

HFES Bulletin: Congress Navigates a Critical Legislative Season

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Now that Congress has returned from August recess, the most urgent item is keeping the government funded beyond September 30, the end of the fiscal year. With appropriations still not finalized into law and the risk of government shutdown running high, here's what's on the table.

Navigating a Potential Government Shutdown

The House and Senate have separately advanced most of the FY 2026 appropriations bills, which include stable or modestly increased funding for science, health, and education programs. However, none has been conferred and signed into law, and with less than a month before funding expires, Congress faces two possible paths forward.

The first option is a **short-term continuing resolution (CR)**, which would act as a safety net by extending FY 2025 funding levels into early November. This is considered the most likely scenario, giving lawmakers additional time to finalize FY 2026 appropriations. CRs have become routine since Congress has not passed all appropriations bills before the start of the fiscal year since 1997. If a CR is enacted, it will likely extend funding at FY 2025 levels, but appropriators may need to be more prescriptive than in the past, directing federal agencies to spend funds as intended rather than leaving allocations to Administration discretion. Without such guidance, the White House could implement lower funding levels, such as those proposed in the President's FY 2026 budget.

The second option is a **government shutdown.** While many lawmakers want to avoid a shutdown, the possibility remains high. Some conservative Republicans view a shutdown as an opportunity to give the Administration greater discretion to prioritize border patrol and immigration enforcement over science and education programs. Democrats, meanwhile, are preparing for potential disagreements with the Trump Administration, which has previously withheld or redirected funds in ways that diverged from congressional intent. This includes \$9 billion in clawed-back foreign aid and public broadcasting funds, with additional rescissions targeting the Education Department expected. Democrats also contend that the Administration has illegally impounded funds in violation of the Impoundment Control Act of 1974, with the GAO finding five instances of illegal impoundment this year and another 35 cases under review. The White House Office of Management and Budget are reportedly considering up to \$400 billion in "pocket rescissions," a tactic that could allow funding to lapse if Congress does not act quickly.

The impact of a shutdown would depend on its duration. A short shutdown of a few days would likely have minimal effects on research and academic programs.



However, a prolonged shutdown could result in federal employee furloughs, suspended contracts, and significant delays in processing grants and renewals, even after the government reopens.

Despite these risks, congressional appropriators remain optimistic that a final FY 2026 spending package is achievable. Both House and Senate bills include language directing the Administration to spend funding on specific programs, preventing actions like imposing a 15 percent indirect cost cap on higher education. Earmarks are also part of the discussion, with House Republicans including nearly \$8 billion in their FY 2026 bills.

Key Congressional Legislation from NDAA to Labor-HHS

Beyond appropriations, Congress must also address several major legislative priorities, including the annual defense policy bill, expiring Farm Bill provisions, and the extension of community health center funding and telehealth flexibilities. The National Defense Authorization Act (NDAA) passed the House on September 10 and is expected to become law by the end of the year. It may also serve as a 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 either through a continuing resolution (CR) or the final FY 2026 spending package.

On September 9, the full House Appropriations Committee approved FY 2026 Labor, Health and Human Services, and Education (L-HHS-ED) bill along party lines, with all Republicans supporting and all Democrats opposing. The bill proposes approximately \$184.5 billion in discretionary funding for FY 2026, covering biomedical research, public health activities, education, workforce programs, and other priorities. This amount is roughly \$13.7 billion below FY 2025 enacted funding and \$12.5 billion below the Senate L-HHS-ED proposal.

Both chambers propose modest increases for the National Institutes of Health (NIH), compared to the 40% reduction suggested from the President's budget. However, the House bill includes significant cuts for ARPA-H and NIOSH, and it proposes eliminating the Agency for Healthcare Research and Quality (AHRQ), while the Senate bill leaves room for negotiation on final funding levels.

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.



Make America Healthy Again (MAHA) Commission Releases Strategy Report on Chronic Childhood Disease

On September 9, the Trump Administration's Make America Healthy Again (MAHA) Commission released its long anticipated <u>strategy report</u> to *Make Our Children Healthy Again*. In February, President Trump signed an Executive Order (EO) establishing the <u>MAHA Commission</u>, comprised of leaders from key health, agricultural, environmental and economic agencies to reduce the burden of chronic disease among U.S. youth. The EO directed the Commission to develop an <u>assessment report</u> identifying the main drivers of childhood chronic disease and then produce a strategic report to lay out a federal interagency plan to combat the assessment's findings.

The assessment report identified four potential drivers of the childhood chronic disease crisis: poor diet, chemical exposures, lack of physical activity and increased chronic stress, and overmedicalization. In response to the assessment, the Commission outlines four primary directives in its strategy report to end childhood chronic disease: advance research, realign incentives to drive innovation, increase public awareness, and foster private sector collaboration. The success of the strategy will depend on how federal agencies, Congress, and private partners implement these recommendations in the coming months.