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Special Local Government Team Edition

President Trump Unveils FY 2027 Budget Request

On April 3, 2026, the White House [released](#) President Donald Trump's fiscal year (FY) 2027 budget proposal for the next federal fiscal year that begins on October 1, 2026. The president's budget request serves as a fiscal blueprint for the administration's policy priorities and signals to the U.S. Congress what the White House hopes to accomplish over the coming years. It also provides a detailed look at how the president's spending and revenue proposals will affect federal deficits and debt and includes the administration's assumptions about how those policies will affect economic growth, inflation and interest rates.

The FY 2027 budget requests \$2.2 trillion for discretionary programs, a major increase in defense spending, along with cuts for domestic programs. President Trump is also asking Republicans on Capitol Hill to enact \$350 billion of his \$1.5 trillion in proposed defense spending using the reconciliation process, a procedure that requires only a simple majority of votes in the U.S. Senate and, thus, would not require Democratic votes if supported by most Republicans.

The proposal requests \$660 billion for all nondefense agencies, a 10 percent funding cut over FY 2026 enacted levels, with several departments and agencies targeted with proposed cuts greater than 20 percent. Ultimately, Congress has the power of the purse and is free to accept all, some or none of a president's budget request.



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Office of Management and Budget (OMB) Director Russell Vought will testify before the U.S. House of Representatives Committee on the Budget on April 15, 2026, and Senate Committee on the Budget on April 16, 2026, in support of the request. Individual cabinet secretaries will also testify before the Senate and House congressional committees over the coming weeks. Afterward, the House and Senate Committees on Appropriations will begin to mark up the 12 individual FY 2027 appropriations bills with the ambitious goal of enacting the legislation prior to September 30, 2026.

This special edition of *Eyes on Washington* summarizes several of the major agency accounts of interest to local governments.

Trump Budget Request Calls for Defense Spending Boost

Budget proposes 10% cut to non-defense agencies

Agency	FY 2027 request, in billions	Change from FY 2026
Defense	\$1,450.0	43.7%
Justice	\$40.8	13%
Veterans Affairs	\$144.9	8.7%
Transportation	\$26.6	6.2%
Energy	\$53.9	1.8%
Education	\$76.5	-2.9%
Homeland Security	\$63.0	-3.2%
Treasury	\$11.5	-11.7%
Commerce	\$9.2	-12.2%
Health and Human Services	\$110.5	-12.2%
Housing and Urban Development	\$73.5	-12.7%
Interior	\$15.9	-12.9%
Agriculture	\$20.8	-19%
Labor	\$9.9	-25.9%
State and international programs	\$35.6	-30.4%

Note: Figures show base discretionary funding plus \$350 billion in new DOD funding provided through reconciliation. FY26 DHS funds reflect annualized levels provided in a February continuing resolution.

Source: White House fiscal 2027 budget request released April 3

Bloomberg Government

U.S. Department of Agriculture (USDA)

The [budget requests](#) \$20.8 billion in discretionary budget authority for USDA, a \$4.9 billion or 19 percent decrease from the FY 2026 enacted level.

- **Rural Development Office**
 - Maintains \$33 million for the **Rural Electric and Telecommunications Loan Program**
 - Maintains \$412 million for the **Rural Housing Insurance Fund Program**
 - Zeroes out the **Rural Development Loan Fund Program**
- **Rural Utilities Service**
 - Provides a total of \$8.7 billion for **Rural Utilities Service operations**, a \$1.2 billion decrease from FY 2026 enacted levels
 - \$200 million in telecommunications Federal Financing Bank loans for the **telecommunications program**

