

Congressional Republicans prep long-term ‘continuing resolution’ as shutdown deadline looms

At the direction of President Trump and congressional Republican leaders, GOP appropriators have begun drafting a stop-gap appropriations measure known as a continuing resolution (CR) that would keep the government funded at current levels beyond March 14, when the current CR keeping the government’s doors open is set to expire.

Crunch time on approps

The shift in focus toward utilizing another CR to avoid a government shutdown comes after weeks of bipartisan negotiations among the leaders of Congress’ appropriations panels – House Appropriations Committee Chairman Tom Cole of Oklahoma and Ranking Member Rosa DeLauro of Connecticut, and Senate Appropriations Committee Chair Susan Collins of Maine and Vice Chair Patty Murray of Washington – on a 12-bill suite of fully fleshed-out appropriations bills have failed to bear fruit.

Although reports suggest that the so-called “four corners” of the Appropriations panels are close to an agreement on overall spending levels for the remainder of fiscal year 2025, a persistent sticking point in those talks has been the Trump administration’s recent attempts to “impound,” or freeze spending programs that previously have been appropriated by Congress, which Democrats argue runs afoul of the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344) and potentially even the US Constitution which stipulates that the president is responsible for “taking care that the laws be faithfully executed.”

URL: <https://www.congress.gov/93/statute/STATUTE-88/STATUTE-88-Pg297.pdf>

While a CR that simply allows appropriations to continue flowing to federal agencies at their current levels would not eliminate Democrats’ concerns around impoundment, in the view of some it may ultimately be the most politically expedient strategy to keep the government open beyond next week.

Long-term CR the primary focus: With the backing of President Trump, House Speaker Mike Johnson (R-La.) and other GOP leaders have as their primary focus a long-term CR – to which they intend to have the House voted on next week – that would keep the government funded through the end of the fiscal year which concludes on September 30.

Trump, for his part, gathered several House GOP budget hawks and potential detractors at the White House on March 5 in an effort to convince them of his strategy. With only a single Republican vote to spare in the narrowly divided House and with Democratic support far from assured, every vote will matter in that chamber.

But the White House meeting appeared to yield some success.

“I’ve never voted for a CR, but I’m willing to consider it to back the president...,” said Rep. Eric Burlison (R-Mo.), who added that he hopes Republicans can “get to a place where we actually cut spending.”

And Senate Appropriations Committee Chair Susan Collins did some lobbying of her own, crossing the Capitol on March 5 to speak with members of the conservative House Republican Study Committee.

“I really enjoyed the opportunity to talk with them and give them an update from the Senate perspective on where we are on the negotiations on the CR and our common goal for preventing a government shutdown,” Collins said.

Any appropriations bill that makes it to President Trump’s desk next week will require the support of at least 60 senators, meaning Democratic support will be needed in the upper chamber that is controlled 53-47 by the GOP.

House Republican leaders hope that if they can muscle their long-term CR through – even without meaningful Democratic support – it will put pressure on Senate Democrats to provide the votes needed to get it to Trump’s desk.

“The reality [in the Senate] is that they have to have Democrats,” said Speaker Johnson after the meeting between Sen. Collins and the Republican Study Committee. “But I hope all members of the Senate will look at this very soberly.”

“A government shutdown doesn’t serve anyone. And regardless of who’s to blame for this – we’ve got to make sure the government is funded.”

Short-term CR as a fall-back?: Should the House’s long-term CR fail to pass the lower chamber, reports suggest that Republican leaders are considering moving a shorter-term plan that would keep the government funded for perhaps another month or two which could, in theory, provide appropriators with additional time to agree upon and draft a more durable set of regular appropriations bills.

Democrat’s response: Though the text of a CR has not been unveiled as of press time, House Minority Leader Hakeem Jeffries released a Dear Colleague letter on March 7 that previews likely Democratic opposition to the Speaker’s CR due to what he argued would be cuts to funding for essential programs.

URL: <https://democraticleader.house.gov/media/press-releases/joint-leadership-letter-partisan-continuing-resolution>

“Republicans have decided to introduce a partisan continuing resolution that threatens to cut funding for healthcare, nutritional assistance and veterans benefits through the end of the current fiscal year. That is not acceptable,” Jeffries said.

“House Democrats would enthusiastically support a bill that protects Social Security, Medicare, veterans’ health and Medicaid, but Republicans have chosen to put them on the chopping block to pay for billionaire tax cuts. We cannot back a measure that rips away life-sustaining healthcare and retirement benefits from everyday Americans as part of the Republican scheme to pay for massive tax cuts for their wealthy donors like Elon Musk. Medicaid is our redline.”

