



## MEMORANDUM

**Re: The President's Budget and Budget Reconciliation**

**Date: June 2, 2025**

On May 30, 2025, the Trump Administration released [additional materials](#) for the Fiscal Year (FY) 2026 President's Budget Request to Congress, and federal agencies began releasing their detailed budget justifications. As of June 1, 2025, only certain agencies have released detailed budget justifications. On June 2, the Department of Health and Human Services (HHS) removed its Budget in Brief (BIB) for a few hours, stating that the content is in the process of "Section 508 remediation" for people with disabilities.

Further, the Office of Management and Budget (OMB) has not released its historical tables, which classify spending in different ways, including projections for future years. The May 30<sup>th</sup> OMB materials also preface that "mandatory spending and receipts proposals are limited to those proposals that support the President's 2026 discretionary request."

The format of the May 30<sup>th</sup> OMB materials is unique, which slightly increases the amount of time it takes to review and compare spending. It has some benefits because it gives us clear information on spending where agencies have not released their detailed budget justifications (for example, BIA and BIE). However, it also presents the budget picture in more parts, in different arrangements, with special caveats.

The President's Budget continues its recommendation that Congress rescind, or take back, certain funds and assumes that Congress will enact additional spending as part of the ongoing Budget Reconciliation process in Congress.

In a June 1, 2025, morning interview with CNN, OMB Director Russ Vought referenced a package of rescissions he would be sending to Congress the week of June 2-6, 2025. This discussion took place in reference to the impounded funds from the DOGE effort, but would also be consistent with earlier [May 2 President's Budget materials](#) calling for rescissions.

Later in that CNN interview, Director Vought discussed his belief that the Executive branch could spend less than Congress appropriates and framed indirect costs from federal contract support as unreasonably higher than the private sector would provide for the same work. While discussed in the scientific research context, a goal to lower total allowable Contract Support Costs (CSC) could substantially and directly harm all Tribal program interests.

Altogether, we have **(1)** pieces of a President's Budget Request, with more to come; **(2)** a [budget reconciliation bill](#), with changes expected in the Senate; and **(3)** a list of funds the Administration proposes Congress rescind expected the week of June 2-6.

## President's Budget Impact Update

- The earlier CTS estimate on programs for the benefit on Native Americans and Alaska Natives<sup>1</sup> stands (**at least -\$2.14 billion, -11%**) but needs more details from the President's Budget proposal and changes in spending from Budget Reconciliation.
- The **Indian Health Service (IHS)** appears to have been the most protected in regular, discretionary annual appropriations (**\$7.91 billion, +\$921 million, +13.2%**) but the Administration **does not recommend advance appropriations for IHS.**
  - Beyond CSC, Section 105(l) lease obligations, and staffing for newly completed facilities, funding is kept mostly flat, with some minor increases in services through deep cuts to **Sanitation Facilities Construction (\$13.5 million, -\$93.1 million, -87%)**.
  - IHS also reports a built-in decrease of **-\$18.2 million** to cover pay costs, unfunded medical and non-medical inflationary costs, and population growth.
  - The Special Diabetes Program for Indians (SDPI) is proposed for a one-year extension (**\$159 million, -\$363 thousand, -0.23%**).
- The **Department of Health and Human Services (HHS)** has released some of its detailed budget justifications. The HHS Budget in Brief indicates the following agencies will not have a budget justification, with programs either eliminated, transferred, or consolidated:
  - **Health Resources and Services Administration (HRSA)**
  - **Substance Abuse and Mental Health Services Administration (SAMHSA)**
  - **Administration for Community Living (ACL)**
  - **Administration for Strategic Preparedness and Response (ASPR)**
  - **Office for Civil Rights (OCR)**
  - **Office of the National Coordinator for Health IT**
  - Some HHS programs will be a part of the new **Administration for a Healthy America (AHA)**, but the detailed AHA budget justification has not been released as of June 2, 2025.
- The **Bureau of Indian Affairs (BIA)** would lose about **-33%** in regular, discretionary annual appropriations (**\$1.88 billion, -\$724 million**), directly reducing Tribal shares for Tribal Nations in self-determination and self-governance agreements.

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<sup>1</sup> This analysis uses the programs listed in the FY 2025 Native American Funding Crosscut as the framework for analyzing the President's FY26 Budget Request.

