



# **2025 Congressional Outlook**

Implications of Major Legislation for Research, Education, and Academic Medicine

> Prepared by Lewis-Burke Associates LLC September 8, 2025

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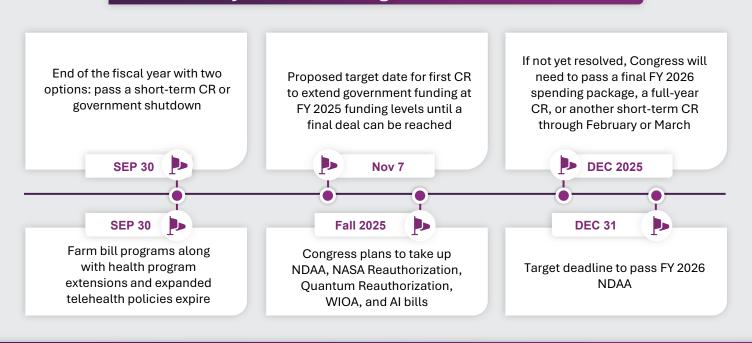
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#### Congress Has a Busy Agenda for the Remainder of 2025

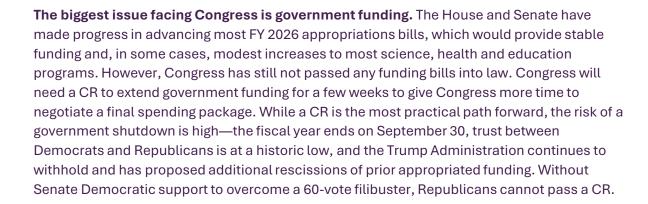
In July, Congress passed a \$3 trillion reconciliation package, the One Big Beautiful Bill Act, to fulfill the Trump Administration's highest legislative priority – tax breaks – but focusing on this priority meant punting on all other major legislative issues. The most critical issue is keeping the government funded beyond September 30, the end of the fiscal year. The risk of a government shutdown is high. Congress has not passed any fiscal year (FY) 2026 appropriations bills, there is no bipartisan agreement on a funding framework, and trust between Republicans, Democrats and the White House is at a historic low. A Continuing Resolution (CR) will be needed to avoid a shutdown and give Congress more time to pass a FY 2026 spending package. In the meantime, Congress needs to finalize the annual defense policy bill, extend expiring Farm Bill provisions, advance a NASA reauthorization bill, and tackle emerging technology legislation related to Artificial Intelligence and Quantum. Other major legislation, such as energy, commercial space, and surface transportation bills, will have to wait until next year.

#### **Key Dates for Congressional Action**



### **Executive Summary**





Beyond appropriations, Congress must also pass the annual defense policy bill, address expiring Farm bill provisions, and extend community health center funding and telehealth flexibilities. The National Defense Authorization Act is expected to pass into law by the end of the year and may be used as the vehicle to pass other legislation, such as the National Quantum Reauthorization Act or new Artificial Intelligence programs. Expiring Farm bill and healthcare related programs will likely be addressed in a CR or final FY 2026 spending package. Congress may also take up the NASA Reauthorization Act to protect key space programs and projects from major cuts proposed by the Trump Administration, and the Workforce Innovation and Opportunity Act also boasts continued bipartisan interest. Congress will continue to make progress on bills that may become a part of major legislation next year, such as the Energy Act and Surface Transportation Reauthorization. While House Republicans have discussed another reconciliation package, it is unlikely to be a priority considering the long list of other to-do items.

**Highlights and Predictions of Key Legislation Congress is Expected to Advance** 

#### FY 2026 Appropriations

- Congress will need to pass a Continuing Resolution (CR) by September 30 to maintain government operations at mostly FY 2025 spending levels and to buy time to find a bipartisan agreement.
- The risk of a government shutdown is high; its impact is contingent on its length.
- Beyond a CR, there are various scenarios for FY 2026, including a full-year CR, a final spending package, or a "CRomnibus" where only a subset of agencies receive full year funding.

#### FY 2026 National Defense Authorization Act

- Congress is expected to pass NDAA legislation by the end of the year for the 65<sup>th</sup> year in a row.
- The Senate is pushing for a \$30 billion increase above FY 2025 in defense spending to raise military pay and fund procurement of large-scale weapons systems to address growing threats from foreign adversaries.
- R&D priorities will continue in emerging technologies like AI, quantum, biotechnology, hypersonics, and unmanned systems.

#### **Executive Summary**



#### Farm Bill

- House and Senate Ag Committees may attempt to move on the Farm Bill this fall, but growing partisanship on nutrition and conservation programs will make it difficult to find bipartisan support.
- Congress will likely punt another year on the Farm bill but extend expiring provisions in a CR or final FY 2026 spending package.

#### Reconciliation

- Republicans are not likely to advance a second reconciliation package this year.
- Speaker Mike Johnson (R-LA) committed to the House passing a second package that could include tax, higher education, and other provisions left out of the first.
- A Reconciliation 2.0 Republican working group is developing recommendations.

#### **NASA Reauthorization and Commercial Space**

- NASA Reauthorization is a top priority for both House and Senate Science Committees and may be passed into law by the end of year.
- The bills would maintain most major NASA programs and reject cuts and terminations proposed by the White House.
- A commercial space bill and DOE collaboration bill will likely be pushed to next year.

#### **Energy Act**

- Congress takes up a major energy package every five years and is expected to pass a major bill by the end of 2026.
- Congress is continuing to advance dozens of bills to update the Energy Act of 2020 in many energy research and development areas, such as renewables, grid resiliency, industrial technologies, energy storage, and carbon capture.
- Bills with bicameral and bipartisan support will be consolidated into one large energy package.

#### **Surface Transportation**

- Congress will continue to use 2025 to seed ideas and marker bills before key provisions expire in September 2026.
- Ideas will primarily focus on highways, motor vehicle safety, rail, hazardous materials transport safety, and associated research and development, including University Transportations Centers, ARPA-I, and the SMART grant program.

#### Al and Quantum

- Congress is likely to pass the National Quantum Initiative Reauthorization Act to update and expand federal quantum science and technology programs.
- Congress will likely include AI provisions in the NDAA and other bills to launch new research and development activities for NSF, DOE, NIST, DOD, and other critical agencies.



# **Executive Summary**



#### Healthcare

- Congress may pass legislation focused on avoiding or mitigating additional cuts to the Medicare program due to the passage of the One Big Beautiful Bill Act.
- Congress is also expected to consider legislation that extends tax credits used to purchase insurance on the Affordable Care Act marketplace.
- While NIH reauthorization legislation is unlikely, Congress may further act on legislation that heightens regulations on high-risk bioscience research.

#### **Education and Workforce**

- Congress will not pass a comprehensive Higher Education Act (HEA) reauthorization this Congress but may use individual legislation or annual bills such as the National Defense Authorization Act to pass certain provisions.
- Legislation will continue to target areas of concern for Congress related to higher education, including campus climate and institutional compliance.
- Congress is expected to have continued interested in AI in education as well as STEM and career connected learning opportunities.
- Congress is likely to pass Workforce Innovation and Opportunity Act (WIOA) reauthorization given continued bipartisan interest.
- Legislation related to collegiate athletics, including Name, Image, and Likeness, is likely to become law.

Beyond major legislation, two additional issues of direct relevance to the research community before Congress involve confirmations of key Trump Administration officials and the future of indirect costs. Without bipartisan agreement in the Senate to quickly advance nominees, the Senate has been very slow in confirming Trump Administration officials at key federal agencies. The subsequent lack of political leadership in agencies has delayed the review and approval of programs and projects and the start of new initiatives. Senate Democrats have used procedural maneuvers to slow down the confirmation process, leading President Trump to face a much slower confirmation rate than prior Presidents have, with only 124 out of 377 nominees confirmed so far. Senate Majority Leader John Thune (R-SD) is considering changing Senate rules to expedite approvals, for example to reduce debate time and exempt some positions from the process. This would further inflame tensions between Republicans and Democrats. To address indirect costs, Congress has included provisions in spending and defense policy bills preventing the Administration from implementing a 15 percent cap, giving time for the research community to find a negotiated solution with the Office of Management and Budget.



