Senate Advances FY 2026 Interior Bill with Increases for IHS and Advance Appropriations for FY 2027

Category: Policy Blog
written by Alex Sampson | July 29, 2025

On July 25, 2025, the Senate Appropriations Full Committee passed the Fiscal Year (FY) 2025 appropriations bill for Interior, Environment, and Related Agencies. The bill provides $8.1 billion for IHS, including $5.3 billion in advance appropriations for FY 2027, despite the President's budget not requesting advance appropriations. The Committee's total funding for IHS is the same as the President's IHS budget authority request. The bill authorizes $90.4 million for urban Indian health – the same funding as the FY25 enacted amount. The report states that "[t]he Committee is committed to improving the health and well-being of AI/AN living in urban Indian communities."

Background

On July 22, 2025, the House Appropriations Full Committee passed the FY 2026 appropriations bill for Interior, Environment, and Related Agencies. The House bill provides $8.41 billion for IHS, including $6.05 billion in advance appropriations for FY 2027, despite the President's budget not requesting advance appropriations. The House Committee's total funding for IHS is approximately $500 million higher than the President's IHS budget authority request. The House bill authorizes $105.99 million for urban Indian health – an increase of $15 million over the FY25 enacted amount.

The National Council of Urban Indian Health (NCUIH) is a longstanding advocate for full funding for IHS and urban Indian health and supports the recommendations of the Tribal Budget Formation Workgroup. On February 27, 2025, NCUIH board president-elect and Oklahoma City Indian Clinic CEO Robyn Sunday-Allen (Cherokee) testified before the House Appropriations Subcommittee on Interior, Environment, and Related Agencies, urging full funding for urban Indian health and the Indian Health System.

NCUIH is also grateful for the support of Senators working to support the health of Indian Country. On May 19, 2025, 19 Senators joined Senator Tina Smith (D-MN) in a letter to Chairman Murkowski (R-AK) and Ranking Member Merkley (D-OR) of the Senate Interior Appropriations Committee requesting support for Urban Indian Health, maintaining advance appropriations for IHS, and protecting IHS from sequestration. The letter emphasized that the federal government has a trust responsibility to provide federal health services to maintain and improve the health of American Indian and Alaska Native people.

Next Steps

The Senate will now need to schedule a floor vote on the Interior, Environment, and Related Agencies spending bill. The legislation is not expected to become law in its current form. Senate leadership will need to work with House Leadership to negotiate a final bill text for passage in both chambers.

FY25 funding is set to end on September 30, 2025. If Congress cannot come to a funding agreement by that deadline, they will need to pass a Continuing Resolution to keep the funding levels at the

FY25 level until they can reach an agreement. Should political disagreements lead to a government shutdown, UIOs and parts of IHS will be protected by Advance Appropriations.

- Senate Interior Appropriations bill
- Bill Report with Urban Indian Line Item
- Bill Summary

Bill Highlights

Line Item	FY 25 Enacted	FY 26 Tribal Request	FY 26 President's Budget	FY 26 House Proposed	FY 26 Senate Proposed
Urban Indian Health	$90.42 million	$770.5 million	$90.4 million	$ 105.99 million	$90.4 million
Indian Health Service	$6.96 billion	$63 billion	$8.1 billion	$8.41 billion	$8.1 billion
Advance Appropriations	$5.19 billion	_____	Did not include	$6.05 billion	$5.3 billion
Hospital and Clinics	$2.5 billion	$13.8 billion	$2.65 billion	$2.85 billion	$2.65 billion
Tribal Epidemiology Centers	$34.4 million	_____	$34.4 million	$ 44.43 million	_____
Mental Health	$127.1 million	$4.76 billion	$131 million	$144.95 million	$131.3 million

Additional Key Provisions:

UIO Interagency Workgroup

Bill Report, Pg. 133: Despite the excellent efforts of Urban Indian Organizations, AI/AN populations continue to be left out of many Federal initiatives. Therefore, the Committee reminds the IHS of the directive to explore the formation of an interagency working group to identify existing Federal funding supporting Urban Indian Organizations [UIOs] and determine where increases are needed, or what programs should be amended to allow for greater access by UIOs; to develop a Federal funding strategy to build out and coordinate the infrastructure necessary to pilot and scale innovative programs that address the needs and aspirations of urban AI/ANs in a holistic manner; develop a wellness centered framework to inform health services; and meet quarterly with UIOs to address other relevant issues. In addition to the Indian Health Service, the working group should consist of the U.S. Department of Health and Human Services, U.S. Department of Housing and Urban Development, U.S. Department of Agriculture, U.S. Department of Justice, U.S. Department of Education, U.S. Department of Veteran Affairs, U.S. Department of Labor, the Small Business Administration, the Economic Development Agency, FEMA, the U.S. Conference of Mayors, and others as identified by UIOs.

Produce Prescription Pilot Program: $3 million

Bill Report, Pg. 130: The bill maintains funding at fiscal year 2025 enacted levels for the Produce Prescription Pilot program.

Contract Support Costs: $1.8 billion and Tribal 105(l) Leases: $366 million

Bill Report, Pg. 134: The Committee has continued language from fiscal year 2021 establishing an indefinite appropriation for contract support costs estimated to be $1,819,000,000 in fiscal year 2026. By retaining an indefinite appropriation for this account, additional funds may be provided by the Agency if its budget estimate proves to be lower than necessary to meet the legal obligation to pay the full amount due to Tribes. The Committee believes that fully funding these costs will ensure Tribes have the resources they need to deliver program services efficiently and effectively.

Bill Report, Pg. 134: The recommendation includes an indefinite appropriation of an estimated $366,000,000 for the compensation of operating costs associated with facilities leased or owned by Tribes and Tribal organizations for carrying out health programs under Indian Self-Determination and Education Assistance Act (ISDEAA) contracts and compacts as required by 25 U.S.C. 5324(l).

Purchased and Referred Care: $996.75 million

Bill Report, Pg. 132: The recommendation includes $996,755,000 for purchased/referred care.

Indian Health Professions: $80.56 million

Bill Report, Pg. 133: The recommendation includes $80,568,000 for the Indian Health Professions program.

Sanitation Facilities Construction: $106.6 million

Bill Report, Pg. 134: The recommendation includes $106,627,000 for Sanitation Facilities Construction activities, equal to the enacted level.

Health Care Facilities Construction: $182.7 million

Bill Report, Pg. 135: The recommendation includes $182,679,000 for Health Care Facilities Construction, equal to the enacted level.

Dental Health: $259.5 million

Bill Report, Pg. 131: The recommendation includes $259,501,000 for dental health, an increase of $5,384,000 to the fiscal year 2025 enacted level.

Alzheimer's Disease: FY 2025 Funding

Bill Report, Pg. 130: The bill maintains funding at fiscal year 2025 enacted levels for the Alzheimer's program.

Maternal Health: $1 million

Bill Report, Pg. 131: The Committee recommendation supports funding for maternal health initiatives and provides an additional $1,000,000 for these efforts.

Alcohol and Substance Abuse: $267 million

Bill Report, Pg. 131: The recommendation includes $267,404,000 for alcohol and substance abuse programs, an increase of $633,000 to the fiscal year 2025 enacted level.

Bureau of Indian Affairs, Missing and Murdered Indigenous Women Initiative: $250 thousand

Bill Report, Pg. 68: The Committee recommends an additional $250,000 with an emphasis on addressing the crisis of missing, trafficked, and murdered Indigenous people, especially women, as part of the Bureau of Indian Affairs (BIA) Law Enforcement Special Initiatives.

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