The ACADEMY for Radiology & Biomedical Imaging Research

Advancing Innovation in Imaging Science

ACADEMY MEMBER FAQs

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Important Definitions:

- **Budget reconciliation** refers to a fast-track legislative process used to enact changes to mandatory spending, revenue, or the debt limit. When you hear talk of the "Big Beautiful Bill," Congress is using the budget reconciliation process.
    - **This bill DOES NOT include NIH funding cuts.**
- **Budget rescission** is a legislative process where the President requests that Congress cancel previously approved funding.
    - **This bill DOES NOT include NIH funding cuts.**
- **The President's budget request** provides spending and policy ***proposals*** on how the administration ***would like*** Congress to support programs within federal agencies for the upcoming fiscal year through the annual appropriations process.
    - **40% cut to NIH is included in the President's Budget Request.**
- **Appropriations** is the annual process of funding discretionary programs. Discretionary spending refers to expenditures made through the annual appropriations process. Programs funded by discretionary spending are subject to annual changes by congressional appropriators**.**
    - **NIH is funded in the Labor-HHS-Education Appropriations bill.**
- **Budget impoundment** refers to a situation where the President, or an officer or employee of the executive branch, delays or withholds the use of funds that Congress has appropriated.
    - **This *could* affect NIH. The Academy is closely watching this.**

Dates of Note:

July 31st:

- Senate appropriators meet to draft the Labor-HHS Appropriations bill (NIH).

Early September:

- House appropriators meet to draft the Labor-HHS Appropriations bill (NIH).

September 30th:

- Spending deadline for federal agencies (NIH) to spend their current year appropriated funds.
- Congress must pass all 12 appropriations bills for the next fiscal year.

Federal Budget Frequently Asked Questions

When does the President's Budget Request become law?

The President's budget is never enacted into law. The President submits a comprehensive budget request to Congress, outlining the administration's policy and funding priorities, as well as the economic outlook for the upcoming fiscal year. This budget, which estimates spending, revenue, and borrowing levels, is compiled by the Office of Management and Budget from input by the various federal agencies.

Once submitted to Congress, this request is generally considered "dead on arrival." The House and Senate, through their own budget committees, will develop a broad blueprint for federal spending. This becomes the basis for funding levels for the appropriations process.

President Trump submitted his budget to Congress, recommending a 40% cut to NIH. While alarming, this will not become law through the budget process. Appropriators will determine if a cut of that magnitude is necessary.

What is the difference between the budget process and the appropriations process?

The budget and appropriations processes go hand-in-hand but are two distinct steps. Both the House and Senate have separate committees that deal with the budget and appropriations, respectively. The budget committees focus on developing a broad blueprint for federal spending under regular procedures. The appropriations committees, operating under those broad spending levels given by the budget committees, then decide how to divvy up spending among the various programs and issues.

Is the 40% cut to NIH included in the Big Beautiful Bill that Congress is currently considering?

No. The Big Beautiful Bill is considered under the rules of reconciliation. The Big Beautiful Bill cannot directly change spending that is controlled by the annual appropriations process, also known as discretionary spending. Reconciliation is primarily used to adjust **mandatory** spending and revenues.

Reconciliation is a way for Congress to enact legislation on taxes, spending, and the debt limit with only a majority (51 votes, or 50 if the vice president breaks a tie) in the Senate. Because Republicans have 53 seats in the Senate—plus a Republican vice president—reconciliation is a way to get a tax-and-spending bill to the President's desk even if no Democrats support it.

What is the difference between mandatory and discretionary spending?

Discretionary spending refers to expenditures made through the annual appropriations process. In other words, programs funded by discretionary spending are subject to change every year by appropriators. Mandatory programs, on the other hand, are not subject to the annual appropriations process and, for the most part, include what are referred to as "entitlement programs," such as Medicare, Medicaid, and Social Security.

What happens if NIH can't spend all of its appropriated funds by the end of the current fiscal year?

We have all read about, and many have experienced, NIH's slowed ability to approve funding. There is general agreement that NIH will not be able to spend its FY2025 funds before the end of the year. Two things can happen in this unique situation:

1. Congress can enact a provision in its FY2026 appropriations bill that carries over any unspent FY2025 funds.
2. The administration can impound the funds, meaning the money is returned to the Treasury, not NIH. The money could be directed to other administration priorities. The administration would also highlight the lack of funds spent by NIH as justification for cutting its budget. **However, the President cannot legally impound funds without explicit approval from Congress.**

What happens if Congress doesn't pass the 12 appropriations bills by October 1st?

Three things can happen under this scenario:

1. Congress can pass a stop-gap measure called a continuing resolution (CR) that will extend the current year's funding into the next fiscal year, usually with a set timeline of one month to several weeks. It's a tool used when appropriators are close to finalizing their bills. *This is the most likely scenario.*
2. Congress will pass an omnibus bill. An omnibus bill consolidates all the appropriations bills that have not yet become law into a single bill. This typically happens after a CR expires, and Congress wants to finalize its work for the year.
3. The government shuts down. This is the least likely scenario. When Congress fails to enact the 12 annual appropriation bills or pass a CR, federal agencies must cease all non-essential functions until Congress acts. Neither political party wants a shutdown, especially the party in the majority—this year, that is, the Republicans. Americans generally view government shutdowns negatively and tend to place blame on the party they perceive as primarily responsible.

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supportive membership here. For additional membership details, we welcome you to connect with Josie Wilkinson at jwilkinson@acadrad.org