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This Week in Congress

The Senate was in session, while the House remained out of session. Democratic leaders asked their caucus to return to D.C. this week anyway and Senate leadership considered the House-passed CR again this week. The Senate voted on bills that would appropriate funds for military pay (S. 3030) and essential Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) personnel (S. 3031) during a government shutdown. Democrats forced consideration of three resolutions to terminate national emergency declarations that President Trump used to justify tariffs against Canada (S.J. Res. 77), Brazil (S.J. Res. 81), and other nations (S.J. Res. 88). Also, the Chamber voted on administration nominees and on government worker pay (S. 3012).

Status of FY 2026 Government Funding

As a reminder, the House-passed continuing resolution (CR) to temporarily extend government funding at current levels is set to last through November 21. Although this timeframe might have been sufficient for negotiating and passing some appropriations bills had the CR been enacted into law in September, the prolonged government shutdown suggests that Congress may need more time. Last week, Senate Majority Leader Thune (R-SD) indicated that the House would need to reconvene and pass a new CR with a later end-date. The duration of any new CR remains a point of contention among Republicans, with the more conservative faction advocating for an extension through April 2026 or beyond, based on their belief that new spending bills will not reduce federal expenditures below current levels. Conversely, House and Senate appropriators favor a shorter duration, recognizing that funding the government via a CR curtails their ability to set spending levels and priorities, including earmarks. House leadership has also insisted on avoiding a CR deadline that coincides with a holiday.

To date, House Speaker Johnson (R-LA) has resisted calls to bring the House back into session. However, the potential need for a new CR complicates this strategy. If Johnson does reconvene the House to consider a longer-term CR, it is likely he could secure its passage with the White House's assistance. The larger question, however, is whether and when any CR could pass the Senate. This debate is further complicated by the fact that Congress is far from enacting any appropriations bills. The House has passed only three of the 12 appropriations bills, while the Senate has passed just two. The only measure passed by both chambers thus far is the Military Construction-Veterans Affairs Bill, typically the least controversial.

All Senate Appropriations Committee bills set spending levels higher than those approved by the House Committee, necessitating negotiation and passage of compromise versions. Passing any appropriations bills in the Senate, which requires 60 votes, is increasingly challenging in the current political climate. Senate GOP leadership continues to bring the House-passed CR to the

floor for re-votes, but support for and against the measure has remained unchanged since September 30. Majority Leader Thune has not pressured Democrats with late-night or weekend votes, and it was only last week that he compelled Democrats to vote on a bill (S. 3012) funding federal employees excepted from furlough and forced to work without pay. The initial procedural vote on this measure failed, 54-45, with only Sens. Fetterman (D-PA), Ossoff (D-GA), and Warnock (D-GA) supporting it. Most Democrats opposed the measure, arguing it would grant too much authority to President Trump and the White House Office of Management and Budget over which federal workers to pay.

Two Democratic Senators proposed bills to pay all employees for the shutdown period and block further layoffs (S. 3039) or to pay all federal workers for missed pay from October 1 to the date of enactment (S. 3043), but Republicans blocked consideration of these measures. The resolution of this situation remains uncertain. Without a shutdown-related crisis, it seems unlikely to be resolved this week. The next potential pressure points are November 1, when military members might miss their first paycheck, funding for food assistance programs (SNAP and WIC) could start running out, and the start of ACA open enrollment could highlight dramatically increased health insurance premiums. Air traffic controllers missing another paycheck this week could lead to sickouts, resulting in flight delays and cancellations that might pressure both parties to reopen the government.

Elections scheduled for November 4 in several states give Democrats reasons to hold firm, but they might declare victory afterward. President Trump could offer a way out by opening negotiations on health care issues and making assurances regarding rescissions that might satisfy Democrats. Alternatively, he could push Republicans to change the rules and allow spending bills to pass in the Senate by a simple majority vote. While some Republican Senators oppose this, Senate Minority Leader Schumer (D-NY) and other Democrats might find it politically advantageous if the President forced Republicans to take this step.

Possible Healthcare Package

Last week, a senior White House aide informed reporters that President Trump is not interested in expanding the ACA enhanced premium tax credits. Instead, he is urging Congress to pass a broader legislative package aimed at making healthcare more affordable. However, Republicans have repeatedly attempted and failed to achieve this since the ACA's enactment. Passing a healthcare bill this year will be a significant challenge. Nonetheless, Members have been discussing the potential for a package later this year, which could include various healthcare extenders and reforms targeting Pharmacy Benefits Managers, among other provisions. While many of these elements have bipartisan support, some Republicans believe that such a package should be passed through the partisan budget reconciliation process, anticipating that Democrats may not provide enough votes to advance the bill in the Senate.

Congress Passed a Bipartisan Tax Bill

Last week, the Senate unanimously and unexpectedly passed the IRS Math Act (H.R. 998). Since the House had already approved the bill by voice vote in April, it now awaits the President's signature. This measure authorizes the IRS to adjust tax assessments for mathematical or

clerical errors, mandates clear explanations of such mistakes to taxpayers, and outlines procedures for requesting tax abatement. This development suggests that other pending tax administration bills might also advance in the Senate, especially given the current slowdown in work due to the shutdown. Additionally, there is ongoing discussion about the possibility of passing a tax extenders package at the end of the year, provided there is a legislative vehicle to support it. This package could include expiring tax provisions not addressed in the One Big Beautiful Bill Act, such as the Work Opportunity Tax Credit, and potentially corrections to tax provisions in that statute, including a reversal of the scaled-back gambling deduction.

Senate Votes to Block Tariffs on Canada

The U.S. Senate voted 50-46 to nullify tariffs on Canada, challenging President Trump's trade policies amid ongoing disputes with Canada and trade talks in Asia. Although the resolutions won't take effect, they highlight divisions between Trump and Republican senators who traditionally support free trade. Sen. Tim Kaine, the Virginia Democrat pushing the resolutions, said that higher prices caused by tariffs would force Republicans to break with Trump. "It will become untenable for them to just close their eyes and say, 'I'm signing up for whatever the president wants to do,'" Kaine told reporters. However, House Republicans have passed new rules that allow leaders to prevent such resolutions from getting a vote in that chamber, and Trump could veto the legislation even if it did clear Congress.