- The BIA's detailed budget justification has not been released as of June 1, 2025.
- The **Department of Justice (DOJ)** proposes to reorganize its grant programs, maintaining funding for the COPS program for Tribal Law Enforcement (**\$34 million**), but potentially impacting grants through the Office of Justice Programs (OJP), Office of Tribal Justice (OTJ), and the Office on Violence Against Women (OVW).
  - DOJ's detailed budget justifications have not been released as of June 1, 2025.
- The **Bureau of Indian Education (BIE)** would lose about **-31%** in regular, discretionary annual appropriations (**\$960 million, -\$441 million**) with a **-23.3%** reduction in the Operation of Indian Education Programs (OIEP).
  - The BIE's budget justification has not been released as of June 1, 2025.
- The **Department of Education (Ed.)** appears to have provided flat funding for most Native American programs. However, the **Alaska Native Education program (-\$45 million, -100%)** is consolidated into state funding, making its future uncertain.
  - Ed.'s detailed budget justifications have not been released as of June 1, 2025.
  - Ed. proposes to reorganize its accounts into a consolidated amount, which could have impacts on program funding for Native Americans and Alaska Natives, particularly where funds are provided to public schools that serve Native American and Alaska Native students.
- The **Department of Housing and Urban Development (HUD)** proposes **\$1.12 billion** for Native American Programs (**-\$239 million, -17.6%**), including the Indian Housing Block Grant (IHBG), Indian Community Development Block Grant (ICDBG), housing competitive grants, and Tribal HUD VASH.
  - HUD's proposal takes all the money from IHBG formula grants, leaving competitive grants intact.
- The **Department of Agriculture (USDA)** maintains funding for the Office of Tribal Relations (OTR), and various programs for Tribal Colleges and Universities (TCUs). However, Rural Development proposes to eliminate its TCU housing programs, Forest Service proposes to eliminate funding for Tribal Forestry accounts (**up to -\$16.6 million, -100%**), and large reductions to Natural Resources conservation programs.
  - USDA has not released all of its detailed budget justifications as of June 1, 2025.
  - SNAP funding estimates are subject to any changes from Budget Reconciliation.

## Procedural Next Steps

CTS is completing a detailed review of the President's Budget Request to Congress and the House of Representatives' Budget Reconciliation text. Later this week, there should be a list of funds the Administration proposes Congress take back (rescind). The CTS budget analysis will be updated as additional materials are released by the Administration, and coalition members will be notified when analysis updates become available on the coalition website. Once all the President's Budget materials are released, the CTS analysis will be made final.

Congressional members in each chamber will continue to have a say in **(1)** Budget Reconciliation for mandatory and supplemental spending and **(2)** regular, discretionary annual appropriations for FY 2026. Knowing the difference between regular appropriations and Budget Reconciliation lets you know which committees have jurisdiction on these two budget policy issues.

Even if the President's Budget has parts missing, Congressional Appropriations Subcommittees in the House will be holding [Markup hearings on FY 2026 regular appropriations](#) within their jurisdiction, beginning next week. This means we will get our first glimpse of Congressional FY 2026 spending totals from House Republicans beginning with Veterans Affairs (VA), Homeland Security (DHS), and Agriculture/Rural Development (USDA).

House appropriators continue to express overall support for programs for the benefit of Tribal Nations and Native people. However, the political climate in the House is one that supports funding cuts. House Appropriators are likely to respond to high volumes of letters, meetings, and other documented communications from Indian Country expressing support for these programs, as well as Member to Member communications.

Appropriations Subcommittees in the Senate still have requests for written testimony open, including the subcommittee for [BIA, BIE, and IHS funding](#). The Senate held [hearings](#) reviewing portions of the President's FY 2026 Budget Request, but no markups have been scheduled.

Right now, the Senate is focused on Budget Reconciliation, a separate, largely partisan procedural tool to make changes in federal spending, revenue, or the debt limit. Congress uses budget resolutions to set revenue, spending, and other budgetary targets. Sometimes, a budget resolution includes special instructions for a named authorizing committee to "reconcile" those targets with changes to laws. Authorizing committees (not appropriations committees) named in the Budget Reconciliation instructions submit legislative text to the Budget Committee to compile into a spending, revenue, or debt limit bill for consideration.

The House passed its Budget Reconciliation bill, and the political pressure is on the Senate to act. The Senate will make changes to the House version, and House Republicans are

hoping to stand strong and limit those changes. This could be a recipe for several weeks-to-months of delays, but political pressure is mounting from President Trump.

Congress has Committees so it can work on many things at once, but Budget Reconciliation will consume short-term attention in the Senate, while the House seeks to make progress on regular appropriations until Budget Reconciliation text comes out of the Senate.

The President may withhold certain budget request information until Budget Reconciliation negotiations are complete. This could make sense for record keeping and reporting on spending totals, while keeping the political attention on Congress and its scoring instead of the Administration and its scoring. However, if Budget Reconciliation talks stall for too long, information on the President's Budget could turn into a political rallying tool to finalize negotiations. Regardless, political pressure will continue to grow for the missing pieces of the President's Budget Request and estimates of agency spending could be substantially impacted by the outcome of Budget Reconciliation that is currently underway.

Analysis as of Monday, June 2, 2025.