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June 18, 2025

The Honorable Tom Cole
Chairman
U.S. House Committee on Appropriations
Washington, D.C. 20515

The Honorable Rosa DeLauro
Ranking Member
U.S. House Committee on Appropriations
Washington, D.C. 20515

The Honorable Susan Collins
Chair
U.S. Senate Committee on Appropriations
Washington, D.C. 20510

The Honorable Patty Murray
Vice-Chair
U.S. Senate Committee on Appropriations
Washington, D.C. 20510

Dear Chairman Cole, Chair Collins, Ranking Member DeLauro, and Vice Chair Murray:

As the oldest and largest organization representing America's 19,000 cities, towns and villages, the National League of Cities (NLC) is grateful for your leadership in working to advance the Fiscal Year 2026 appropriations process to ensure taxpayer dollars are spent responsibly in support of the American people and the communities they call home. As your committees consider FY2026 appropriations legislation, we urge you to avoid disruptive provisions to local governments that would claw back or repurpose congressionally approved federal funding from prior years that are available for use in cities, towns and villages, including programs authorized under the bipartisan Infrastructure Investment and Jobs Act, the CHIPS and Science Act and the Inflation Reduction Act, and to reject any policy riders that intrude on long-established municipal authorities or block otherwise qualified local governments from eligibility for federal grants or other federal aid.

We understand the challenge before the Committee to balance reasonable efforts to address budget deficits and the federal debt while maintaining sensible federal investment in intergovernmental programs at effective and impactful levels. Both objectives are important to local governments. Cities, towns, and villages thrive when the federal budget addresses immediate national objectives that local governments have a role in carrying out, as well as long-term fiscal stability in the form of reasonable measures for federal debt reduction.

Given the patchwork of revenue and expenditure limitations already imposed on local governments, substantial unanticipated reductions of federal aid for localities generally cannot be supplanted by locally-derived revenue. This is also the case when awarded federal funds are unexpectedly frozen or subject to sudden recoupment for reasons other than misspending funds. When substantial reductions in federal-local aid are enacted after municipal budgets are finalized, it necessitates difficult spending reductions locally that hamper capacities, disrupt operations, and limit services available to households and small businesses within communities in every state.

As the subcommittees assemble the FY 2026 spending bills, we urge Members of Congress to support the following programs of highest importance to municipal governments and the residents they serve:

- **Prioritize HUD grant programs that support housing supply and development at the local level.** Specifically, NLC urges the Committee to maintain level funding or greater for the **Community Development Block Grant** program and the **HOME Investment Partnership Program**. CDBG provides flexible funding to urban, suburban, and rural communities to address housing and community development needs with the flexibility necessary to respond to the unique conditions within each. Every city and town benefits from the CDBG program, with over 1,200 state and local governments receiving annual CDBG allocations directly, and thousands more smaller and rural communities eligible for CDBG funds allocated through the states. Since FY05, CDBG funding has supported the development of safe and affordable housing to over 2.1 million households, public infrastructure serving nearly 59 million people nationwide, and 581,495 jobs through economic development activities. Similarly, the HOME program is also one of the most effective and flexible tools available to states and localities to address housing supply shortages and improve housing affordability. Through HOME, local governments are building, buying, and rehabilitating housing for rent and homeownership, as well as funding direct rental assistance to low-income individuals. Since 1992, HOME has built and preserved more than 1.39 million affordable homes and provided rental assistance to over 404,000 families.

- **Maintain water infrastructure financing programs** that offer critical funding for local drinking water, wastewater and stormwater infrastructure, such as the **Clean Water and Drinking Water State Revolving Funds the Water Infrastructure Finance and Innovation Act (WIFIA) and Rural Development programs,** as well as **water infrastructure grant programs** that support small and disadvantaged communities, help reduce lead in drinking water and the removal of other emerging contaminants, promote resilience and sustainability within the water sector, and advance technology innovation within water systems and more. Many of these grant programs were authorized under the 2022 infrastructure law but have not been appropriated. It is critical that Congress provide additional direct funding to local governments to help communities meet new and forthcoming regulations under the Safe Drinking Water Act and Clean Water Act, strengthen public health, support economic growth and ensure that water remains accessible and affordable. Furthermore, any funding for Congressional Directed Spending for water infrastructure projects should be in addition to the baseline funding for the State Revolving Fund programs, as opposed to siphoning away funding from the topline amount.

