

MEMORANDUM

TO: DRRC Members

FROM: Peter Thomas and Natalie Keller

DATE: January 22, 2026

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

Introduction

On January 20, 2026, the House and Senate Committees on Appropriations released a conferenced legislative text (“conferenced bill”) that appropriates funding for fiscal year (FY) 2026 for the Department of Defense (“DOD”), Homeland Security, Labor, Health and Human Services, Education, and Related Agencies (“L-HHS”), and Transportation, Housing and Urban Development (“T-HUD”). Below are links to important House and Senate texts detailing L-HHS appropriations in the conferenced bill:

- [Conferenced Legislative Text](#)
- L-HHS [Joint Explanatory Statement](#)
- L-HHS [Congressionally Directed Spending](#) (“Earmarks”)
- Senate Committee on Appropriations L-HHS [Bill Summary](#)
- Senate Committee on Appropriations [Press Release](#)
- House Committee on Appropriations L-HHS [Bill Summary](#)
- House Committee on Appropriations [Press Release](#)

The L-HHS joint explanatory statement should be read together with House Report [119-271](#) and Senate Report [119-55](#). These reports carry the same authority as the explanatory statement and should be followed unless the joint explanatory statement specifically says otherwise.

House leaders expect to hold a vote on January 23, and because the Senate is in recess, it will take up the bill when it returns in the final week of January. If the bill passes, Congress will have until January 30th to send the package to President Trump before funding for the affected programs expire. If the bill is not timely enacted, these departments will presumably shut down on February 1st until Congress acts.

Consistent with House and Senate versions of L-HHS appropriations, the conference version diverges substantially from massive cuts to many federal agencies and programs that were included in the President's FY 2026 Budget Request, including:

- **HHS Reorganization:** The conference bill does not adopt the President's proposed restructuring of the Department of Health and Human Services, nor does it adopt the restructuring of NIH.
- **Program Funding:** The conference bill preserves funding for numerous programs that the President's budget either eliminated or significantly reduced.
- **Earmarks:** The conference bill includes earmarks for health and human services programs.
- **Grant Terminations:** The conference bill requires HHS to consult with the Appropriations Committees before terminating any grants, recognizing that such terminations can seriously disrupt program implementation. It also mandates that the Committees receive at least three days' advance notice before any grant termination is announced and advance notice of any disruptions to the grant payment management system.

The following information pertains to the conference version of the L-HHS conference bill which has not yet passed the House or Senate chambers.

HHS Discretionary Funding Overview

President Trump's budget proposed \$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 conference bill would appropriate \$114.797 billion in discretionary funding for HHS in FY 2026.

NIH Funding Comparison

Overall NIH Funding

- Conference bill: \$47.216 billion (\$301 million increase in budget authority)
- 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

- Conference bill: \$1.5 billion (maintained from FY 2025)
- 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")

- Conference bill: \$1.769 billion (increased by \$10 million from FY 2025)
- 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") which 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

- Conference bill: \$2.804 billion (increase of \$101 million from FY 2025)
- 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, Indirect Cost Cap, Multi-Year Funding, and Institute and Center Director Hiring Process

The conference bill 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. DCCR, along with numerous other organizations, fought hard throughout 2025 to achieve these objectives on behalf of the rehabilitation and disability research community, resulting in this major victory.

The conference bill also rejected changes proposed by the President to the indirect cost cap. The agreement affirms the importance of indirect cost recovery for sustaining research institutions but notes the need for more transparency and potential improvements to the current system. It directs agencies to discuss proposed improvements with Congress, while prohibiting NIH or any other agency from changing how indirect cost rates and caps are applied under longstanding NIH policies and procedures.

The conference bill also raises concerns that NIH's plan to fully fund multi-year grant commitments could lower success rates and reduce the number of grants awarded, harming smaller institutions. The bill limits NIH's use of multi-year funding, directs the agency to prioritize new and competing awards, and requires regular reports and briefings on grant activity to the committee on how this funding model is being applied.

The conference bill directs NIH to continue involving external experts and stakeholders in searches for Institute and Center Directors and to allow adequate time to recruit strong applicant pools. Until all vacancies are filled, NIH must provide quarterly updates on search progress and, within 60 days, deliver a detailed report on the IC Director hiring and approval process, including past searches and relevant internal guidance.

CDC Funding

Overall CDC Funding

- Conferenced bill: \$9.202 billion (\$120 million above FY 2025)
- 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")

- Conferenced bill: \$205 million (\$1 million below FY 2025)
- 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")

- Conferenced bill: \$761 million (leveled funded at FY 2025)
- 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")

- Conferenced bill: \$1.432 billion (\$1 million below FY 2025)
- 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")

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

Administration for Community Living ("ACL")

- Conferenced bill: \$2.536 billion (\$18 million above FY 2025)
- 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.
- In addition to overall ACL funding levels, the conferenced bill fully funds both the Limb Loss and Paralysis Resource Centers as well as the TBI state grant program, rather than following the President's budget which zeroed out funding for these important programs.

NIDILRR

- Conferenced bill: \$119 million (level funded from FY 2025)

- 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 the Administration for Children, Families, and Communities ("ACFC")
- Maintaining funding for NIDILRR at the \$119 million level is a signature accomplishment of the DRRC. While other organizations are supportive of NIDILRR, DRRC has become the dominant coalition protecting and preserving rehabilitation, disability, and independent living research.

Department of Defense

Congressionally Directed Medical Research Program ("CDMRP")

Congress appropriated \$1.27 billion for CDMRP in FY 2026, a major increase from FY 2025, in part, because the Administration used some of these funds to cover the cost of paying members of the military during the Fall 2025 government shutdown.

- \$370 million for peer-reviewed medical research under the CDMRP program, an increase from \$150 million that was appropriated in FY 2025. This funds a wide variety of medical research projects, many of which focus on rehabilitation research for both active duty military and civilian populations.

Conclusion

It is likely but still not clear that the House and Senate will pass this bipartisan, bicameral agreement on FY 2026 spending. It is also expected but not completely clear whether the President will sign this bill into law by January 30th if it reaches his desk. If the bill fails for any reason, these Departments will likely shut down until Congress takes further action. If the bill is enacted, it will signal a major victory for Congress over the Executive Branch's efforts to largely seize control over government spending to the detriment of Congress' authority over federal agencies' structure and funding. In many instances of priority for DRRC, enactment of this bill would be a major victory for rehabilitation and disability research and would validate our extensive efforts over the course of the past year. Regardless of the outcome of this bill, the Administration is supposed to issue its federal budget proposals for FY 2027 in early February, which could result in a new round of proposed structural changes and deep spending cuts for priority programs in FY 2027.