Congress has less than a month to avert a government shutdown before federal funding expires on September 30. A continuing resolution (CR) that extends government funding at mostly fiscal year (FY) 2025 spending levels for a few weeks—until early November—is seen as the most likely scenario to give Congress more time to finalize FY 2026 appropriations bills and negotiate a final bipartisan spending package. CRs are now part of the regular process since Congress has not passed into law all appropriations bills before the start of the fiscal year since 1997.

Nevertheless, there is still a high risk of a government shutdown. Trust between Republicans and Democrats is at an all-time low, and Democratic lawmakers are under pressure from their base to fight back against the Trump Administration's unilateral funding actions. Another \$5 billion rescissions package proposed by the White House clawing back additional federal funding from the State Department and the U.S. Agency for International Development only further inflamed tensions. Without assurances that the Trump Administration will spend appropriated dollars and follow congressional guidance, Democrats see no reason to support a CR that gives the Administration more flexibility on how to spend or not spend funding. If there is a government shutdown, the impact on federal agencies and programs will depend on its duration. Ultimately, Congress will need to eventually finalize a plan for FY 2026, whether it be a final, bipartisan FY 2026 spending package or another full-year CR.

Below is additional information on potential CRs, government shutdowns, and final FY 2026 funding scenarios.

#### **Continuing Resolution**

Before the August recess, the House passed two appropriations bills and the Senate passed three. In addition, the House Appropriations Committee advanced 10 of 12 spending bills and the Senate Appropriations Committee advanced 8 of 12. Both the House and Senate plan to advance all 12 spending bills through Committee and pass several more on the Floor in September. Despite the progress in advancing spending bills, no bills have been passed into law, and there is still no bipartisan topline funding agreement or framework to finalize FY 2026 appropriations bills. Therefore, a CR will be needed to maintain government operations, give Congress more time to advance FY 2026 appropriations bills and to negotiate a bipartisan agreement for a final spending package that can overcome a 60-vote filibuster in the Senate.

Congressional appropriators are proposing a CR that extends funding at mostly FY 2025 levels for a few weeks into early November to avoid a government shutdown. Both Republican and Democratic appropriators are optimistic that, given more time, they can negotiate a FY 2026 spending package that sets new funding levels.

Unlike prior years, funding guidance provided to federal agencies in a CR may need to be more prescriptive than in prior years. The Appropriations Committees will have to decide the baseline funding level that would be made available to agencies during the length of the CR. Options for this baseline level could include the FY 2024 appropriated funding levels, FY 2025 enacted funding levels, the level of funding contained in House- or Senate-approved versions of FY 2026 appropriations bills, or the amount of the President's FY 2026 budget request. Absent more specific directives by Congress, the Administration could attempt to simply implement the lowest funding levels, those contained in the budget request, during the time a CR is in effect. As described at the top of this section, given the current political realities, a short-term CR at the FY 2025 enacted level is most likely, but Congress will have to make clear its intentions of potentially limiting the Trump Administration's funding flexibility if it wants that funding spent.

#### Government Shutdown

While most lawmakers have publicly stated that they want to avoid a government shutdown, the possibility of a shutdown is present and growing. Some more conservative Republicans support a shutdown because the Administration would have broader latitude over deciding which government functions are essential and must be funded, such as border patrol and immigration enforcement, versus those that they believe are nonessential, such as certain science and education programs. Democrats may also be bracing for a confrontation with President Trump and Republican leaders. When Congress was on the brink of a shutdown in March, Democrats sought language in the enacted FY 2025 full-year CR that would have prevented the Trump Administration from unilaterally terminating funding for federal agencies and programs with annual appropriations. Ten Senate Democrats voted to pass the CR and avoid a shutdown even though that language was ultimately not included.

Since then, the Trump Administration has continued to terminate funding not aligned with its priorities; it has continued to withhold funding for key agencies and programs that was appropriated by Congress in the final FY 2025 spending package in March (as well as other major legislative packages, such as the Bipartisan Infrastructure Law); and with the aid of congressional Republicans, clawed back \$9 billion in funding for foreign aid and public broadcasting in a rescissions package. The White House has indicated that it would like to send Congress another rescissions request targeting primarily U.S. Department of Education funding.

Further complicating matters, Democrats accuse the Trump Administration of impounding federal funds. The Impoundment Control Act of 1974 prohibits the President from impounding funds, which involves unilaterally deciding not to spend congressionally appropriated funding. The Government Accountability Office (GAO) has already found that the Trump Administration has impounded funds illegally five times this year for a broad range of programs, such as National Institutes of Health awards related to diversity, equity, and inclusion, as well as Department of Transportation funding for EV charging stations. GAO has another 35 decisions pending on possible violations of the Impoundment Control Act. In addition, the White House Office of Management and Budget (OMB) Director Russ Vought continues to advocate for using pocket rescissions to further cut back federal funding. Under a pocket rescission, the White House would send Congress a rescissions package with only weeks or days to spare before the end of the fiscal year on September 30. If Congress fails to act to reject a pocket rescission, even in such a short timeframe, funding for federal agencies would lapse at the end of the fiscal year and the White House would treat the funding as expired and return it to the Treasury. OMB is considering up to \$400 billion in federal funding as part of a pocket rescission that it could send to Congress before the end of the fiscal year.

Without additional funding guardrails in place, Democrats are concerned that even if they voted with Republicans in a bipartisan manner to pass a short-term CR, full-year CR, or final spending package, the White House would continue to impound funds or send rescissions packages (which require only a simple majority vote to approve in the House and Senate). While a short-term CR remains the most likely immediate outcome heading towards the end of the current fiscal year, increasingly volatile politics surrounding government funding, as well as the possibility of greater impoundment and rescissions, ultimately raises the chance of a shutdown, either at the end of September or later in the FY 2026 negotiation process.

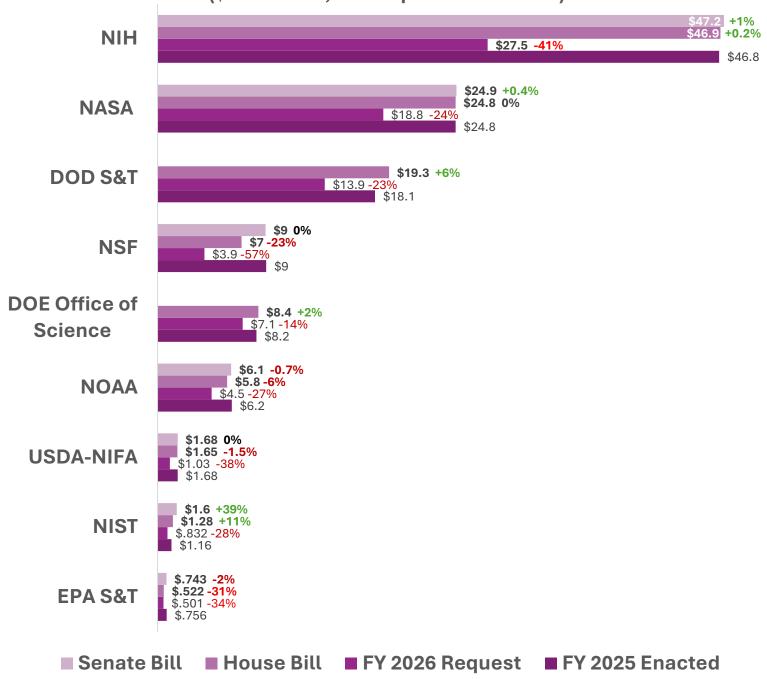
If a government shutdown occurs, the impact and severity will depend on its duration. If it lasts only a few days, there would be no noticeable impact for programs of interest to the research and academic community. However, if it extends into weeks or even months, many federal employees will be furloughed, contracts paused, and new funding actions suspended. Under a shutdown, federal agencies can issue stop-work orders for non-essential contracts. Grants and cooperative agreement may continue if funds have already been obligated, but no new awards or modifications can be processed. Even after the government reopens, there are usually significant delays for weeks or months after a shutdown in processing grants or renewals.