- Proposes canceling **Reconnect Grants and Broadband grants**
- \$30 million for **Distance Learning and Telemedicine (DLT)** grants
- \$817 million in direct loans, \$50 million in guaranteed loans and \$144 million in grants under the **Water and Waste Disposal Program**
- **Rural Housing Service**
 - A total of \$25.8 billion for the **Rural Housing Service**, a \$5.6 billion decrease from FY 2026 levels
 - \$983 million in **direct loans under the Section 502 Single Family Housing program**, a \$17 million decrease from FY 2026 levels
 - \$20 billion in **guaranteed loans under the Section 502 Single Family Housing program**, a \$5 billion decrease from FY 2026 levels
 - \$500 million for **Section 538 Guaranteed Loans for Multifamily Housing**, a \$100 million increase from FY 2026 levels
 - \$1.8 billion for the **Section 521 Rental Assistance Program**, an \$80 million increase from FY 2026 levels
 - Maintains \$1.25 billion in direct loans and \$650 million in guaranteed loans under the **Community Facilities Programs**
 - Zeroes out the **Multi-Family Housing Voucher** program
- **Rural Business-Cooperative Services**
 - Zeroes out all programs besides **Rural Economic Development Loans and Grants**, which were held constant from FY 2026 levels at \$50 million in direct loans and \$10 million in grants
- **Food and Nutrition Service**
 - \$8 billion for the **Special Supplemental Nutrition Program (WIC)**, a \$200 million decrease from FY 2026 levels
 - Maintains \$80 million for the **Emergency Food Assistance Program (TEFAP)**
 - Maintains \$10 million for the **Farmers' Market Nutrition Program**
 - Provides \$101.2 billion for **Supplemental Nutrition Assistance Program (SNAP)**, a \$6.2 billion decrease compared to FY 2026
- **Natural Resources Conservation Service (NRCS)**
 - \$141 million for **Watershed and Flood Prevention Operation**, a \$1 million decrease from FY 2026 enacted levels
 - Eliminates the **Watershed Rehabilitation and Water Bank Program (REHAB)**
- **Farm Service Agency**
 - \$47 million for the **Agricultural Credit Insurance Fund Program Account**, a \$7 million decrease from FY 2026 enacted levels
 - Provides zero funding for the following programs: State Mediation Grants, Grassroots Source Water Protection Program, and Geographically Disadvantaged Farmers and Ranchers
- **Natural Resources and Environment**
 - \$3.2 billion for total **Forest Service Operations**, a \$7.6 billion decrease from FY 2026 levels

U.S. Department of Commerce

The [budget requests](#) \$9.2 billion in discretionary budget authority for the Commerce Department for FY 2027, a \$1.3 billion or 12.2 percent decrease from the FY 2026 enacted level. The administration envisions that this funding will foster "economic growth and promotes U.S. economic competitiveness by ensuring fair and reciprocal trade, providing data necessary to support commerce, and protecting intellectual property to allow U.S. businesses to thrive."

- **Economic Development Administration (EDA):** Largely eliminates many of the functions of EDA. The budget requests a \$449 million decrease versus the FY 2026 enacted level. The administration is seeking to cancel a number of EDA programs that it believes "are not only wasteful but also operate as spending earmarks for political pet projects and subsidies for leftist ideologues who promote 'racial equity' and the Green New Scam."

U.S. Department of Education (ED)

The [budget requests](#) \$76.5 billion in discretionary budget authority for the ED, a \$2.3 billion or 2.9 percent decrease from the FY 2026 enacted level. The budget "consolidates and eliminates dozens of programs" and refocuses federal education policy on "improving academic achievement instead of promoting the divisive ideologies of Washington bureaucrats." The administration states that the budget advances efforts already underway to "dismantle the Federal education bureaucracy," including "reducing ED's staff" and "transferring programs to other agencies that can deliver better results."

