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SUMMARY

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This report provides an overview of FY2027 Labor, Health and Human Services, and Education, and Related Agencies (LHHS) appropriations, including relevant congressional actions and a top-line comparison of discretionary funding proposed for FY2027 versus prior-year funding for FY2025 and FY2026. It also provides background on the scope of the bill and context for congressional budgetary decisionmaking.

Full-year FY2027 LHHS appropriations have not been enacted. In the interim, FY2027 funding has been provided on a temporary basis through a continuing resolution (CR). The FY2027 CR (H.R. 6500; P.L. 119-103) was signed into law on September 2, 2026, following earlier passage by the Senate (90-6) on August 8, 2026, and by the House (370-48) on September 1, 2026. The CR provides continuing appropriations for all 12 annual appropriations acts (including LHHS) through December 11, 2026. In general, the CR funds discretionary LHHS programs at the same rate and under the same conditions as in FY2026, and it funds annually appropriated LHHS entitlements at their current law levels.

Prior to enactment of the FY2026 CR, on June 9, 2026, the House Appropriations Committee voted to report its version of the FY2027 LHHS bill (34-28). The measure was subsequently reported on June 11, 2026, as H.R. 9260 (H.Rept. 119-696). The FY2027 House committee bill would provide $189.3 billion in regular discretionary appropriations, which is $5.6 billion (-2.9%) less than the FY2026 enacted level.

The Senate Appropriations Committee has not marked up its version of the FY2027 LHHS bill. No further congressional action on annual LHHS appropriations has occurred as of the cover date of this report.

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An overview of FY2026 appropriations for LHHS is provided in CRS Report R48970, *Labor, Health and Human Services, and Education: FY2026 Appropriations*.

Congressional clients may consult the LHHS experts list in CRS Report R42638, *Appropriations: CRS Experts*, for information on which experts to contact at the Congressional Research Service (CRS) with questions on specific agencies and programs funded in the LHHS bill.

Scope of the LHHS Bill

The LHHS bill is the largest of the 12 annual appropriations bills, in terms of appropriated funds, when accounting for both *mandatory* and *discretionary* funding ($1.7 trillion in FY2026).[1] It provides annually appropriated budget authority for the following federal departments and agencies:

- the Department of Labor (DOL);
- most agencies at the Department of Health and Human Services (HHS), except for the Food and Drug Administration (funded through the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill), the Indian Health Service (funded through the Department of the Interior, Environment, and Related Agencies appropriations bill), and the Agency for Toxic Substances and Disease Registry (funded through the Interior-Environment appropriations bill);
- the Department of Education (ED); and
- more than a dozen related agencies (RA), including the Social Security Administration (SSA), Corporation for National and Community Service

[1] This is calculated based on the explanatory statement accompanying the FY2026 LHHS appropriations act (P.L. 119-75) available in the *Congressional Record*, vol. 172, no. 15, book II, January 22, 2026, pp. H1590-H1660. For more information, see CRS Report R48970, *Labor, Health and Human Services, and Education: FY2026 Appropriations*. The discretionary funding provided in the LHHS appropriations act is both provided in and controlled by that act. The mandatory funding provided in the LHHS act is controlled by provisions in authorizing laws. For definitions of these and other budget terms, see U.S. Government Accountability Office (GAO), A Glossary of Terms Used in the Federal Budget Process, GAO-05-734SP, September 1, 2005, http://www.gao.gov/products/GAO-05-734SP. (Terms of interest may include "budget authority," "appropriated entitlement," "direct spending," "discretionary," "entitlement authority," and "mandatory.")

(CNCS), Institute of Museum and Library Services, National Labor Relations Board, and Railroad Retirement Board.

In FY2026, mandatory funding represented 87% of the total LHHS act, supporting annually appropriated entitlements such as Medicaid and Supplemental Security Income (SSI). Discretionary funding, which accounted for 13% of total funds in the F2026 LHHS act, tends to be the focus of congressional debate during the appropriations process.[2] This is because the appropriations process generally has little control over the amount of mandatory funding provided for appropriated entitlements; rather, the authorizing statute controls the program parameters (e.g., eligibility rules, benefit levels) that entitle certain recipients to payments. Consequently, the focus of this report is generally on the discretionary spending for LHHS programs and activities.

Even though discretionary appropriations represent a relatively small share of the entire LHHS bill, the bill is typically the largest single source of nondefense, discretionary funding for the federal government. (The Department of Defense bill is the largest single source of discretionary funding overall.)