#### Final FY 2026 Appropriations vs. Full-Year CR

Congressional appropriators believe there is still a path to finalizing an FY 2026 spending package, regardless of whether it is proceeded by one or more short-term CRs or a government shutdown. Congressional appropriators believe that passing a final FY 2026 spending package would help to restore congressional power and oversight over government funding. Currently, House and Senate FY 2026 spending bills include more directive language than in the past, language that requires the Administration to spend funding for specific federal agencies and programs or prohibits the Administration from taking certain actions, such as enacting a 15 percent indirect cost rate for institutions of higher education. A final spending package would also include congressionally directed projects, or earmarks, that are popular with constituents. For FY 2026, House Republican included nearly \$8 billion in earmark funding in their spending bills. The final FY 2025 spending package did not include any earmarks outside of Defense.

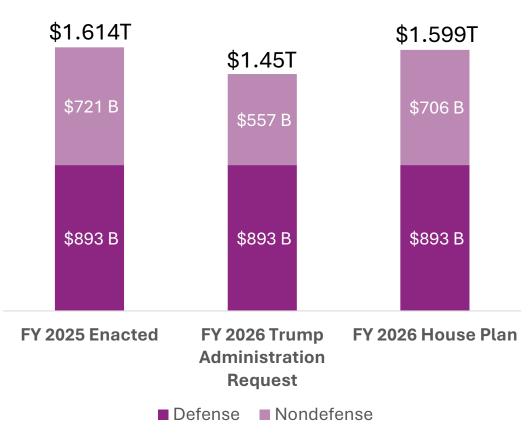
If Congress can finalize FY 2026 appropriations, the outlook for most federal agencies and programs of most relevance to research, education, and academic medicine communities is positive (see graphic below). Based on currently available information from House and Senate FY 2026 appropriations bills, both the House and Senate have mostly rejected the drastic cuts proposed in the Trump Administration's FY 2026 budget request. Even with a Republican majority in the House that is mostly aligned with Trump Administration funding and policy priorities, the House spending bills deviate significantly from FY 2026 budget request levels. The Senate provides higher spending levels, which matches its more bipartisan approach.

FY 2026 Proposed Funding for Select Federal Science Agencies (\$ in billions, % compared to FY 2025)



Congress plans to provide higher funding levels than proposed in the FY 2026 budget request, with both the House and Senate rejecting the major cuts the Trump Administration proposed for discretionary spending (see graphic below). For FY 2026, the House would allocate \$1.6 trillion to discretionary spending programs. This would include \$706 billion for nondefense discretionary spending, 27 percent higher than the \$557 billion proposed by the Trump Administration. The Senate has not yet released full information on its topline funding, but it has already allocated \$52.4 billion more than the House in its eight spending bills.





While this is good news for the funding outlook for major federal agencies and programs, the wide discrepancies in funding allocations and priorities between the White House, the House, and the Senate make bipartisan negotiations even more difficult. A fallback option for Congress is to pass another full-year CR. This would provide stability of funding across major federal agencies and keep programs at mostly FY 2025 spending levels. Congress could also include "anomalies" to increase funding levels for high-priority programs, such as defense and health care, and it could potentially choose to include earmarks. However, Democrats are not likely to support a full-year CR without assurances that the White House will not impound funds or significantly shift funding to Administration-only priorities.

# **Agriculture**

As a direct result of Congress's failure to pass a bipartisan Farm Bill in 2023 or 2024, in 2025, Congressional Republicans, now in control of both Chambers of Congress, took the unusual step of passing mandatory funding increases for agricultural programs and cuts to nutrition programs through the partisan reconciliation process.

The partisan *One Big Beautiful Bill Act* (OBBBA) included many mandatory funding lines usually found in the Farm Bill. Some provisions are relatively uncontroversial and bipartisan, including funding for agricultural research programs and updates to commodity support programs. However, the bill also made steep cuts to mandatory nutrition programs, shifting a portion of SNAP costs to states with high SNAP error rates, and removed certain restrictions on the use of conservation funds provided in the *Inflation Reduction Act*.

Only certain provisions are allowable in the reconciliation process, so many policy adjustments proposed in previous versions of the House or Senate Farm Bills were not included in the OBBBA. This opens the door for a so-called "Skinny Farm Bill," which may be negotiated this fall. While reauthorizing non-controversial programs and making other no-cost adjustments may seem like a simple task, Congressional Democrats may decide not to engage with this process after the OBBBA upset the delicate balance between Republican and Democrat agricultural priorities.

#### Legislative Purpose

Skinny Farm Bill, Farm Bill 2.0, etc. A typical Farm Bill reauthorizes programs in the Department of Agriculture that expire every five years, including research and development programs. The Farm Bill includes 12 titles, the largest of which is Title IV, Nutrition, which provides mandatory funding for the Supplemental Nutrition Assistance Program (SNAP), among others.

Because the OBBBA already addressed many mandatory funding programs, a Skinny Farm Bill would likely focus on provisions such as reauthorizations and policy adjustments that have little impact on federal spending but are important to the agricultural and nutrition sectors.

#### Bill Status

Not introduced this Congress. In the previous Congress, the House Agriculture Committee Chair GT Thompson (R-PA) introduced a Farm Bill that passed out of Committee. That bill may serve as a template for a Skinny Farm Bill this fall. Leadership of the Senate Agriculture Committee changed parties since Farm Bill text was proposed last year, but the new Republican Chair, Senator John Boozman (R-AR), may borrow from the Farm Bill priorities he released in June 2024.

#### Outlook

Low likelihood of passage. It is possible that draft frameworks/bills will be dropped or even considered by House and Senate Committees, but passage is unlikely.

The Farm Bill must have bipartisan support to pass in the Senate – 60 votes required. However, political/regional differences when it comes to agriculture and nutrition policy makes for a complex process that cannot be easily resolved given heightened partisan tensions and when focus remains on funding the government.

# **Defense**

In the 119th Congress, Congress is looking to modernize the defense industrial base by increasing production of munitions and weapons, streamlining the procurement process, and expanding the country's nuclear deterrent and missile defenses. Through these efforts, Congress hopes to reduce DOD's bureaucratic bottlenecks while prioritizing and/or reprogramming efforts to support emerging technologies and operational capabilities. While Congress is still focused on deterring China, some of these priorities may be at odds with the Department's priorities in the anticipated National Defense Strategy, which is expected to focus more on protecting the homeland than competition with China.

Congressional priorities for defense spending are evident in the House and Senate versions of the Fiscal Year (FY) 2026 National Defense Authorization Act (NDAA). Both versions of the bill prioritize updating the U.S. acquisition strategy, countering unmanned aerial systems, and formalizing the Golden Dome Initiative. There is also Congressional interest in the adoption of AI technologies and cyber security capabilities, domestic energy production, and military use of hypersonics. Many of these congressional priorities have been echoed by Emil Michael, DOD's Undersecretary of Defense for Research and Engineering, and most recently underscored during his remarks at the NDIA Emerging Technologies Conference on August 27.

It is worth noting that many defense hawks in Congress have called for increased defense spending above the Trump Administration's flat budget request, as demonstrated in Senate Armed Services Committee (SASC) Chairman Wicker's <u>criticism</u> earlier this year of the President's proposal. Senator Wicker and others' continued efforts to boost defense funding through appropriations are in addition to the funding allocated in the *One, Big, Beautiful Bill Act*, which provided \$150 billion to programs across the Department of Defense (DOD) focused on shipbuilding and the maritime industrial base, air and missile defense capabilities, and defense supply chain resiliency. Notably, it would allocate minimal funding for research activities

While the reconciliation bill provides a significant investment in overall defense funding for hypersonic, critical minerals, directed energy, autonomous systems, and quantum, there continues to be minimal information on how the Department of Defense plans to spend these dollars. Reconciliation funding was not included in FY 2026 spend plans, and Congress provided little specific direction for the funds. It remains to be seen which programs the Department will choose to invest the money, and Lewis-Burke recently learned that the Under Secretary of Defense (Comptroller) will be heavily involved in disbursement of such funds.

#### Legislative Purpose

# The NDAA authorizes programs and establishes policies that advance U.S. national security programs across the government, primarily at the Department of Defense (DOD) and the Department of Energy (DOE), and which include funding levels for research, development, technology and evaluation (RDT&E) accounts. While the NDAA authorizes funding levels and sets policy, funding is directed through the defense appropriations bill.

