

MEMORANDUM

TO: DRRC Members

FROM: Peter Thomas and Natalie Keller

DATE: September 16, 2025

RE: **Summary of Disability and Rehabilitation Programs in Senate and House L-HHS Appropriations Bill for Fiscal Year (FY) 2026 and President's Budget Request for FY 2026**

Introduction

On September 9, 2025, the House Committee on Appropriations approved the Labor, Health and Human Services, and Education ("L-HHS") appropriations bill along party lines. The Senate had previously passed their version in late July. Although it was expected that the House bill would be largely consistent with the President's budget, the House bill diverges substantially from both the President's FY 2026 Budget Request and the Senate version in several critical areas:

- **HHS Reorganization:** Neither chamber of Congress adopted the President's proposed restructuring of the Department of Health and Human Services. If they press forward with this approach, it will be pursued through the authorizing committees, not the Appropriations Committee.
- **Program Funding:** Both the House and Senate bills preserve funding for numerous programs that the President's budget either eliminated or significantly reduced. The House version includes some notable exceptions to this preservation of existing spending levels.
- **Earmarks:** The House bill excludes earmarks, maintaining consistency with their FY 2025 approach, while the Senate bill includes them.

The substantial disagreements between the Republican-controlled House, Senate, and the President's budget priorities signal challenging intraparty negotiations ahead before any bipartisan compromise discussions can begin.

Topline L-HHS Figures: Senate, House, and President's Budget

The topline discretionary figures of the Senate and House L-HHS bills, \$196 billion and \$184 billion, respectively, are both higher than President Trump's FY 2026 Budget Proposal of \$152 billion, which represents a 23 percent cut from [FY 2025 enacted](#) discretionary level of \$198.2 billion. The President's proposal includes steep funding cuts

and, in some cases, sweeping organizational changes, including:

- Centers for Disease Control and Prevention (“CDC”): Funding would be reduced by more than half, from over \$9 billion to just over \$4 billion in discretionary funds and \$5.5 billion in total with mandatory funding.
- National Institutes of Health (“NIH”): The most dramatic proposed cut targets the NIH, whose budget would be reduced nearly 40%—from \$47 billion in FY 2025 to \$27.5 billion in FY 2026 and consolidation of 27 institutes and centers into eight institutes. See [NIH Congressional Justification](#) (“CJ”).
- The relocation of the National Institute on Disability, Independent Living, and Rehabilitation Research (“NIDILRR”) from the dissolved Administration for Community Living (“ACL”) to the newly revamped Administration for Children, Families, and Communities (“ACFC”) raises significant concerns about a diluted focus and diminished advocacy for disability-specific research and priorities across the top levels of the Department. See [ACFC CJ](#).
- The elimination of important disability and rehabilitation programs and funding mechanisms across the NIH, CDC, ACL, and other agencies. See proposed new agency [Administration for a Health America \(“AHA”\) CJ](#) and [CDC CJ](#).

House Position on Presidential Reforms

The House Appropriations Committee acknowledged the President's proposed government reorganization in its report, stating: "The Committee notes that the President's budget request includes a number of important proposals to reform and reorganize the Federal government. The Committee applauds these efforts to improve efficiency while reducing waste, fraud, and abuse. Such reforms are long overdue."

However, the House bill maintains the current agency structure, explaining that "the authorizing committees of jurisdiction have not yet had the opportunity to consider these reorganizational proposals." The Committee indicated it would work with authorizing committees as they review the proposed reforms from the President's Budget, which originated at the White House's Office of Management and Budget (“OMB”).

Outlook for Government Funding in FY 2026

The House bill now faces significant hurdles as Congress approaches the September 30 fiscal year deadline. The vastly different spending levels between House and Senate versions will require extensive negotiations before any final agreement can be reached. With the Administration pushing for substantial discretionary spending cuts, Congress may need to resort to a Continuing Resolution (“CR”) to prevent a government shutdown after October 1. This would mirror fiscal year 2025, when the government operated on a series of temporary funding measures, marking the first time in decades that Congress failed to pass a comprehensive omnibus spending bill. While the Senate Appropriations Committee rejected the President's most controversial proposals on a bipartisan basis, relieving some of the concern from program advocates, the appropriations process for FY 2026 remains far from complete.

Government Shutdown Risk and Timeline

Without passage of either a CR or final appropriations legislation, the federal government would shut down after September 30, with agencies ceasing non-essential operations until Congress and

the President enact funding legislation. Following the pattern of the past three decades, Congress will likely pass a series of short-term CRs to maintain government operations while negotiating a final spending agreement. Historically, these negotiations conclude by year's end, though in recent years final deals have been delayed until February or March, extending well into the new fiscal year. In fact, the FY 2025 year-long CR was not enacted until April 10, 2025.

Senate Dynamics and Democratic Support

Senate procedural rules requiring 60 votes to advance spending legislation mean Republicans will need at least seven votes from Democrats to pass any CR or spending bill. Several factors complicate efforts to secure Democratic support:

- **Stalled congressional leadership negotiations:** Conversations between political parties have been delayed and limited this year without clear public communication
- **Political pressure:** Democratic voters are urging their representatives to resist Administration priorities while Republicans are under extraordinary pressure to reduce federal spending
- **Rescissions of existing funding:** The President has fueled Democratic angst and mistrust with requests to rescind funding for certain programs in the current fiscal year as well as eliminate funding through “pocket rescissions.” In addition, the Department of Government Efficiency or “DOGE” has created a toxic political environment driven by mass reductions in force and political maneuvers to slow down funding mechanisms.

