

**THOUGHT LEADERSHIP**

LEGAL UPDATES

PUBLISHED: NOVEMBER 18, 2025

**Service**

Public Policy,  
Regulatory, &  
Government Affairs

**Professionals**

KYLE J. GILSTER  
WASHINGTON:  
202.378.2303  
OMAHA:  
402.964.5030  
KYLE.GILSTER@  
HUSCHBLACKWELL.COM

BHARGAVI KALAGA  
WASHINGTON:  
202.378.5785  
GAVI.KALAGA@  
HUSCHBLACKWELL.COM

# Congress Ends Shutdown: What the New Funding Law Means for Major Industries

President Trump signed the *Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026*, on November 12, 2025. In addition to providing a legal basis to end the 43-day government shutdown, this new law provides a Continuing Resolution that funds the federal government at Fiscal Year 2025 levels through January 30, 2026. It also enacts a three bill “minibus” that funds Agriculture–Food and Drug Administration (FDA), Military Construction–Veterans Affairs (VA), and the Legislative Branch through the end of Fiscal Year 2026 (FY2026).

The new law does not extend the subsidies for Affordable Care Act (ACA) health insurance premiums, which are set to expire at the end of this calendar year. Senate leaders have indicated there will be a separate December vote to extend the ACA subsidies. Any law change related to the ACA subsidies will require both Senate and House passage and signature into law by the President.

## **The Minibus: Three Full Year Appropriations Now Law**

The new law includes three FY2026 appropriations bills, which will be effective September 23, 2026:

**Agriculture, Rural Development, FDA, and Related Agencies:** Full year funding stabilizes Supplemental Nutrition Assistance Program (SNAP) operations, FDA review and inspection activities, and rural development programs.

**Military Construction, Veterans Affairs, and Related Agencies:** Full year funding supports Military Construction (MILCON) project awards and

provides Veterans Affairs resources with added emphasis on workforce stability following shutdown disruptions.

Legislative Branch: Full year operations for Congress and support agencies, including additional security resources enumerated in the text of the Act.

### **Federal Employees: Protections, Back Pay, and Immediate Next Steps**

The Act and accompanying official guidance from the Office of Personnel Management (OPM) create a clear path for federal employees to return to work and receive retroactive compensation. Section 116 of Division A guarantees retroactive pay for furloughed and excepted employees for the shutdown period and prohibits agencies from initiating or carrying out reductions in force through January 30, 2026.

In addition, RIFs noticed during the lapse are nullified and employees must be rehired. The Office of Management and Budget's (OMB) memorandum M-26-01 instructs agencies to direct furloughed employees to report back on November 13 and to resume normal operations in an orderly fashion.

Contractors and grantees who rely on federal staff should expect a resumption of normal operations. With staff returning, paused approvals, payments, and site visits can restart. Layoffs are not allowed, and back pay is guaranteed through January 30, 2026.

### **Hemp & FDA Related Provisions**

The Act significantly revises the federal definition of “hemp” and strengthens FDA enforcement against illicit e cigarette imports. While the enacted text is spread across the various divisions of the Act, senators publicly described closing the “hemp loophole” to curb unregulated intoxicants such as Delta-8 tetrahydrocannabinol (THC).

The Act specifies no more than 0.4 mg THC per container for finished products and 0.3% mg THC for intermediaries. The legislation also equips FDA with additional resources and authorities to police illegal e-cigarette distribution chains. These changes take effect 365 days from enactment, giving the industry one year to comply.

Within 90 days, FDA must publish lists of naturally occurring cannabinoids, THC-class compounds, and those with similar effects, along with container definitions.

As a result, businesses that sell food, consumer products, or work in retail should expect the government to pay closer attention to products made from hemp and work more closely with states to enforce the rules.

Many full-spectrum cannabidiol (CBD) products and hemp-derived THC items will likely become federally illegal after the compliance window. States with regulated hemp programs may face conflicts with federal law, creating uncertainty for interstate commerce.

Manufacturers and distributors should review product classification, labeling, age restriction controls, and channel policies in light of new authority signals and likely implementation guidance from the United States Department of Agriculture (USDA) and the FDA under the full year Agriculture appropriation.

### **ACA Subsidies—What's Not Included**

The Act does not extend the enhanced ACA premium tax credits that are set to expire at year end absent further legislation. Senate leadership has committed to a separate vote by mid December, but any extension would require bicameral agreement and new statutory language.

### **Agency Reopening & Operational Timelines**

**Effective immediately:** Agencies are reopened and furloughed employees returned on November 13. Program offices will work through backlogs and set new schedules.

**Through January 30, 2026:** Most agencies operate at CR rates and conditions; contracting officers may issue incremental funding and period of performance adjustments to restore work.

**Full-year stability:** USDA/FDA, VA/MILCON, and Legislative Branch are funded for all of FY2026, reducing uncertainty for SNAP participants, regulated life sciences firms, Veterans Affairs providers, and base construction programs.

### **What This Means to You**

As we move towards the January 30 deadline, agencies not fully funded will face renewed uncertainty. The next 60 days are critical for businesses that interact with federal agencies or operate in regulated markets. Our team can help you:

**Prepare for regulatory changes:** Assess product compliance, FDA enforcement priorities, and healthcare subsidy scenarios.

**Plan for funding cliffs:** Develop contingency strategies for agencies operating under CR conditions and anticipate January 30 risks.

**Leverage opportunities:** Position for USDA programs and other grants under full-year appropriations.

**Re-engage with federal programs:** Secure written contract modifications, confirm period-of-performance extensions, and restart grant activities.

### Contact Us

Husch Blackwell's Public Policy, Regulatory, & Government Affairs attorneys are skilled at helping our clients navigate their most complex challenges. We can help you plan for potential continuing resolutions, risks, and legislative developments.

Contact Kyle Gilster or a member of our team to help ensure your business is ready for rapid changes and new compliance requirements.

*Husch Blackwell Fall Clerk Gavi Kalaga contributed to this alert.*