



COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

FY 2026 Federal Budget Update

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The President, House, and Senate have released their education funding proposals for fiscal year (FY) 2026. While these proposals lay out different priorities, it is important to note that the House and Senate numbers remain committee-level actions only. They were advanced by the Appropriations Committees through the Labor, Health and Human Services, and Education bill, but have not been approved by the full chambers.

When it comes to overall U.S. Department of Education spending, the President (see the article "[Details of the FY 2026 Presidential Proposal](#)" in the June 2025 *Community College Update*) and House diverge sharply with the Senate. The FY 2025 enacted level was \$78.7 billion. For FY 2026, the President has proposed \$66.7 billion, a reduction of about 15% that aligns with the Administration's plan to significantly scale back the federal government's role in education. The House has also put forward a figure of \$66.7 billion, while the Senate has proposed \$79.1 billion—slightly above the FY 2025 enacted level.

Below we provide a comparison of the major higher education spending proposals for the three parties:

Program	FY 2025 Levels	Trump FY 2026 Proposal	House FY 2026 Proposal	Senate FY 2026 Proposal
Pell Grant (max award)	\$7,395	\$5,710	\$7,395	\$7,395
Federal Supplemental Educational Opportunity Grants	\$910 million	\$0	\$0	\$910 million
Federal Work-Study	\$1.23 billion	\$250 million	\$779 million	\$1.23 billion
Strengthening Institutions Program	\$112 million	\$0	\$107 million	\$107 million
Fund for Improvement of Postsecondary Education	\$171 million	\$0	\$475 million	\$146 million
Career and Technical Education (Perkins V) State Grants	\$1.44 billion	\$1.44 billion	\$1.46 billion	\$1.44 billion
Adult Education	\$729 million	\$0	\$0	\$729 million
Federal TRIO Programs	\$1.19 billion	\$0	\$1.19 billion	\$1.19 billion
Developing Hispanic-Serving Institutions	\$229 million	\$229 million	\$229 million	\$229 million

Government Shutdown Looming

The federal fiscal year begins on October 1, 2025, and Congress has not yet approved its 12 annual appropriations bills. Last week, the House narrowly passed a continuing resolution (H.R. 5371) to keep the government funded through November 21, 2025, while extending certain health programs and delaying cuts to Medicaid and hospital funding. However, the measure failed in the Senate by a 44–48 vote. Most Democrats opposed the bill due to concerns over health care provisions and program cuts, while a handful of Republicans also withheld support, leaving it short of the 60 votes needed to advance. Without a new agreement, a government shutdown could begin on October 1.

Historically, short-term shutdowns have not produced major, immediate fiscal hits for community college districts (CCDs) as community colleges are primarily funded from state and local dollars. Since the shutdown would occur mid-semester, as opposed to the start of the academic year, federal financial aid has already been disbursed to students and once that funding is allocated the federal government's role in higher education funding is mostly satisfied.

While CCD funding would face minimal impact in a shutdown, there are federal programs that students rely on that could have severe implications if the shutdown were to drag on. Students that rely on the Supplemental Nutrition Assistance Program for food and groceries could be significantly impacted if the shutdown extends beyond October. Also, the U.S. Department of Education would likely furlough 90% of its employees during a shutdown, which would pause all investigations in the

Office for Civil Rights and impact federal work-study programs, Federal Supplemental Educational Opportunity Grants, and administrative functions not related to financial aid.

We will be monitoring the negotiations and will provide updates in subsequent articles. Stay tuned.