

**Talk Story:
Federal Funding
with
Congressman
Ed Case**

**Member, U.S. House
Appropriations Committee
February 2026**

Agenda

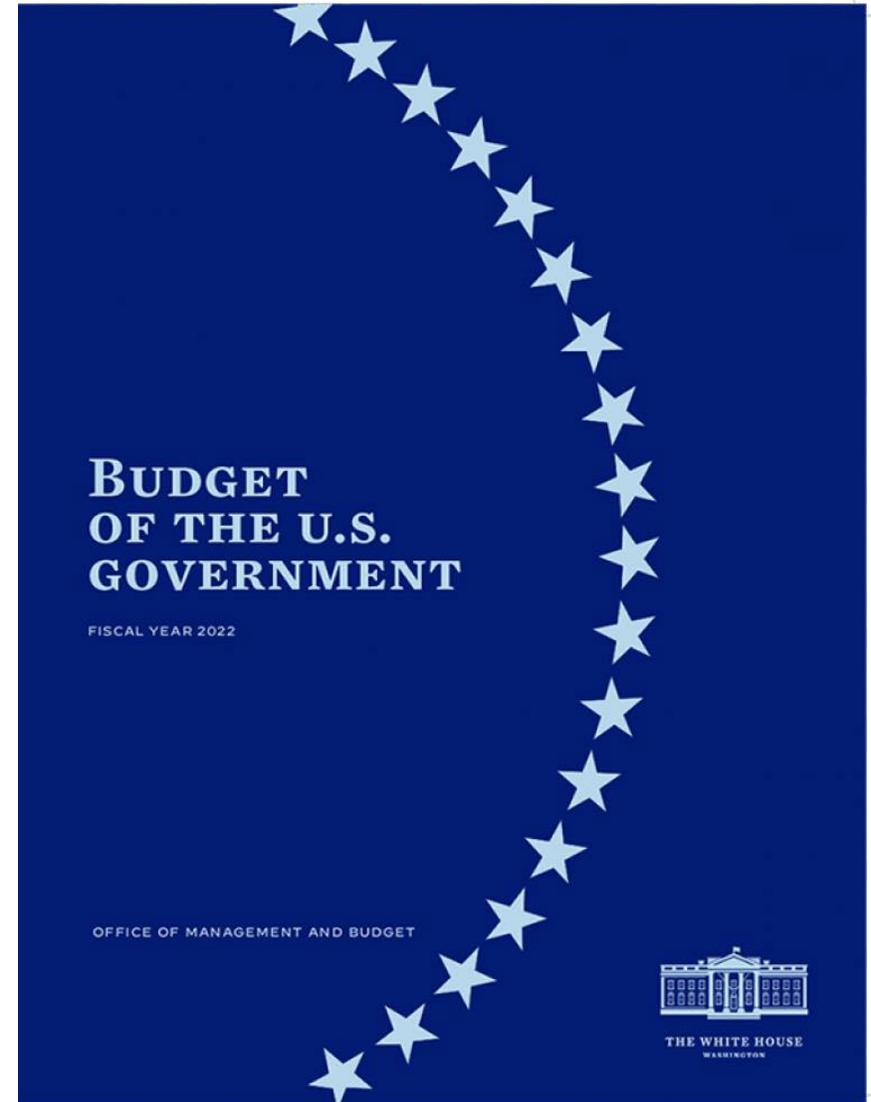
- Overview of Federal Finances
- Congressional Appropriations Process
- Fiscal Year 2026 & 2027 Appropriations Cycle
- What This Means for Hawai'i
- Appropriations Requests for Hawai'i
- How to Get Further Information



Federal Finances 101

The Federal Fiscal Year

- Begins on the 1st of October each year.
- We are well into Fiscal Year 2026, which began October 1, 2025.
- Congress has passed 11 out of the 12 Fiscal Year 2026 funding bills, with the exception of the Homeland Security funding bill due to disagreements on ICE reforms.
- Congress is already working on Fiscal Year 2027.
- Timeline set for two-stage process: (1) overall budget; and (2) specific appropriations (funding). But in recent years Congress has not passed a budget and has passed appropriations bills late, after the start of the next fiscal year.



The Federal Budget

- Our federal budget is no different in concept from a personal, business or state/county government budget.
- The budget consists of revenues (taxes), expenses and borrowings/debt.
- The biggest difference from Hawaii's state budget is the ability of the federal government to borrow to cover deficits between revenues and expenses by selling securities like bonds, bills and Treasury inflation-protected securities (Hawaii generally requires a balanced general budget.)

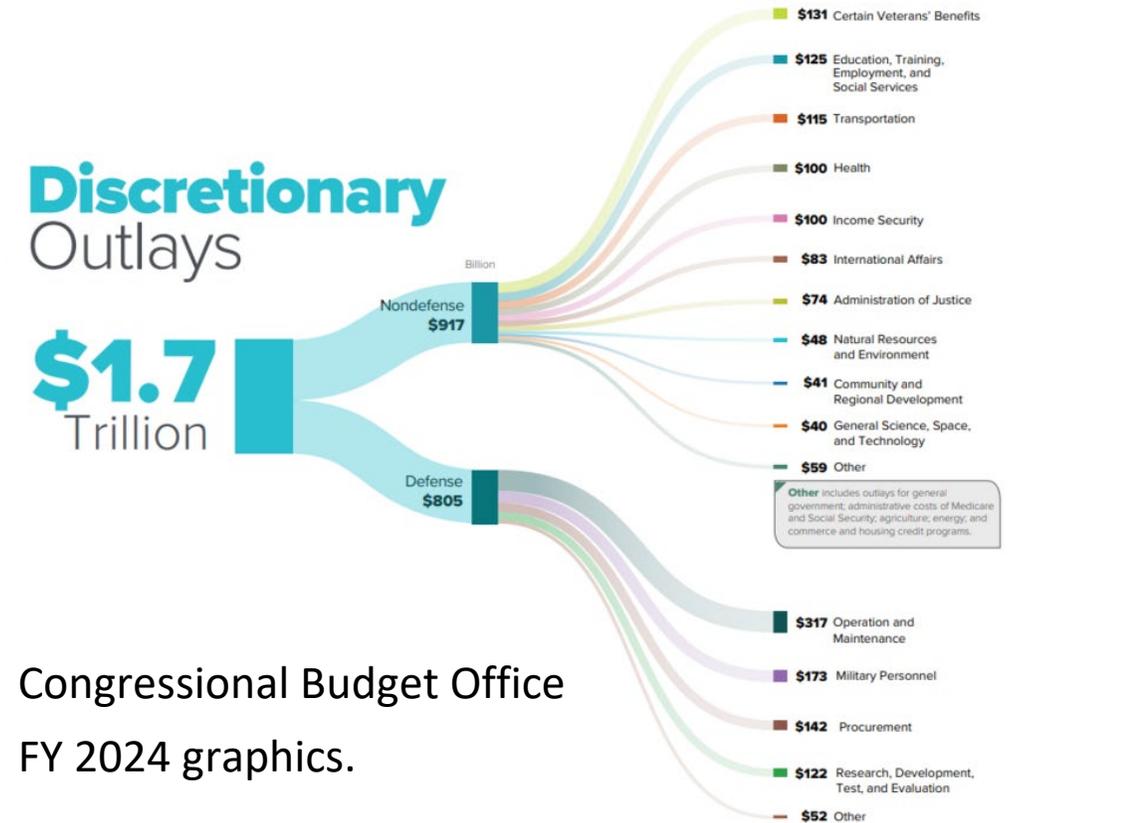
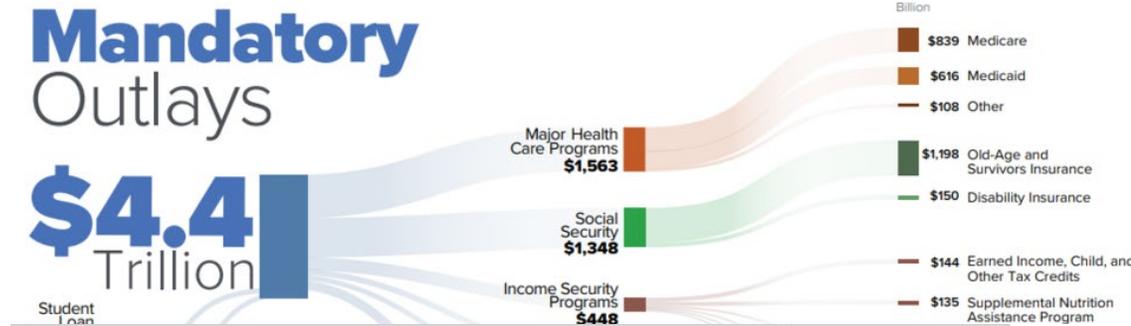
Mandatory vs Discretionary Spending

