

House Appropriations Committee Reports Agriculture Fiscal Year 2026 Appropriations

Last week, the House Appropriations Committee completed action on the Fiscal Year 2026 (FY 26) Agriculture bill. The bill, as reported to the House, rejects the deep cuts in rural housing programs proposed by the Trump Administration in favor of appropriations that are mostly along the lines of the current Fiscal Year 2025 appropriations. There were no changes to the Rural Development title of the bill during full committee consideration. As we reported on June 16, an amendment by Rep. Sanford Bishop to increase housing and community facilities was defeated mostly along party lines.

The budget authority for rural housing loan programs totals \$146 million, \$8 million below the enacted level in FY 25 and \$92 million above the FY 26 budget. Grants and loan subsidies for rural water and sewer total \$346 million, a reduction of \$249 million. Of the total available for grants, \$109 million is earmarked for Community Funding Projects.

The bill increases rental assistance to \$1,715 billion and continues the decoupling demonstration, authorizing up to 1000 units.

See the table below for details.

The Bigger Picture

The Trump Administration FY 26 budget proposed maintaining the same level of discretionary spending as in FY 2025, reallocating funds by shifting \$167 billion, a 22 percent reduction, from domestic programs to defense and border security. HR 1, the Big Beautiful Bill, includes \$150 billion for defense and \$70 billion for border security. With that, the House Appropriations Defense bill freezes spending at the FY 25 rate, making it possible, at least for the Agriculture bill, and likely others, for domestic appropriations to avoid dramatic reductions. While hardly ideal,

a four percent reduction overall, the bill is a significant improvement over the Administration's USDA budget.

The House may take up the Ag bill after the July 4 recess. We expect the Senate to mark up the Agriculture bill in July. Stay tuned.

**Agriculture Appropriations --
Selected Rural Housing and
Development Programs: FY 24/25
final, FY 26 USDA Budget, House
Committee and Senate --
Summary-- \$ in millions**

Programs	FY24/25 Final	FY 26 USDA Budget	FY 26 House Committee	FY 26 Senate	FY 26 Final
502 Single Family Direct	\$880	\$0	\$880		
Relending demonstration	\$5	\$0	\$6		
502 Single Family Guaranteed	25,000	25,000*	25,000*		
504 Loans	25	25	25		
RHAG 504 grants/533	35/10	20/0	20(BA)		
514 Farm Labor Housing Loans	15	11	15		
516 Farm Labor Housing Grants	7.5	6	7.5		
515 Rural Rental Housing	60	50	60		
521 Rural Rental Assistance	1642	1715	1715		
523 Self-Help TA	25	0	20		
538 Rental Guaranteed	400	400	400		
Vouchers	48	0	48		
Multi-Family Restructuring (BA)	34	15	30		
Water-Wastewater Loans	860	1229	860		
Water-Wastewater Grants	595	144	346 (BA)**		
Water-Wastewater Guarantee	50	50	50		
Solid Waste Grants	4	0	4		
Small Systems Revolver	1	0	1		
Intermediary Re-lending	10	0	9		
RCDI	5	0	6		

*available through 9/30/27

** includes \$ 109 million for
Community Project Funding