



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/118/5371)) 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.

<b>Funding Extensions for Health and Human Services Programs</b>		
<b>Program 1/</b>	<b>FY 2025 (\$ in millions)</b>	<b>New Funding (Through November 21)</b>
<b>Human Services</b>		
Personal Responsibility Education Program	\$75	Pro rata basis
Sexual Risk Avoidance Education	75	Pro rata basis
<b>Health</b>		
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	
<b>Department of Agriculture (USDA)</b>		<b>\$7,510</b>	<b>\$8,113</b>	<b>\$7,788</b>	<b>\$8,213</b>	<b>\$8,716</b>	<b>\$8,113</b>
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
<b>Department of Commerce (DOC)</b>		<b>400</b>	<b>400</b>	<b>0</b>	<b>257</b>	<b>360</b>	<b>400</b>
Economic Development Administration (EDA) Assistance	11.300+	400	400	0	257	360	400
<b>Department of Education (ED)</b>		<b>44,965</b>	<b>44,965</b>	<b>38,613</b>	<b>37,324</b>	<b>45,065</b>	<b>44,965</b>
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
<b>Department of Health and Human Services (HHS)</b>		<b>50,574</b>	<b>50,102</b>	<b>41,111</b>	<b>46,118</b>	<b>49,375</b>	<b>49,789</b>
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	12,352	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	6,327	6,327
Aging Grants to States	93.044, 93.045+	1,741	1,741	1,741	1,747	1,743	1,741
<b>Department of Housing and Urban Development (HUD)</b>		<b>67,435</b>	<b>72,036</b>	<b>40,236</b>	<b>68,904</b>	<b>74,202</b>	<b>72,036</b>
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
<b>Department of Energy and EPA</b>		<b>6,584</b>	<b>8,403</b>	<b>5,511</b>	<b>6,510</b>	<b>7,374</b>	<b>8,403</b>
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
<b>Department of Justice (DOJ)</b>		<b>1,056</b>	<b>1,106</b>	<b>818</b>	<b>1,100</b>	<b>743</b>	<b>1,106</b>
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			CR
				President	Latest House	Latest Senate	
<b>Department of Homeland Security (DHS)</b>		<b>\$1,377</b>	<b>\$1,377</b>	<b>\$946</b>	<b>\$1,505</b>	<b>\$0</b>	<b>\$1,377</b>
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
<b>Department of Labor (DOL)</b>		<b>6,746</b>	<b>6,752</b>	<b>6,193</b>	<b>5,358</b>	<b>6,821</b>	<b>6,752</b>
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
<b>Department of Transportation (DOT)</b>		<b>95,353</b>	<b>97,529</b>	<b>98,493</b>	<b>97,018</b>	<b>99,155</b>	<b>97,529</b>
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+	16,886	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
<b>Subtotal: Discretionary</b>		<b>\$282,000</b>	<b>\$290,782</b>	<b>\$239,708</b>	<b>\$272,307</b>	<b>\$291,810</b>	<b>\$290,470</b>

Mandatory	CFDA	FY 2024	FY 2025	FY 2026			CR
				President	Latest House	Latest Senate	
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
<b>Subtotal: Mandatory</b>		<b>\$772,311</b>	<b>\$796,351</b>	<b>\$858,952</b>	<b>\$858,990</b>	<b>\$859,492</b>	<b>\$859,501</b>

<b>Total: Selected Grants-In-Aid</b>		<b>\$1,054,310</b>	<b>\$1,087,133</b>	<b>\$1,098,661</b>	<b>\$1,131,297</b>	<b>\$1,151,302</b>	<b>\$1,149,971</b>
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**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/ **DOJ:** 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.