Mandatory Spending

- Primarily payments for ongoing benefit programs whose eligibility rules and benefits are set by law, like Medicare and Social Security

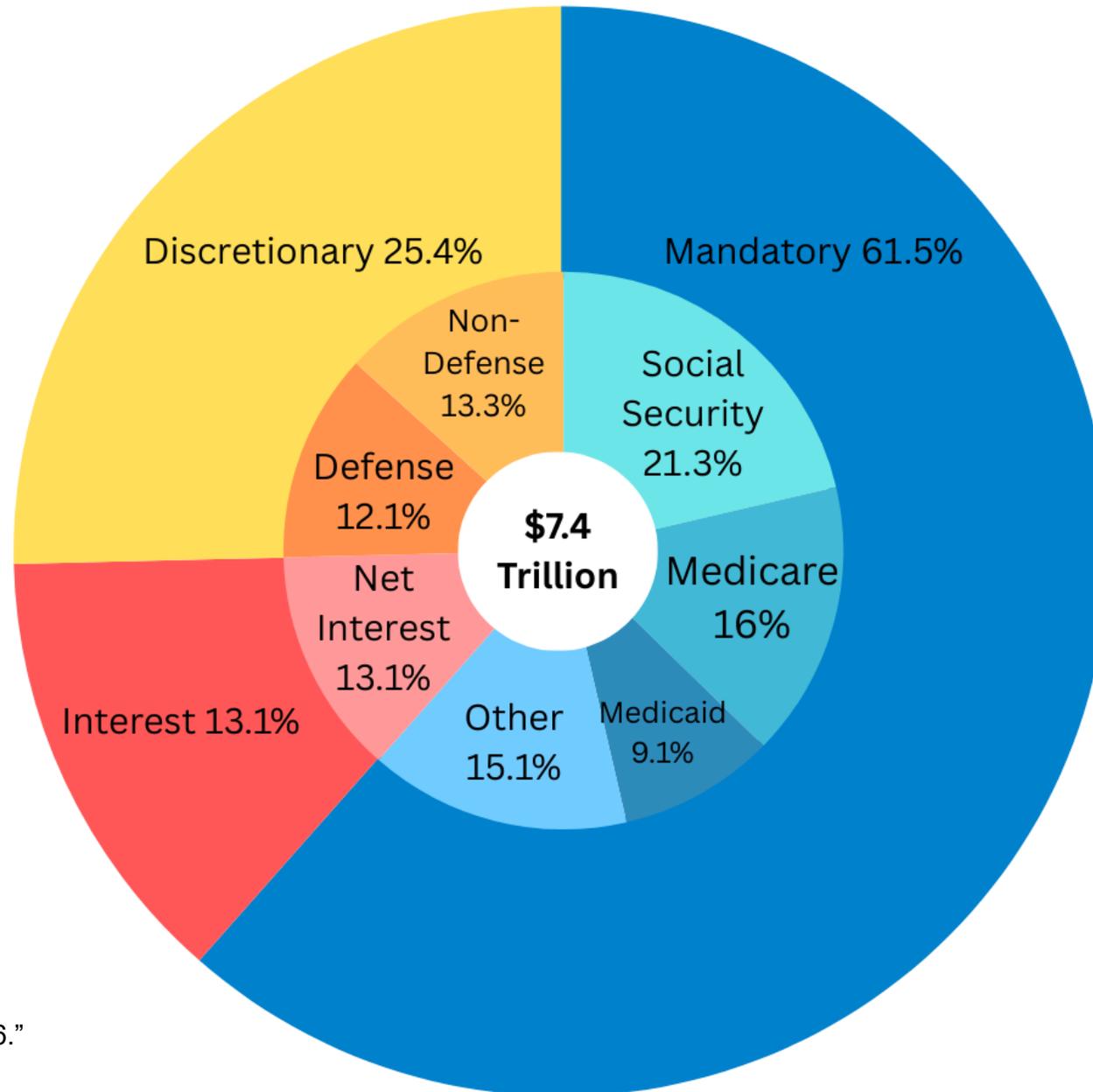
Discretionary Spending

- Most of the annual discussion on federal spending focuses on the non-mandatory (discretionary) budget
- Discretionary funding is approved by Congress each year
- Generally, Congress allocates almost half of the discretionary budget toward national defense and the rest to all other agencies and programs
- A large portion of federal spending to states and communities is directed through federal agencies



Congressional Budget Office
FY 2024 graphics.