- The ED's FY 2027 budget request proposes \$18.4 billion for the **Title I** program, maintaining level funding from FY 2026. **Title I Grants to Local Educational Agencies** provide supplemental funding for local programs that offer additional academic support to students in high-poverty schools, giving school districts considerable flexibility in how funds are used to best meet their students' needs.
- In the budget request, the ED proposes a new \$2 billion block grant program, **Make Education Great (MEGA) grants**. This program would consolidate 17 existing elementary and secondary education programs totaling \$6.5 billion into a single, flexible funding stream. States would be required to reserve at least 25 percent of funds for **evidence-based literacy instruction** and at least 25 percent for **evidence-based mathematics instruction**.
- Programs proposed for consolidation into MEGA grants include: Title IV Part A Student Support and Academic Enrichment Grants, Title II-A Teacher Professional Development funds, 21st Century Community Learning Centers, Education for Homeless Children and Youths, Rural Education, State Assessments, Statewide Family Engagement Centers, Supporting Effective Instruction State Grants and Comprehensive Literacy State Development Grants, among others.
- The budget proposes nearly \$16 billion for **Individuals with Disabilities Education Act (IDEA)** programs, a \$539 million increase overall. This includes a \$489 million increase for the IDEA State Grants program, bringing it from \$14.2 billion to \$15.4 billion, and a \$50 million increase for the **IDEA Grants for Infants and Families** program, bringing it from \$540 million to \$590 million. The budget also proposes increased flexibility for states to streamline the enrollment process for expectant parents likely to have a child with a disability. However, the request would eliminate **the IDEA Preschool Program and Part D National Activities**, including personnel preparation and development, technical assistance and parent support programs.
- The request includes \$500 million to expand the number of **charter schools**.
- The budget proposes transferring the **Office of Career, Technical, and Adult Education (OCTAE)** from ED to the U.S. Department of Labor (DOL). Under this structure, DOL would take the lead on **workforce development programs**, and **Adult Education** funding would be eliminated entirely.
- The budget requests \$1.63 billion for **Impact Aid** programs, maintaining level funding from FY 2026.
- The budget request proposes eliminating several programs, including **Teacher Quality Partnership** (–\$70 million), **Comprehensive Centers** (–\$50 million), **Migrant Education and Special Programs for Migrant Students** (–\$428 million), **English Language Acquisition** (–\$890 million) and **Training and Advisory Services – Equity Assistance Centers** (–\$7 million).

U.S. Department of Energy (DOE)

The DOE FY 2027 discretionary [budget request](#) provides \$53.91 billion, an increase of \$4.81 billion from FY 2026 enacted level.

- Proposes cancelling \$15.2 billion of unobligated dollars from the Infrastructure Investment and Jobs Act (IIJA)
- Eliminates the **Weatherization Assistance Program**

U.S. Department of Health and Human Services (HHS)

The [budget proposes](#) \$111.1 billion in discretionary funding for HHS. Notably, the budget proposes a reorganization of the HHS to include shifts in budgetary resources and certain subagencies and programs into a new **Administration for a Healthy America (AHA)**, representing a continuation of the administration's Make America Healthy Again (MAHA) agenda. Overall, the budget request represents a 12.5 percent – or \$15.8 billion –

reduction from the FY 2026 enacted level. For local governments, the budget carries significant potential for consequences across public health, behavioral health, community services and emergency preparedness.

The budget proposes consolidating the **Office of the Assistant Secretary for Health, Health Resources and Services Administration (HRSA)**, **Substance Abuse and Mental Health Services Administration (SAMHSA)** and several centers of the **Centers for Disease Control and Prevention (CDC)** into the new AHA entity, with a \$14.7 billion discretionary budget focused on primary care, maternal and child health, mental health, HIV/AIDS and workforce development. This reorganization – previously rejected by Congress for FY 2026 – is the central structural feature of the budget proposal.

The budget request outlines the president's priorities for healthcare agencies in FY 2027, with a reduction in resources across HHS and other social programs.

