Insight

A FY 2027 Appropriations Progress Report

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Executive Summary

- The House and Senate have taken very different approaches to fiscal year (FY) 2027 appropriations; the House has completed committee action on all 12 regular appropriations bills, and two of the 12 bills have been passed by the full House, while the Senate has yet to begin formal consideration of the 12 bills as bipartisan negotiations over topline discretionary spending levels continue.
- Significant funding and policy differences remain between the two chambers; the House bills reduce nondefense spending, increase defense spending, and include numerous policy riders that are unlikely to advance unchanged in the Senate.
- A continuing resolution is the most likely path forward, though shutdown risks remain; given the differences between the House and Senate and the compressed legislative calendar, it is unlikely Congress will complete work on all 12 appropriations bills before FY 2027 begins on October 1.

Introduction

The House and Senate have been working on fiscal year (FY) 2027 appropriations under very different approaches. House Republican leadership has prioritized completing committee consideration of all 12 regular annual appropriations bills before the July Fourth recess to restore "regular order" and demonstrate the chamber's ability to move individual spending bills through the legislative process. As of June 30, all 12 bills have advanced out of the House Appropriations Committee, and two of the 12 bills have been passed by the full House.

Meanwhile, the Senate has adopted a slower, bipartisan approach, which has delayed committee action while appropriators negotiate overall discretionary spending levels. As of June 30, none of the 12 subcommittees have introduced and held markups on their respective appropriations bill.

While the House has made significant progress on FY 2027 appropriations, major disagreements remain between the House and Senate regarding overall discretionary spending levels, funding priorities, and policy riders included in the House bills. These differences, coupled with a compressed legislative calendar, make completing work on all 12 appropriations bills before FY 2027 begins on October 1 unlikely. A continuing resolution (CR) to keep the government funded at current levels while negotiations continue is the likely path forward, though the risk of a government shutdown remains.

FY 2027 Appropriations in the House: Restoring Regular Order

The House has moved through the annual appropriations process at one of its fastest paces in recent years. As of June 30, all 12 bills have advanced out of the House Appropriations Committee, and two of the 12 bills have been passed by the full House. House Republican leadership has emphasized restoring regular order by allowing each appropriations bill to move independently through its respective Appropriations Subcommittee and full Committee, and the full House. Unlike previous years, the bills have not been grouped together in a series of minibus appropriations packages or a single omnibus appropriations package to speed up the process or guarantee passage in the full chamber. Republican appropriators have stated that allowing each bill to move independently through the appropriations process promotes greater transparency, allows Members to debate individual spending priorities, and provides opportunities for more oversight of government agencies.

House FY 2027 Regular Appropriations Bills: Legislative Status (as of June 30)

Appropriations Bill	Subcommittee Approval	Appropriations Committee Approval	House Passage
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies	Approved April 23, 10–7	Approved April 29, 35–25	Passed June 4, 213–210
Commerce, Justice, Science, and Related Agencies	Approved April 30, 8–6	Approved May 13, 32–28	Pending
Defense	Approved June 11, voice vote	Approved June 24, 34–27	Pending

Energy and Water Development	Approved May 15, voice vote	Approved May 20, 34–25	Pending
Financial Services and General Government	Approved April 17, 9–6	Approved April 22, 34–28	Pending
Homeland Security	Approved June 5, voice vote	Approved June 11, 34–27	Pending
Interior, Environment, and Related Agencies	Approved May 21, 7–5	Approved June 3, 35–27	Pending
Labor, Health and Human Services, Education, and Related Agencies	Approved June 5, 11–7	Approved June 9, 34–28	Pending
Legislative Branch	Approved April 30, 5–4	Approved May 20, 34–28	Pending
Military Construction, Veterans Affairs, and Related Agencies	Approved April 17, voice vote	Approved April 21, 58–0	Passed May 15, 400–15
State, Foreign Operations, and Related Programs	Approved April 23, 8–5	Approved April 28, 35–27	Pending
Transportation, Housing and Urban Development, and Related Agencies	Approved May 21, 7–5	Approved June 3, 34–27	Pending

Source: House Appropriations Committee.

Overall, the House bills appropriate over $1.856 trillion of base discretionary budget authority for FY 2027. This is $217 billion (13 percent) above the FY 2026 enacted level of $1.639 trillion.