Federal Spending FY 2025

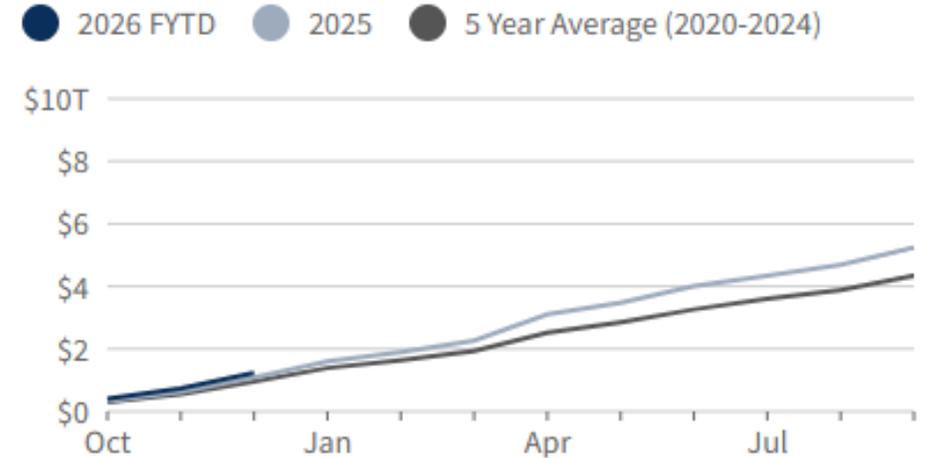


Source: Congressional Budget Office, "The Budget and Economic Outlook: 2026 to 2036." (excludes offsetting receipts)

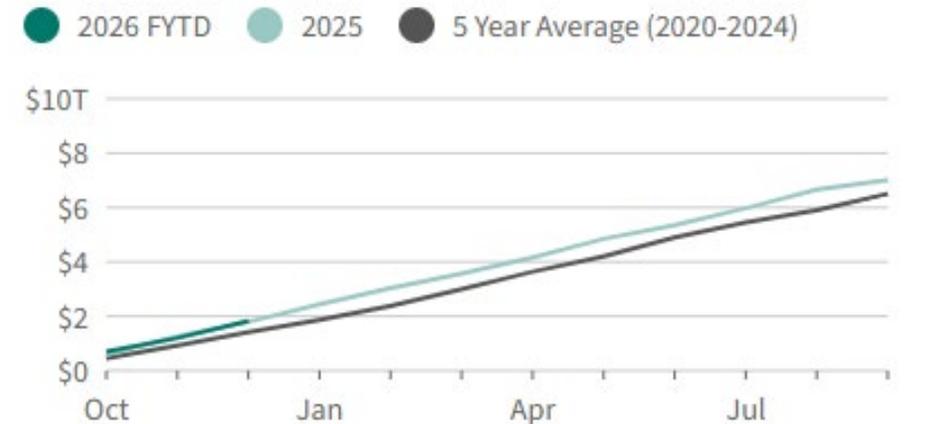
Federal Budget – FY 2026

- As of December 2025, the federal government had collected \$1.22 trillion in **revenue** for FY 2026.
 - The federal government collected revenue from a variety of sources, including individual income taxes, payroll taxes, corporate income taxes, and excise taxes. It also collects revenue from services like admission to national parks and custom duties.
 - In FY 2025, the federal government collected \$5.23 trillion. The primary source of revenue for the U.S. government in 2025 was Individual Income Taxes.
- As of December 2025, the federal government has **spent** \$1.83 trillion for FY 2026.
 - The federal government funds a variety of programs and services that support the American public. The government also spends money on interest it has incurred on outstanding federal debt including Treasury notes and bonds.
 - In FY 2025, the federal government spent \$7.01 trillion with the majority spent on Social Security.

Cumulative Revenue by Month in Trillions of USD



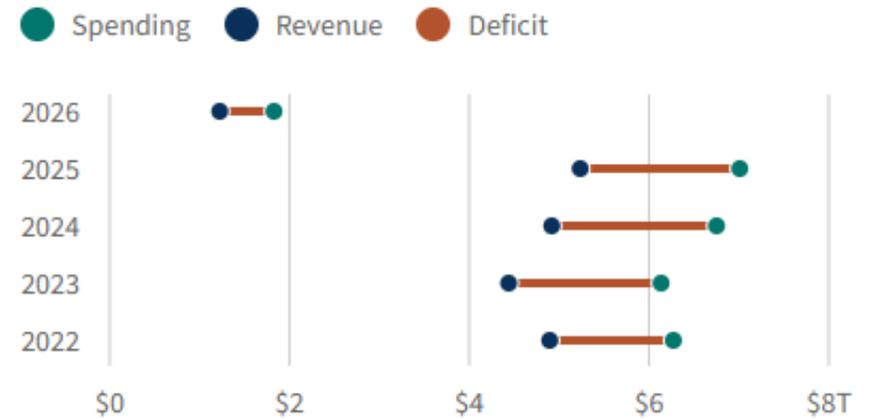
Cumulative Spending by Month in Trillions of USD



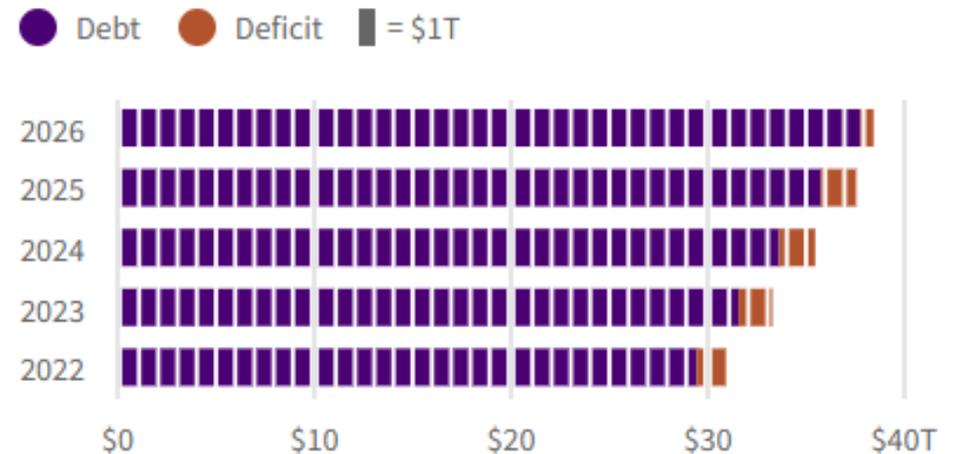
Federal Budget – FY 2026

- The amount by which spending exceeds revenue, \$602 billion in FY 2026 to date, is referred to as **deficit** spending.
 - A budget deficit occurs when the money spent exceeds the money collected for a given period.
 - In FY 2025, the federal government spent \$1.78 trillion more than it collected, resulting in a deficit. Compared to FY 2024, the national deficit increased by \$41 billion in FY 2025.
- The deficit this year has contributed to a national **debt** of \$38.51 trillion through December 2025.
 - The national debt is the money the federal government has borrowed to cover the outstanding balance of expenses incurred over time. To pay for a deficit, the federal government borrows additional funds, which increases the debt. Other activities contribute to the change in federal debt, such as changes in the Treasury's operating cash account and federal student loans.
 - At the end of FY 2025, the government had \$37.64 trillion in federal debt. In FY 2025, the national debt increased by \$2.17 trillion compared to FY 2024.