- **Community Health Centers:** The budget proposes \$3 billion for health centers, including \$1.8 billion in discretionary funding and \$1.1 billion in mandatory resources – a decrease of \$3.5 billion. Community Health Centers are a primary point of care for low-income and uninsured residents in many localities, making this cut particularly significant for local communities. This program would also be shifted under the newly created AHA.
- **Behavioral Health:** The budget includes \$6.7 billion for mental health and substance use disorder services within AHA, designed to enable states and Tribes to address behavioral health issues in ways tailored to their local communities. The budget proposes two new flexible programs – the **Behavioral Health Innovation Block Grant** and **Behavioral Health and Substance Use Disorder of Native Americans** – to expand evidence-based and innovative approaches. However, this comes alongside the elimination of numerous existing SAMHSA programs that local governments currently rely on, including homelessness prevention programs, criminal and juvenile justice programs, assertive community treatment for severe mental illness, and infant and early childhood mental health grants.
- **Public Health and CDC Programs:** The budget proposes \$5.5 billion for CDC – representing a \$3 billion reduction from FY 2026 – and eliminates the **Prevention and Public Health Fund**, which provided \$1.4 billion in funding across various CDC programmatic activities in FY 2026. Dozens of programs relevant to local public health departments are proposed for elimination, including chronic disease prevention; school health, oral health, injury prevention and control; adverse childhood experience initiatives; drowning and elderly falls prevention; and the **Racial and Ethnic Approaches to Community Health (REACH) program**. Today, roughly 75 percent of CDC's annual budget is obligated to state and public health entities.
- **Emergency Preparedness:** The budget prioritizes the **Strategic National Stockpile (SNS)** at \$1 billion to strengthen national preparedness, replenish critical supplies, modernize storage and distribution and improve coordination with public and private partners, including state and local health systems. Local emergency managers depend on this stockpile during disasters and public health crises.
- **Indian Health Service (IHS):** One area within HHS that would receive a notable funding increase is the IHS, which would receive an additional \$1 billion above FY 2026 enacted levels, including funding to continue high-quality service delivery, staff newly opened facilities, provide services to newly reorganized Tribes and advance health information technology modernization.
- **Centers for Medicare and Medicaid Services (CMS):** The budget requests \$3.7 billion in CMS Program Management, a \$437 million decrease from FY 2026 enacted levels, and total program funding of \$6.8 billion, a \$1.434 billion decrease from FY 2026 enacted levels. The budget invests funding to modernize Medicare claims processing systems and maintains HHS' overall focus on improving program integrity efforts, signaling an emphasis on hiring staff to support the administration's overarching goal to identify and stop instances of waste, fraud and abuse. In addition, the **340B Drug Discount Program** would be shifted from HRSA to CMS and receive \$20.5 million – an \$8.3 million request above HRSA's enacted 2026 levels – to enable CMS to oversee the program.
- **Community Services Block Grant (CSBG):** CSBG – which funds approximately 1,000 local eligible entities providing housing, nutrition, utility, transportation, employment and crisis assistance services – was proposed for elimination in FY 2026 and faces a similar threat in this proposal.
- **Low Income Home Energy Assistance Program (LIHEAP):** Proposes eliminating LIHEAP which helps low-income households with energy costs, zeroing out what had been a \$4 billion program.

U.S. Department of Homeland Security (DHS)

The DHS FY 2027 net discretionary [budget request](#) is \$62.9 billion, a \$3.2 billion reduction from the annualized FY 2026 Continuing Resolution. FY 2027 funding for DHS will be supplemented by billions in advanced funding provided under the Working Families Tax Cut Act (WFTC), enacted in 2025. This could bring the total FY 2027 budget authority for DHS to more than \$118 billion. The focus of WFTC funds is on the administration's deportation initiative, completion of the Southern border wall, procurement of advanced border security technology, U.S. Coast Guard (USCG) fleet modernization and enhanced U.S. Secret Service protective operations.

- The FY 2027 budget includes \$4.1 billion in net discretionary authority for the **Federal Emergency Management Agency (FEMA)**. According to the administration, the budget "reflects FEMA's commitment to meeting public needs while using taxpayer resources efficiently and responsibly and advances Administration priorities by focusing on the agency's core mission: helping people before, during, and after disasters."
 - The budget proposes a \$1.3 billion reduction in FEMA non-disaster grant programs, eliminating the **Shelter and Services Program** and **National Domestic Preparedness Consortium**, among others. The budget states the changes are intended to refocus FEMA on core emergency management functions.
- The FY 2027 budget includes a decrease of \$138 million to the **Urban Area Security Initiative (UASI)** program.
- **U.S. Customs and Border Protection (CBP)**: \$18.5 billion in net discretionary authority. The budget prioritizes investments in personnel, border security technology and assets, counternarcotics and frontline operational needs.
- **Immigration and Customs Enforcement (ICE)**: The FY 2027 budget provides \$10 billion in net discretionary authority for ICE. The budget supports 21,423 positions, detention capacity of 41,500 detention beds and an increase in funding for the Office of Principal Legal Advisor. ICE has hired more than 10,000 law enforcement officers and 1,243 attorneys through funding provided by the Working Family Tax Cut Act, exceeding an onboard workforce of more than 30,000 positions.
- **Transportation Security Administration (TSA)**: \$6.1 billion in net discretionary authority. Priorities include modernizing security systems, streamlining traveler processes, enabling real-time data sharing through cloud-based connectivity and enhancing privatized screening programs.
- **USCG**: \$14.1 billion in net discretionary authority. This budget would implement Force Design 2028, a road map designed to improve mission success to achieve three strategic outcomes: "control, secure, and defend the U.S. border and maritime approaches; facilitate commerce vital to U.S. economic prosperity; and successfully respond to crises and contingencies."
- **U.S. Citizenship and Immigration Services (USCIS)**: \$113 million in net discretionary authority. The FY 2027 budget also estimates \$6.8 billion in total mandatory budget authority for the Immigration Examinations Fee Account, H-1B Nonimmigrant Petitioner Account, EB-5 Integrity Fund and the Fraud Prevention and Detection Account. The budget estimate that this funding enables USCIS to fulfill its mission of effectively administering the U.S. immigration system strengthening national security safeguards, combatting fraud and reinforcing quality and consistency in administering immigration benefits.
- Eliminates the **Citizenship and Assimilation Grant Program** funding.

