

APPROPRIATIONS UPDATE

August 11th,
2025

Failed Nominations Deal Tees Up September Appropriations Fight

Heading into the August recess, Senate Minority Leader Chuck Schumer (D-NY) and President Trump, with Majority Leader Thune (R-SD) acting as a surrogate, were unable to come to an agreement on the Senate's moving presidential appointments. The failure to reach a deal on nominations implies the outlook for avoiding a government shutdown next month is shaky. Despite his decision to intervene and supply enough Democratic votes to prevent a shutdown back in March, Schumer may be less likely to step in this time around unless he receives assurances regarding rescissions packages or policy concessions in the next reconciliation bill. In lieu of a compromise, Schumer's prediction earlier this year that the President's popularity might wane by the Fall imply may be more open to the idea of a shutdown.

GOP Mulls Second Reconciliation Bill

After a grueling effort to pass the One Big Beautiful Bill Act, the White House and congressional Republicans are starting conversations on what to include in a second reconciliation bill. The conservative Republican Study Committee has launched a "Reconciliation 2.0" working group and is hosting staff briefings throughout the summer recess to begin generating recommendations for follow-up legislation. Senate Finance Committee Chair Mike Crapo (R-Idaho) said he's open to considering as many as 200 tax proposals from his members that were ultimately not included in the first megabill. However, the White House has yet to communicate its vision for a second bill. And a number of Republicans in the Senate have expressed doubt about the viability of a second bill, particularly without a clear, unified purpose (in the case of the of the OBBB, delivering the President a signature legislative victory) or an incentive to mobilize votes (OBBB: hiking the debt limit to avoid default).