



*Week Ending 9-26-25*

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## **Congressional Overview**

Congress is in recess this week for Rosh Hashanah. On Thursday night, the President announced new tariffs go into effect on October 1 and as we head into the weekend, nothing has changed on the possibility of a government shutdown starting next Wednesday.

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## **Government Funding and Time Running Out**

Last Tuesday, House Republican leadership released a draft short-term continuing resolution (CR) to fund the government through November 21. The CR does not include any obvious poison pills, but contrary to messaging, it is not truly “clean.” Generally, the CR extends FY 2025 funding levels for federal agencies and programs at current levels. Beyond that, it would:

- Extend several expiring authorities through November 21, including for the Temporary Assistance for Needy Families program, the National Flood Insurance program, the Cybersecurity Information Sharing Act (specifically, authorities that shield companies from liability if they share details about discovered cyber vulnerabilities with federal agencies), and pandemic-era provisions allowing for greater Medicare coverage of telehealth services;
- Accommodate some White House-requested funding anomalies (funding adjustments), including additional funding for certain defense programs and disaster aid;
- Freeze the remaining enforcement money allocated to the IRS as part of the Inflation Reduction Act of 2022 for the duration of the CR;
- Allow the District of Columbia to spend its full budget through September 2026 (Congress blocked that authority in the last CR, causing a \$1 billion funding shortfall for D.C.); and
- Allocate \$30 million for lawmaker security and \$58 million to provide enhanced protection for members of the executive branch and justices on the U.S. Supreme Court.

Last Friday, the House voted 217-212 to pass the CR. Two Republicans, Reps. Tom Massie (R-KY) and Victoria Spartz (R-IN), voted against the measure and one Democrat, Rep. Jared Goldman (R-ME), voted for it. House leadership then cancelled session days previously scheduled for next week, meaning that the chamber will not reconvene until after the government shutdown deadline.

Later on Friday, the Senate took preliminary procedural votes on both the House-passed CR and on an alternative CR offered by Democrats. The Democrats’ short-term funding bill would keep the government open through October 31. It also would:

- Permanently extend enhanced Affordable Care Act (ACA) premium tax credits, which are scheduled to expire at the end of this year;
- Repeal nearly \$1 trillion in cuts to Medicaid included in the One Big Beautiful Bill Act;

- Push back at the administration's efforts to rescind previously-appropriated funding, for example by restoring some funding cancelled by rescission earlier this year; specifying a schedule for spending National Science Foundation and National Oceanic and Atmospheric Administration funds that the administration has slowed down; and permanently blocking the President from using the fast-track procedure authorized by the Congressional Impoundment Control Act to rescind funds with a simple majority in the Senate;
- Restore D.C.'s authority to spend its full budget; and
- Increase spending on security for federal officials by providing \$90 million for security for House members; \$66.5 million for Senate members; \$30 million for U.S. Capitol Police, mutual aid reimbursements, and other costs; \$52 million for judicial security; \$28 million specifically for U.S. Supreme Court security; \$30 million for U.S. Marshals Service protective security; and \$30 million for courthouse security renovations.

Republicans would not accept the alternative CR. Neither version of the CR garnered the 60 votes required to end a filibuster. The Senate voted first on the Democrat's CR – that vote split on party lines, with 47 Democrats voting for it and 45 Republicans voting against it (eight Republicans did not vote). The House Republican-passed bill failed to win even majority support, with 44 votes in favor and 48 members voting against it. One Democrat, Sen. John Fetterman (D-PA), voted for the House CR, and two Republicans, Sens. Rand Paul (R-KY) and Lisa Murkowski (R-AK), voted against it.

When the Senate returns next Monday, it will have just two days until the government shuts down. Candidly, the health care issues Democrats have highlighted in their CR poll well for them, if a shutdown does occur, the Democrats will focus their media attention on those issues, and if health insurance premiums spike this fall Democrats will have made their case that the blame lies with Republicans. By this logic, the situation is analogous to the 2013 government shutdown, initiated by Senate Republicans in a fight over repeal of the ACA. The Republicans did not win what it demanded then, but the shutdown rallied its base, and in the 2014 midterm elections Republicans won control of the Senate and increased their House majority.

