

How Federal Appropriations Works and Why This Moment Matters

January 29, 2026 – Dorsey Law & Policy Notebook
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Washington has grown accustomed to governing by continuing resolution. This year looks different—until it doesn't. As Congress advances remaining appropriations bills in “minibus” packages, lawmakers are closer than they have been in years to completing the annual funding process through something resembling regular order, even as a dispute over the Department of Homeland Security bill has revived the risk of a partial government shutdown. That tension—real progress alongside real instability—makes this a useful moment to revisit how the appropriations process works and why engagement still matters.

Under federal law, Congress is expected to enact twelve annual appropriations bills before the fiscal year begins on October 1. The process starts with a budget request from the Administration and a topline budget set by Congress, followed by allocations to the House and Senate Appropriations Committees. Those allocations are subdivided among appropriations subcommittees, each of which drafts a bill and accompanying report language governing specific agencies and programs. While bill text establishes funding levels, report language often carries significant policy weight by directing agency priorities, implementation, and congressional intent.

When the House and Senate advance different versions of a bill, or bundle multiple bills into minibuses, those differences must be resolved before final passage. Historically, this occurred through formal conference committees, but in modern practice it more often happens through a structured exchange of amendments between the chambers. That process is constrained by rules, which limit what can be added or modified late in the process. As a result, many policy disputes are resolved indirectly through funding limitations or explanatory statement language rather than changes to statutory text.

In recent years, appropriations have not so much failed as quietly collapsed into a cycle of continuing resolutions. Missed deadlines have turned temporary funding into a governing strategy, freezing priorities in place and constraining agencies' ability to respond to new needs. In some years, Congress has effectively funded the government

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on autopilot. What makes this year notable is that lawmakers are attempting to break that pattern by negotiating remaining bills through minibuses. But the margin for error is razor thin: compressing the process at this stage means a single unresolved dispute can rapidly undo months of progress and disrupt funding for multiple agencies.

Those dynamics heighten the risks for stakeholders. In Utah, federal appropriations underpin defense installations, research universities, water and land management efforts, infrastructure projects, and technology development. When funding is unpredictable, awards are delayed, planning timelines compress, and coordination among federal, state, and local partners suffers.

Against that backdrop, several major funding areas now taking shape through ongoing House and Senate negotiations help illustrate what is at stake for Utah businesses and institutions:

- **Water & Infrastructure:** Energy and Water appropriations provide roughly \$10.4 billion for Army Corps of Engineers civil works, holding funding near prior year levels despite pressure for deeper cuts. Western water funding survived negotiations largely intact, reflecting bipartisan recognition that water reliability remains a growth constraint for states like Utah.
- **Energy & Critical Minerals:** Department of Energy funding of approximately \$49 billion preserves non-defense energy programs after proposals to scale them back. Final agreements favored grid modernization, nuclear programs, and critical minerals —areas where Utah has emerging economic and national security relevance.
- **Public Lands & Tourism:** Interior appropriations maintain funding for public lands management and provide about \$3.3 billion for the National Park Service, despite ongoing debates over federal land use and agency staffing. For Utah's outdoor recreation and tourism economy, flat funding avoids the operational disruptions seen under continuing resolutions.
- **Research & Innovation:** Commerce, Justice, Science funding rejects steep proposed reductions to agencies such as NSF, NASA, NOAA, and NIST, preserving the federal research base that supports Utah's universities, startups, and defense-adjacent technology firms. Oversight language reflects political concern about accountability rather than retrenchment.
- **Housing, Health & Workforce (House-passed):** Labor/HHS/Education and Transportation/HUD bills modestly increase or hold funding year over year while sidestepping major structural changes proposed earlier in the process. Final outcomes remain unresolved, but the House position signals an effort to restrain spending without triggering sharp disruptions in housing development, public health, or workforce pipelines.

As work continues on fiscal year 2026 bills, attention is already turning to fiscal year 2027 appropriations. Funding priorities and report language are developed well in advance of final votes, and Members of Congress rely heavily on stakeholder input during this phase to fine tune and tweak the appropriations bills. Our team helps clients navigate this process, including preparing funding priority requests and engaging with Utah's federal delegation. In a system that often appears broken, understanding how appropriations work, and when to engage, remains essential to making the most of the funding opportunities.