The funding increases are concentrated on defense and national security programs that are primarily funded by the Defense, Homeland Security, and Military Construction and Veterans Affairs bills. The defense bill prioritizes readiness, procurement, munitions, and personnel support, while placing less emphasis on longer-term research and development and climate-related resilience efforts. The Homeland Security bill increases funding for border enforcement, immigration operations, surveillance technology, and detention capacity, with more modest growth in Federal Emergency Management Agency disaster response and preparedness programs. The Military Construction and Veterans Affairs bill boosts funding for veterans' health care, benefits processing, and targeted military construction projects supporting readiness and quality-of-life improvements.

House FY 2027 Regular Appropriations Bills: Funding Levels (as of June 30)

Appropriations Bill	House FY 2027	FY 2026 Enacted	Difference ($)	Difference (%)
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies	$26.3 billion	$26.7 billion	-$0.4 billion	-1.4%
Commerce, Justice, Science, and Related Agencies	$77.3 billion	$78.0 billion	-$0.7 billion	-0.9%
Defense	$1,072.0 billion	$838.7 billion	+$233.3 billion	+27.8%
Energy and Water Development	$58.5 billion	$58.0 billion	+$0.5 billion	+0.8%
Financial Services and General Government	$25.3 billion	$26.3 billion	-$1.0 billion	-3.8%
Homeland Security	$64.9 billion	$64.4 billion	+$0.5 billion	+0.8%
Interior, Environment, and Related Agencies	$38.9 billion	$38.6 billion	+$0.3 billion	+0.8%
Labor, Health and Human Services, Education, and Related Agencies	$189.3 billion	$194.9 billion	-$5.6 billion	-2.9%
Legislative Branch	$7.3 billion	$7.3 billion	+$0.04 billion	+0.6%
Military Construction, Veterans Affairs, and Related Agencies	$157.0 billion	$153.3 billion	+$3.7 billion	+2.4%
State, Foreign Operations, and Related Programs	$47.3 billion	$50.0 billion	-$2.7 billion	-5.4%
Transportation, Housing and Urban Development, and Related Agencies	$92.2 billion	$102.9 billion	-$10.7 billion	-10.4%
Total	**$1,856.4 billion**	**$1,639.0 billion**	**+$217.4 billion**	**+13.3%**

Sources: House Appropriations Committee and Congressional Budget Office.

Meanwhile, the funding reductions are concentrated on domestic discretionary funding cuts that are primarily funded by the Labor, Health and Human Services, and Education; Interior and Environment; Transportation and Housing and Urban Development bills. These changes are generally targeted rather than across-the-board, focusing on reductions or restructuring of education grants, public health discretionary programs, environmental and climate-related initiatives, housing assistance, and certain transit and infrastructure grants. Across these bills, a broader pattern emerges of shifting resources away from domestic discretionary and regulatory programs toward defense, enforcement, and selected energy and national security priorities, alongside tighter constraints on agency flexibility and implementation authority.

FY 2027 Appropriations in the Senate: A Deliberate Bipartisan Process

The Senate has proceeded at a much slower pace than the House, with appropriators focused first on reaching a bipartisan agreement on overall discretionary spending levels before considering individual appropriations bills. The Senate Appropriations Committee had planned to mark up four of the least controversial bills – Agriculture; Commerce, Justice, Science; Legislative Affairs; and Military Construction and Veterans Affairs – in early June. Those markups were postponed after committee leadership failed to reach a bipartisan agreement on topline funding levels. The committee subsequently rescheduled the markup of the same bills for June 25 but postponed it again after leadership failed to reach a bipartisan agreement.

Senate FY 2027 Regular Appropriations Bills: Legislative Status (as of June 30)

Appropriations Bill	Subcommittee Approval	Appropriations Committee Approval	Initial Senate Passage
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies	Pending	Pending	Pending
Commerce, Justice, Science, and Related Agencies	Pending	Pending	Pending
Defense	Pending	Pending	Pending
Energy and Water Development	Pending	Pending	Pending
Financial Services and General Government	Pending	Pending	Pending

Homeland Security	Pending	Pending	Pending
Interior, Environment, and Related Agencies	Pending	Pending	Pending
Labor, Health and Human Services, Education, and Related Agencies	Pending	Pending	Pending
Legislative Branch	Pending	Pending	Pending
Military Construction, Veterans Affairs, and Related Agencies	Pending	Pending	Pending
State, Foreign Operations, and Related Programs	Pending	Pending	Pending
Transportation, Housing and Urban Development, and Related Agencies	Pending	Pending	Pending

Source: Senate Appropriations Committee.

