



Department of Transportation Prioritized in FY2026 Budget Proposal

Hi Team,

Just a quick update from Washington, D.C.—

The Trump administration's FY2026 budget proposal reflects a sharpened focus on core infrastructure, with the U.S. Department of Transportation (DOT) receiving one of the most notable funding increases among federal agencies.

At a glance:

- DOT's base discretionary funding would grow from \$25.2B to \$26.7B, a 6% increase.
- Infrastructure Investment and Jobs Act (IIJA) discretionary funding is proposed at \$32.7B, aligning with a refined investment strategy.

These figures reflect continued federal commitment to transportation, freight, and aviation systems as foundational elements of national growth and logistics.

Highlighted investments:

- **INFRA Freight & Highway Grants:** +\$770M for modernization and goods movement.
- **CRISI Rail Safety Grants:** +\$400M to enhance freight and passenger rail systems.
- **Airspace Modernization:** \$5B total, with \$824M for radar and facility improvements.
- **Port & Maritime Infrastructure:** Nearly \$600M for shipyard upgrades and logistics expansion.
- **FAA Operations:** \$13.8B proposed, including new resources for air traffic controller hiring and operational support.

Strategic direction:

The budget underscores the administration's emphasis on traditional infrastructure and high-impact investments in mobility, trade, and transportation safety. Programs that strengthen national logistics systems, airport modernization, and highway upgrades continue to be prioritized.

For public agencies and infrastructure leaders:

This is a pivotal time to position projects that align with transportation modernization, logistics expansion, and core infrastructure goals. With strong federal support, opportunities remain robust for capital improvement initiatives that meet national priorities.

As part of our continued efforts to stay current on the federal grants landscape, I'm actively monitoring developments here in Washington, D.C., including agency updates, program changes, and evolving funding priorities. These insights help us stay ahead of key timelines and better position our clients for

success. Please look out for these regular DC updates from me, where I'll continue sharing relevant grant-related news and federal funding trends as they unfold.

Thank you,

Caitlin Williams

Management Assistant

Washington, D.C.

California Consulting, Inc.

www.californiaconsulting.org