U.S. Department of Housing and Urban Development (HUD)

The HUD FY 2027 [budget request](#) proposes \$73.5 billion, a roughly 5 percent decrease from the FY 2026 enacted level of \$77.3 billion.

- \$35.565 billion for the **Housing Choice Voucher (HCV) Housing Assistance Payment** renewal account, a \$608 million increase from FY 2026
- \$2.951 billion for **HCV Administrative Fees**, \$115 million more than FY 2026
- Prohibits Moving to Work (MTW) and non-MTW agencies from issuing new vouchers to assist new families; however, exceptions are included for HUD-Veterans Affairs Supportive Housing (HUD-VASH), Family Unification Program, Foster Youth to Independence and new Rental Assistance Demonstration Project-Based Vouchers
- Does not include funding for **Emergency Housing Vouchers**

- \$5.377 billion for the **Public Housing Operating Fund**, a \$690 million increase over FY 2026, and \$3.2 billion for the **Capital Fund**, maintaining level funding
- \$17.64 billion for **Section 8 Project-Based Rental Assistance**, a \$90 million decrease from FY 2026, along with \$529 million for **Performance-Based Contract Administrators**
- \$4.02 billion for **Homeless Assistance Grants (HAG)**, a \$393 million decrease from FY 2026; proposes HAG to be reframed as an Emergency Solutions Grants program; budget request would eliminate the following programs:
 - Continuum of Care (CoC) program
 - Permanent Supportive Housing Construction
 - Youth Homelessness Demonstration Project
 - National Homeless Data Analysis Project
- Proposes eliminating the **Community Development Block Grant (CDBG), HOME Investment Partnerships Program, Choice Neighborhoods Initiative, Housing Opportunities for Persons with AIDS, Community Services Block Grant** and **Community Development Financial Institutions Fund**
- Proposes eliminating the **Fair Housing Initiative Program, Fair Housing Assistance Program, Indian Housing Block Grant-Competitive, Native Hawaiian Housing Block Grant, Pathways to Removing Obstacles Housing Grant, Eviction Protection Grant Program, and Housing Counseling** programs; the budget also would eliminate all HUD self-sufficiency programs, including **Family Self Sufficiency, Jobs Plus** and **Resident Opportunity & Self-Sufficiency (ROSS)**.
- A new 60-month time limit is proposed on receiving federal housing assistance for applicable households and would require public housing agencies to implement work requirements for residents aged 18 to 62 in all federal rental assistance programs, with exceptions for disabled individuals, veterans utilizing the HUD-VASH program, students and certain individuals exempt from work requirements under SNAP and Medicaid.
- \$30 million is requested to combat fraud, waste and abuse in federal housing programs through additional financial reporting and oversight for HUD assistance recipients.

U.S. Department of the Interior (DOI)

The [budget requests](#) \$15.9 billion in discretionary budget authority for DOR, a \$2.3 billion or 12.9 percent decrease from the FY 2026 enacted level. This decrease accounts for adjustments to reflect the unification of federal wildland fire responsibilities into DOI.