Deficit: FYTD 2026 and Last 4 Years in Trillions of USD



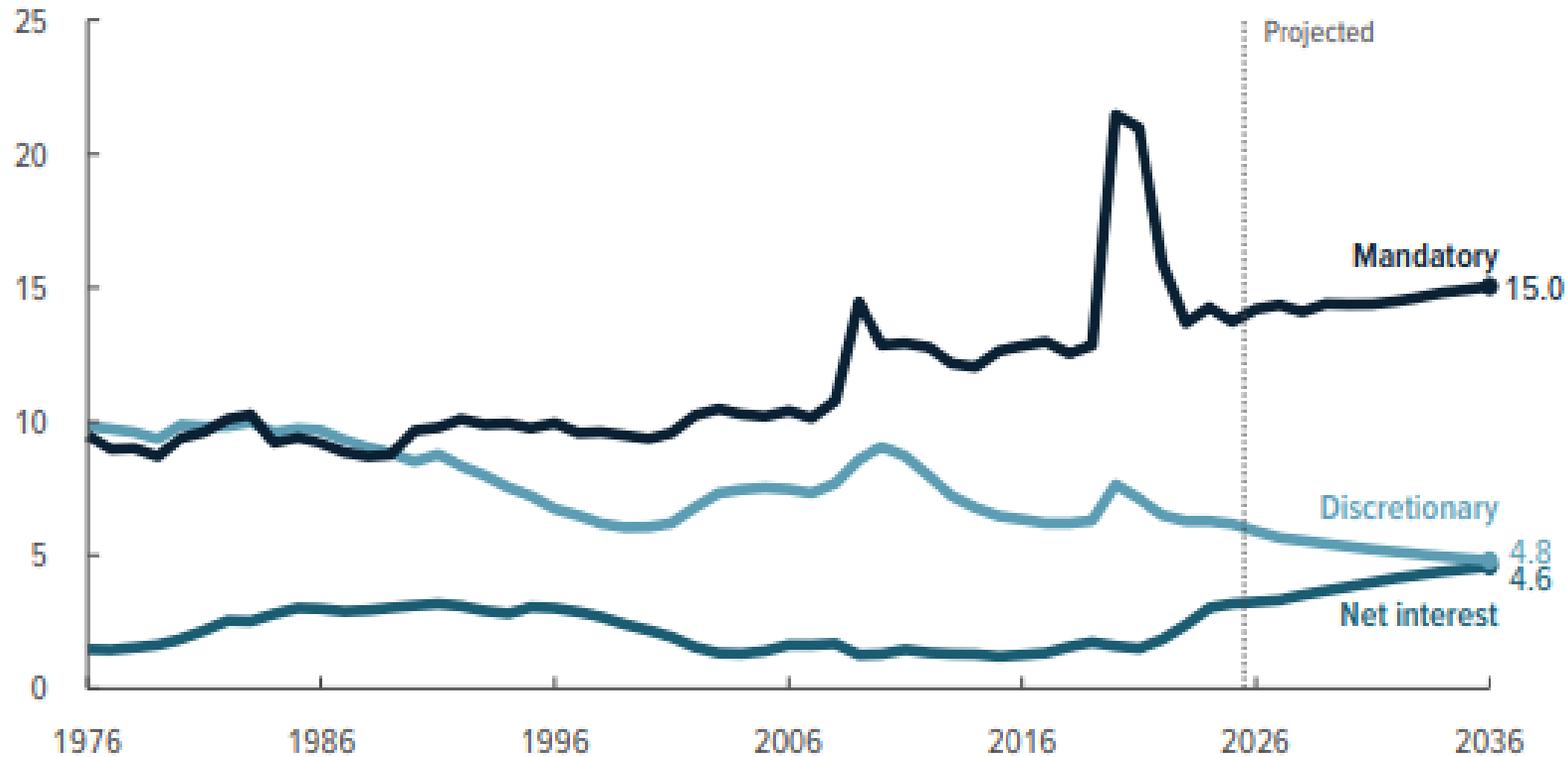
National Debt: Last 5 Years in Trillions of USD



