

Overview of the Defense; Labor, Health and Human Services, Education and Related Agencies; Homeland Security; and Transportation and Housing Urban Development FY 2026 Appropriations Bills

Jan. 22, 2026

Congressional Appropriators [released](#) legislation on Jan. 20 providing fiscal year (FY) 2026 funding for the Departments of Defense, Education and Health and Human Services, among other agencies. The minibus package consists of the *Defense; Labor, Health and Human Services, Education, and Related Agencies; Transportation and Housing and Urban Development; and Homeland Security* appropriations bills. These are the final bills Congress will need to pass to fully fund the government for FY26. The other eight funding bills were passed in November 2025 and earlier in January, fully funding included agencies through Sept. 30, 2026.

The latest minibus establishes funding levels for some of CU's most important federal agency partners, including the Office of Financial Student Aid, the National Institutes of Health (NIH), the Department of War (DoW) Office of Research and Engineering, the Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA).

Overall, funding is flat or slightly down for most federal research agencies, with some agencies receiving small increases – we believe this is a win in the current fiscal environment. Lawmakers rejected the White House's request for deep cuts to federal science agencies and program eliminations.

Notably, the legislation acknowledges "room for improvement" in the current indirect cost structure contained in the Uniform Guidance, which reimburses colleges and universities for facilities and administrative (F&A) costs. The bill calls for greater transparency in the system and points to new models, including the [Financial Accountability in Research \(FAIR\) model](#), as meriting consideration. It also includes language preventing the DoW and NIH from setting standard indirect cost rates. The White House tried to cap indirect cost rates at 15 percent at NIH, DoW, the National Science Foundation (NSF) and the Department of Energy (DoE) last year, but federal courts stopped implementation of the policies.

The House [will consider](#) the package on Jan. 22, with the Senate using the week of Jan. 26 to consider the legislation. It is expected that the minibus will pass before the current funding for these agencies expires on Jan 30.

The following are funding and legislative highlights for CU by agency:

Department of Education (ED)

Provides \$79 billion in discretionary funding for ED, largely flat funding.

Federal Student Aid

- \$24.6 billion for student financial aid, a \$2 billion (7.5 percent) decrease from FY25 levels.
- Maintains a maximum Pell award of \$7,395 for the 2026-27 academic year.
- \$1.23 billion for Federal Work Study, flat-funded.
- \$910 million for Federal Supplemental Educational Opportunity Grants to support low-income students pursuing postsecondary education, flat-funded.

Higher Education Programs

- \$1.02 billion for the Aid for Institutional Development Programs, including: Developing Hispanic-Serving Institutions (HSIs) \$232 million; promoting Opportunities for Hispanic Americans \$28 million; and strengthening Asian American and Native American Pacific Islander-Serving Institutions (AANAPISIs) \$19 million, including small increases for these programs.
- \$81 million for International Education and Foreign Language Title IV programs, down from \$85.7 million. The President had proposed eliminating funding for these programs.
 - Within the Fund for the Improvement of Postsecondary Education (FIPSE), \$15 million is included for Historically Black Colleges and Universities (HBCUs), Tribally Controlled Colleges and Universities (TCUs), and Minority-Serving Institutions (MSIs) Research, down from \$50 million; \$45 million for Postsecondary Student Success Grants, flat funding; and \$7 million for ED's Open Textbook Pilot Program, flat funding.
- \$3.27 billion in higher education program funding, including the following:
 - \$1.191 billion for TRIO programs, flat-funded from FY25.
 - Flat funding for Teacher Prep Programs including: TQP at \$70 million; and Hawkins at \$15 million.
 - \$75 million for CCAMPIS, flat-funded. The President has proposed eliminated funding for this program.
 - \$16.37 million for Minority Science and Engineering Improvement.
 - \$388 million for GEAR UP, flat-funded.
- \$789.6 million for the Institute of Education Sciences (IES), a decrease of \$3.5 million (44 percent) from FY25.
- \$82 million for school-based mental health services grants.

ED Legislative Provisions

- The legislation prohibits ED from transferring any appropriated program to a different agency via an interagency agreement without Congressional approval. The bill also prohibits the transfer of funding to another agency unless transfer authority is provided in appropriations law.
 - This provision prohibits ED's efforts to wind down the Department programs via interagency agreements originally [announced](#) on Nov. 18, 2025.