Smith wants tax bill done by Memorial Day, argues for House's reconciliation blueprint

Meanwhile, with respect to the concurrently moving, filibuster-proof budget reconciliation process, House Ways and Means Committee Chairman Jason Smith (R-Mo.) this week reiterated a desire shared frequently by GOP leaders that any reconciliation bill should be on President Trump's desk by late spring.

"Our plan in the House has always been to put it on the president's desk by Memorial Day, before Memorial Day," Smith said at a March 5 event hosted by the American Enterprise Institute.

The Chairman also knocked the Senate's approach to budget reconciliation which envisions a two-step effort, with the first step focused on the enactment of a roughly \$300 billion, fully-offset spending package that would bolster defense, border security, and domestic energy program, while deferring action on tax policy – including securing an extension of expiring provisions within the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) and potentially enacting certain tax proposals espoused by President Trump (such as providing some form of tax relief on tipped and overtime income, and providing a tax break on domestic manufacturing income) – until later this year.

URL: <https://www.congress.gov/115/plaws/publ97/PLAW-115publ97.htm>

"A skinny bill without tax will never pass the House of Representatives; the votes are not there," Smith said.

Given their exceedingly small House majority – which currently stands at 218 – 214 – GOP leaders in that chamber have been adamant that congressional Republicans should pursue only one reconciliation bill this year that, in their view, would better allow them to pull a variety of policy levers in their effort to align the votes of conservative and moderate members.

Those competing reconciliation visions are encapsulated in the House and Senate budget resolutions – H.Con.Res. 14 and S.Con.Res. 7 – which cleared the respective chambers on near party-line bases in recent weeks.

URL: <https://www.congress.gov/119/bills/hconres14/BILLS-119hconres14rh.pdf>

URL: <https://www.congress.gov/119/bills/sconres7/BILLS-119sconres7es.pdf>

Big sticking points remain: Adopting a budget resolution is a critical and necessary step in the reconciliation process – the filibuster proof parliamentary maneuver that the GOP intends to leverage to move much of President Trump's tax and spending agenda. (Provided strict parliamentary and procedural rules are met, legislation moved under budget reconciliation can pass the Senate with a simple majority vote, not the three-fifths majority – or 60 votes – normally needed to advance legislation under regular order in that chamber.)

But it is important to remember that – regardless of whether the GOP ultimately pursues a one- or two-bill strategy – in order to even put the filibuster-proof budget reconciliation process in motion, House and Senate Republicans first must work together to adopt a *joint* budget resolution – in identical form – that includes reconciliation instructions directing congressional authorizing committees to report legislation that conforms to certain agreed-upon fiscal parameters.

That means that the current divide between the two chambers not only as to whether the GOP's fiscal ambitions should be accomplished in one step or two, but also the baseline against which proposed tax policies should be measured, the level of spending cuts to be pursued, and whether a debt limit increase should be included in a reconciliation bill still have to be hammered out between House and Senate Republicans before committee chairs can truly know what reconciliation instructions their panels have to meet.

CBO report suggests Medicaid cuts would be necessary under House reconciliation plan: A major sticking point relates to the scope of mandatory spending cuts envisioned under the House budget plan. Specifically, although seven authorizing committees would be charged with reporting a total of at least about \$1.5 trillion in spending savings, three committees in particular – the Agriculture Committee, the Energy and Commerce Committee, and the Committee on Education and Workforce – would carry the bulk of that load, receiving “deficit reduction” instructions of \$230 billion, \$880 billion, and \$330 billion, respectively.

Although heavy lobbying by House GOP leaders and President Trump was successful in securing their votes on the high-level budget blueprint, a number of moderate House Republicans have expressed reservations about what the savings instructions to the aforementioned three committees could mean for programs under their jurisdictions, including Medicaid, food stamps, student loans, and Pell grants. Those concerns exist across the Capitol in the Senate as well.

An analysis published this week by the nonpartisan Congressional Budget Office (CBO) in response to a request from House Budget Committee ranking Democrat Brendan Boyle of Pennsylvania and House Energy and Commerce Committee ranking Democrat Frank Pallone of New Jersey seemed to confirm that significant cuts to Medicaid would in fact be necessary in order for the Energy and Commerce Committee to meet its \$880 billion savings instruction, as there are not enough other programs in the panel's jurisdiction that could be pared back to hit that target.

URL: <https://www.cbo.gov/system/files/2025-03/61235-Boyle-Pallone.pdf>

“Their plan would force the largest Medicaid cuts in American history – all to pay for more tax giveaways to billionaires,” Rep. Boyle said after the report's release.

(For prior coverage of the House- and Senate-passed budget resolutions, and the differences that must be ironed out before the reconciliation process can be unlocked, see *Tax News & Views*, Vol. 26, No. 9, Feb. 28, 2025; and *Tax News & Views*, Vol. 26, No. 8, Feb. 21, 2025.)

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250228_1.html

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