



NADO FEDERAL LEGISLATIVE UPDATE

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Congress: Calendar & Midterms Outlook

Midterm Elections Snapshot (Nov. 3, 2026)

- All 435 House seats and 35 Senate seats are on the ballot; House currently 220R–213D (2 vacancies), Senate 53R–47D
- Democrats need a net gain of 3 House seats or 4 Senate seats to flip a chamber
- Forecasters currently lean Democratic for the House; the Senate is a toss-up to lean-Democrat
- Winners aren't seated until January 2027 — today's 119th Congress governs every vote through year-end, including the lame-duck session

Legislative Calendar: Now Through Year-End

- Both chambers in recess until the week of November 9 (post election)
 - 24 legislative days before end of calendar year
- Floor work resumes in November, driven by the Dec. 11 fiscal deadline
- December brings a three-week sprint to finish FY27 funding, the NDAA, and other unfinished business before year-end adjournment

Overall Outlook: five weeks break before end of year sprint to finish must pass bills; attendance could be an

Lame-Duck Calendar Outlook

Must-Pass & Expiring Items

- **FY27 appropriations:** the CR expires **Dec. 11**; Congress must pass bills or another CR
- **NDAA:** the annual defense policy bill
- **Surface transportation:** BUILD America 250 Act; current extension also ends Dec. 11
- **WRDA 2026:** House-passed; Senate floor action and conference still needed
- **Farm Bill:** Senate floor vote, then conference with the House
- **Export-Import Bank:** authority expires Dec. 31
- **Smaller expirations:** FISA Section 702, TSCA user fees (Dec. 11), and BLM oil and gas permit fees (lapsed Oct. 1)

Other Items

Stock Trading Ban

- House passed the **Stop Insider Trading Act 232-198**: bars new stock purchases, requires 7 days' notice before selling existing stock, and includes a voter ID provision
- Senate vote was scheduled for Sept. 30; Democrats call the voter ID language a nonstarter

Presidential Appointment Nominations

- Various political appointees and juridical nominees are currently awaiting confirmation votes

Geopolitical Tensions

- **Iran:** the Senate rejected its 14th war powers resolution on Sept. 24, and the war has cost \$43.5B so far. Gas prices are driving midterm politics
- **Ukraine/Russia:** Congress sent a sweeping Russia and Iran sanctions bill to the President in mid-September
- **China:** its role as top buyer of Iranian and Russian oil is on the agenda for this week's Trump-Xi meeting

Fiscal Year 2027 Appropriations

House Status

- Advanced **12/12 bills** out of committee, but only **three passed the floor**: National Security-State, Military Construction-VA, and Agriculture-FDA
- Proposals include major reductions to community & economic development programs, though the House THUD bill keeps CDBG at \$3.3B
- July 21: passed H.R. 9770, a clean CR through Dec. 4 (220-205), later superseded by H.R. 6500

Senate Status & the CR

- Senate appropriators have marked up **zero bills**. Root cause: no topline agreement between Chair Collins (R-ME) and Vice Chair Murray (D-WA)
- **H.R. 6500** funds the government at FY26 levels through **Dec. 11**: Senate 90-6 (Aug. 8), House 370-48 (Sept. 1), signed Sept. 2 (P.L. 119-103)
- It also blocks the OMB grants rule and extends surface transportation and agriculture authorities

President's FY27 Budget Request (Apr. 3) vs. Congress

Program	President's FY27 Request	Congress So Far
EDA	Cut by \$449M; functionally eliminated	FY26 \$466M; House draft \$322M; no Senate bill
CDBG / HOME	Both eliminated (CDBG is \$3.3B)	House THUD bill holds CDBG at \$3.3B (FY26 level)
Workforce (WIOA)	Consolidated into "Make America Skilled Again"	House Labor-HHS cuts DOL 27%, reduces WIOA
Regional commissions	All but ARC eliminated; ARC cut 40% to \$120M	Unresolved; Senate has marked up no bills
Water SRFs	Clean and Drinking Water SRFs cut by \$2.5B	WRDA reauthorizes SRFs; funding not yet set