Calculating Total LHHS Budget Authority

Budget authority is the amount of money a federal agency is legally authorized to commit or spend. Appropriations bills may include budget authority that becomes available in the current fiscal year, in future fiscal years, or some combination. Amounts that become available in future fiscal years are typically referred to as *advance appropriations* (e.g., the FY2026 LHHS appropriations act contained advance appropriations that become available in FY2027 for certain programs and activities). In addition, while new budget authority is generally subject to a variety of statutory and congressional rules that are intended to control the budget (i.e., budget controls), some budget authority may be effectively *exempted* from those controls, including budget authority for emergency requirements, health care fraud and abuse control, and continuing disability reviews and redeterminations.

The amount of LHHS budget authority can be tabulated in various ways. The total amount of budget authority provided in an appropriations bill (i.e., *total in the bill*) is calculated regardless of the year in which the funding becomes available.[3] In some cases, such as the 302(b) suballocations (discussed later in this report), the total is based on *current-year appropriations* (i.e., the amount of budget authority available for obligation in a given fiscal year), which is calculated regardless of the year in which it was first appropriated.[4] Additionally, budgetary totals may or may not include Congressional Budget Office (CBO) *scorekeeping and other adjustments* to reflect budget enforcement conventions and special instructions of Congress.[5] Calculations of LHHS budget authority might include or exclude budget authority that is *exempted* from budget controls.

Context for FY2027

Under the congressional budget process, consideration of annual appropriations traditionally is preceded by the submission of the President's budget request and the adoption of the congressional budget resolution. Background related to these issues for the FY2027 appropriations cycle is provided below.

[2] For an illustrative discussion of the distribution of funds among the different titles of the bill, and between discretionary and mandatory spending, see the discussion of FY2026 enacted appropriations on pages 17-20 of CRS Report R48970, *Labor, Health and Human Services, and Education: FY2026 Appropriations*.

[3] Such figures include advance appropriations provided in the bill for future fiscal years, but do not include advance appropriations provided in prior years' appropriations bills that become available in the current year.

[4] Such figures typically exclude advance appropriations for future years, but include advance appropriations from prior years that become available in the given fiscal year.

[5] For more information on scorekeeping, see CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*. See also a discussion of key scorekeeping guidelines included in the joint explanatory statement accompanying the conference report to the Balanced Budget Act of 1997 (H.Rept. 105-217, pp. 1007-1014).

President's Budget Submission for FY2027

The Budget and Accounting Act of 1921 (P.L. 67-13), as amended, requires the President to submit an annual consolidated federal budget to Congress at the beginning of each regular congressional session, not later than the first Monday in February. Typically, many of the proposals in the President's annual budget recommend changes to laws that govern mandatory spending levels or policies, which are usually established on a multiyear or permanent basis. Discretionary spending, however, which is nearly one-third of the federal budget,[6] is decided and controlled each fiscal year through the annual appropriations process. While Congress is not required to adopt the President's proposals or recommendations, the submission of the President's budget typically initiates the congressional budget process and informs Congress of the President's recommended spending levels for agencies and programs.[7]

On April 3, President Trump submitted an overview of his FY2027 budget request to Congress and published several additional documents outlining key proposals.[8] Ultimately, this submission also included congressional justifications for individual departments and agencies, which are generally posted on individual agency websites. In general, relative to the FY2026 budget submission, the FY2027 request pertaining to LHHS had more detailed information in it on programs and activities within accounts and included prior-year levels. However, some of the information that would typically be submitted with a President's budget was not included in these documents (e.g., mandatory spending for certain agencies and offices). In some cases, the FY2027 congressional justifications aligned their structure with Administration proposals to reorganize certain departments, and not with the account structure used for FY2026 funding.[9]

FY2027 Discretionary Spending Levels and Appropriations Committee Allocations

Congress has historically used various methods to come to an agreement on total discretionary funding levels for a fiscal year, as well as the discretionary funding that will be allocated for LHHS. These methods have included statutory limits on the applicable spending, procedural limits on such spending, and more informal agreements between the House and Senate. Thus far, FY2027 appropriations have proceeded in the absence of statutory or procedural limits.

Statutory limits on defense and nondefense discretionary spending have not been in effect since FY2025, although they were intermittently in effect for many years prior to that time pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA; P.L. 99-177, as amended).[10] LHHS appropriations are classified as nondefense spending, and the bill has the largest share of such spending compared to the other annual appropriations bills. When in effect,

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6 Congressional Budget Office (CBO), *The Budget and Economic Outlook: 2026 to 2036*, p. 12, https://www.cbo.gov/system/files/2025-01/60870-Outlook-2025.pdf https://www.cbo.gov/system/files/2026-02/61882-Outlook-2026.pdf.