Interest Matters

Outlays, by Category

Percentage of GDP

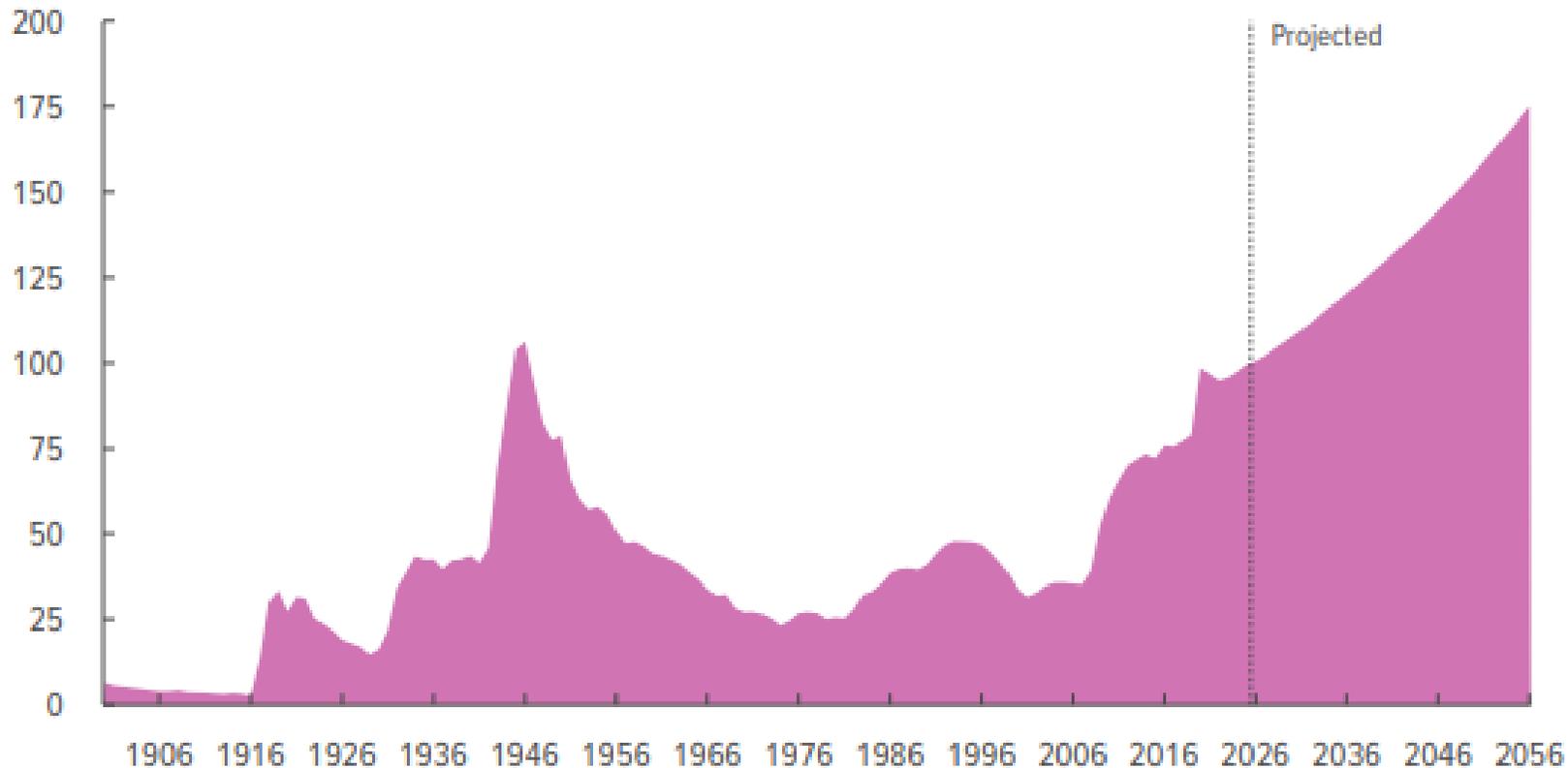


In CBO's projections, greater spending on Social Security and Medicare causes mandatory outlays to increase in relation to GDP. Discretionary outlays fall as funding grows more slowly than nominal GDP. Net outlays for interest increase substantially as longer-term interest rates rise and debt mounts.

Debt Rising: Percentage of GDP

Federal Debt Held by the Public, 1900 to 2056

Percentage of GDP



Debt held by the public rises in each year of CBO's projections, from 101 percent of GDP this year to 120 percent of GDP in 2036—higher than at any point in the nation's history. Over the next two decades, growing deficits push federal debt to 175 percent of GDP.



Congressional Appropriations

Congress Authorizes and Funds Federal Programs

Programs are funded through Appropriations Committees

- **Authorizing legislation is writing the law**
 - Authorizations are policy directives to the federal government. They establish programs and details like how they operate, where they are located, what restrictions, etc.
 - Authorizations requiring spending to implement only say the government CAN spend the money on this purpose, if separately appropriated
- **Appropriations legislation is cutting the check**
 - Any agency or program needs an appropriation to actually receive funding
 - Appropriations bills are key to effecting federal programs because most programs require money
 - Even though most policy direction is contained in authorization bills, policy can also be modified or directed through the appropriations process

The U.S. House Appropriations Committee

- Under the Constitution, all federal spending must originate in the U.S. House:
“No money shall be drawn from the Treasury but in Consequence of Appropriations made by Law”
- The House Committee on Appropriations is the oldest committee in Congress, dating back to 1789, and has one of the broadest jurisdictions of any committee.
- The Appropriations Committee has 12 subcommittees, each of which has funding and oversight jurisdiction over specific parts of the federal government.