- \$1.3 billion for the **Bureau of Reclamation** versus a FY 2026 enacted level of \$3.2 billion. Of this total, \$1.112 billion for the **Water and Related Resources account**, \$64 million for the **Policy and Administration account** and \$32 million for the California Bay-Delta account. The proposal would eliminate funding for **WaterSmart grants** for local ecosystem restoration projects, climate studies and water recycling plants.
- \$1.3 billion for the **Fish and Wildlife Service (FWS)**, a decrease of \$323 million versus FY 2026. The budget includes a request for the resources and authority to transfer the National Marine Fisheries Service's (NMFS) Office of Protected Resources and associated Endangered Species Act (ESA) and Marine Mammal Protection Act (MMPA) implementation responsibilities into FWS, which will streamline permitting activities and ensure consistency in ESA and MMPA implementation.
- \$2.2 billion for the **National Park Service**. The budget calls for a \$736 million reduction (approximately 25 percent) to park operations versus the FY 2026 enacted level.
- Seeks to unify all federal wildland firefighting assets under a new **U.S. Wildlife Fire Service (USWFS)** within DOI, including those currently under control of the U.S. Forest Service. The 2027 budget request for the proposed Wildland Fire Service Operations account is \$3.96 billion, and request for the Wildfire Suppression Operations Reserve Fund account is \$2.95 billion, for a total of \$6.91 billion. The mission for the new USWFS is "elevating and unifying" federal wildland fire management to strengthen coordination with partners, improve operational efficiency and effectiveness and support a more integrated national approach to wildfire preparedness and response.

U.S. Department of Justice (DOJ)

The DOJ discretionary [budget request](#) for FY 2027 totals \$41.2 billion, an increase of \$4.7 billion or 13 percent from the FY 2026 enacted level. According to the budget, this approach "right sizes grant funding to focus on priority programs directly linked to combatting violent crime, protecting American children, supporting American

victims of trafficking, sexual assault, and other crimes, and better coordinating law enforcement efforts at all levels of government."

- As part of its reorganization plan, DOJ plans to consolidate the **Office of Community Oriented Policing Services (COPS)**, **Office of Justice Programs (OJP)** and **Office on Violence Against Women (OVW)** into a single grants component named the **Bureau of Justice Grants (BJG)**. The FY 2027 budget request for the consolidated grants component totals \$3.1 billion in discretionary funding and \$2.1 billion in mandatory funding. The president's budget requests:
 - \$256.2 million for the **COPS Hiring Program (CHP)**, an increase of \$3.1 million above the FY 2026 enacted level of \$253.1 million
 - \$12 million for the **Preparing for Active Shooter Situations (PASS) Police Act**, an increase of \$500,000 above the FY 2026 enacted level of \$11.5 million
 - For the **Justice Assistance Grant (JAG) program**, nearly the entire proposed decrease to the program topline is due to the proposed elimination of **Byrne Discretionary Community Project Grants** (or earmarks), which totaled \$537.9 million in FY 2026
 - \$1.618 billion in discretionary funding for the **State and Local Law Enforcement Assistance account**, which is \$781.2 million below the FY 2026 enacted level
 - \$310 million in discretionary funding for the **Juvenile Justice Programs** account, a \$65 million decrease below the FY 2026 enacted level
 - \$100 million provided for the new **Model City Initiative (MCI)**, which will be launched in FY 2026. This budget request will build upon DOJ's ongoing efforts to combat violent crime and provide technology, equipment, staffing, services and other operational support for jurisdictions.

U.S. Department of Labor (DOL)

The DOL FY 2027 [budget request](#) proposes \$9.9 billion in discretionary budget authority, a \$3.5 billion or 25.9 percent decrease from the FY 2026 enacted level.