#### Bill Status

The House and Senate Armed Services Committees each approved their versions of the bill in July with bipartisan votes. The House plans to advance its version of the bill to the Floor during the second week of September. The Senate took up the NDAA on September 2.

#### Outlook

The NDAA is traditionally a stalwart of bipartisanship in Congress. This year, the passage of the bill may be more contentious given the continued politicization of possible amendments ahead of full chamber passage. Despite some potential controversies, given its impact on national security, the FY 2026 NDAA is expected to pass, as it has every year. We also expect additional bills, or "riders," to be tacked onto the bill last-minute given its positive outlook on passage.

**National Defense** 

**Authorization Act** 

# Defense

#### Legislative Purpose

#### Bill Status

#### Outlook

Fostering Reform and Government Efficiency in Defense (FoRGED Act) In the FoRGED Act, Senator Wicker (R-MS) aims to modernize the way DOD does business and is calling for reforms to DOD budgeting and acquisition. Senator Wicker's five recommendations include "cutting red tape, unleashing innovation, increasing competition, enabling decisive action, and modernizing the budget process."

The bill has not been introduced yet. It was introduced as S. 5618 last Congress.

While it is unlikely that FoRGED will be reintroduced or pass as standalone legislation, significant portions of the bill have been included in the Senate's version of the FY 2026 NDAA, including the repeal of approximately 80 regulations or laws on acquisitions. Some of these reforms will likely remain in the bill after the House and Senate conference their two versions, as the House bill also contains similar provisions on program management and acquisition reform.

Streamlining
Procurement for
Effective Execution
and Delivery
(SPEED) Act

The SPEED Act, introduced by HASC Chairman Mike Rogers (R-AL) and Ranking Member Adam Smith (D-WA), aims to reform defense acquisition (similar to the FoRGED Act above). The SPEED Act has five pillars geared towards establishing a new acquisition process to equip the warfighter with capabilities in the quickest, most cost-effective manner.

The bill has been introduced in House during 119<sup>th</sup> Congress but has not been referred to a committee.

This bill reflects Congress's ongoing criticism and frustration with the slow and rigid Defense Acquisition System (DAS). Accelerating and improving the DAS will continue to be a high priority across both Congressional Defense committees. It is extremely likely that the bill content will be incorporated into FY 2026 NDAA.

SHIPS for America
Act of 2025

The SHIPs Act would establish national oversight and funding to rebuild the U.S shipyard industrial base, increase shipyard worker recruitment and training, and ensure that the U.S is commercially competitive in maritime commerce.

The bill has been reintroduced in the 119<sup>th</sup> Congress.

Commercial shipbuilding and maritime workforce are expected to be a Congressional and White House priority following President Trump's EO, Restoring America Maritime Dominance.

Senator Mark Kelly and Todd Young plan to introduce accompanying bills, the America Act and the Building SHIPS in America Act.

# **Economic Development and Commercialization**

Congress is going into the fall having accomplished several major economic development and lab-to-market priorities. Notably, through the *One Big Beautiful Bill Act* (OBBBA), Congress reversed changes to the R&D tax credit to allow same-year expensing for R&D, a provision that was widely championed by the startup community, and it expanded the Opportunity Zones program, a signature initiative from the first term of the Trump Administration to encourage building in designated portions of the country through rolling over unrealized capital gains. Lab-to-market provisions are also expected to be featured in many forthcoming bills to be considered by this Congress, including those associated with the *National Security Commission on Emerging Biotechnology* and the *National Defense Authorization Act (NDAA)*. With OBBBA under its belt, Congress's top priority in the lab-to-market space will be the reauthorization of the federal government's signature commercialization programs, Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR), which provide crucial seed funding for innovative startups and could lapse if not reauthorized by before September 30.

#### Legislative Purpose

# SBIR/STTR Reauthorization

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs were reauthorized in 2022 for three years. This authorization is set to expire in September 2025. Since the programs are not funded through standard appropriations but through designated "set asides" from agencies' extramural research budgets, reauthorization is needed keep the programs operating. This is widely considered a must-pass bill.

#### Bill Status

Republicans in the House and Senate Small Business Committees have released similar versions of a reauthorization bill, the INNOVATE Act (S. 853 and H.R. 4777). The bills would reauthorize the programs for three years with minimal increases to the overall set aside from research budgets required to pay for the programs. They include new funding mechanisms through a Phase 1a initiative and support beyond Phase 2 of the program with strict caps for repeat SBIR awardees or "mills" and penalties for foreign interference.

Democrats in the House and Senate Small Business
Committees have released a unified bill that would permanently reauthorize the programs, raise set-asides from research budgets, and extend several existing compliance and technical assistance programs.

In September, the House Committees of jurisdiction, including the House Small Business Committee and House Science Committee, introduced a "clean" one-year extension.

#### Outlook

Discussions between leaders from the House and Senate committees of jurisdiction are ongoing, but there are fundamental disagreements between parties, especially over how to address perceived "mills" and reign in foreign interference.

Sensing a lack of resolve over major differences, especially among Senate negotiators, leaders of the House committees moved to introduce a bill that would allow a one-year "clean" continuation of the programs so talks could persist without risking a lapse in authority.

The House committees are working with leadership in their chamber to clear the bill. A Senate equivalent will need the backing of Chair Joni Ernst (R-IA), who is currently determined to advance a compromised INNOVATE Act before the deadline.

Still, given the legislative calendar, ideological distance between parties, and threat of a lapse, final passage of a one-year extension is the most likely outcome.

# **Education and Workforce**

Federal education and workforce policy in the 119th Congress has largely exhibited a continuation of themes from the 118th Congress. Scrutiny of higher education is ongoing under the House and Senate education authorizing committees, with both focusing on the cost of higher education and institutional accountability – much of which was addressed in the One Big Beautiful Bill Act (OBBBA) and outlined in the reconciliation section of this document. With the reconciliation process in the rearview mirror, both education committees, as well as the House Select Committee on the Chinese Communist Party and the House and Senate Judiciary Committees, have been focused on institutional compliance and campus climate issues that have resulted in hearings throughout the year focused on campus antisemitism. The House Education and Workforce Committee is anticipated to continue its investigations of individual institutions' compliance with Title VI of the Civil Rights Act.

On the K-12 level, there has been continued bipartisan emphasis on STEM and career-connected learning opportunities, and K-12 AI in education is a particular area of priority. In addition, other legislation and policies focused on school choice and improving literacy are congressional priorities. While the Trump Administration has prominently touted interest in dissolving the U.S. Department of Education (ED), there has been little real conversation in Congress, to date, on moving forward with structural changes at ED.

Reauthorization efforts around the Workforce Innovation and Opportunity Act (WIOA) and consideration of the National Apprenticeship Act (NAA) continue to generate momentum in Congress. The chair of the House Education and Workforce Committee, Rep. Tim Walberg (R-MI), has stated that these are major priorities for his committee, as well as expanding short-term training opportunities, which sees support from both Education and Workforce and HELP committees.

#### Legislative Purpose

Bill Status

Outlook

(HEA) legislation:

**DETERRENT Act**;

**Bipartisan Workforce Pell Act:** 

**JOBS Act** 

Higher Education Act The Higher Education Act (HEA) is the primary legislative vehicle for directing policy on student aid, institutional eligibility for federal financial aid programs, and institutional reporting requirements. The DETERRENT Act, Bipartisan Workforce Pell Act, and JOBS Act would each amend HEA policies on student aid and institutional reporting. Because comprehensive HEA reauthorization is unlikely, there is legislative interest in these more targeted bills.

A few of these bills have been reintroduced in the 119th Congress or have had key provisions included in the One Big Beautiful Bill Act (OBBBA).

OBBBA included provisions from the Bipartisan Workforce Pell Act and the JOBS Act, by expanding Pell grant eligibility to short term workforce programs. Legislation that has been reintroduced includes Deterrent Act, passed by the full House introduced in the Senate, which proposes significant changes to HEA Section 117 foreign gift reporting and significant research security provisions. The JOBS Act, has also been introduced in the Senate but not the House. With unified Republican control of Congress, the Committee is likely to focus on legislation that could pass both chambers or ride larger legislation.

