



*Week Ending 9-19-25*

*Volume 25 | Issue 29*

### **Congressional Overview**

Alongside the continuing resolution (CR), the House voted on seven measures including three bills from the Energy and Commerce Committee: H.R. 3015 (to reestablish the National Coal Council), H.R. 3062 (to modify the approval process for cross-border energy projects), and H.R. 1047 (to prioritize connecting certain power plants to the electric grid). Four other bills concern congressional oversight of Washington, D.C.: H.R. 4922 (to change youth offender status eligibility), H.R. 5140 (to lower the age at which minors may be tried as adults for specific crimes), H.R. 5143 (to remove restrictions on police motor vehicle pursuits), and H.R. 5125 (to allow the president to nominate D.C. judges without local official input).

Additionally, the chamber considered 18 measures including H.R. 5100 (to extend the Small Business Innovation Research and Small Business Technology Transfer programs for one year), H.R. 3427 (to require the Comptroller General to review all clean water-related technical assistance authorities of the Environmental Protection Agency), a bill to limit new federal courthouse construction, and several measures related to veterans.

The Senate voted on amendments to the FY 2026 National Defense Authorization Act (NDAA) and held votes on executive office nominations. Both the House and the Senate are scheduled to recess next week for Rosh Hashanah.

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### **House Passes CR Funding Until November 21**

This morning, the House voted 217-212 to pass a CR to fund the federal government until November 21, 2025. Two Republicans—Reps. Thomas Massie (R-KY) and Victoria Spartz (R-IN)—opposed the bill, while one Democrat—Rep. Jared Golden (D-ME)—voted for it. The Senate is expected to take up the CR this afternoon, as well as a competing Democratic plan that would extend government funding until October 31, 2025, and extend expiring subsidies for Affordable Care Act health plans. Both the CR and the Democratic counterproposal are expected to fail, raising the chance of a government shutdown after September 30th.

Federal government funding is set to expire in 15 days. Last week, the House voted to enter conference with the Senate on three appropriations bills: Agriculture, Legislative Branch, and Military Construction-Veterans Affairs. The chairs and ranking members of the House and Senate appropriations committees have indicated that they are nearing agreement; should this legislative package be enacted before month-end, any potential government shutdown would not affect agencies and programs covered by these measures.

Irrespective of developments regarding these three appropriations bills, Republican congressional leaders have unified around a strategy to maintain government operations.

Speaker Johnson secured near-unanimous support from House Republicans for a short-term CR and therefore avoided the need to negotiate concessions with House Democrats. However, Senate Majority Leader John Thune (R-SD) cannot pass spending legislation along party lines, as appropriations bills require approval by at least 60 senators to proceed and Republicans hold only 53 seats.

Given these circumstances, the Majority Leader has several options: offer Democrats incentives to gain their votes, refrain from negotiating and attempt to attract sufficient Democratic support to prevent a shutdown or permit a shutdown with hopes of attributing responsibility to the minority party. Additionally, if Republicans continue as planned, Democratic cooperation will be required on two occasions: first, to pass the CR, and later to enact full-year government funding.

Republican leadership has stated that the CR will be “clean,” without policy riders intended to secure Democratic votes. This approach proved effective in the spring when Republicans refused to negotiate while extending federal spending through fiscal year 2025, resulting in ten Democrats supporting the measure. Those members subsequently faced significant criticism from their base, making a repeat of this strategy unlikely to succeed.

Without a clear long-term strategy and successful execution, Democrats risk encountering a shutdown without gaining substantive concessions.

A similar situation occurred during President Trump’s first term, when Republicans forced the longest partial government shutdown in U.S. history over unsuccessful border wall funding negotiations. Last week, Democratic leaders declared they would not support any spending package lacking health care reforms. Although specifics have not been provided, the most probable demand is the inclusion of a rider to extend enhanced Affordable Care Act premium tax credits scheduled to expire at year-end. Extension of these credits divides the Republican conference: some members advocate for extension prior to open enrollment to prevent insurance premium increases, others support extension with income limitations, and the conservative faction strongly opposes continuation, with certain House Freedom Caucus members threatening consequences for the Speaker should the CR include such provisions.

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### **New Party Ratio in the House**

A Democrat recently won Virginia's special election to replace the late Rep. Gerry Connolly, shifting the House to 219 Republicans and 213 Democrats. Speaker Johnson (R-LA) now has a two-vote margin. As of now, 10 senators and 27 House members have announced they won't seek reelection in 2026.

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### **Senate Goes Nuclear - Changes Nominee Confirmation Rules**

Last week, Republicans voted to revise Senate rules so most presidential nominees (except for cabinet and judicial picks) will now be confirmed in group votes, saving floor time. While Republican senators may still object to individual nominees, minority party objections are no longer permitted. This marks the third unilateral change to confirmation rules by the majority party in 12 years.

After one last effort to reach a bipartisan deal failed, Senate Majority Leader John Thune expressed his frustration with Democratic delaying tactics. "It's time to move, time to quit stalling, time to vote, time to fix this place," Thune said. "This is a broken process folks."

Next week, the Senate will move to approve 48 nominations. If each one was done individually, that would take the Senate about 12 days, working 12 hours each day. Instead, it will get done in about 20 minutes.

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### **Federal Reserve Cuts Interest Rates**

The Federal Reserve cut its benchmark interest rate Wednesday for the first time in nine months. Since the last cut, progress on inflation has slowed while the labor market has cooled. That means Americans are dealing with both high prices and a challenging job market.