

119TH CONGRESS
1ST SESSION

S. 3165

To appropriate funds for pay and allowances of Federal employees during the lapse in appropriations that began on October 1, 2025, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 7, 2025

Mr. VAN HOLLEN (for himself and Ms. ALSOBROOKS) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To appropriate funds for pay and allowances of Federal employees during the lapse in appropriations that began on October 1, 2025, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “True Shutdown Fair-
5 ness Act”.

6 **SEC. 2. APPROPRIATIONS.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “agency” means—

1 (A) each authority of the executive, legisla-
2 tive, or judicial branch of the Government of
3 the United States; and

4 (B) each District of Columbia public em-
5 ployer described in clause (i) or (ii) of section
6 1341(c)(1)(B) of title 31, United States Code
7 (as in effect on the day before the date of en-
8 actment of this Act);

9 (2) the term “contract employee” means a con-
10 tract employee for which the lapse of appropriation
11 suspended, delayed, or interrupted all or part of the
12 work of the contract, or stopped all or part of the
13 work called for in such contract, including—

14 (A) a service employee, as defined in sec-
15 tion 6701(3) of title 41, United States Code,
16 except that an individual covered under this
17 subparagraph includes an individual described
18 in subparagraph (C) of such section 6701(3);

19 (B) a laborer or mechanic with respect to
20 whom section 3142 of title 40, United States
21 Code, applies; and

22 (C) an employee of a business concern that
23 holds a contract, subcontract, or other agree-
24 ment with an agency that provides for services

1 or supplies, including a service contract under
2 chapter 67 of title 41, United States Code;

3 (3) the term “covered individual”—

4 (A) means each employee of an agency,
5 without regard to whether, during the period of
6 the covered lapse in appropriations with respect
7 to that agency occurring before the date of en-
8 actment of this Act—

9 (i) the head of that agency determined
10 that the individual was an excepted em-
11 ployee or an employee performing emer-
12 gency work, as those terms are defined by
13 the Office of Personnel Management or the
14 appropriate District of Columbia public
15 employer, as applicable; or

16 (ii) the individual was subject to fur-
17 lough; and

18 (B) includes—

19 (i) a contract employee;

20 (ii) a member of the Armed Forces on
21 active duty; and

22 (iii) a member of a reserve component
23 who, during the covered lapse in appropria-
24 tions with respect to the applicable agency,

1 performs active service or inactive-duty
 2 training;

3 (4) the term “covered lapse in appropriations”
 4 means, with respect to an agency, the lapse in ap-
 5 propriations with respect to that agency beginning
 6 on October 1, 2025, and ending on the termination
 7 date; and

8 (5) the term “termination date” means the date
 9 on which, after the start of the covered lapse in ap-
 10 propriations—

11 (A) there are enacted into law appropria-
 12 tions for the agency (including a continuing ap-
 13 propriation) that provide amounts for the pur-
 14 poses for which amounts are made available
 15 under subsection (b); or

16 (B) there are enacted into law appropria-
 17 tions for the agency (including a continuing ap-
 18 propriation) without any appropriation for such
 19 purposes.

20 (b) APPROPRIATIONS.—For fiscal year 2026, there
 21 are appropriated to the head of each agency with respect
 22 to which there is a covered lapse in appropriations, out
 23 of any money in the Treasury not otherwise appropriated,
 24 such sums as are necessary to provide, with respect to the
 25 covered lapse in appropriations, standard rates of pay, al-

1 lowances, pay differentials, benefits, and other payments
2 otherwise payable on a regular basis to covered individuals
3 with respect to the agency, subject to the limitation under
4 paragraph (2).

5 (c) PRICE ADJUSTMENT.—

6 (1) IN GENERAL.—As soon as practicable after
7 the date of the enactment of this Act, the head of
8 any agency subject to the covered lapse in appro-
9 priations shall adjust the price of any contract de-
10 scribed in paragraph (2) to compensate the con-
11 tractor for reasonable costs incurred as described in
12 paragraph (3), regardless of whether the contract
13 provides for, or otherwise prohibits, the contractor to
14 incur such reasonable costs or receive such an ad-
15 justment for incurring such reasonable costs.

16 (2) CONTRACT DESCRIBED.—A contract is de-
17 scribed in this paragraph if it is a contract of an
18 agency for which the contractor suspended, delayed,
19 or interrupted all or part of the work under such
20 contract, or stopped all or any part of the work
21 called for in such contract, as a result of the covered
22 lapse in appropriations.

23 (3) REASONABLE COSTS DESCRIBED.—Reason-
24 able costs described in this paragraph are costs actu-
25 ally incurred by the contractor—

(A) to provide compensation for the period of the covered lapse in appropriations, at an employee's standard rate of compensation, to any employee who, as a result of the lapse in appropriations—

(i) was furloughed or laid off;

(ii) was otherwise not working;

(iii) experienced a reduction of hours;

or

(iv) experienced a reduction in compensation; or

(B) to restore paid leave taken by any employee during the lapse in appropriations, if the contractor required or permitted employees to use paid leave as a result of the lapse in appropriations.

(4) EVIDENCE.—A contractor seeking an adjustment under paragraph (1) shall provide the head of the applicable agency any evidence of the reasonable costs incurred by the contractor as described in paragraph (3) as the head of the agency, in consultation with the Administrator of the Office of Federal Procurement Policy, considers appropriate.

(d) TERMINATION.—Appropriations and funds made available and authority granted under subsection (b) shall

1 be available to the head of an agency until the termination
2 date.

3 (e) CHARGE TO FUTURE APPROPRIATIONS.—Ex-
4 penditures made pursuant to this Act shall be charged to
5 the applicable appropriation, fund, or authorization when-
6 ever a bill in which such applicable appropriation, fund,
7 or authorization is enacted into law.

8 (f) RETROACTIVE EFFECTIVE DATE.—This section
9 shall take effect as if enacted on September 30, 2025.

10 **SEC. 3. LIMITATION ON REDUCTIONS IN FORCE.**

11 (a) DEFINITIONS.—In this section, the terms “agen-
12 cy” and “covered lapse in appropriations” have the mean-
13 ings given those terms in section 2(a).

14 (b) PROHIBITION.—During the covered lapse in ap-
15 propriations, none of the funds made available by this or
16 any other Act may be used to—

17 (1) propose or implement a reduction in force,
18 or any similar effort, to permanently reduce the
19 number of employees employed by an agency; or

20 (2) place any employee of an agency in adminis-
21 trative leave for more than 10 work days in any cal-
22 endar year.

23 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
24 tion may be construed to affect a voluntary separation

- 1 payment offered to an employee under section 3523 of title
- 2 5, United States Code.

