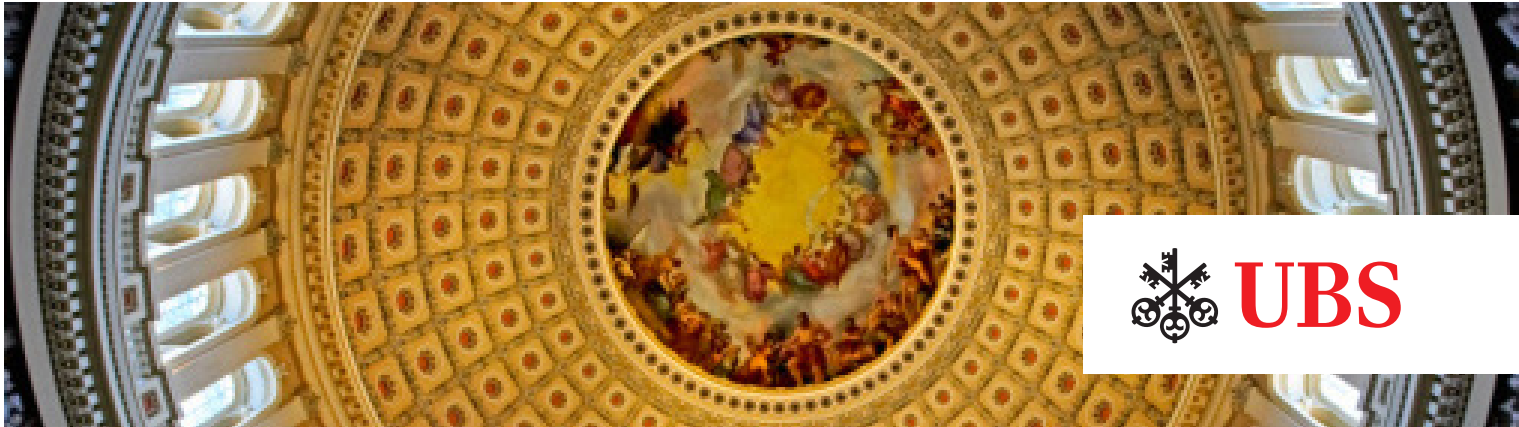


Washington Weekly

Under the Dome: The Week in Review

14 November 2025



This Week: The **Senate** and **House** passed legislation to extend government funding through January 30 along with three full year government funding bills (see below).

Next Week: The **Senate** will continue to confirm Trump administration nominees. The **House** plans to vote on a bill to direct the Justice Department to publicly disclose unclassified records relating to Jeffrey Epstein (see below). It also will vote on several energy bills, bills relating to crime in Washington, DC and a bill to repeal language in a recently passed funding bill that would allow Senators to sue the government if they weren't notified their data was searched.

The Lead

The Government (Finally) Reopens. After a record shutdown of 43 days, the government finally opened yesterday. The breakthrough occurred Sunday night when eight Senate Democrats crossed the aisle and voted with Senate Republicans to pass an extension of government funding through January 30 along with three full-year funding bills for certain parts of the government. The Democratic support was conditional on a commitment from Senate Majority Leader John Thune (R-SD) that the Senate would have a vote in December on the extension of expiring healthcare subsidies, which has been the focal point for Democrats over the shutdown. As part of the agreement between Leader Thune and the Democrats, the funding bill contained additional protections for federal workers, including a reversal of layoffs that occurred during the shutdown, a prohibition on mass firings through January 30, and a stipulation that all federal employees receive back pay after missing paychecks during the shutdown (this is already a legal requirement, but it was added because the Trump administration had raised the possibility of denying missed pay for furloughed workers). After being out of session for 54 days, the House followed suit in passing the legislation later in the week. *Six House Democrats joined all but two House Republicans in passing the extension and reopening the government.*

What's Next in Congress? Congress has plenty of unfinished work ahead over the next few months. The House and Senate need to reconcile differences in the annual defense authorization bill and pass a compromise before the end of the year. As part of the agreement on government funding, the Senate will need to have votes on the extension of expiring healthcare subsidies. Finally, Congress once again will be staring at a new deadline for the expiration of government funding (January 30). The good news is that the bill just signed into law already covers funding for the entire fiscal year for Agriculture (including SNAP benefits), the Legislative Branch (Congress), and Military construction and Veterans. The bad news is that the remaining nine bills cover the lion's share of total discretionary federal spending. We are cautiously optimistic that Congress will be able to pass some, but likely not all, of the full-year funding bills. Some of the more contentious bills where finding bipartisan agreement may be more difficult include Energy, Financial Services, Homeland Security, State, and Labor-Health and Human Services-Education. *While there likely will be a renewed threat of a government shutdown as we get closer to January 30, that threat may only cover part (albeit still likely a large part) of the government.*

Healthcare Fight Remains. Affordable Care Act (ACA) subsidies that are set to expire at the end of the year have been the central issue for Democrats during the shutdown. For weeks, the vast majority of Democrats opposed any extension of government funding without the inclusion of an extension of these subsidies. However, as the shutdown dragged on, it became clear to some Democratic lawmakers that President Trump and Republicans were unwilling to concede on an extension of the healthcare subsidies. As such, this week's agreement does not include an extension, but it does have a promise from Senate Majority Leader Thune for the Senate to have a vote on Democrats' proposal to extend the ACA subsidies by mid-December. There have been some conversations among Senators to try to find a bipartisan compromise proposal that would provide a longer-term extension that Democrats want with guardrails like income limits that