Economic Development Administration Appropriations

Economic Development Administration	FY 2022 Final	FY 2023 Final	FY24 Final	FY25 Final	FY26 House	FY26 Senate	FY26 Final	FY27 House (draft)
EDA Total Appropriation	\$373.5 million	\$498 million	\$468 million	\$468 million	\$324.5 million (\$143.5 below FY25)	\$426 million (\$42 m below FY25)	\$466 million	\$322 Million (\$143.5 below FY26)
Total – Economic Development Assistance Program	\$330 million	\$430 million	\$400 million	\$400 million		\$360 million	\$400 million	
EDA Partnership Planning Grants	\$34.5 million	\$36 million	\$34.5 million	\$34.5 million		\$35.5 million	\$34.5 million	

Ratepayer Protection Act (H.R. 9340)

What It Does

- Amends PURPA so state regulators must **consider “large-load” standards** for data centers and other very large customers
- If implemented by states, large customers would pay the **full, incremental cost** of the generation, transmission, and distribution upgrades needed to serve them, backed by financial assurances
- States keep flexibility to set stricter guardrails
- Builds on the March 2026 Ratepayer Protection Pledge signed by major tech companies

Where It Stands

- **House:** Energy & Commerce advanced it 52-0 (July 21); full House passed it **417-3 on Sept. 16**
- **Senate:** Sen. Husted (R-OH) sought fast-track passage; Sen. Heinrich (D-NM) objected, saying it doesn't go far enough
- Analysts doubt Senate passage before the midterms; Sen. Capito says much of the bill is already in the permitting package
- **RDO relevance:** industrial and data center recruitment, and utility costs for households and employers

Permitting Reform

House

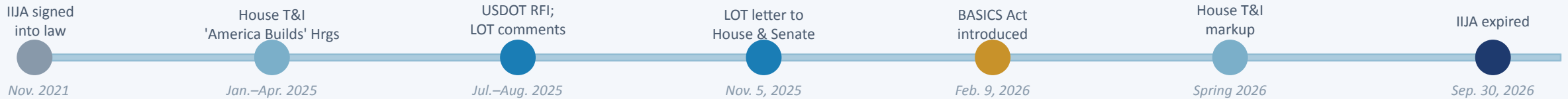
- House passed the SPEED Act **221-196 in Dec. 2025.**
- SPEED Act **limits the scope and scale of NEPA reviews** and codifies the Seven County Supreme Court decision
- Recognizes **counties as cooperating agencies** in federal environmental reviews
- We expect the House to consider the Senate's permitting package following Senate action in November.

RDO relevance: timelines for shovel-ready infrastructure, broadband, housing, and site development

Senate

- **Oct 1:** Senate releases the text of the Bipartisan American Affordability and Jobs Act
- Senate Democrats are still waiting for key assurances that the Trump administration will end its blockade against permits for wind farms and some other forms of clean energy.
- Similar to House bill, limits NEPA's reach, however, also provides comprehensive reform spanning the Clean Water Act, Endangered Species Act, and National Historic Preservation Act.
- Requires public utilities to charge large-load data centers (20 MW or larger) the full cost of energy transmission and infrastructure upgrades.
- We expect the Senate to take a vote to advance this bill on November 9, 2026.

Surface Transportation Reauthorization



BUILD AMERICA 250

- On May 22nd, the U.S. House Committee on Transportation & Infrastructure passed a Surface Transportation Reauthorization bill (BUILD America 250) Act with bipartisan support.
- This bill includes many provisions reflecting top priorities of the Local Officials in Transportation (LOT) Coalition, which NADO is a part of:
 - Grows the Surface Transportation Block Grant program, a flexible formula funding program
 - Stands up the Surface Transportation Accelerator Grant (STAG) program with a 25% rural set-aside.
 - Preserves the Safe Streets for All (SS4A) program

CONTINUED ADVOCACY & OUTLOOK

- NADO continues to advocate for including dedicated funding for Regional Transportation Planning Organizations (RTPOs) in the bill.
- House Ways and Means and Senate Committees (EPW, Commerce, and Banking) have not yet released their versions.
- Congress extended current programs through Dec. 11 in the CR (P.L. 119-103); another extension is

Five-Year Funding Overview — \$580,972,000,000

\$293.9B

Federal-Aid Highway Program

Core formula programs

\$56.0B

Bridge Program (Formula + Competition)

New bridge investment

\$35.0B

Discretionary Grant Programs (Highway)

INFRA, SS4A, PROTECT, etc.

\$9.3B

Federal Lands & Tribal Programs

NPS, FLTP, Tribal, etc.

