

APPROPRIATIONS UPDATE

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Pocket Rescission Conversations Resurface in Washington

With less than 42 days remaining in the fiscal year, the White House is approaching the window in which it could again attempt to cancel congressionally appropriated funds through a so-called “pocket rescission.” The maneuver was used last year to eliminate \$4.9 billion in foreign assistance without Congress formally rescinding the funds, prompting significant pushback from lawmakers and questions about executive authority. OMB has not said whether it plans to pursue another pocket rescission, but new OMB Deputy Director Hal Duncan told lawmakers during his confirmation process that the administration is not ruling out any “fiscal tools.” With Russ Vought still leading OMB, the possibility of another effort to withhold or cancel appropriated funding remains a concern for Congress.

The administration could face an even steeper legal and political fight this time around. The Government Accountability Office (GAO) recently published an [FAQ](#) concluding that pocket rescissions are not legally permissible under current law, noting that the agency has addressed the issue in decisions dating back to the 1970s. GAO said its position has evolved alongside Supreme Court case law and amendments to the Impoundment Control Act, but its latest guidance underscores that the administration cannot simply allow congressionally appropriated funds to expire or disappear by refusing to spend them. As the fiscal year draws to a close, Congress will be watching closely for any new attempt by the White House to test the limits of its spending authority.

Congressional Appropriators Face Tough Races

House and Senate appropriators are facing a potentially consequential election cycle, with several key members defending vulnerable seats ahead of midterms. Cook Political Report currently rates [19 House races as toss-ups](#), including contests involving Republican appropriators Juan Ciscomani (R-AZ) and David Valadao (R-CA) and Democratic appropriators Marcy Kaptur (D-OH) and Marie Gluesenkamp Perez (D-WA). In the Senate, two of the three incumbents in [Cook-rated toss-up races](#) are also appropriators: Senate Appropriations Chair Susan Collins (R-ME) and Sen. Jon Husted (R-OH). Turnover among appropriators could reshape the makeup and priorities of the Appropriations Committees heading into the next Congress.