

Appropriations at Midyear: What Businesses Should Watch—and Do Now

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Congress has made progress on fiscal year 2027 appropriations, but businesses should still prepare for another period of temporary federal funding.

The House Appropriations Committee completed work on all twelve annual funding bills before the end of June, and three have passed the full House. The Senate has moved more slowly; a planned June markup of several appropriations bills was postponed.

That gap makes it unlikely that Congress will complete all twelve bills before current funding expires on September 30.

Recognizing that reality, the House passed a continuing resolution on July 21 by a vote of 220–205. The bill would generally maintain current funding through December 4, giving Congress additional time to negotiate after the midterm elections.

The Senate may revise the House proposal, but the most likely near-term outcome is some form of continuing resolution, or CR—not completion of the regular appropriations process.

Why the Appropriations Process Matters to Businesses

A CR prevents a government shutdown, but it does not provide the same certainty as full-year appropriations.

Agencies operating under temporary funding may postpone new programs, hiring, contract awards, grant decisions, and other activities until Congress determines their final budgets. The Government Accountability Office has found that CRs can create funding uncertainty, slow hiring, increase administrative burdens, and limit agencies' management options.

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The effects extend beyond traditional government contractors.

Research institutions and technology companies may face delayed grant awards. Infrastructure developers may encounter uncertainty surrounding federal funding or project schedules. Banks and small businesses may depend on federal lending programs. Companies in regulated industries may need timely agency reviews, approvals, inspections, or guidance.

Even when federal funding eventually arrives, the delay can produce compressed deadlines and sudden spending activity later in the fiscal year. Businesses may be asked to submit proposals, hire employees, order equipment, or begin performance on shorter timelines.

What Businesses Can Do Now

Businesses do not need to predict Congress. They do need to know where a funding delay would create a problem.

Map the exposure. Identify the contracts, grants, approvals, loans, and major customers tied to federal funding.

Flag anything that depends on new money. Existing programs often continue under a CR. New awards, expansions, and higher funding levels are more likely to slip.

Pressure-test the calendar. Ask what happens if an award expected in October moves to December—or later. Focus on hiring, cash flow, procurement, and project start dates.

Talk to the agency early. Ask whether a CR could affect an award, option year, modification, grant cycle, or funding increment.

Put the impact in concrete terms. When communicating with Congress or an agency, explain the operational consequence: delayed hiring, higher financing costs, missed construction windows, or interrupted research.

The goal is not to prepare for every possible outcome. It is to identify the few funding decisions that could materially affect the business and build flexibility around them.

What Comes Next

The immediate question is whether the Senate accepts the House's December 4 deadline or negotiates a different stopgap measure.

If a CR becomes law, attention will shift to the post-election period. Congress will then have to complete the individual appropriations bills, combine them into larger packages, or approve another extension.

Businesses should therefore prepare for two separate uncertainties: whether the

government remains funded after September 30 and when agencies will receive their final fiscal year 2027 budgets.

A continuing resolution would reduce the immediate risk of a shutdown. It would not resolve the planning challenges created by temporary funding.

For businesses, the best response is not to predict every congressional outcome. It is to understand their federal exposure, prepare for multiple timelines, and remain ready to act when funding decisions are finally made.