APPROPRIATIONS UPDATE

December 1st, 2025

Senate Republicans Release Financial Services, Energy & Water Spending Bills

Just before Thanksgiving, Senate Republican appropriators released the text of their FY26 Financial Services spending bill, which would fund the IRS, Treasury Department, and the judiciary, and provide federal support for the District of Columbia. The $26.9 billion measure is one of four bills Senate appropriators didn't release or mark up over the summer because of partisan disagreements over funding levels and policy riders. Along with the bill text, Senate appropriators released their committee report laying out spending guidance for the Trump administration and listing a slate of earmarks to renovate public buildings and fund initiatives to support local businesses.

Senate Republicans also published the text of their FY26 Energy and Water appropriations bill, which would provide $57.5 billion to fund the Department of Energy, Army Corps of Engineers, and Bureau of Reclamation. The bill would provide $49.5 billion in top-line funding for the Energy Department – a decrease of around $600 million from the current enacted level. The bulk of these cuts would be to offices supporting electricity, grid deployment and energy efficiency, and renewable energy. The bill includes a provision that says none of the Energy funding can be used to "deobligate funds" or "cancel a previously-announced" allocation, award, or agreement without notifying Congress in advance. The bill provides $9.79 billion for the Army Corps of Engineers – a roughly $1 billion increase from FY25.

Both bills were published without support from Democratic appropriators, though Ranking Member Patty Murray (D-WA) says he hopes to reach a bipartisan compromise on the bills in conference in the coming weeks.