7 For more information, see CRS Report R47019, *The Executive Budget Process: An Overview*.

8 These are linked at https://www.whitehouse.gov/omb/information-resources/budget/.

9 As an example, see the FY2027 HHS Budget in Brief (https://www.hhs.gov/sites/default/files/fy-2027-budget-in-brief.pdf), which provided cross-departmental tables based on the proposed HHS reorganizations as compared to the existing HHS agency structure on pages 8-11, which was for discretionary spending only.

10 Most recently, FY2024 and FY2025 limits were enacted as part of the Fiscal Responsibility Act of 2023 (FRA; P.L. 118-5).

statutory spending limits are enforceable through *sequestration* (i.e., largely across-the-board reductions to eliminate excess spending).[11]

The procedural elements of budget enforcement are primarily associated with the budget resolution and are enforced through points of order rather than sequestration. The budget resolution process originated with the Congressional Budget Act of 1974. Budget resolutions are to be used each year to impose a limit on total discretionary spending available to the appropriations committees (commonly referred to as a *302(a) allocation*). Subsequently, this amount is divided among each appropriations subcommittee (referred to as *302(b) suballocations*).[12]

Certain spending may be effectively exempt from these limits (commonly referred to as *adjustments* to those limits). In recent years, adjustments that have been applied to LHHS appropriations have been for (1) *emergency requirements* and (2) to accommodate new budget authority for specified *program integrity initiatives* at HHS (*health care fraud and abuse control*), SSA (*continuing disability reviews and redeterminations*), and DOL (*reemployment services and eligibility assessments* conducted by the states related to unemployment compensation).[13]

No formal House or Senate mechanisms to impose limits on discretionary spending are presently in effect for FY2027, and the same was true for FY2026 at the time that annual appropriations were enacted. Neither chamber has considered an FY2027 budget resolution, and no statutory discretionary spending limits have been enacted. Moreover, neither chamber has taken steps to provide an alternative means of budget enforcement for appropriations, such as through a so-called *deeming resolution* or by unanimous consent.[14]

In the absence of these mechanisms for FY2027, the House Appropriations Committee has operated under informal suballocations to guide the consideration of some of the 12 appropriations bills until there is an eventual bicameral agreement on funding levels. For example, on April 21, 2026, at its first FY2027 markup, the committee voted to report draft interim suballocations for some of its subcommittees (not including LHHS), by a vote of 32-28.[15] No such informal suballocations have been released by the Senate Appropriations Committee. With regard to funds that are commonly exempt from discretionary spending limits (i.e., adjustments), the FY2027 House LHHS committee bill would provide $3.182 billion in funding legislatively designated as if under budget resolution adjustments. (The FY2026 total amount of such funding for LHHS was $3.104 billion.)

[11] For more information, see CRS Insight IN12168, *Discretionary Spending Caps in the Fiscal Responsibility Act of 2023*. The Fiscal Responsibility Act of 2023 (FRA; P.L. 118-5) also contains procedures by which these limits might be temporarily or permanently adjusted in the case of a CR. For a summary of these adjustments, see CRS Insight IN12183, *The FRA's Discretionary Spending Caps Under a CR: FAQs*.

[12] For further information, see CRS Report R47388, *Enforceable Spending Allocations in the Congressional Budget Process: 302(a) Allocations and 302(b) Suballocations*.

[13] For further information, see CRS Report R45778, *Exceptions to the Budget Control Act's Discretionary Spending Limits*.

[14] For further information, see CRS Report R44296, *Deeming Resolutions: Budget Enforcement in the Absence of a Budget Resolution*.

[15] These draft suballocations are linked on the webpage for the markup: https://appropriations.house.gov/schedule/markups/full-committee-markup-fiscal-year-2027-military-construction-veterans-affairs-0.

FY2027 LHHS Legislative Action

As of the cover date of this report, full-year FY2027 LHHS appropriations have not been enacted.

FY2027 Continuing Appropriations

In advance of FY2027, which begins October 1, 2026, Congress and the President enacted temporary government-wide continuing appropriations (including for LHHS) through a continuing resolution (CR). The FY2027 CR (H.R. 6500; P.L. 119-103) was signed into law on September 2, 2026, following earlier passage by the Senate (90-6) on August 8, 2026, and by the House (370-48) on September 1, 2026. In general, the FY2027 CR funds discretionary LHHS programs at the same rate and under the same conditions as in FY2026, and it funds annually appropriated LHHS entitlements at their current law levels. The FY2027 CR is slated to expire on December 11, 2026.

