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This update reflects facts as of Monday morning, August 3, 2026. The situation is fluid and may change.

The Senate has a packed agenda for the last week before its August recess. It will endeavor to pass a continuing resolution to fund the government past the elections and a bipartisan Russia sanctions bill. It will also attempt again to pass an extension of expired foreign surveillance authority. It may also vote on a bipartisan package of tax administration reforms in a bill approved last week by the Finance Committee. The White House continues to press for passage of a $95 billion budget resolution that includes authorization for war funding and authorization for funding of elements of election reform legislation, but it does not appear the Republican leadership has the votes for passage, at least for now.

The House is in recess until August 31, when it may return to begin its consideration of legislation the Senate passes this week.

Continuing resolution. The parties appear to have reached agreement over the weekend on a continuing resolution (CR) to fund the government until December 11. Continuing current levels of funding for the government in a CR usually requires some adjustments, or “anomalies,” to reflect changed circumstances. Sixty votes are needed for passage, so the negotiations are bipartisan.

The House passed its own version of a CR on mostly partisan lines before adjourning, but with anomalies different from those of the Senate, reflecting House preferences. It remains to be seen whether House-Senate negotiations will be required before final passage in the short time remaining before the beginning of the next fiscal year on October 1.

Russia sanctions. The Senate voted 86-12 last week on a procedural motion to consider the Lindsay O. Graham Sanctions Russia and Iran Act of 2026. It differs from the sanction bill passed by the House in the inclusion of additional sanctions on Iran, among other things.

The bill includes authority for the President to impose secondary sanctions on countries doing business with Russia and Iran in the form of tariffs of up to 100 percent. Among the countries potentially affected are China and India. The scope of that authority is controversial, but support for the bill now appears broad, and Senate leadership plans a vote on the measure before the recess.

Foreign surveillance authority. Authority under section 702 the Foreign Intelligence Surveillance Act (FISA) for warrantless surveillance of foreign persons expired on June 12. Extension of that authority has been delayed by Democratic objections to the appointment of an acting Director of National Intelligence (DNI). The Senate confirmed a permanent DNI last week, and while the vote was strictly on party lines, it should clear the way for passage of an extension of section 702 authority.

Tax administration reform. The Senate Finance Committee approved last week the bipartisan Taxpayer Assistance and Service Act. The bill includes more than 60 proposals designed to reform and modernize IRS operations and otherwise facilitate tax administration. Consideration of the bill was delayed for a time over concerns with the President's settlement with the IRS, but a Democratic amendment to address the issue was defeated along party lines and the bill was approved overwhelmingly by the Committee. Whether the Senate votes on the legislation before the recess may depend on time constraints, given the press of other business.

Budget reconciliation 3.0. The $95 billion budget resolution passed by the House would authorize committees of jurisdiction to approve up to $73 billion in supplemental funding for defense and national security, $12 billion in farm relief, and $10 billion to incent states to adopt elements of election reforms in the SAVE America Act. The resolution would begin the budget reconciliation process and permit simple majority passage in the Senate. The President continues to press the Senate leadership to vote and pass the legislation.

The resolution is unanimously opposed by Senate Democrats, who object both to the war funding and to the funding for election reforms. It is unclear whether the election reform provisions are permissible under budget reconciliation rules, and many Republican members object to the President's suggestion that they disregard the Senate rules to pass the bill. There are also objections to changing election rules so close to the November elections. The Majority Leader has indicated that, at this moment, the resolution lacks sufficient Republican support for passage.

There was concern that the Defense Department was running short of funds. The Chairman of the Joint Chiefs indicated in Congressional testimony last week, however, that it has sufficient funds appropriated in the 2025 reconciliation bill to carry it through the end of the fiscal year. As a result, supplemental defense funding would appear to be an issue that will be left to a lame duck session of Congress unless there is a change in the position of Senate Republican leadership.

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