Republicans desire. However, it's not clear that these discussions will take off. Instead, there just may be votes on competing Democratic and Republican plans that both fail. Moreover, even if there is some agreement that makes it through the Senate, there is no pledge from House leadership to take up the extension in an up or down vote. Instead, there's more interest from the Trump administration and many Republicans in developing alternative healthcare reform proposals even if these are unlikely to get the bipartisan support needed to pass. *With millions of Americans facing higher health care costs, the health care fight will be front and center in Washington and on the campaign trail next year.*

Other Issues

Crypto Draft. Digital assets policy continues to be a major focus for Congress and the administration. This summer, Congress on a bipartisan basis passed into law legislation (called the GENIUS Act) that establishes a new regulatory framework for stablecoins (digital assets issued by private entities but backed by other assets including fiat currencies like the dollar). Also this summer, the House passed a crypto market structure bill that would set rules for the trading of digital assets and delineate regulatory authority between the SEC (securities) and the CFTC (commodities). The market structure legislation is a more complex and contentious undertaking than the stablecoin bill. One potential sticking point is Democrats' concerns about potential conflicts from the Trump family's crypto ventures. Progress has been slow in the Senate, particularly with the government shutdown. This week, the Senate Agriculture Committee issued an initial draft bill. The text punts on many of the more difficult issues. Senate Agriculture would like to pass its version next month, but it ultimately will need to connect its bill with legislation from the Senate Banking Committee, which has had less progress to date in bipartisan discussions. *With many unresolved issues and a ticking political clock before the midterm elections, efforts to pass a crypto market structure bill face significant headwinds.*

Tariff Dividend. There's been buzz in the media and around Washington over President Trump's trial-balloon proposal of providing many Americans with a substantial dividend funded by new and expanded tariffs. Administration officials have walked back the idea, indicating that no formal proposals have been made and that benefits could come through tax savings from the tax package that passed this summer rather than through direct payments. Suffice it to say, there are many challenges with providing actual dividend payments. One is determining the income cut-off for eligibility. This would have a big impact on cost, which would be in the hundreds of billions of dollars. Another major complication is that the Supreme Court is evaluating the legality of the reciprocal tariffs, which constitute the preponderance of tariff revenues. Finally, any dividend payment would need to be approved by Congress. *With little momentum behind any such legislative plan, there is no obvious legal pathway for the administration to provide a tariff dividend.*

Epstein Files. The interest in the House in releasing Jeffrey Epstein files only grew over the almost two months it was not

in session. A House committee this week released another trove of redacted documents as part of its own investigation. Additionally, a procedural motion (called a discharge petition) to force a vote on a bill that would require the Justice Department to release the Epstein files got the needed majority support this week. A new Democratic member of the House who had won a special election during the shutdown was sworn in this week and promptly signed on to the petition. Now that the petition had the needed signatures, there is a procedural clock to have a floor vote within seven legislative days. House Speaker Mike Johnson (R-LA) has said he will allow a vote on the bill next week. *While the bill is unlikely to go anywhere in the Senate, the commotion on the right and left about the Epstein files and about President Trump's connections with Epstein are unlikely to dim.*

Penny Problems. The Trump administration earlier this year ordered the halt of the production of pennies. Production came to a close this week, marking the end of a coin that has been circulated in US since 1793. The decision has obvious logic given that it now costs 3.7 cents to produce a single penny, but the quick transition has left banks, retailers, gas stations, restaurants, and convenience stores scrambling. Some industry trade groups are calling for Congress to pass legislation to establish a national standard for rounding cash transactions to the nearest nickel. A bipartisan bill to set a national standard passed a House committee in July, but it has not received a vote in the full House. The Treasury Department also may issue guidance to help businesses. *With about 300 billion pennies still in circulation, there is a need for some federal action.*

The Final Word

Feuding Democrats. During the shutdown, Democrats had a consistent political message on the need for an extension of healthcare subsidies. This brought public attention to the issue and likely helped them in last week's elections. However, the unity within the party turned this week when eight Senate Democrats voted to end the shutdown in exchange for a commitment for a vote on an extension of healthcare subsidies. Many Democrats viewed this action as a capitulation. They focused their ire on Senate Minority Leader Chuck Schumer (D-NY). Senator Schumer voted against the bill, but he has been on the hot seat with progressives in the party since he supported a funding bill that avoided a government shutdown back in March. Despite all of the handwringing, the eight Senators may have done the party a favor. Democrats didn't really have much of a plan on how to get out of the shutdown, and it was clear that President Trump and Republican leaders were unwilling to blink on extending healthcare subsidies as part of a government funding agreement. While public polling apportioned greater blame for the shutdown to Republicans (who control all of the levers of power in Washington), the blame for Democrats was ticking up as the shutdown continued and as its consequences were more broadly and acutely felt (including by core Democratic constituencies). We may be in this position all over again early next year. *If healthcare subsidies are not extended, which seems likely, many Democrats will call for another government shutdown.*

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