



SCWA Legislative & Regulatory Update

October 27, 2025

Congressional Update

The Senate reconvenes today, while the House remains out of session. However, Democratic leaders have asked members to return to Washington later this week.

Government Funding Status:

Today marks day 27 of the government shutdown. The House-passed continuing resolution (CR) would have extended funding through November 21, but with the shutdown ongoing, lawmakers now expect a longer extension will be needed.

Senate Majority Leader John Thune (R-SD) has said the House may need to return to pass a new CR with a later end date. Republicans remain divided over its duration—some prefer extending funding into next year, while appropriators favor a shorter measure to preserve their influence over spending levels. Speaker Mike Johnson (R-LA) has so far resisted calls to bring the House back, but that stance may become untenable if a new CR is required.

Progress on full-year appropriations remains limited. The House has passed three of twelve spending bills; the Senate has passed two. Only the Military Construction–Veterans Affairs bill has cleared both chambers. The two chambers' spending levels differ sharply, making compromise difficult. With Senate passage requiring 60 votes, the path forward is uncertain.

In the Senate, GOP leadership continues to call votes on the House-passed CR, though results remain unchanged since late September. Last week, a procedural vote on S. 3012—which would pay federal employees working without pay—failed 54–45. Three Democrats supported it, while most others argued it gave the White House too much discretion over which workers to pay. Alternative Democratic bills were blocked by Republicans.

There are no clear signs of a resolution. Key deadlines loom on November 1, when military pay, food assistance programs (SNAP and WIC), and ACA open enrollment could increase public pressure to end the shutdown. Disruptions in air travel could also add to the urgency.

Healthcare Discussions:

A White House aide said President Trump opposes expanding ACA premium subsidies but supports broader efforts to lower healthcare costs. Lawmakers are exploring a potential package that could include healthcare extenders and pharmacy benefit reforms, though movement is unlikely soon.

Tax Legislation:

The Senate unanimously passed the IRS Math Act (H.R. 998), sending it to the President. The bill allows the IRS to correct clerical errors, requires clear taxpayer explanations, and outlines abatement procedures.

Additional tax administration bills could advance during the shutdown slowdown, and lawmakers are discussing a possible year-end tax extenders package. Any such package could include expiring tax provisions not treated in the One Big Beautiful Bill Act (for example, the Work Opportunity Tax Credit) and perhaps corrections to tax provisions included in that statute, including a reversal of the scaled back gambling deduction.

This Week in Congress:

- The House remains out of session.
- The Senate plans to again vote on the House CR and may consider bills funding military and aviation personnel during the shutdown, as well as resolutions ending certain national emergency tariffs.

Committee hearings include:

- Oct. 28 (10:00 a.m.) – “Sea Change: Reviving Commercial Shipbuilding”
- Oct. 29 (10:00 a.m.) – “Shut Your App: How Uncle Sam Jawboned Big Tech Into Silencing Americans (Part II)”
- Oct. 29 (10:00 a.m.) – “The Future of Biotech: Maintaining U.S. Competitiveness and Delivering Lifesaving Cures to Patients”



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