- Proposes consolidating 12 DOL workforce development programs into a single **Make America Skilled Again (MASA)** grant program at \$3.425 billion; includes language that would require MASA grantees to spend at least 10 percent of their funds on Registered Apprenticeship activities
- \$1.45 billion for **Career and Technical Education** programs within the Employment and Training Administration (ETA); includes language transferring the ED's Office of Career, Technical, and Adult Education to DOL
- \$167.29 million for program administration across the majority of ETA programs, supporting federal staff in providing oversight and assistance for programs under the **Workforce Innovation and Opportunity Act (WIOA)**, **National Apprenticeship Act**, **Older Americans Act** and **Trade Act of 1974**
- \$2.8 billion in grants to states to administer the **Unemployment Insurance (UI)** program, including a \$25 million increase for UI National Activities to support continued efforts to identity verification services for states
- Would eliminate the **Job Corps** entirely, requesting \$176 million solely for closeout costs to execute an orderly shutdown of the program, citing poor performance outcomes
- Eliminates the **Senior Community Service Employment** program, **Community Service Employment for Older Americans** program and **Women's Bureau**, with its Apprenticeship in Non-Traditional Occupations grant work transferred to the ETA
- \$1.6 billion in discretionary resources to protect workers' health, safety, wages and retirement. This includes a restructuring of **Occupational Safety and Health Administration (OSHA)**, which would shift resources from federal enforcement to federal compliance activities, transfer non-occupational safety and health whistleblower enforcement to the new Office of Civil Rights and establish a new **AI and Data Analytics program**.
- \$35.4 million to establish a new Office of Civil Rights that would take on the Office of Federal Contractor Compliance Program's (OFCCP) remaining responsibilities under the Vietnam Era Veterans' Readjustment Assistance Act and Rehabilitation Act Section 503, bring them together with existing Civil Rights Center functions and assume oversight of non-OSHA whistleblower statute enforcement currently handled by OSHA. As part of this restructuring, the OFCCP would be defunded at a reduction of \$101 million, with its remaining statutory functions folded into the new office.

U.S. Department of Transportation (DOT)

The DOT FY 2027 [budget request](#) is \$26.6 billion, a \$1.6 billion or 6.2 percent increase from the FY 2026 enacted level.

- \$66.2 billion for the **Federal Highway Administration (FHWA)**, \$7.48 billion decrease from FY 2026 enacted levels:
 - \$64.7 billion for the **Federal-aid Highway Program** (formula funding allocated to states)
 - \$770.0 million for the **Infrastructure for Rebuilding America (INFRA)** grant program that funds projects of national or regional significance to improve the safety, efficiency and reliability of the movement of people and freight
 - \$713.7 million for the **Bridge Formula Program**
 - Cancels the unobligated balances of the **National Electric Vehicle Infrastructure (NEVI) Formula** and **Charging and Fueling Infrastructure Grants programs** that were created in the IJA.
- \$16.3 billion for the **Federal Transit Administration (FTA)**, a \$208 million decrease from the FY 2026 enacted level:
 - \$14.9 billion in **formula funding** for transit agencies
 - \$1.2 billion for **Capital Investment Grants** to fund projects that have existing full funding grant agreements (FFGAs) in place and new projects that may become eligible for grant agreements during FY 2026 and FY 2027
- \$2.797 billion for the **Federal Railroad Administration (FRA)**, an \$812 million increase over FY 2026 enacted levels:
 - \$300 million for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program
 - \$100 million for the Railroad Crossing Elimination (RCE) grant program that was created in the IJA
 - \$2.1 billion for Amtrak (\$650 million for grants to the Northeast Corridor and \$1.45 billion for grants to the national network)
- \$22.356 billion for the **Federal Aviation Administration (FAA)**, a \$4.85 billion decrease from FY 2026 enacted levels:
 - \$4 billion for Facilities and Equipment, including \$1.5 billion to augment the \$12.5 billion new Air Traffic Control System efforts enacted under the One Big Beautiful Bill and \$1.3 billion for National Airspace System (NAS) operations
 - \$4 billion for the **Airport Improvement Program (AIP)**
 - \$14.2 billion for Operations to support the hiring of 2,300 new air traffic controllers
 - \$4 billion for **grants-in-aid for airports**
- \$2.6 billion for the **Maritime Administration (MARAD)**:
 - Proposes the creation of a Maritime Security Trust Fund (MSTF) as a reliable funding source for the Maritime Action Plan (MAP) "to reestablish U.S.-flagged and U.S.-built commercial shipping competitiveness, to rebuild America's maritime industrial base, and to recruit and train the domestic maritime workforce." This new trust fund "would receive revenue from a variety of existing sources, including various existing maritime related taxes, duties, penalties, and fees."
 - \$500 million for the **Port Infrastructure Development Program (PIDP)** (\$50 million in discretionary appropriations and \$450 million in mandatory appropriations from the MSTF)