Previously, a House CR proposal that would provide temporary funding through December 4, 2026, H.R. 9770, was introduced by the House Appropriations Committee Chairman, Representative Cole, on July 18, 2026. That measure passed the House by a vote of 220-205 on July 21, 2026. This CR has not been taken up in the Senate.[16]

Congressional Action on Full-Year FY2027 Appropriations

On June 9, 2026, the House Appropriations Committee voted to report its version of the FY2027 LHHS bill (34-28). The measure was subsequently reported on June 11, 2026, as H.R. 9260 (H.Rept. 119-696). No further action on the House proposal has occurred as of the cover date of this report.

The Senate Appropriations Committee has not marked up its version of the FY2027 LHHS bill.

LHHS Funding Levels

Table 1 displays the CBO estimate of enacted LHHS discretionary appropriations for FY2026, alongside proposed funding in the FY2027 House committee bill. The amounts shown for "regular discretionary appropriations" represent current-year budget authority, which had typically been subject to procedural or statutory limits (though not for FY2026, or FY2027 at this time). Regular discretionary appropriations for certain legislatively designated categories (e.g., program integrity adjustments and emergency-designated spending) are not counted for purposes of spending limit enforcement. Regular discretionary appropriations funding incorporates the budgetary effects of any applicable CBO scorekeeping adjustments that offset the cost of the funding in the bill (e.g., rescissions of previously enacted funding, changes to mandatory program spending included in the bill). The FY2027 House committee bill would provide $189.3 billion in regular discretionary appropriations, which is $5.6 billion (-2.9%) less than the FY2026 enacted level.

As mentioned previously, certain LHHS appropriations, such as those allowed for program integrity funding or designated for emergency requirements, may be effectively exempt from the

[16] Section 101(8) of H.R. 6500 provides that a specified provision in the FY2026 LHHS law (P.L. 119-75, Division B, Section 528), which rescinded Internal Revenue Service appropriations, will not apply to the temporary funds in H.R. 6500. No such provision was included in H.R. 9770.

discretionary spending limits (see discussion in the "FY2027 Discretionary Spending Levels and Appropriations Committee Allocations" section). Although those limits are not in effect for FY2026, or thus far for FY2027, the FY2026 LHHS appropriations act and FY2027 House appropriations committee bill nevertheless include legislative identification of certain categories of funds under these adjustments. The "adjusted appropriations" total in **Table 1** includes funding under these adjustments, plus "regular discretionary appropriations." The FY2027 House committee bill proposes a total of $3.2 billion in funding subject to the program integrity adjustments, which is $78 million (+2.5%) more than the total amount allowed for those adjustments in FY2026 ($3.1 billion). Neither the FY2026 LHHS appropriations act nor the FY2027 House committee bill includes funding under the emergency requirements adjustment.

Table 1. LHHS Discretionary Appropriations: Comparison of FY2026 Enacted and the FY2027 House Appropriations Committee Bill

(budget authority in billions of dollars)

	FY2026 Enacted	FY2027 House Committee (H.R. 9260)
Regular discretionary appropriations	194.904	189.279
Adjustments:		
Program Integrity	3.104	3.182
Health Care Fraud and Abuse Control (non-add)	*0.630*	*0.658*
Continuing Disability Reviews and Redeterminations (non-add)	*2.124*	*2.124*
Reemployment Services and Eligibility Assessments (non-add)	*0.350*	*0.400*
Emergency requirements	—	—
Adjusted appropriations	198.008	192.461

Sources: The FY2026 enacted amounts are from CBO, *Report on the Status of Discretionary Appropriations, Fiscal Year 2026*, U.S. Senate (as of February 3, 2026), https://www.cbo.gov/system/files/2026-03/FY2026-Senate-2026-02-03.pdf. The FY2027 House Committee amounts are from H.Rept. 119-696. The distribution of the amounts for program integrity adjustments are based on CRS analysis of the FY2026 omnibus and H.R. 9260.

Notes: Amounts reflect current-year discretionary budget authority subject to spending limits. "Regular discretionary appropriations" totals exclude funds for which special rules apply under the spending limits or are legislatively designated as such (e.g., funds for certain program integrity activities and emergency requirements); those funds are included under the "Adjustments" table heading. The table excludes funds that are exempted from the spending limits (i.e., those provided under authorities in the 21st Century Cures Act [P.L. 114-255], and the prior-year emergency-designated advance appropriations in Division J of P.L. 117-58 and Division B of P.L. 117-159, pursuant to Section 103 of the Fiscal Responsibility Act of 2023 [P.L. 118-5]).

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