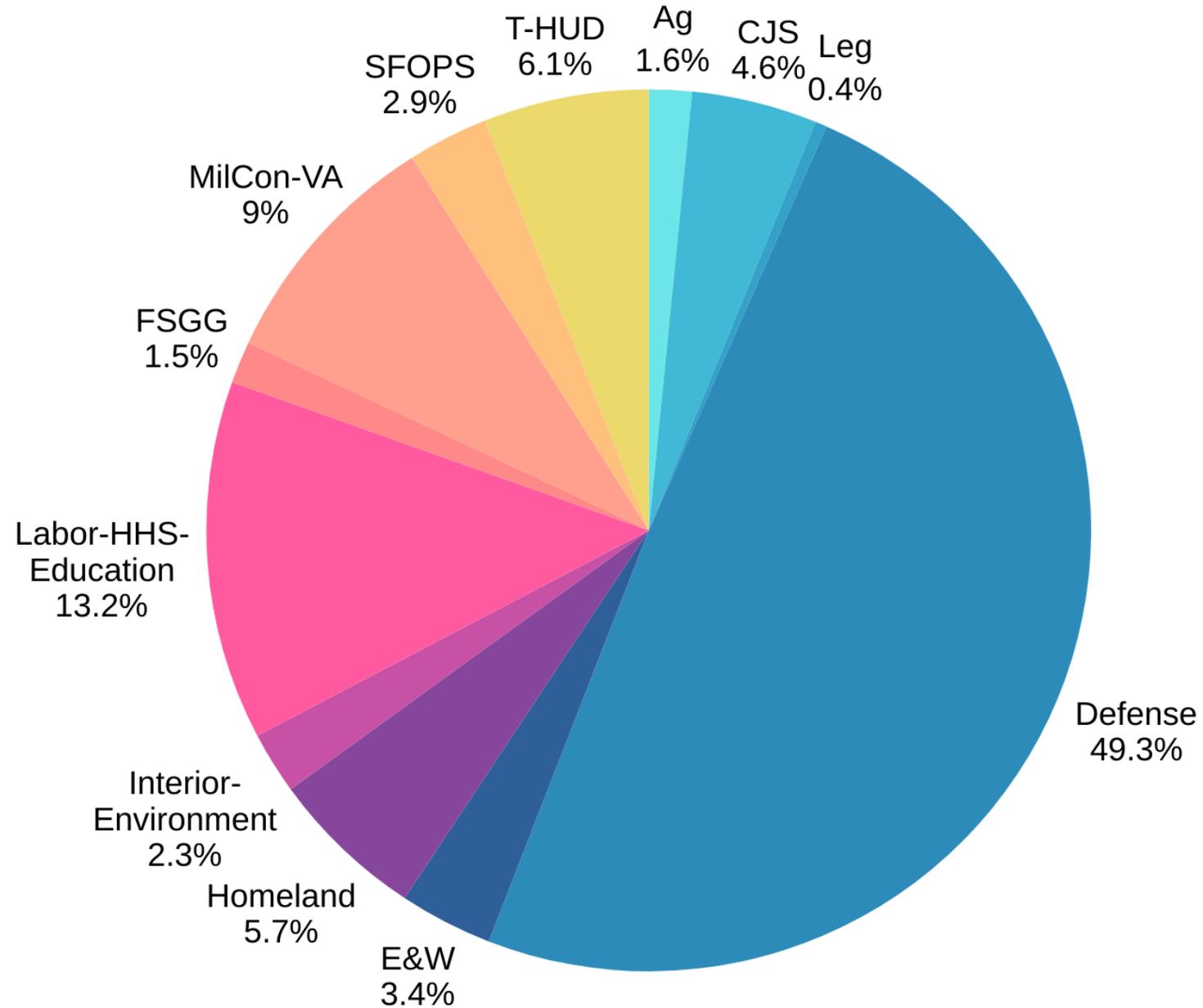


Appropriations Subcommittees

FY 2024 vs. FY 2026 Discretionary Funding Levels

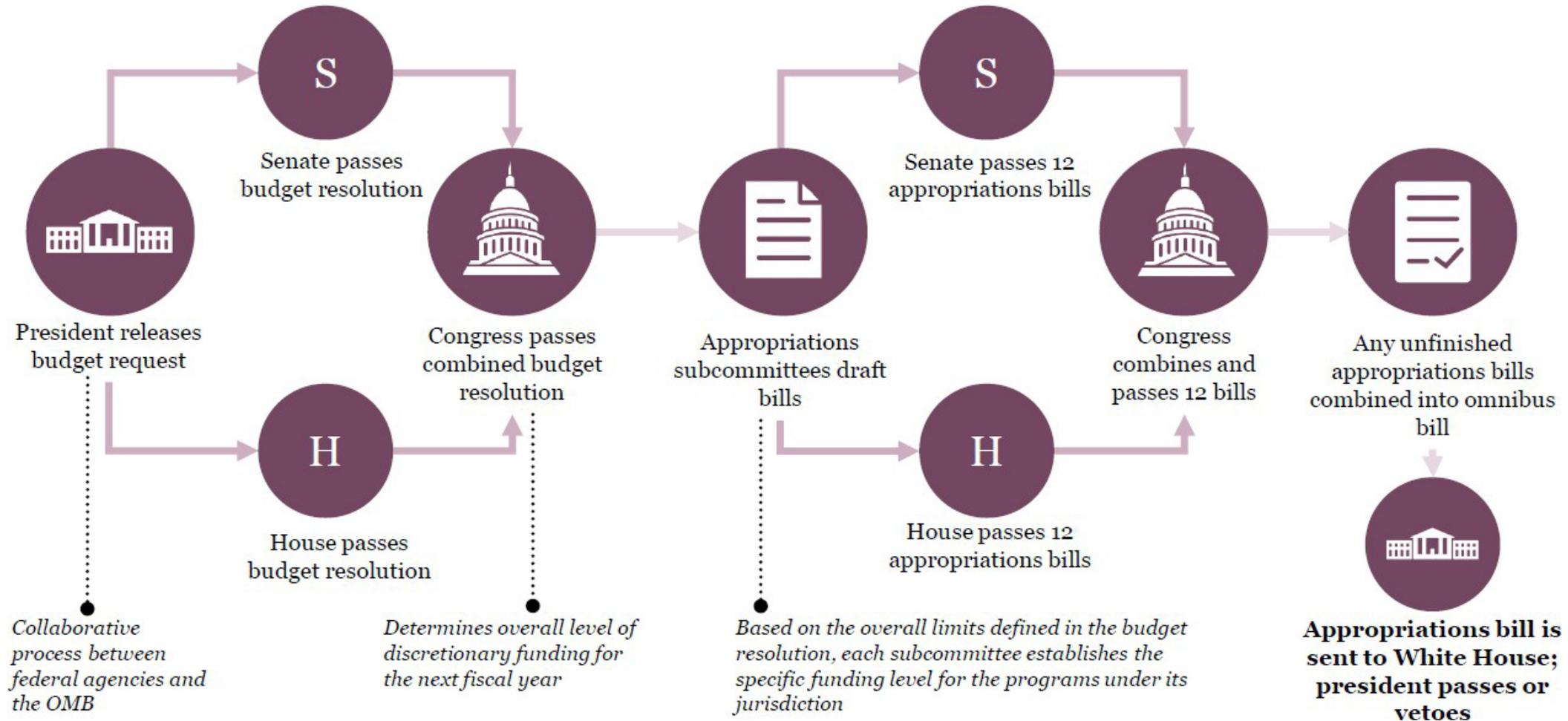
	FY 2024	FY 2026
Agriculture	\$26.2 billion	\$26.7 billion
Commerce-Justice-Science	\$66.5 billion	\$78 billion
<u>Defense</u>	\$824.5 billion	\$838.7 billion
Energy-Water	\$58.2 billion	\$58 billion
Financial Services	\$26.7 billion	\$26.3 billion
<u>Homeland Security</u>	\$89.8 billion	\$97.1 billion
Interior-Environment	\$38.6 billion	\$38.6 billion
Labor-HHS-Education	\$222.2 billion	\$224 billion
Legislative Branch	\$6.8 billion	\$7.2 billion
Military Construction-VA	\$153.9 billion	\$153.3 billion
State-Foreign Operations	\$58.3 billion	\$50 billion
Transportation-HUD	\$89.5 billion	\$102.9 billion