U.S. Army Corps of Engineers (USACE)

The [budget request](#) provides \$6.663 billion for the USACE Civil Works program, a 28.3 percent decrease from FY 2026 enacted level, including:

- \$1.301 billion for **Construction**. USACE uses the following parameters for projects to be included in the budget request:
 - Must be authorized for construction; have an approved Chief's Report, major rehabilitation report or dam safety modification report; and, where applicable, have successfully completed review under Executive Order 12322.

- Based on their economic return, ongoing construction projects have a benefit-to-cost ratio (BCR) of 2-to-1 or higher.
- Based on their environmental return, ongoing construction projects that restore degraded ecosystem structure, function and/or process to a more natural condition.
- Address a significant risk to human safety. Flood and storm damage reduction projects funded in the FY 2026 budget to address a significant risk to human safety receive sufficient funding in this year's budget to complete all features that address the principal source of the significant safety risk.
- Mitigation or environmental requirements. Mitigation work at ongoing construction projects and work needed to comply with treaties or biological opinions.
- Non-structural flood damage reduction projects: Ongoing non-structural flood damage reduction projects that have a BCR of 1 or above.
- Project completions: Ongoing projects that can complete all remaining construction work during the budget year or the following year are funded at the level needed to complete that work if the project has a BCR of 1 or above.
- \$2.178 billion for **Operation and Maintenance**. Funding for projects to maintain and improve navigation on the inland waterways and "gives priority to the maintenance of inland waterways with the most commercial traffic."
- \$61 million for **Investigations**. Funding for feasibility studies and preliminary engineering and design (PED). The budget "focuses on ongoing work and on promoting efforts to provide local communities with technical and planning assistance to enable them to reduce their flood risk."
- \$223 million for the **Regulatory Program** for permit processing

U.S. Environmental Protection Agency (EPA)

The EPA FY 2027 [budget request](#) is \$4.203 billion, a 52 percent decrease from the FY 2026 enacted level.

The request includes:

- \$232.4 million for **Clean Air programs**
- \$155 million for the **Clean Water State Revolving Fund (CWSRF)**
- \$150 million for the **Drinking Water State Revolving Fund (DWSRF)**
- \$82.4 million for the **Drinking Water Infrastructure Resilience and Sustainability, Sewer Overflow and Stormwater Reuse Grants, Technical Assistance for Wastewater Treatment Works and Water Infrastructure and Workforce Investment** programs
 - Requests authority to fund a new \$10 million cybersecurity grant program within the existing Drinking Water Infrastructure Resilience Grant Program "to help water systems build cybersecurity infrastructure to address rising threats"
 - \$48 million for the **Reducing Lead in Drinking Water and Lead Testing in Schools** grant programs to address lead contamination in drinking water
- \$7.8 million for the **Water Infrastructure Finance and Innovation Act (WIFIA)** program
- \$80 million for Brownfields projects to fund Brownfields Assessments, supplemental Revolving Loan Fund cooperative agreements, multipurpose cooperative agreements, and Environmental Workforce Development & Job Training cooperative agreements, as well as provide technical assistance to support states, Tribes and communities
- \$290 million for the **Superfund Program**
- \$14 million for "web-based permitting tools" such as [EPA's NEPAAssist](#) to reduce permitting timelines
- \$5 million for the **Solid Waste Infrastructure for Recycling (SWIFR) Grant Program** that will enable EPA to help states, Tribes, local governments and communities "reduce waste, improve their recycling and materials management infrastructure, and create jobs."

For more information or questions on the president's FY 2027 budget proposal, contact the authors: [Aishu Nagabhushan](#), [Lauri Hettinger](#), [Shawna Francis Watley](#), [Jordan Brossi](#), [Jemiah Williams](#), [Molly Broughton](#) and [Michael Galano](#).

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