 1,654 | 3,550 | 3,805 |
| Subtotal: Discretionary | | \$282,000 | \$290,782 | \$239,708 | \$272,307 | \$291,810 | \$290,470 |

| Mandatory | CFDA | FY 2024 | FY 2025 | FY 2026 | | | |
|---|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | President | Latest House | Latest Senate | CR |
| Child Nutrition 1/ | 10.555+ | 33,271 | 31,777 | 36,274 | 35,789 | 36,291 | 36,290 |
| Supplemental Nutrition Assistance - State Administration | 10.561 | 5,874 | 6,041 | 6,197 | 6,197 | 6,197 | 6,197 |
| Social Services Block Grant (SSBG) 1/ | 93.667 | 1,603 | 1,603 | 1,603 | 1,603 | 1,603 | 1,603 |
| Child Care Entitlements to States | 93.596 | 3,550 | 3,550 | 3,550 | 3,550 | 3,550 | 3,550 |
| Temporary Assistance to Needy Families (TANF) | 93.558 | 16,512 | 16,512 | 16,514 | 16,514 | 16,514 | 16,514 |
| TANF Contingency Fund | 93.558 | 608 | 608 | 608 | 608 | 608 | 608 |
| Child Support Enforcement | 93.563 | 5,066 | 5,629 | 5,883 | 5,883 | 5,883 | 5,883 |
| Foster Care | 93.658 | 5,316 | 5,383 | 5,517 | 5,517 | 5,517 | 5,517 |
| Adoption Assistance | 93.659 | 3,999 | 4,142 | 4,397 | 4,397 | 4,397 | 4,397 |
| Independent Living 6/ | 93.599, 93.674 | 187 | 187 | 187 | 187 | 187 | 187 |
| Promoting Safe and Stable Families (PSSF) 1/ 6/ | 93.556 | 398 | 398 | 459 | 459 | 459 | 469 |
| Children's Health Insurance Program (CHIP) State Allotments | 93.767 | 20,394 | 21,017 | 22,100 | 22,100 | 22,100 | 22,100 |
| Medicaid Vendor Payments | 93.778 | 654,144 | 676,113 | 734,397 | 734,397 | 734,397 | 734,397 |
| Medicaid Administration | 93.778 | 28,183 | 29,730 | 28,543 | 28,543 | 28,543 | 28,543 |
| Vaccines for Children | 93.268 | 7,239 | 7,757 | 7,930 | 7,930 | 7,930 | 7,930 |
| Payments from states for Medicare prescription drugs | N/A | -17,758 | -18,236 | -18,931 | -18,931 | -18,931 | -18,931 |
| Vocational Rehabilitation State Grants 1/ 14/ | 84.126 | 3,725 | 4,140 | 3,725 | 4,247 | 4,247 | 4,247 |
| Subtotal: Mandatory | | \$772,311 | \$796,351 | \$858,952 | \$858,990 | \$859,492 | \$859,501 |

| | | | | | | | |
|--------------------------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total: Selected Grants-In-Aid | | \$1,054,310 | \$1,087,133 | \$1,098,661 | \$1,131,297 | \$1,151,302 | \$1,149,971 |
|--------------------------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

Footnotes:

1/ Under the Budget Control Act and subsequent legislation, mandatory programs subject to sequestration receive an automatic adjustment of -5.7% each year. The cuts apply to Special Milk (Child Nutrition), PSSF, SSBG, Vocational Rehabilitation, and a portion of highway funding exempt from obligation limitation. The figures shown are post-sequestration.

2/ **DOT:** Amounts for AIP, Highway Funding Exempt from Obligation Limitation, and Transit and Bus Grants include general fund appropriations and exclude earmarks (there are no earmarks for FY 2025 or the president's FY 2026 budget). AIP funding excludes IJIA appropriations for Airport Infrastructure Grants and the Airport Terminal Program, which are distinct from AIP. The president's FY 2026 figure for Highway Obligation Limitation does not reflect a proposed cancellation of \$700 million for Charging and Fueling Infrastructure Grants, but the figure for Highway Funding Exempt from Obligation Limitation does reflect a proposed cancellation of \$1 billion for the National Electric Vehicle Infrastructure (NEVI) Program. House and Senate FY 2026 figures for Highway Funding Exempt from Obligation Limitation and Highway Traffic Safety Grants are not reduced to reflect transfers from IJIA balances to pay for current proposals; these transfers include funds from FYs 2022-2026.

3/ **DHS:** SHSGP and UASI are net of set-asides, but SHSGP amount includes the tribal portion. Emergency Food and Shelter Program (EFSP) amounts exclude humanitarian assistance funding. The president's FY 2026 budget request proposes to cap the federal share of SHSGP and UASI grants at 75% (current federal cost share is 100%).

4/ **HHS discretionary:** Community Health Centers includes both mandatory and discretionary funds; mandatory funds are set to expire at the end of FY 2025 (FY 2026 House and Senate mandatory assume an extension at current levels). FY 2024 and FY 2025 Mental Health Block Grant amounts include appropriations in the Bipartisan Safer Communities Act (BSCA). The president proposes to consolidate the Substance Abuse Block Grant, the Mental Health Block Grant, and State Opioid Response Grants into a new Behavioral Health Innovation Block Grant.

5/ **DOL:** Amounts reflect program years. Unemployment Insurance amount includes Reemployment Services and Integrity funding, but excludes additional funds for states if average weekly insured unemployed (AWIU) exceeds specified threshold. President's FY 2026 budget proposes combining 11 workforce development programs into a single Make America Skilled Again grant program. The House bill includes a rescission of \$712 million for FY 2025 for Adult Training.

6/ **HHS mandatory:** PSSF and Independent Living amounts include mandatory and discretionary funds.

7/ **HUD:** CDBG amounts exclude earmarks. The State Rental Assistance Program would distribute block grants to states by formula, requiring them to: prioritize the needs of the elderly and disabled; consider currently assisted households; and implement two-year time limits for the non-elderly, non-disabled. House figure for Homeless Assistance Grants includes \$107 million from FY 2025 balances.

8/ **DOE:** Amounts for Weatherization include set-asides. The IJIA included a one-time appropriation of \$3.5 billion for Weatherization and \$500 million for the State Energy Program (SEP); these amounts are not reflected in the table. The president's FY 2026 budget proposes to rescind remaining IJIA balances, which total \$138 million for Weatherization and \$47 million for SEP.

9/ **EPA:** Amounts exclude earmarks (there are no earmarks for FY 2025 or the FY 2026 president's budget). IJIA amounts for both programs exclude appropriations that target emerging contaminants, and the DWSRF amount excludes targeted funding for replacing lead service lines.

10/ **DOI:** In addition to amounts shown, the BSCA appropriated \$150 million annually (FYs 2022-2026) that is being used for the Byrne State Crisis Intervention Program.

11/ **USDA:** President FY 2026 WIC figure represents appropriation before a rescission of prior-year unobligated balances.

12/ Amounts exclude disaster relief funding.

13/ Amounts include advance appropriations in the IJIA. The House FY 2026 Committee Report shows no IJIA funding for LIHEAP, but does not explicitly rescind funds.

14/ **ED:** The K-12 Simplified Funding Program would consolidate most K-12 formula and competitive programs. The president's budget funds Vocational Rehabilitation grants at their statutory level but then rescinds funds to return the program to its FY 2024 amount. In addition to the reduction shown, the House bill rescinds \$938 million in Title I funds from the FY 2025 enacted amount. It also rescinds \$1.681 billion from the FY 2025 amount for Supporting Effective Instruction.

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