FY 2026 Federal Discretionary Spending

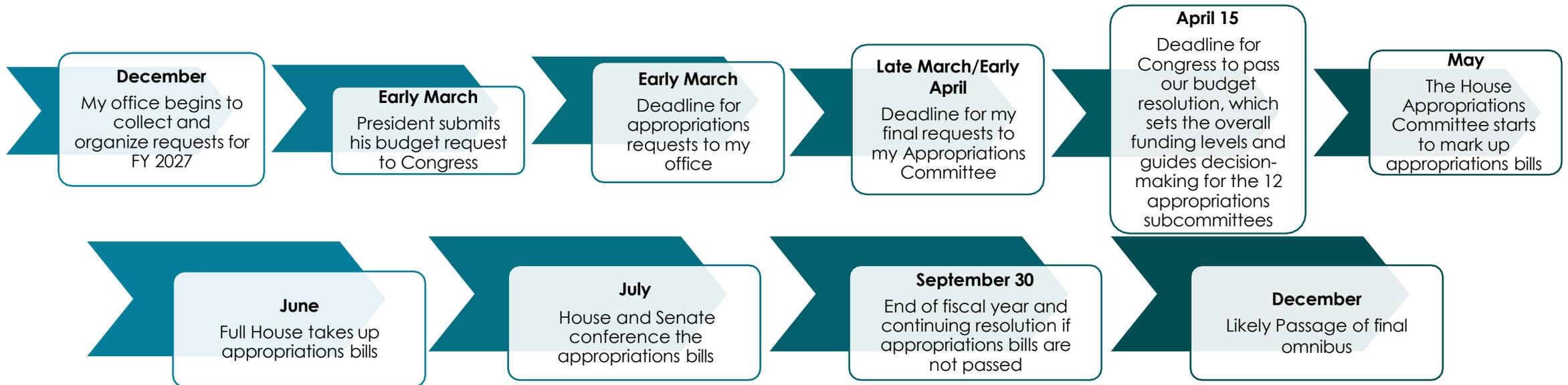


Appropriations Overview

February through September



Expected FY 2027 Timeline



What This Means for Hawai'i

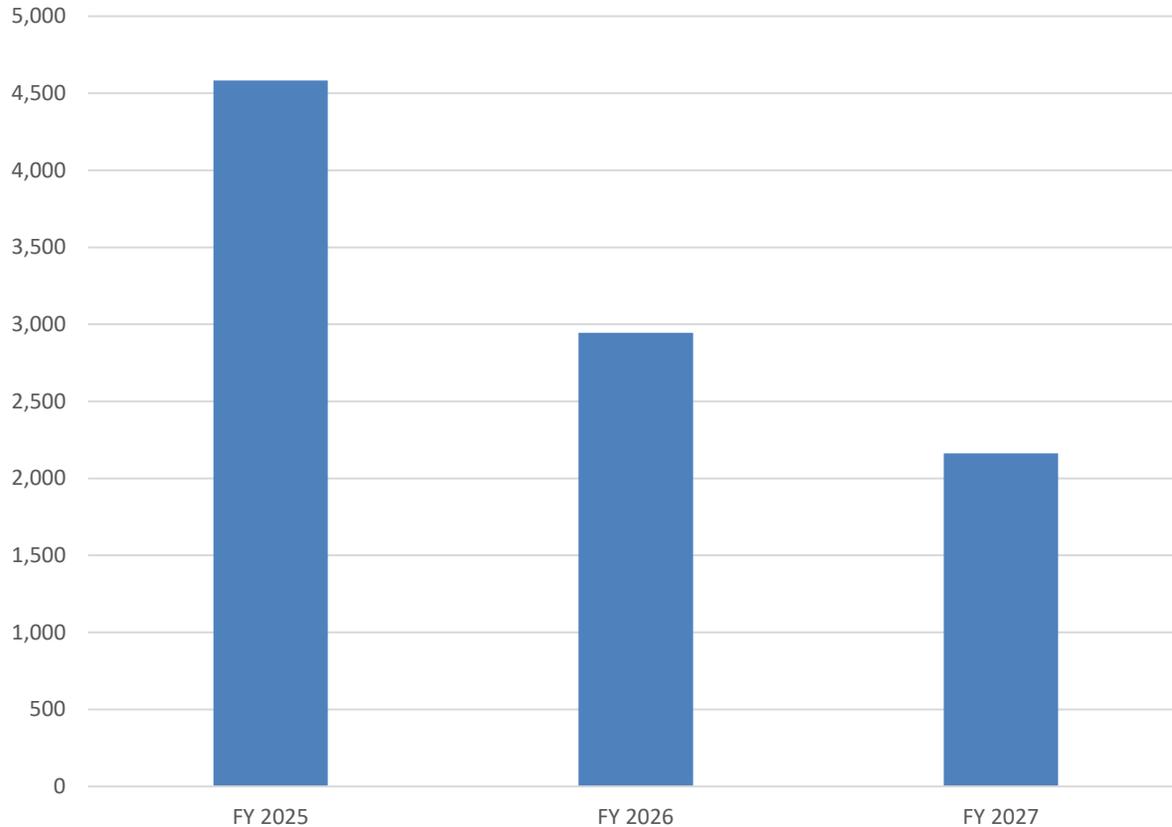
Total Federal Funding to Hawai'i (FY 2025): \$23.2 billion

- Defense Funding (DoD): \$4.89 billion (21.1% of total)
- Non-Defense Funding (SSA, HHS, VA, USDA, etc.): \$18.31 billion (78.9% of total), including:
 - Social Security: \$7.2 billion
 - Medicare/Medicaid: \$2.7 billion
 - Veterans: \$1.3 billion
 - SNAP: \$624 million

Source: usaspending.gov

What This Means for Hawai'i

Expected Decrease in Federal Funds
(in billions)



Total State Revenues

(in millions of dollars)

Revenue Category	Actual FY25		Estimated FY 26		Estimated FY 27	
Tax Revenues	11,018.60	43%	10,561.5	44%	10,759.9	45%
<u>Non Tax</u> Revenues	7,971.50	31%	7,869.1	32%	7,615.2	32%
Federal Revenue	4,582.40	18%	2,945.3	12%	2,162.4	9%
Judicial Branch Revenues	34.30	0%	35.9	0%	35.9	0%
OHA Revenues	98.80	0%	83.1	0%	84.0	0%
Other	0.00	0%	550.0	2%	-12.4	0%
Bond Receipts	1,654.40	7%	2,230.4	9%	3,480.4	14%
Total	25,360.00		24,275.3		24,125.4	

Source: State Receipt and Revenue Plans, [Hawai'i](#) Department of Budget and Finance

APPROPRIATIONS
REQUESTS
Constituent Services

Appropriations Requests

I have served since 2019 on the exclusive U.S. House Committee on Appropriations, which is responsible for allocating all federal discretionary spending (all spending other than for mainly federal benefits programs like Social Security and veterans). Under our Constitution, no such spending can occur unless first appropriated (authorized and allocated) by Congress. We make these appropriations annually for each fiscal year; in the current fiscal year our allocation totaled about \$1.7 trillion.