Farm Bill

Summary

- Five-year reauthorization of USDA farm, nutrition, conservation, and rural programs (through FY2031)
- **House:** passed the Farm, Food, and National Security Act (H.R. 7567) **224-200** on April 30
- **Senate:** Ag Committee advanced the Agricultural Act of 2026 **12-11 on Sept. 16**, along party lines, after a failed 10-11 vote on Aug. 6
- Unresolved SNAP cost-share standoff with Democrats is threatening the process

Relevance for RDOs

- Title VI covers 40+ USDA Rural Development programs: rural utilities, business development, and community facilities
- Both bills would extend **Rural Economic Area Partnership (REAP) Zone** authority through Sept. 30, 2031 (current law ends Sept. 30, 2026)
- Senate bill would let Farm Credit institutions partner with community lenders on rural facility financing, including child care, health care, and public safety

Outlook

- Needs a Senate floor vote, then a House-Senate conference. The CR extended expiring

Housing: ROAD to Housing Act

Summary

- **Now law.** H.R. 6644 became law on **July 11, 2026** without the President's signature (10-day rule)
- Senate passed (June 22); House gave final approval 358-32 (June 23)
- Largest federal housing package in decades: 11 titles and 50+ provisions

What's In It

- 45+ provisions to reduce regulatory barriers to new home construction and modernize HUD programs
- Limits on large institutional investors buying single-family homes
- Nine House community banking bills to expand local lending for housing construction and mortgages; language to expand modular and factory-built housing

Relevance for RDOs

- Housing is increasingly tied to economic development: workforce housing, land use, and site readiness
- The story now shifts from passage to **HUD implementation**. Watch for guidance, rulemaking, and local zoning incentives

Older Americans Act (OAA)

Summary

- The OAA Reauthorization Act **passed the Senate by unanimous consent on July 14**
- The bill includes a **4.62% increase** in authorization levels
- Negotiations with the House are expected

Relevance for RDOs

- Many regional development organizations and councils of governments serve as Area Agencies on Aging, so authorization levels and program rules affect them directly

Outlook

- House action is still needed; the lame-duck session is the next realistic window

Water Resources Development Act (WRDA)

Summary

- WRDA is the biennial bill authorizing U.S. Army Corps of Engineers flood risk management, navigation, and ecosystem restoration projects, and reauthorizing EPA drinking water and wastewater State Revolving Funds
- **Moving with rare bipartisan speed.** Both committees approved their versions unanimously, and the **House has now passed WRDA 2026**

Relevance for RDOs

- Sets the Corps' project pipeline for regions with ports, inland waterways, levees, and coastal resilience needs
- House bill (H.R. 9497): 131 new feasibility studies, 10 new construction projects. Senate bill (S. 4949): 61 studies, 15 new projects
- Senate bill authorizes \$26M annually for technical assistance to small public water systems as well as reauthorization for EPA's drinking water and wastewater infrastructure revolving fund programs.

Timeline of Events

- **July 14, 2026** - House T&I Committee unanimously approved H.R. 9497
- **July 15, 2026** - Senate EPW Committee unanimously approved its bill (S. 4949)
- **September 2026** - House passed WRDA 2026. Senate floor action is pending, and differences must be reconciled in conference. Congress has passed WRDA every two years since 2014

OMB Proposed Rule

Summary

- OMB published a proposed rule on **May 29** rewriting federal grants regulations (2 CFR Part 200), the largest revision since 2013 and affecting awards across nearly every grantmaking agency
- **Key changes:** renames Part 200 the “Uniform Grants Regulation” and makes it binding; senior political appointees review awards and peer review is advisory only; broader termination authority; indirect cost rates become a competitive factor
- NADO submitted a comprehensive comment letter on RDO impacts and suggested edits to the final rule

Timeline of Events

- **May 29, 2026** – Proposed rule published and comment period opened
- **July 13, 2026** – Comment period closed. Over 300,000 comments submitted
- **Sept. 2, 2026** – CR (P.L. 119-103, Sec. 157) bars OMB from issuing or finalizing the rule, or a substantially similar rule, **through Dec. 11**. The existing Part 200 stays in force

Caution

- The delay is temporary: the CR does not withdraw the rule, and the block applies only to OMB. Expect the fight to return after Dec. 11