Of course, a government shutdown could go very badly for Democrats too. Historically, the party that makes demands to keep the government open is the one that the public blames, and that could impact votes by independents in next year's elections. Congressional Republicans will point out that they are willing to negotiate on a long-term spending bill, just not in the context of a stop-gap measure. On top of that, the Trump administration has broad discretion over what government functions will be deemed essential and kept open despite a funding lapse.

Majority Leader Thune (R-SD) is expected to bring the House-passed CR back to the floor for another vote next week. If six more Senate Democrats have second thoughts at the eleventh-hour, that measure could pass, but it appears very likely that a shutdown will happen.

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### **Next Block of Senate Confirmations Includes Labor Nominees**

On September 18, Senate Majority Leader Thune (R-SD) filed an executive resolution (S.Res.412) listing 108 nominees to be confirmed in early October. Those to be confirmed include:

- David Keeling to be Assistant Secretary of Labor for the Occupational Safety and Health Administration(OSHA)
  - Jonathan Berry to be Solicitor for the Department of Labor (DOL)
  - Andrew Rogers to be Administrator of the Wage and Hour Division(WHD)
  - David Castillo to be Chief Financial Officer for DOL
  - Brittany Panuccio to be a Member of the Equal Employment Opportunity Commission (EEOC)
  - Jonathan Snare for the Occupational Safety and Health Review Commission (OSHRC)
  - Wayne Palmer to be Assistant Secretary of Labor for the Mine Safety and Health Administration (MSHA)
  - Marco Rajkovich for the Federal Mine Safety and Health Review Commission
  - Julie Hocker to be Assistant Secretary of Labor for Disability Employment Policy
  - Janet Dhillon to be Director of the Pension Benefit Guaranty Corporation (PBGC)
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### **Heat Rule Post-Hearing Comment Period Extended**

OSHA has provided a 30-day extension to the comment period for its proposed rule on heat injury and illness prevention post-hearing comments. The comment period now ends to October 30, 2025. Please reach out with any questions.

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### **Timely Enactment of the FY26 Highway and Public Transportation Funding**

The Transportation Construction Coalition (TCC) sent a letter to Congressional Leadership requesting the timely enactment of Fiscal Year (FY) 2026 highway and public transportation funding, which at authorized levels, is essential to renewing and rebuilding America's transportation systems.

The TCC appreciates Congress' commitment to providing authorized FY 2025 spending levels. As work begins later this year on reauthorizing surface transportation programs, the TCC urges Congress to continue the practice of fully funding these programs at previously authorized investment levels for FY 2026.

Per their letter, "the final year of the 2021 infrastructure law begins October 1 and both the House and Senate authorizing committees have already signaled plans to advance new legislation in the coming months. Passing a fully funded FY 2026 spending bill on time will give members of Congress the solid foundation they need to draft and move long-term road, bridge, and transit legislation before current programs expire next year.

Funding continuity is also critical for state departments of transportation and local public transportation agencies. It ensures they can keep more than 100,000 projects moving forward, enabling safety mobility, and economic improvements in nearly every community. It also allows businesses to continue to invest in the people and equipment necessary to build."

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### **Overtime Rule Update**

The U.S. Department of Labor has included an update to overtime pay eligibility in its "long term action" regulatory agenda, indicating that the Trump administration does not intend to

address this rule in the near future. The DOL re-released its Spring 2025 regulatory agenda last Thursday, after previously publishing and removing it from the Office of Management and Budget website in August. The decision to defer updates to the so-called “white collar” overtime exemption follows multiple ongoing lawsuits regarding a Biden-era overtime rule currently pending in federal court.

Two federal courts struck down the rule last year, which would have extended overtime protections to an additional four million workers. These matters are under review by the U.S. Court of Appeals for the Fifth Circuit. Another lawsuit challenging the rule, filed in the U.S. District Court for the District of Columbia by a Christian school association, has been stayed while the DOL considers rewriting the regulation. Within the regulatory agenda, the Trump administration stated that it is “reviewing the 2024 rule and determining how to proceed,” but did not specify a timeline for introducing a new proposal.

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### **New Tariffs**

On Thursday night, the President announced 25 percent tariffs on heavy trucks and truck parts, and 50 percent levies on imported kitchen and bathroom furniture. The new tariffs go into effect on October 1. Per the Trucking Carriers Association, “The added financial burden will further diminish profitability, and the costs could be passed on to American consumers.”