

APPROPRIATIONS UPDATE

February
2nd, 2026

House Prepares to Thread the Needle after Senate Passes Amended Minibus

On Friday, the Senate voted 71-29 to pass an amended FY26 spending package after providing a two-week funding patch for the Department of Homeland Security instead of full-year funding. Senator Lindsay Graham (R-SC) also threatened to derail the bill over a provision inserted by the House to invalidate the ability of lawmakers to sue if their records are probed by the federal government, which leadership has promised to address through a vote at a later date. The Senate did, however, hold votes on proposals to cut refugee assistance, strip out all earmarks from the package, and redirect funding for ICE to Medicaid – all of which failed.

Since the minibus was amended, it must return to the House for final passage before it can be enacted. Until then, the Transportation-HUD, Defense, Homeland Security, Financial Services, State Department, and Labor-HHS accounts remain unfunded, and associated Departments are technically shut down. However, agencies often don't begin carrying out full shutdown procedures if a shutdown begins on the weekend and it appears a funding agreement is near.

The House is expected to vote on the package tomorrow following consideration by the House Rules Committee this evening. Speaker Mike Johnson (R-LA) may need the support of House Democrats to offset objections by conservatives angered by what they see as leadership backing down on DHS funding. Minority Leader Jefferies (D-NY) has said Dems won't bail the Speaker out, but a handful of House Democrats have said they'd vote for the package.

Republicans Eye Second Reconciliation Bill

Last week, the Republican Study Committee briefed House GOP staff on its plans for a second reconciliation package. The briefing follows RSC's early January rollout of ideas for another GOP megabill, including the creation of a zero-to-low-down-payment option for mortgages and tax-advantaged "health freedom accounts" for federal subsidies to pay for insurance.