Submitting Appropriations Requests for Hawai'i
visit case.house.gov

Types of Requests

Generally, Congressional appropriations requests fall into three categories:
programmatic, language or Community Project Funding (earmarks)

Programmatic Requests

- Programmatic requests ask for funding for a specific federal program
- Can be used to “grow the pie” and increase Hawaii’s ability to win these awards and receive more than prior years
- Certain critical programs, like the Native Hawaiian Healthcare Program, are routinely protected by programmatic requests from the Hawai'i delegation

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(in thousands of dollars)

Program	Amount
Public Works.....	\$121,500
Partnership Planning.....	36,000
Technical Assistance.....	14,000
Research and Evaluation.....	2,000
Trade Adjustment Assistance.....	13,500
Economic Adjustment Assistance.....	39,500
Assistance to Energy Transition Communities.....	69,000
Regional Innovation Program Grants.....	50,000
Recompete Pilot Program.....	41,000
Regional Technology Innovation Hubs.....	41,000
STEM Apprenticeship Program.....	2,500
Total, Economic Development Assistance Programs.....	\$430,000

Native Hawaiian Health Care.—The agreement includes no less than \$27,000,000 for the Native Hawaiian Health Care Program, of which not less than \$10,000,000 shall be provided to Papa Ola Lokahi for administrative purposes

Language Requests

- Bill or report language provides Congressional direction for specific funding
- Can be used to put Hawai'i in a better position to compete for funding
- Report language can be a strong tool if we are creative and well coordinated

Recovery.—The agreement provides \$114,124,000 for activities in support of the recovery and delisting of threatened and endangered species which includes \$4,750,000 for the State of the Birds to respond to the urgent needs of critically endangered birds that, due to climate change, now face imminent extinction from non-native mosquitoes that carry avian malaria and other pathogens lethal to these birds;

Indigenous Communities Support.—The Committee further commends the NEH for its ongoing support to American Indian and Alaska Native communities in preserving their cultural and linguistic heritage through the Documenting Endangered Languages program and a variety of preservation and access grants that enable American Indian and Alaska Native communities to preserve cultural artifacts and make them broadly accessible. The Committee encourages the NEH to expand its support to Native Hawaiian communities to ensure access to and preservation of cultural artifacts and practices across more indigenous communities. The Committee further commends the NEH for its support for Tribal colleges and encourages NEH to strengthen these relationships. The Committee encourages NEH to increase its outreach and support for projects and programs, such as the Humanities Initiatives at Tribal Colleges and Universities grant, that focus on Native Americans, including American Indians, Alaska Natives, and Native Hawaiians.

Community Project Funding (CPFs)

- Allows Members of Congress to request direct federal funding for specific projects benefiting the communities they represent
- Finances a wide variety of public projects and activities, including the construction and renovation of facilities, the expansion of existing programs, and funds to support the planning and design of future initiatives
- Often require matching funds
- Strict limits on what programs are open
- Can only submit 15 total requests; no guarantees of approval (though my office has one of the highest rates of approval)



Submitting Appropriations Requests

Gather information

1. Identify federal department, agency and program
2. Review prior year appropriations and the current year budget proposal

Prepare your Request

3. Determine your request type
 - Programmatic
 - Bill/report language
 - Community Project Funding
4. Set a reasonable funding amount
5. Prepare a short summary
6. Draft bill or report language (if needed)

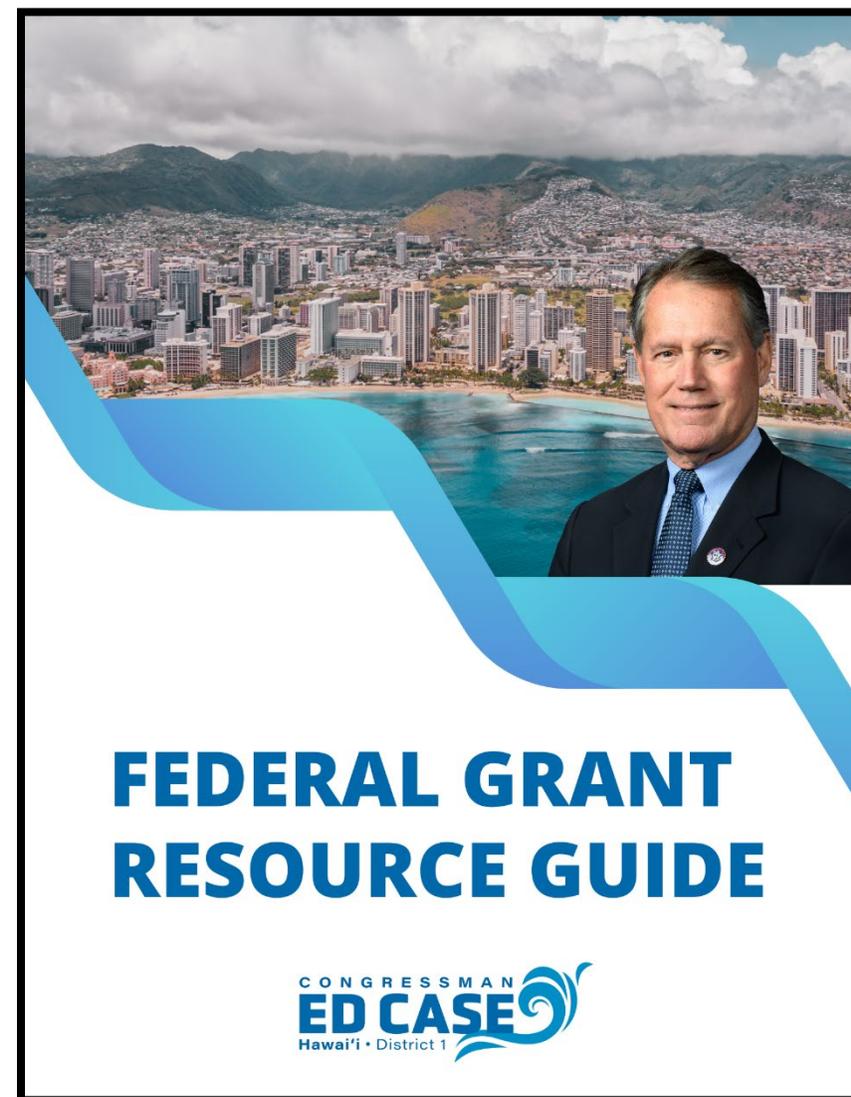
Submit

7. Use each Member's online forms, which will differ across the delegation and have different deadlines. You can reach mine at <https://case.house.gov/services/appropriations requests>.

How I can help

- Help you identify grant opportunities
- Co-host workshops with federal grant-making agencies
- Write letters of support

For further information on federal grants, see my resource guide at:
case.house.gov/services/grant-applicants



Recap

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- Appropriations Requests for Hawai'i
- How to Get Further Information

For Further Information

Visit my website (case.house.gov) to:

- Submit appropriations requests
- Sign up for the latest news from my office at case.house.gov
- Contact me for specific help
- Follow funding updates and guidance



Questions? Contact Me or My Staff

Washington D.C. Office:

2210 Rayburn HOB
Washington, DC 20515
(202) 225-2726

Honolulu Office:

1003 Bishop Street
Suite 1110
Honolulu, HI 96813
(808) 650-6688

Email: Ed.Case@mail.house.gov

Website: <https://case.house.gov/>



For Casework and Honolulu Questions:

Kekoa Kaluhiwa, Deputy Chief of Staff, Kekoa.Kaluhiwa@mail.house.gov

For Appropriations, D.C., and General Funding Questions:

Keely Thompson, Legislative Assistant, Keely.Thompson@mail.house.gov