# **Education and Workforce**

#### Legislative Purpose

#### Bill Status

#### Outlook

National Apprenticeship Act This bill would codify the Office of Apprenticeship (OA) at the Department of Labor (DOL) and create an interagency agreement between DOL and the Department of Education. The bill would authorize more than \$3 billion over five years for Registered Apprenticeships and other related programs.

This bill has not yet been considered by either committee in the 119<sup>th</sup> Congress.

This bill typically has bipartisan support, and interest in workforce development is high. Disagreements over the interplay between Registered Apprenticeships and non-Registered Apprenticeships could prevent action on the bill. Workforce development is likely to remain an area of interest in the 119th Congress.

Workforce Innovation and Opportunity Act (WIOA) WIOA governs the federal workforce development system, which supports training for youth and adults with significant barriers to employment. WIOA is designed to help job seekers access employment, education, training, and support and to match employers with skilled workers.

A WIOA reauthorization has not yet been introduced in the 119<sup>th</sup> Congress, but the Education and Workforce Committee held a hearing in March 2025 titled "Strengthening WIOA: Improving Outcomes for America's Workforce."

As with the National
Apprenticeship Act, workforce
development is of bipartisan
interest. Federal interests in
emerging technologies such as Al
and infrastructure will also
require significant workforce
development efforts. It is likely
that efforts surrounding WIOA
will continue.

Student
Compensation and
Opportunity through
Rights and
Endorsements
(SCORE) Act

This bill seeks to establish a federal framework for athlete protections and eligibility standards and for Name, Image Likeness (NIL) deals for student athletes.

This bill has been considered by the House but not the Senate in the 119<sup>th</sup>.

The SCORE Act has advanced out of House Energy and Commerce Committee. Due to the interest from key Senators in establishing a national framework, legislation in this area will likely be taken up for consideration in the Senate as well.

# **Energy**

The Energy Policy Act of 2026 is the item that continues to be of most relevance to the energy research community. It would authorize major Department of Energy applied energy research, technology development, and early-stage demonstration projects. The last major energy policy and applied energy legislation was the Energy Act of 2020, which included many clean energy demonstration and deployment programs later funded under the Infrastructure Investments and Jobs Act. The more recent CHIPS and Science Act included a comprehensive reauthorization of all major Office of Science programs, which focus on fundamental energy and emerging technology science and technologies activities, but this bill did not address applied energy research, development, demonstration, deployment and commercialization activities, which are all expected to be addressed in this forthcoming legislation.

Congress is expected to introduce dozens of bills that cover a broad range of topics related to applied energy research and development, including marine energy, geothermal energy, advanced materials and manufacturing, critical minerals, grid reliability and resiliency, and entrepreneurship and commercialization. Many of these bills will then be consolidated into a final Energy Policy Act sometime next year.

Permitting is another energy-related topic that may be included a final Energy Policy Act. Congress made proposed changes to energy permitting in the *One Big Beautiful Bill Act* (OBBBA), but most were ultimately not included. House Majority Leader Steve Scalise (R-LA) said GOP leadership will work to advance permitting reform legislation this fall. Scalise said the product would ideally be a bipartisan, standalone bill. He added that Democrats have expressed interest in permitting reform in the past, and he expressed optimism that there would be an opportunity to pass legislation this fall. However, partisan tensions continue to remain high, decreasing the likelihood that a standalone bill is successful. An energy permitting bill is likely to be part of a broader energy package and may be the vehicle for R&D provisions.

#### Legislative Purpose

Bill Status

#### Outlook

S.579 - Department of Energy Quantum Leadership Act of 2025 The bill would reauthorize and expand quantum science research programs at the Department of Energy. This would include broadening the scope of research beyond fundamental science to include science, technology and engineering research, development, and demonstration activities and new funding for early-stage quantum computing.

Introduced with strong bipartisan and leadership support.

This bill will be included in energy future energy or quantum package and may pass as soon as the FY 2026 national defense authorization act.

# Energy

#### Legislative Purpose

#### Bill Status

#### Outlook

H.R.4999 - Fusion **Workforce Act** 

The Fusion Workforce Act would advance innovative approaches to developing, improving, and expanding education and workforce development, including supporting the retention, development, and growth of a diverse and sustainable workforce for fusion related fields.

The bill was introduced and referred to the House Science Committee.

The bill was introduced by the Committee's ranking member, Rep. Lofgren, and bipartisan cosponsor Rep. Obernolte. It is closely aligned with the President's priorities in support of fusion energy, which increases the likelihood it will be included in any future energy package.

**Restore and** Modernize our **National Lab Act** 

H.R. 4496, S. 2325 - The bill would authorize \$25 billion through Fiscal Year 2030 to support maintenance and infrastructure at the Department of Energy (DOE) National Laboratories.

The bill was introduced and referred to the House Science Committee and the Senate **Energy and Natural Resources** Committee.

While bills in both chambers lack republican co-sponsors, the strong Democratic support may be enough for its inclusion in the future energy package.

S.596 - Critical **Materials Future** Act of 2025

The bill would establish a pilot program to support domestic critical material processing.

The bill has been introduced and referred to the Senate Energy and Natural Resources Committee.

With bipartisan support and in line with the Administration priorities for increased domestic critical material capabilities, this is expected to be included in any final legislation.

**Water Power** Research and **Development Act**  The bill would update and reauthorize the Water Power Research and Development Act of 2020.

The bill has not yet been introduced.

This bill has not yet been introduced but is likely to be marked up and advanced through the House Science Committee before being incorporated into part of a larger applied energy bill. There will be opportunities for the research community to shape future research priorities as this bill moves forward.

# Energy

#### Legislative Purpose

#### Bill Status

#### Outlook

#### Office of Fusion Energy Act

The bill would establish an applied Office of Fusion Energy (OFE).

The bill has not yet been introduced.

This bill has not yet been introduced but is likely to be marked up and advanced through the House Science Committee and the Senate Energy and Natural Resources Committee before being incorporated into part of a larger applied energy bill. There will be opportunities for the research community to shape future research priorities as this bill moves forward.

#### DOE Entrepreneurship Act

The bill would establish a DOE program to help energy entrepreneurs create new companies and commercialize energy technologies. It is intended to help overcome the first valley of death in the commercialization of new technologies and would complement the existing Lab **Embedded Entrepreneurship** Program but with broader geographic reach. This type of program would benefit faculty, national labs, and other researchers interested in commercializing energy and emerging technologies.

The bill has not yet been introduced.

This bill has not yet been introduced but is likely to be marked up and advanced through the House Science Committee and the Senate Energy and Natural Resources Committee before being incorporated into part of a larger applied energy bill.

Small Modular Reactor Commercialization Act of 2025 – H.R. 2813 This bill would establish a DOE working group to promote U.S. leadership in the commercialization of small modular reactors (SMRs).

The bill was introduced in April 2025 and sponsored by Rep. Jim Baird (R-IN) with Reps. Claudia Tenney (R-NY) and Pat Harrigan (R-NC) as co-sponsors.

The bill does not have a Senate companion yet, but there is strong bipartisan support for advanced nuclear energy and will likely be included in the next energy package.

# **Environment**

#### Legislative Purpose

#### Bill Status

#### Outlook

Weather Act Reauthorization

The Weather Research and Forecasting Innovation Act of 2017, referred to as "The Weather Act," was passed with the goal of improving National Oceanic and Atmospheric Administration's (NOAA's) weather research capabilities by expanding investments in observational, computing, and modeling capabilities, supporting improvement in weather forecasting and prediction, and expanding commercial opportunities for the provision of weather data.

In the 118th Congress, the bill was introduced and passed unanimously by the House Science Committee, followed by bipartisan approval from the full House. However, the Senate ran out of time to consider the legislation, and it was not signed into law.

Congressman Frank Lucas (R-OK) acted quickly to reintroduce his signature legislation in the early months of the new Congress, maintaining the same priority areas, including enhancing weather prediction, readiness, and response, while emphasizing government collaboration with the private sector to leverage innovative, cost-effective forecasting technologies. The legislation continues to enjoy strong bipartisan support in the House, but it does not yet have a companion bill in the Senate.