Department of Health and Human Services (HHS)

Provides \$115 billion for the HHS in FY26, largely flat-funded from FY25.

National Institutes of Health (NIH)

- \$47.216 billion for NIH's base budget, a \$415 million (.9 percent) increase over FY25.
 - Institutes and Centers (ICs) receiving increases in FY26 include the National Cancer Institute; National Heart, Lung, and Blood Institute; National Institute of Dental and Craniofacial Research; National Institute of Diabetes and Digestive and Kidney Diseases; National Institute of Neurological Disorders and Stroke; National Institute of Allergy and Infectious Diseases National Institute of General Medical Sciences Eunice Kennedy Shriver National Institute of Child Health and Human Development; National Institute of Aging; National Institute of Mental Health; National Institute on Minority Health and Health Disparities; and the National Center for Advancing Translation Sciences.
 - All other ICs were flat-funded.
- Includes \$415 million in funding for programs related to the CURES Act including the BRAIN Initiative and *All of Us* Precision Medicine Initiative.

Other HHS Agencies

- \$1.5 billion for the Advanced Research Project Agency for Health (ARPA-H), flat-funded.
- \$9.203 billion for the CDC, a \$19 million (.2 percent) decrease from FY25 levels.
 - Includes a \$12 million increase for the National Institute of Occupational Safety, while the Injury and Violence Prevention programs were flat-funded.
- \$8.9 billion for HRSA, a \$1 billion (12.5 percent) increase.
 - Includes \$823 million for the HRSA Title VII Health Professions and Title VIII Nursing Workforce Development Program.

- Provides \$395 million for Children’s Hospital Graduate Medical Education Programs.
- A majority of the increase for HRSA is related to the inclusion of Congressionally Directed Spending (earmark) grants for the FY26 funding cycle.
- \$345.38 million for the Agency for Healthcare Research and Quality, a \$23.6 million decrease (6.4 percent) from FY25.
- \$7.44 billion for the Substance Abuse and Mental Health Services Agency (SAMHSA), a \$65 million (.8 percent) increase from FY25.

HHS Legislative Provisions

- Maintains Sec. 224 language which prohibits NIH and other HHS agencies from developing or implementing any policy, guidance, or rule, including publication of a notice of proposed rulemaking, that changes the way in which negotiated indirect cost rates have been implemented.
- The bill prohibits NIH from increasing the percentage of forward-funded awards beyond what the agency conducted for FY25. Congress also urges all NIH ICs that receive funding increases in FY26 to fund new projects with those additional funds.
- Requires HHS to support staffing levels necessary to fulfill its statutory responsibilities – including the extramural grantmaking process – for all appropriated funds.

Health Extenders

- Extends Medicare telehealth flexibilities through Dec. 30, 2027 and the Acute Hospital Care at Home Program through Sept. 30, 2030.
- Eliminates the Medicaid Disproportionate Share (DSH) Hospital scheduled cuts for FY26 and FY27.
- Reauthorizes funding for the National Health Service Corps (NHSC) and Community Health Centers through Dec. 31, 2026 and the Teaching Health Center Graduate Medical Education program through FY 29.

Department of War (DoW)

- Provides DoW with \$838.7 billion for FY26, an \$8.4 billion (1 percent) increase over FY25 levels.
- \$145.9 billion for DoD Research, Development, Test, and Evaluation (RDT&E), which includes Basic Research (6.1) accounts and applied accounts (6.2 and 6.3).
 - The RDT&E budget includes \$9 million for stealth research, a project that includes the Denver and Boulder campuses among other institutions.

- The RDT&E budget includes \$20 million for the Hispanic Serving Research Universities Cohort Program. CU Denver is a member of the Alliance of Hispanic Serving Research Universities, which championed this provision.
- \$1.27 billion for the Congressionally Directed Medical Research Programs (CDMRP), a \$720 million increase over FY25.
- Directs the DoW to use FY24 negotiated indirect cost rates and prohibits these agencies from changing the reimbursement structure this fiscal year.