



TO: Orange County Sanitation District

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SUBJECT: Washington Update

The federal government has been shut down since October 1 due to a Senate impasse over expiring health insurance premiums. Federal agencies are operating under contingency plans, non-essential employees have been furloughed, and Congress has postponed formal legislative activities. With no resolution in sight, the shutdown may surpass the 34-day record set in 2019. The following summarizes the status of these and other policy issues of interest to OC San.

Government Shutdown Closes Out Third Week

The government shutdown resulted from Congress failing to pass a Continuing Resolution (CR) by the October 1 deadline, due to a dispute over extending certain Affordable Care Act tax credits. Democrats insist the extension be included to support the CR, while Republicans favor a “clean CR” and addressing tax credits later. With narrow Senate margins, Republicans would need at least seven Democratic votes to overcome a filibuster.

Importance of the Government Shutdown

The government shutdown has disrupted operations across federal agencies, with mass furloughs as the most visible impact. At the U.S. Environmental Protection Agency, 89 percent of staff are furloughed under its contingency plan. This shutdown is also marked by the White House’s announcement of additional reductions in force, which were temporarily blocked by a California federal judge following legal challenges from employee unions. The shutdown has delayed House action on key policy priorities, including Floor debate and votes on H.R. 3898 (PERMIT Act) and the planned mark-up of the State Revolving Loan Fund/Clean Water Act Reauthorization.