Updating the Weather Act remains a top priority for the House Science Committee. It has already been reintroduced in the House, and the Committee has held a hearing to consider it.

The Senate is also expected to take up the legislation through the Senate Commerce
Committee, although action is likely to occur later in the year and will generally follow the
House's lead on content. It remains uncertain whether there will be strong Senate champions in the newly Republicancontrolled chamber. Last year, Democrats showed interest in using the Weather Act as a vehicle to advance climate-related provisions.

Senator Ted Cruz, who now chairs the Commerce
Committee, could be a potential leader considering recent severe storms in Texas; however, he has not historically played a leadership role on the Weather Act.

# **Environment**

#### Legislative Purpose

The purpose of permitting reform is to address deficiencies of the environmental permitting process. Republicans want to simplify and reduce the time of environmental reviews tied to the National Environmental Policy Act, Endangered Species Act and the Clean Water Act to build more pipelines and other oil and gas infrastructure. Democrats have been more interested in reform to accelerate investments in clean energy and associated

Prior bipartisan legislative proposals, including bills introduced under the 118<sup>th</sup> Congress, included several provisions that would support new research and development programs, particularly in the areas of energy systems, environmental policy, and new regulatory processes.

transmission and resilient

environmental impacts.

infrastructure while minimizing

#### Bill Status

The Energy Permitting Reform Act of 2024 was advanced on a bipartisan basis by Senator Joe Manchin (D-WV) and Senator Barrasso (R-WY) under the 118th Congress. Although the bill was introduced and passed out of the Senate Energy and Natural Resources Committee on July 31, 2024, with broad bipartisan support of 15–4, it was not passed by the full Senate. With the retirement of Senator Manchin and Senator Barrasso not assuming leadership of the Committee, the bill has not been re-introduced as a bipartisan effort and there has not been a single comprehensive permitting reform effort. Instead, several smaller permitting reform bills have been introduced and some Republican members made efforts to include permitting reform components in the One Big Beautiful Bill Act. These efforts were not ultimately successful—the Senate Parliamentarian determined that permitting reforms to be ineligible for inclusion in a reconciliation package since proposals were not directly linked to budgetary matters.

#### Outlook

The 119th Congress will remain interested in permitting reform through several committees this fall including through the Senate Committee on Energy and Natural Resources, Senate Committee on Environment and Public Works, House Committee on Natural Resources, House Committee on Energy and Commerce, and the House Committee on Transportation and Infrastructure. Staffers across these committees have expressed their interest in exploring provisions in legislation to provide support for the development of technological tools to increase data transparency and reduce the time required to develop environmental review documents, such as with Al tools. However, while committees will continue to debate permitting reform, there is a low likelihood that the Republican majority advance major legislation far given the lack of strong bipartisan support for comprehensive reform. Leading Democrats who have been interested in these issues, including EPW Ranking Member Senator Sheldon Whitehouse (D-RI), has indicated a lack of willingness to engage due to the Trump Administration's efforts to curb environmental regulations and side-step permitting law through rule-making and executive orders.

**Environmental and** 

**Energy Permitting** 

Reform

# **Environment**

#### Legislative Purpose

**Bill Status** 

#### Outlook

Fixing Emergency Management for Americans (FEMA) Act (H.R. 4669) The bipartisan Fixing Emergency Management for Americans (FEMA) Act (H.R. 4669) aims to overhaul the Federal Emergency Management Agency (FEMA) by establishing it as an independent, cabinet-level agency separate from the Department of Homeland Security (DHS). The bill would strengthen coordination across federal agencies, give states more autonomy in disaster planning, and expedite and enhance response efforts. It would also explicitly reinstate pre-disaster readiness programs like Building Resilience Infrastructure and Communities (BRIC) grant program, in addition to improving access to assistance for victims of disasters. For the environmental science community, the bill may open the door for science-based policy input and enhanced disaster resilience research. The current bill includes some general language providing FEMA with the authority to conduct science, technology, and research to support its mission and there is receptivity among Committee staff to consider expanding legislative directives, given that an independent FEMA would not have access to the science, technology, and innovation function that is established within DHS.

H.R. 4669 was introduced in the House with bipartisan support, led by Transportation and Infrastructure Committee leaders Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA), along with Reps. Webster (R-FL) and Stanton (D-AZ). The bill has garnered strong bipartisan backing within the committee with a successful passage on September 3; however, it has not yet been scheduled for broader House consideration and there is not yet a companion bill in the Senate. Related, narrower proposals such as the FEMA Independence Act (H.R. 2308 and S.1246)have also been introduced and feature overlapping but more limited scope.

The prospects of the FEMA Act's passage are uncertain. Leadership in both chambers have not prioritized the bill, and the outlook may be further complicated by President Trump's FEMA Review Council, which is expected to issue recommendations that could reshape or even dismantle the agency later this year. Passage of the bill in 2026 may be dependent on several factors, including: the FEMA Review Council's findings and recommendations; the President's posture towards the continued need for the federal government's role in emergency response to natural disasters versus leaving such functions exclusively to the states; the prominence of future disasters in the national discourse over the next several months; whether Congressional leadership embraces a comprehensive FEMA reform agenda; and lastly the willingness/receptivity of leadership to include such legislation as a part of an end-ofyear package.

# Health

The highest priority healthcare delivery issue for lawmakers of most relevance to the academic medicine community is addressing potential sequestration in the Medicare program due to the deficit increasing nature of the *One Big Beautiful Bill Act* (OBBA) passed in July of this year. According to the Congressional Budget Office (CBO), absent additional congressional action, Congress will need to identify roughly \$450 billion in Medicare savings due to statutory PAYGO triggered by adding \$3.4 trillion to the federal deficit in the OBBBA. In prior years, Congress has waived statutory PAYGO, and there is interest from members on both sides of the aisle in mitigating additional cuts to the Medicare program, which is already under a two percent sequester. In addition, Congress may look to act on advanced premium tax credits (APTC), made available through the *Affordable Care Act* (ACA) and expiring at the end of this year. Congress also may look to reauthorize healthcare workforce programs to avoid a lapse of funding and disrupt delivery of care, especially Title VII and VIII federal programs that have bipartisan support.

The most pressing legislative priority relevant to biomedical research is reauthorization of the National Institutes of Health (NIH). In the 118<sup>th</sup> Congress several proposals were floated in both the House and the Senate to reauthorize and/or reorganize the agency, either through a proposed "21<sup>st</sup> Century Cures 2.0" package, other standalone legislation, or through the appropriations process. The Trump Administration's budget request for FY 2026 also proposed a major reorganization of NIH, which was rejected by the Senate in its FY 2026 L-HHS-ED bill. Senate HELP Chair Bill Cassidy (R-LA), one of the lead proponents of NIH reform in previous years, has expressed some interest in pursuing legislation in this area again in the 119<sup>th</sup> Congress but has not yet released draft text or signaled that he will prioritize this within HELP's broader priorities. Also relevant to the biomedical research community is continued action on legislation aimed at further regulating high-risk life science research.

	Legis	lative	Pur	pose
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#### Bill Status

#### Outlook

#### NIH reauthorization

To enact structural and functional changes to the agency, including but not limited to changes to the grantmaking process, priority setting mechanisms, review framework, workforce programs, and transparency and oversight.

Not introduced. Several white papers and frameworks for NIH reform were discussed in the 118<sup>th</sup> Congress but have not yet been elevated this Congress.

Low likelihood of passage.

#### Statutory PAYGO Impact on Medicare

Waive or mitigate the impact of the roughly \$450 million sequester triggered by passage of the OBBBA.

Not introduced.

Potential inclusion in an end of year legislative package.

# Advanced Premium Tax Credits (APTC)

Extend APTCs past their current expiration date at the end of the calendar year.

While no bill extending APTCs has received serious consideration, there is significant interest from members of Congress in extending the credit. However, extension will require additional costs that may need to be offset with savings.

Potential inclusion in an end of year legislative package.

