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This update reflects facts as of Monday morning, July 20, 2026. The situation is fluid and may change.

Only a few legislative days are left before Congress leaves for its long August recess—4 days for the House, 15 days for the Senate. And only three weeks will remain when it returns in September before Congress recesses again until after the November elections. Much is left to do before the end of the fiscal year on September 30.

Congress has yet to address the expiration of foreign surveillance authority under the Foreign Intelligence Surveillance Act (FISA). The President has requested supplemental funding for the current fiscal year, mostly for defense. Congress must also fund the government for the upcoming fiscal year, a task it has barely begun. It will also seek to pass a bipartisan bill imposing new sanctions on Russia as soon as this week. And continuing pressure from the President and some Republican members for election reform legislation continues, complicating other needed legislation.

Filling the post-August agenda are other matters Congress will have to address before the end of the fiscal year: federal surface transportation (highway) authority and agriculture (farm) policy, both of which expire on September 30. Tax, meanwhile, continues to appear only a year-end, lame duck possibility at best.

Reconciliation 3.0. The House Budget Committee approved last week a budget resolution providing $95 billion in supplemental funding authority to the relevant House committees for budget reconciliation legislation for the current fiscal year. The authority includes $73 billion for defense, $12 billion for agriculture, and $10 billion to fund parts of the SAVE America election reform legislation.

The fate of the Republican-oriented budget resolution is quite uncertain. It contains no offsets, which concerns deficit hawks. And it provides authority for portions, but not all, of the SAVE America Act. These considerations jeopardize passage in the House. The Senate Republican leadership has expressed skepticism about its prospects there.

It is noteworthy that the resolution provides no instructions to either of the tax-writing committees. That precludes the addition of tax provisions in the reconciliation legislation, at least without bipartisan support, and indeed no revenue provisions are contemplated.

FISA. Authority for warrantless surveillance of foreign persons under section 702 expired over a month ago. The controversy over possible ensnarement of U.S. citizens in the surveillance is seemingly close to resolution, but the objections of Democrats to the appointment of the Acting Director of National Intelligence remain an obstacle. Congress may not want to recess for over a month without acting, and the hope is that the confirmation of a permanent DNI will resolve the matter.

Government funding. Only a short time remains before the beginning of the next fiscal year on October 1, and there has been little progress on funding the government. The House has passed only three of the twelve needed appropriations bills, and it has done so with Republican votes only, one of which includes the SAVE America Act. It is uncertain that even those three will be approved by the Senate.

For its part, the Senate remains mired in negotiations over the budget top lines. Most important of these is the threshold issue of the allocation of funding between defense and nondefense programs. The President has requested a 38% increase in baseline defense funding (and $350 billion more in budget reconciliation), while seeking a small reduction in nondefense spending. Democrats are seeking, as usual, something close to parity. Sixty votes are needed for Senate passage, and the parties remain far apart.

Recognizing that agreement on FY2027 appropriations appears unlikely before October 1 and seeking to avoid a possible government shutdown before the elections, the House Republican leadership is formulating and plans to introduce this week a continuing resolution (CR) that would mostly continue current funding levels past the November elections. The CR is said to contain only the usual few relatively minor changes, or “anomalies,” and be clean of policy riders that might prevent bipartisan passage. And bipartisan support is needed for passage in both houses, as many Republican members have historically objected to passage of such resolutions. The strength of Republican and Democratic support is unclear as the week begins.

Russia sanctions. Congress plans this week to try to move quickly on bipartisan legislation to impose new sanctions on Russia for its war with Ukraine. The legislation would include secondary sanctions on countries doing business with Russia, a serious escalation of existing sanctions that would affect trade with important U.S. trading partners. The bill was a special project of the recently deceased Sen. Graham.

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