At the center of the impasse is the lack of agreement over the Appropriations Committee's 302(b) allocations, which set the topline funding level for each of the 12 appropriations subcommittees to draft their respective appropriations bill around. While the Senate has historically determined 302(b) allocations on a bipartisan basis, members remain divided over how to distribute total discretionary funding between defense and nondefense priorities. Until the allocations are finalized, Senate appropriators have been reluctant to consider any individual funding bills because any subsequent changes to the topline spending agreement could require reopening multiple measures.

Another factor is the Senate's effort to separate the regular appropriations process from other policy debates. Many Republican priorities have been or are being pursued through reconciliation legislation rather than annual appropriations bills. The recently enacted Secure America Act provided $70 billion in funding for immigration enforcement and border security that would have normally been provided during the regular appropriations process. And there is a growing push to do another reconciliation bill focused on defense spending and combating waste, fraud, and abuse. Senate appropriators have therefore been working to determine which priorities should be addressed through regular appropriations and which should be included in a future reconciliation bill. While this has slowed appropriations work in the Senate, it could ultimately make it easier to craft bipartisan appropriations bills since more contentious priorities would be addressed elsewhere.

Senate FY 2027 Regular Appropriations Bills: Funding Levels (as of June 30)

Appropriations Bill	Senate FY 2027	FY 2026 Enacted	Difference ($)	Difference (%)
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies	Pending	$26.7 billion	Pending	Pending
Commerce, Justice, Science, and Related Agencies	Pending	$78.0 billion	Pending	Pending
Defense	Pending	$838.7 billion	Pending	Pending
Energy and Water Development	Pending	$58.0 billion	Pending	Pending
Financial Services and General Government	Pending	$26.3 billion	Pending	Pending
Homeland Security	Pending	$64.4 billion	Pending	Pending
Interior, Environment, and Related Agencies	Pending	$38.6 billion	Pending	Pending
Labor, Health and Human Services, Education, and Related Agencies	Pending	$194.9 billion	Pending	Pending
Legislative Branch	Pending	$7.3 billion	Pending	Pending
Military Construction, Veterans Affairs, and Related Agencies	Pending	$153.3 billion	Pending	Pending
State, Foreign Operations, and Related Programs	Pending	$50.0 billion	Pending	Pending
Transportation, Housing and Urban Development, and Related Agencies	Pending	$102.9 billion	Pending	Pending
Total	**Pending**	**$1,639.0 billion**	**Pending**	**Pending**

Source: Senate Appropriations Committee and Congressional Budget Office.

The postponement of committee markups has implications for the Senate's timeline. Senate appropriators typically spend June and July reporting bills out of committee before bringing them to the full Senate for consideration. Since committee action has yet to begin, however, the Senate is several weeks behind the House. Even if Senate appropriators reach an agreement shortly after the July Fourth recess, the compressed legislative calendar leaves relatively little time for committee action, floor debate, and conference negotiations before the October 1 start of FY 2027. The Senate is expected to craft its own versions of the 12 appropriations bills, which are likely to include different topline spending levels than the House bills. This, along with the Senate's delayed schedule increases the likelihood that Congress will need to enact a CR while negotiations continue.

Conclusion

The current state of the FY 2027 appropriations process reflects both progress and institutional challenges. The House has advanced all 12 appropriations bills out of committee and passed two of the bills in the full chamber under an ambitious schedule to restore regular order in the appropriations process. The Senate, meanwhile, continues to pursue a bipartisan negotiating strategy focused first on establishing overall discretionary funding levels before advancing individual appropriations bills.

While significant legislative work remains, the central question is no longer whether appropriations legislation will move, but rather how Congress will reconcile competing spending priorities within an increasingly compressed legislative calendar. Unless negotiations accelerate in the period between the July Fourth and August recesses, a CR to keep the government funded at current levels while negotiations continue is the likely path forward.