# Health

#### Legislative Purpose

#### Bill Status

#### Outlook

Risky Research Review Act Chair of the Senate Homeland Security and Governmental Affairs Committee (HSGAC), Senator Rand Paul (R-KY) introduced the Risky Research Review Act in the 118th Congress. The proposed bill would establish a new, independent agency - the Life Sciences Research Review Board to provide oversight of high-risk life science research, which is broadly defined in the bill as inclusive of dual use research, "gain of function" research, research involving Select Agents, toxins, and other pathogens. The Board, as described in the draft bill, would consist of nine Presidentially appointed, Senate confirmed members, who would have authority to review, approve, and audit federally funded life science research. Agencies would be prohibited from approving projects that fell within the Board's scope and institutions would be required to provide written attestations about whether they were conducting high-risk life science research as defined by the statute and the Board. The bill outlines significant criminal and civil penalties for failure to adhere to the process described.

During the 118th Congress, the Senate HSGAC Committee released a bipartisan discussion draft and advanced the bill S.4667 out of Committee by a bipartisan 8-1 vote. The bill was reintroduced in the 119th Congress but has yet to see consideration from any committee.

Potential committee consideration but low likelihood of passage in this calendar year.

# Health

#### Legislative Purpose

During the 118th Congress, the Senate HSGAC Committee released a bipartisan discussion draft and advanced the bill S.4667 out of Committee by a bipartisan 8-1 vote.

Risky Research Review Act

#### Bill Status Outlook

Senator Paul, as the new Chair of the HSGAC Committee, has made it clear that biosecurity, transparency and accountability are high priorities. This aligns with the priorities of the incoming Administration so it is probable that we will see these pieces of legislation – and possibly additional bills - reintroduced and moved forward in some form. However, HSGAC is also the Committee of jurisdiction for a number of Trump Administration priorities, including confirming nominees, border security, and the government reform efforts led by the Department of Government Efficiency (DOGE). These issues are likely to take priority in the first few months of the new Congress stalling any immediate action on the legislation described.

Former Ranking Member and now Chair of the Senate Homeland Security and Governmental Affairs Committee (HSGAC), Senator Rand Paul (R-KY) introduced the Risky Research Review Act in the 118th Congress. The proposed bill would establish a new, independent agency - the Life Sciences Research Review Board - within the Executive Branch to provide oversight of high-risk life science research, which is broadly defined in the bill as inclusive of dual use research, "gain of function" research, research involving Select Agents, toxins, and other pathogens. The Board, as described in the draft bill, would consist of nine Presidentially appointed, Senate confirmed members, who would have authority to review, approve, and audit federally funded life science research. Agencies would be prohibited from approving projects that fell within the Board's scope and institutions would be required to provide written attestations about whether they were conducting high-risk life science research as defined by the statute and the Board. The bill outlines significant criminal and civil penalties for failure to adhere to the process described.

# Science and Innovation

#### Legislative Purpose

#### Bill Status

#### Outlook

**National Quantum** Initiative and Quantum legislation:

H.R. 6213, S. 5411, S.579

Federal R&D programs and centers authorized in the Reauthorization Act National Quantum Initiative Act expired in Fall 2023 and need to be reauthorized.

> The National Quantum Initiative Reauthorization Act would renew the authorization for ongoing activities and centers, bring in new agencies, and increase focus in several areas including quantum engineering and translational capabilities, infrastructure, international collaboration, and education and training for the future quantum workforce. Several new centers would be authorized at the National Aeronautics and Space Administration (NASA), National Institute of Standards and Technology (NIST), and National Science Foundation (NSF). The Senate version from last Congress additionally adds roles in the initiative for the National Institutes of Health (NIH) and the Department of State.

Currently both the House and Senate are working on new drafts for the current Congress. Previously, the House Science, Space, and Technology Committee unanimously approved H.R. 6213, its version of the reauthorization, on November 29, 2023. The bill was not considered by the full House last Congress.

The Senate Commerce, Transportation, and Science Committee introduced their version of the bill on December 3. 2024. The bill was not considered in committee.

The Senate Energy and Natural Resources Committee approved S.4932, the Department of Energy Quantum Leadership Act, on November 19, 2024. A new version, S. 579, was introduced by Senator Dick Durbin (D-IL) and five co-sponsors in February 2025. The new bill has not vet been considered in committee.

Reauthorization of the National Quantum Initiative is a priority this Congress and committee staff have been working to update new versions of the legislation.

The legislation from last Congress will serve a starting point for new drafts. However, it is unclear how much the Senate will change in their new draft now that Republicans have taken control of the Committee. Chairman Ted Cruz (R-TX) was not a co-sponsor of S. 5411, the 2024 Senate bill. The new House bill is expected to be mainly like the previous bill.

The House and Senate staff have been working together as they draft their versions and are also in close coordination with the White House Office of Science and Technology Policy. While Committee action is possible this fall, full passage of quantum reauthorization is not likely until next calendar year.

# **Science and Innovation**

#### Legislative Purpose

#### Bill Status

#### Outlook

Artificial Intelligence (AI) Package and related legislation:

CREATE AI Act S.2714, H.R.2385

Department of Energy Al Act S.4664, H.R.9671

The NSF AI Education Act S. 4394, H.R.9402

The AI Advancement and Reliability Act H.R.9497

Future of Artificial Intelligence Innovation Act S.4178 During the 118<sup>th</sup> congress both the House and Senate formed bipartisan commissions to develop recommendations for Artificial Intelligence (AI) legislation. Both bodies focused on fostering AI innovation, enhancing national security, and promoting economic growth.

The House bipartisan Al task force developed a comprehensive framework with recommendations to expand Al accessibility, combat deepfakes, promote innovation and limit regulation, and enhance data privacy standards. The Senate bipartisan Al working group released a policy roadmap that outlines strategies to promote Al research and development, increase AI training and education, address national security concerns, and consider ethical implications.

Congress has yet to draft a comprehensive AI package; however, many individual bills have been introduced to address different aspects of AI.

Last Congress, the Senate
Commerce, Transportation, and
Science Committee and the
House Science, Space, and
Transportation Committee
introduced and approved out of
committee the CREATE AI Act,
which would authorize the
National Artificial Intelligence
Research Resource (NAIRR). The
CREATE AI Act has been
reintroduced this Congress but
has not yet been considered in
Committee.

The House and Senate introduced several other bills relevant to the research community, including authorizations for the NIST AI Safety Institute, NSF education and professional development activities related to AI, and NIST standards for the use of AI systems. Some of these bills have been reintroduced in this Congress.

Last Congress, the Senate Energy and Natural Resources
Committee and the House
Science, Space, and Technology
Committee both introduced and passed out of committee the
Department of Energy AI act which would authorize the
Frontiers in AI for Science,
Security, and Technology (FASST) initiative at the Department of Energy.

In this Congress, committees have been waiting for the Trump Administration to fully articulate their AI vision before drafting AI legislation. With the Al Action Plan now released, it is expected that the committees will work on new versions of individual bills. This fall is not expected to see major progress as committees are focusing first on quantum legislation. Later this Congress may also see efforts toward a more comprehensive renewal of the National Al Initiative. Senate legislation is expected to differ from drafts last Congress with Senator Ted Cruz (R-TX) now chairing the Committee and because the Trump Administration has outlined a different approach to AI in their Action Plan, especially as it relates to AI regulation. Support for research infrastructure and workforce investments remain strongly bipartisan.

# Space

The primary issue for the space research community is the congressional response to dramatic cuts to National Aeronautics and Space Administration (NASA) science programs proposed in the FY 2026 budget request. While there remains uncertainty about the funding outlook for NASA, there are several bills that would address policy concerns in parallel to the appropriations process.

#### Legislative Purpose

#### **Bill Status**

#### Outlook

Act of 2025 S. 933

NASA Authorization NASA Authorizations set policy, modify or establish new programs, and authorize funding levels for many of NASA's activities, including those of the Science Mission Directorate and Space Technology Mission Directorate.

The Senate introduced their version earlier this year which reaffirms Congressional support for the current Artemis program and various science programs which were proposed to be cut in the FY 2026 budget. The House has not yet introduced its version, but it should mirror the version introduced from last Congress.

The House and Senate Science Committees both have Chairmen from Texas and will fight against cuts proposed to various human spaceflight programs. Notably, both bills would push back against the proposed cuts to Science, Space Technology and Aeronautics programs as well. As a result, a conference process should proceed smoothly if both bills are passed by their respective chambers.

