

APPROPRIATIONS UPDATE

Sep 28th,
2026

NIH Funding Dispute Intensifies as Administration Cancels Nearly \$1 Billion

The ongoing dispute over federal support for biomedical research has escalated as President Trump moved to cancel nearly \$1 billion in funding that Congress appropriated, including funds for health research, education, immigration services, foreign assistance, and minority-owned businesses. The administration is using a legally disputed “pocket rescission” process that it argues allows funds withheld late in the fiscal year to expire without affirmative congressional approval.

The move drew immediate criticism from Senate Appropriations Chair Susan Collins (R-ME), who said rescinding appropriated funds without congressional approval violates federal law. Collins and other appropriators have been pressing agencies over unspent funds as the fiscal year-end approaches, while Democrats have also called for Congress to reject the administration’s action.

The dispute adds another dimension to the broader congressional-administration conflict over NIH funding: after Congress rejected the administration’s proposed cuts and increased NIH funding by \$415 million for FY2026, lawmakers continue to face questions about the administration’s authority to withhold or cancel funds that Congress has already enacted.

Bipartisan Push for Federal Worker Pay Increase

More than 100 lawmakers from both parties and both chambers sent a letter earlier this month urging congressional leaders to reject the Trump administration’s proposed federal worker pay freeze and instead provide a “meaningful” pay increase in FY2027 funding legislation. The lawmakers are calling for up to a 4.1% increase, arguing that federal employee compensation should keep pace with the rising cost of living. The push comes as Congress works through FY2027 appropriations, setting up another potential point of disagreement between lawmakers and the administration over federal workforce policy and spending.