- **Maintain disaster resilience, mitigation, response and recovery** programs that communities on the frontlines rely on to prepare for, respond to, and rebuild after extreme weather events and natural disasters, such as **Building Resilient Infrastructure in Communities (BRIC), Flood Mitigation Assistance and Hazard Mitigation Assistance.** Given the ongoing and costly impacts of extreme weather and natural disasters on communities, Congress should not reverse or reassign funding for these programs enacted in FY2025 appropriations or through other laws. Additionally, we urge Congress to fund and preserve critical federal tools, research and data, such as through the National Oceanic and Atmospheric Administration, that help local leaders understand and address the economic impacts of extreme weather and natural disasters to strengthen their communities against such events. Congress should increase funding for technical assistance so small and under resourced communities can effectively access and implement federal resilience and mitigation programs, and ensure disaster relief funds flow directly to local governments to accelerate recovery rather than being delayed or withheld at the state level.

- **Support the productivity of local and regional economies by funding programs included in last year's reauthorization of the Economic Development Administration (EDA), EPA's Brownfields program, and the Outdoor Recreation Legacy Partnership (ORLP) program.** Since 1965, EDA has helped local and regional leaders across the country address pressing economic development needs, with an emphasis on supporting job creation, providing disaster relief, and mitigating economic distress in rural and underserved areas. Long sought program improvements enacted by Congress last year will make EDA funding even more effective in addressing needs common to smaller and rural communities with fewer internal resources to stem economic decline. We urge the Committee to support EDA funding for FY26 at or above the recently authorized level of $595 million, and to maintain support for programs that improve land productivity and revitalize communities, such as the Brownfields and ORLP programs.

- **Invest at-scale in workforce development programs** to ensure workers in our nation's cities, towns, and villages have the skills and workforce supports necessary to meet the needs of local employers today and in the long term. Increasing funding for workforce development programs at least 10% above FY25 levels, including the Workforce Innovation and Opportunity Act (WIOA) **Adult and Dislocated Worker funding, apprenticeship, and Career and Technical Education (CTE) programs** is essential to our nation's economic competitiveness. Without an at-scale investment in workers, local economic conditions will be severely impacted at a time when we need more skilled labor to meet local demand.

- **Maintain public safety and violence prevention programs** that aid in the reduction of crime and enhance public safety in communities. Local governments rely on these programs to provide proactive, community-based strategies that address the root causes of violence and support individuals before they reach a crisis point. Continued federal investment is also essential to ensure that individuals experiencing mental health crises, substance use disorders, or homelessness have access to appropriate emergency support services—rather than being unnecessarily routed into the more costly criminal justice system. Sustaining these resources - and ensuring that they make their way to the local level in a timely manner - helps law enforcement focus on serious crime while connecting vulnerable residents with the care and services they need.

- **Meet America's transportation needs** by investing in rail safety but not at the expense of meeting the authorized investment levels for transit and essential air service to smaller and more rural communities. Transportation is a federal investment that returns more to our economy than the initial outlay which makes it imperative to sustain the Infrastructure Investment and Jobs Act investment levels and keep infrastructure dollars predictable, especially for the **Capital Investment Grants** (CIG) which are necessary for building new service. Communities have requested 56 projects in 25 states so demand is substantial as growing areas build service for future growth.

- **Sustained funding for local cybersecurity**, including continuation of the **State and Local Cybersecurity Grant Program** and funding for the **Multi-State Information Sharing and Analysis Center (MS-ISAC)**. Local governments and local infrastructure continue to be under threat from bad actors, including criminal organizations and hostile nation states. Local governments, particularly small and rural communities, depend on having a strong federal partner to shore up their cyber defenses. The funding provided by the State and Local Cybersecurity Grant Program and the free and low-cost resources provided to local governments by MS-ISAC play a critical role in protecting national defense.

- **Reject inappropriate penalties, unfunded mandates, or other intrusions on established local government authority.** NLC opposes federal legislation that seeks to advance public policy goals primarily through penalties on cities and towns. This includes withholding funding from eligible local governments based on factors with complicated legal consequences, such as how local law enforcement agencies interact with federal immigration enforcement efforts. Conditioning funding on compliance with unfunded, voluntary detainer requests or federal immigration mandates is coercive, unconstitutional, and undermines local control over public safety. Rather than using funding to impose political agendas, Congress should focus on supporting essential local government functions and upholding the constitutional balance between federal and local authority.

Thank you for considering local government priorities for FY2026 federal appropriations. We look forward to working with you to pass these essential appropriations bills to strengthen the local-federal partnership and keep the federal government open and operational. If NLC can be of assistance, please contact Irma Esparza Diggs, NLC Senior Executive and Director of Federal Advocacy, at 202-626-3176 or diggs@nlc.org.

Sincerely,

Clarence E. Anthony
CEO & Executive Director
National League of Cities