#### **Commercial Space** Act

Congress periodically considers legislation governing commercial activities in space. This includes policy, regulations, and oversight governing commercial launch providers, remote sensing companies, and other private space activities and exploration.

The legislation proposed last Congress addressed topics including orbital debris mitigation, federal space situational and space traffic management authorities and activities, and compliance with international treaties and agreements governing U.S. entities' actions in space.

Last Congress, the House Science, Space, and **Technology Committee** advanced the Commercial Space Act on a party line vote, with no Democrats in support. No House floor vote was ever held. The Senate Commerce. Science, and Transportation Committee began drafting its version of a commercial space bill but did not introduce a bill for consideration.

It is expected that a Commercial Space Act will be re-introduced this Congress as both Chairs have a strong interest in fostering commercial space efforts with limited government involvement. However, this legislation would come after a NASA Authorization bill is passed by Congress.

# **Space**

DOE and NASA Interagency Research Coordination Act H.R. 1368

#### Legislative Purpose

Congress has traditionally looked for opportunities to enhance and expedite research and development activities between DOE and NASA. Building upon those past efforts, this bill would authorize coordinated work on nuclear propulsion systems, modeling and simulation, various physics fields, quantum sciences, radiation studies and in-space solar energy

#### Bill Status

The bill was introduced by the House Science Committee and passed by the full House in March 2025.

#### Outlook

The Senate has yet to take up the measure or introduce its own version, but the Senate Commerce Committee will most likely focus on NASA Authorization before advancing other NASA-related bills.

# **Transportation**

The legislation of most relevance to the transportation research community is the Surface Transportation Reauthorization of 2026, which will authorize major Department of Transportation research, technology, roads, bridges, highways, and workforce projects. The last major reauthorization legislation was the *Surface Transportation Reauthorization of 2021*, which included many research, demonstration, and deployment programs funded under the *Infrastructure Investments and Jobs Act (IIJA)*. The IIJA included authorizations for University Transportation Centers, an Open Research Initiative, the Advanced Research Projects Agency-Infrastructure, and more. Congress is still gathering stakeholder input from hearings and Member engagement for the upcoming legislation. Recognizing that mid-term elections will be held next year, Congress intends to have a bill ready to pass into law early next year. The table below includes bills that are anticipated to be marker bills for the Surface Transportation Reauthorization.

#### Legislative Purpose

#### Bill Status

#### Outlook

Surface Transportation Reauthorization Act The Surface Transportation
Reauthorization Act will
reauthorize key Department of
Transportation programs and
activities for highway, motor
vehicle safety, motor carrier
safety, hazardous materials
safety, and rail research,
technology and statistics
programs.

The bill has not been introduced yet.

The current Surface
Transportation Authorization is set to expire in Fiscal Year (FY)
2026. Congress is reviewing stakeholder and Member input and plans to have a bill ready by the end of the year.

Federal Disaster Assistance Coordination Act; H.R. 152 The Federal Disaster Assistance Coordination Act would enhance the efficiency of federal disaster assistance through the streamlining of information collection and preliminary damage assessments. The bill incorporates FEMA, SBA, and HUD, along with certain DOT officials to decrease federal bureaucratic gridlock.

The bill has passed the House of Representatives with overwhelming support and will be sent to the Senate committee for debate.

The bill has been referred to the Senate Homeland Security and Governmental Affairs
Committee for markup and is expected to pass with bipartisan support.

The POWER Act of 2025; H.R.164 The Promoting Opportunities to Widen Electrical Resilience (POWER) Act of 2025 targets transport and infrastructure development efforts during disaster recovery responses.

The bill has passed the House of Representatives with overwhelming support and will be sent to the Senate committee for debate.

The bill has been referred to the Senate Homeland Security and Governmental Affairs
Committee for markup and is expected to pass with bipartisan support.

# **Transportation**

	Legislative Purpose	Bill Status	Outlook
To Amend the Intermodal Surface Transportation Efficiency Act H.R. 351	This bill would prohibit the implementation of congestion or cordon pricing, including drivers' fees and access to urban areas.	The bill is currently in review in the House Committee on Transportation and Infrastructure.	It is unclear if the bill will gain traction and move to the full House for a vote. The bill is expected to face opposition, particularly in the Senate.
Cool Corridors Act of 2025 H.R. 4420	This bill would amend the Healthy Streets program by enhancing the resilience, accessibility, and safety of transportation corridors by supporting strategic investments in nature-based cooling strategies along pedestrian, bicycle, and transit routes.	This bill is currently in review in the House Committee on Transportation and Infrastructure.	We anticipate that this bill will be included in the Surface Transportation Reauthorization.
Bridge Investment and Modernization Act of 2025 H.R. 4401	This bill would amend Title 23 in the United States Code to reauthorize and remove certain considerations under the bridge investment program.	The bill is currently in review in the House Committee on Transportation and Infrastructure.	We anticipate that this bill will be included in the Surface Transportation Reauthorization.
AV Safety Data Act H.R. 4376	This bill would improve incident reporting with respect to certain autonomous vehicles.	The bill is currently in review in the House Committee on Transportation and Infrastructure.	We anticipate that this bill will be included in the Surface Transportation Reauthorization.

# Facilities and Administrative (F&A)/ Indirect Costs

At the beginning of the Trump administration, federal research agencies issued policy notices to cap Facilities and Administrative (F&A) costs, also known as indirect costs, at 15 percent for all grantees. The National Institutes of Health (NIH) was the first to issue such a policy notice in February, and it was immediately met with resistance from the research community. Other agencies, including DOE, NSF, and DOD, subsequently issues similar policy notices. Several associations, including the Association of American Universities (AAU), Association of Public and Land-Grant Universities, and the Association of American Medical Colleges (AAMC), joined together to notify members of Congress and sued the NIH for attempting to implement the 15 percent cap. The associations successfully secured a nationwide permanent injunction against the cap, citing violations of the Administrative Procedure Act and existing legislation that prohibits altering NIH's negotiated F&A rates. Additional legal challenges have resulted in nationwide injunctions for DOD, DOE, and NSF pending appeals and other legal action.

As litigation over the issue continues, Congress has signaled interest in supporting a new model for F&A costs. Chairman Tom Cole (R-OK), Chair of the House Appropriations Committee, and Chairwoman Susan Collins (R-ME), Chair of the Senate Appropriations Committee, expressed willingness to work with the research community on this effort. The Joint Association Group (JAG) on Indirect Costs, which represents numerous universities, academic hospitals, and independent research institutions, have collaborated to develop a new model to support F&A costs. In addition, the JAG has worked closely with legislators to insert language in key appropriations and authorizing bills to prohibit the 15 percent cap on F&A and encourage the executive branch to work with the research community to develop a sustainable alternative model.

#### Legislative Purpose

#### Bill Status

#### Outlook

#### FY 2026 Appropriations

The language included would prohibit the implementation of a 15 percent F&A rate cap for federal agencies that provide research grants.

Report and/or bill language prohibiting the cap on F&A and promoting collaboration with the research community to develop a new F&A model is now included in several House and Senate FY 2026 appropriations bills, including but not limited to Defense, CJS, Energy and Water, and Labor-HHS. More bills are slated for introduction as the appropriations process continues.

With strong support from
Chairman Cole in the House and
Chairwoman Collins in the
Senate, it is likely the final FY
2026 appropriations spending
package will include language
prohibiting the cap of F&A rates
at 15 percent and require the
Administration to find a
negotiated solution.

#### **FY 2026 NDAA**

The Senate NDAA includes report language that would prohibit the Secretary of Defense from enforcing a change to indirect costs until he can certify that he worked with the extramural research community to develop an alternative indirect cost model and established an implementation plan with adequate transition time for grantees.

Language is only included in the Senate version of the bill. The language would have to make it through the conference process to be included in final legislation passed at the end of the year.

This bill is likely to pass as NDAA is one of the few authorizing bills that pass every calendar year.

The conference process between the House and Senate will determine if the language is included in the final bill.

# ASSOCIATES LLC

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440 First Street, NW Suite 700 Washington, D.C. 20001 *t*: 202.289.7475

www.lewis-burke.com