The full text of the House Labor-HHS appropriations bill can be found [here](#). A bill summary and press release for the House bill can be found [here](#). A link to the House Labor, HHS, and Education bill report can be found [here](#).

The full text of the Senate Labor-HHS appropriations bill (S. 2587) can be found [here](#). A bill summary and press release for the Senate bill can be found [here](#). A link to the Senate’s Labor, HHS, and Education bill report can be found [here](#).

The following information pertains to the House and Senate L-HHS bills which have passed out of their respective committees by have **not yet passed** the House or Senate chamber.

HHS Discretionary Funding Overview

President Trump's budget proposes \$94.7 billion in discretionary funding for HHS in FY 2026—a 27.5% reduction from President Biden's FY 2025 request of \$130.7 billion. By contrast, the Senate bill appropriates \$116.8 billion (increase of \$446 million above FY 2025 enacted levels) and the House bill appropriates \$108 billion (\$6.898 billion below FY 2025 enacted levels).

NIH Funding Comparison

Overall NIH Funding

- Senate: \$48.701 billion total (\$401 million above FY 2025)
- House: \$47.845 billion total (\$456 million below FY 2025)
- President’s Budget: \$29.295 billion (\$19 billion below FY 2025)

ARPA-H Funding

- Senate: \$1.5 billion (maintained from FY 2025)
- House: \$945 million (\$555 million below FY 2025)
- President's Budget: \$945 million (\$555 million below FY 2025)

National Institute on Child Health and Human Development ("NICHD"), which houses the National Center on Medical Rehabilitation Research ("NCMRR")

- Senate: \$1.779 billion (increased by \$20 million from FY 2025)
- House: \$1.759 billion (maintained from FY 2025)
- President's Budget: \$1.413 billion (reduced by \$880.4 million from FY 2025). Combines NICHD with the National Institute on Deafness and Other Communication Disorders ("NIDCD") – funded at \$534 million in FY 2025 – into the National Institute for Child and Women's Health, Sensory Disorders, and Communication ("NICWHSDC") and does include NCMRR. The reduction in funding is calculated by combining FY 2025 budgets for both institutes.

National Institute on Neurological Disorders and Stroke ("NINDS"), the largest single funder of rehabilitation research at NIH

- Senate: \$2.773 billion (increase of \$70 million from FY 2025)
- House: \$2.633 billion (increase of \$30 million from FY 2025)
- President's Budget: \$2.445 billion (reduced by \$1.575 billion from FY 2025). Combines the National Institute of Dental and Craniofacial Research ("NIDCR")—funded at \$520,163 million in FY 2025— NINDS, and National Eye Institute ("NEI") —funded at \$896,549 million in FY 2025— into the National Institute on Neuroscience and Brain Research ("NINBR"). The reduction in funding is calculated by combining FY 2025 budgets for both institutes.

Congressional Response to NIH Reorganization

The Senate Appropriations Committee rejected both the President's proposed NIH restructuring and funding cuts. Instead, they maintained the current NIH structure while providing level funding or modest increases for all Institutes and Centers.

The House praised the Administration's NIH reorganization proposal, calling it "innovative" and noting that "organizations as large, complex, and prominent as NIH merit periodic consideration." The House emphasized that NIH must remain responsive to changing science and foster cross-institute collaboration. The House acknowledged its previous collaboration with the Energy and Commerce Committee in the 118th Congress on NIH reorganization but noted that legislative scheduling prevented full coordination. Since large-scale restructuring falls under the Energy and Commerce Committee's jurisdiction, the House bill reflects NIH's current structure while expressing support for continued Administration discussions on innovative NIH reforms.

CDC Funding Comparison

Overall CDC Funding

- Senate: \$9.152 billion (\$70 million above FY 2025)
- House: \$7.480 billion (\$1.74 billion below FY 2025)
- President's Budget: \$5.475 billion (\$3.7 billion below FY 2025)

The National Center on Birth Defects and Developmental Disabilities ("NCBDDD")

- Senate: \$205 million (\$1 million below FY 2025)
- House: \$208 million (\$2.5 million above FY 2025)
- President's Budget: \$157 million (\$48 million below FY 2025)

The National Center for Injury Prevention and Control ("NCIPC")

- Senate: \$761 million (leveled funded at FY 2025)
- House: \$665 million (\$96 million below FY 2025)
- President's Budget: \$550 million (\$211 million below FY 2025)

The National Center for Chronic Disease Prevention and Health Promotion ("NCCDPHP")

- Senate: \$1.428 billion (\$5 million below FY 2025)
- House: \$1.159 billion (\$273 million below FY 2025)
- President's Budget: \$35 million (\$1.3 billion below FY 2025)

Agency for Healthcare Research and Quality ("AHRQ")

- Senate: \$345.38 million (decrease of \$23 million from FY 2025)
- House: \$0
- President's Budget: \$0

ACL

- Senate: \$2.528 billion (\$10 million above FY 2025)
- House: \$2.508 billion (\$10 million below FY 2025)
- President's Budget: \$2.443 billion (\$75.6 million below FY 2025). Reorganizes ACL aging and disability programs into ACFC.

NIDILRR

- Senate: \$119 million (level funded from FY 2025)
- House: \$100 million (\$19 million below FY 2025)
- President's Budget: \$100 million (\$19 million below FY 2025). Reorganizes NIDILRR into ACFC.