Pocket Rescissions & Political Review

Pocket Rescissions

- On **Sept. 25** the White House sent Congress an **\$810M rescission request** covering 11 accounts across Commerce, Education, HHS, DHS, HUD, and Justice, timed so the funds expire Sept. 30 before Congress can act
- GAO says the maneuver is an illegal impoundment, and Sen. Collins (R-ME) called it unlawful. OMB Director Vought says the law allows it. The Supreme Court let a similar FY25 action proceed while litigation continues

Political Review of Grant Decisions

- **EO 14332** (Aug. 2025) requires each agency to have a senior appointee review funding announcements and discretionary awards. The OMB rule would codify this
- **NIH:** the White House dropped a planned executive order giving OMB more control over NIH grantmaking after pushback from Senate appropriators (Sept. 23)
- **NSF:** published its own draft grants guidance in June, and the CR's block on the OMB rule does not stop agencies from moving ahead

Why It Matters for RDOs

- Watch for spillover into EDA and other competitive programs, including late-year funding pullbacks and added review layers

Census Proposed Rule (NPRM)

Summary

- Census Bureau proposed rule on 2030 census **residence criteria and demographic questions**, published **Sept. 10** (91 FR 57524)
- **Comments due Oct. 13**, only a 30-day window (Docket USBC-2026-0628). Tribal comment period runs through Nov. 2

Key Proposals

- **Usual residence:** where a person lawfully spends the most days from **Jan. 3 to April 1**, supported by tax records
- **Apportionment base:** counts citizens and lawful permanent residents; excludes people here illegally and those with less durable legal status
- **Questions:** bars race, ethnicity, and sexual orientation on the short form; makes most other demographic responses voluntary; invites comment on a legal-status question; limits disclosure avoidance where it adds uncertainty to national and state counts

Relevance for RDOs

- Census counts drive formula funding and program eligibility, and the data behind CEDS and needs assessments. Rural and seasonal populations are at risk of undercounts
- NADO is developing a comment letter. Share regional examples of how census data supports your work

What RDOs Can Do Now

Before the Election (Now to Nov. 3)

- **Submit Census comments by Oct. 13** and share regional examples with NADO
- Meet your delegation during the recess on important issues you're tracking (appropriations, surface transportation, OAA, Farm Bill, etc)

Lame Duck (Nov. 9 to End of Year)

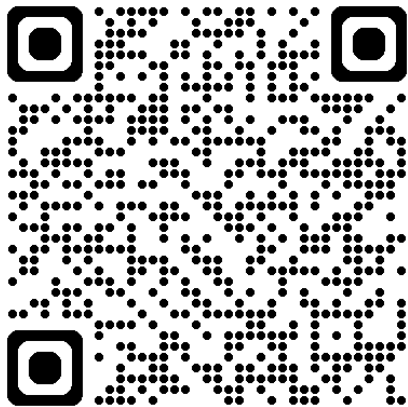
- Press EDA and RTPO priorities as appropriations, surface transportation, the Farm Bill, WRDA, and permitting compete for floor time
- Expect the OMB grants rule to return after Dec. 11 and document how termination authority, indirect cost changes, and subaward oversight would affect your operations

Ongoing

- Report changes in grant processes at EDA and other agencies, including added review layers, delays, and cancelled funding
- Track housing implementation at HUD and the WRDA, Farm Bill, and surface transportation conference outcomes

NADO Advocacy Blog

Blog provides updates on policy developments, funding opportunities, and advocacy efforts related to economic and community development at the federal level



Federal Government Shutdown and Resources

As of October 1, the federal government has officially entered a shutdown following Congress's failure to enact annual appropriations legislation before the end of the fiscal year on September 30, 2025....

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EDA Releases Fiscal Year 2025 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity

On September 16, the U.S. Economic Development Administration (EDA) released their Fiscal Year (FY) 2025 Public Works and Economic Adjustment Assistance (PWEAA) Notice of Funding Opportunity (NOFO). This update, the first since October 1, 2024, was to "specify EDA's updated investment priorities and to make other technical changes." ...

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NADO Past President Testifies at House Agriculture Committee Hearing on Strengthening Rural America

On Thursday, September 18, Lynne Keller Forbes, President/CEO of the South Eastern Council of Governments (SECOG) and Past President of NADO, participated in a congressional hearing convened by the House Agriculture Committee's Subcommittee on Commodity Markets, Digital Assets, and Rural Development. ...

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UPCOMING NADO EVENTS

2027 Washington Policy Conference

- March 7-10, 2027
- Arlington, Virginia

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