

This update reflects facts as of Monday morning, September 15, 2025. The situation is fluid and may change.

The House plans to vote this week on a short-term extension of government funding, but the prospects for its bill are uncertain. The House Republican majority shrank a bit last week, complicating the ability to pass a bill without Democratic support, while in the Senate, 60 votes are needed. It is unclear whether the Senate is prepared to take up the very important National Defense Authorization Act passed by the House last week given sizeable differences in proposed funding, also an issue in the funding legislation. And the Senate has adopted a rules change to permit it to consider some Administration nominations in bulk, rather than one-by-one, exacerbating further partisan divisions and complicating 2025 budget and, potentially, tax legislation.

Government funding. Only 15 days remain before the expiration of funding for the government—only 7 session days, excluding the recess for Rosh Hashanah. The House has passed all twelve needed appropriations bills, but on a purely partisan basis. The Senate has passed only three and has been proceeding on a nonpartisan basis, at least so far. More importantly, indications are that Senate appropriators have been working on top-line numbers that significantly exceed those of the House bills.

With so little time remaining, the House is preparing this week to vote on a so-called "minibus" funding bill, that is, one that would include the three less-controversial measures passed by the Senate, along with a continuing resolution for the remaining nine that would extend funding at current levels through November 20. That action would provide more time for negotiation of the more difficult appropriations bills, but two obstacles may slow progress.

Democratic leadership in House and Senate are demanding as the price for their votes an extension of the expanded Affordable Care Act premium tax credits that were part of ARPA and expire at the end of 2025, at a cost of more than \$30 billion per year. The credit extension has the support of some Republicans, but faces serious opposition, as well, both on policy and cost grounds. It is not clear whether House Republicans can pass the minibus without Democratic support, and without budget reconciliation protection, Senate Democrats could block passage because 60 votes are required to proceed. Various ACA tax credit alternatives are being considered, while the parties weigh the political consequences of a government shutdown.

NDAA. House-Senate differences in funding levels are apparent in the National Defense Authorization Act passed by the House last week. The bill under consideration in the Senate would require about \$32 billion more than the version passed by the House. Whether and when the Senate will take up the NDAA is unclear, but the funding issue will be one of those debated in connection with funding legislation.

Special elections. The job of House Republican leadership became a little bit harder last week, when a new Virginia Democrat was sworn in after a special election to fill a vacant seat. That brought the number of House Democrats to 213, and that number is expected to increase to 214 after a special election in Arizona later this month. Republican leadership, with 219, can now only afford to lose 2 votes.

Confirmations. The Senate will vote this week on a bloc of 48 pending nominations. To do so requires the Senate Republican majority of 53, frustrated by the slow pace of confirmations, to change the Senate rules by a simple majority, when a super-majority is required for a rule change. Hence, why some Democrats have deemed this a "nuclear option." The change would not apply to cabinet-level or judicial nominations. Considered along with OB3's employment of a "current policy" baseline for purposes of budget reconciliation, this may serve to further divide the parties. The result may prove an additional complication to passage of budget and, potentially, tax legislation.

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