



# August Recess Resources and Advocacy Guide

Summer 2025

Every few months, members of Congress leave Washington, D.C. to return to their home states and districts for what is known as a “recess”. During this time, Representatives and Senators engage with voters, hold townhalls, and public events, conduct in-district legislative business and make themselves available to their constituents. The next Congressional recess is scheduled for June 30th-July 4th, 2025. Congress will depart Washington for recess once again for a longer recess from August 4th-September 1st.

We have developed this guide for CAMEO Network partners to engage with lawmakers and their staff while they’re in their home states and districts. Two separate fiscal pieces of legislation are moving through congress: the reconciliation package (also known as the One, Big Beautiful Bill) and the incoming FY’26 Appropriations package due September 30, 2025. Given the ongoing negotiations on the Hill related to the reconciliation package ( and the incoming FY’26 budget , this is a crucial time for our network to advocate for key programs, including the CDFI Fund, SBA resources partners and programs, in addition to several rural entrepreneurial development programs.

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## State of Play - Reconciliation & Government Funding

The federal government is currently operating under a Continuing Resolution (CR), which extended FY 2024 funding levels into FY 2025. This stopgap measure remains in place while Congress works through two separate legislative tracks: annual appropriations bills and a reconciliation bill.

It's important to understand that the reconciliation bill **is not** the same as regular government funding. Reconciliation is a special legislative process used to advance specific spending, tax, or deficit-related priorities with a simple majority in the Senate. Appropriations bills, on the other hand, are required each year to fund the day-to-day operations of federal agencies.

Even if Congress passes the reconciliation package, it will still need to pass separate appropriations legislation to fully fund the government for Fiscal Year (FY) 2026, which begins October 1, 2025.

Delays in passing reconciliation can have broader implications. Political disagreements over reconciliation often stall progress on appropriations, as lawmakers may hold off on broader funding negotiations until reconciliation is resolved. Until then, the government continues to operate under the current CR—meaning FY 2024 funding levels stay in place, limiting the ability to update or expand federal programs.

As of this writing, Congressional Republicans are deep in negotiations over the Senate GOP reconciliation package that includes sweeping changes to tax policy, Medicaid funding, and other budget priorities. However, significant internal party divisions are threatening the timeline and content of any final agreement — with consequences for small businesses, health care providers, and local governments across the country.

As these talks unfold, CAMEO Network should be aware of the following developments:

### Senate-House GOP Tensions

- Senate Republican leadership is working to reconcile differences with their House counterparts without resorting to a formal conference, but they face pushback on several fronts.
- House conservatives have signaled strong opposition to the Senate's approach on clean energy tax credit rollbacks and Medicaid reforms.

## **Medicaid Cuts Raise Rural and Small-Provider Concerns**

- The Senate Finance Committee's proposal includes a cap on Medicaid provider taxes — a move aimed at reducing federal spending but one that could severely impact rural and underserved health systems.
- Some GOP senators, including Sen. Josh Hawley (R-MO), have voiced strong opposition, warning the cuts could “defund rural hospitals.”
- The White House is responding with a public messaging campaign to highlight inefficiencies in Medicaid spending — a potential sign of forthcoming broader reforms.

## **Tax Policy Disputes: SALT Cap and Clean Energy**

- Senate and House Republicans remain far apart on the State and Local Tax (SALT) deduction cap. The House-passed bill includes a \$40,000 cap, while the Senate version holds firm at \$10,000.
- California Republicans, including Rep. Young Kim and SALT Caucus members have said the \$40,000 threshold must remain — creating a potential flashpoint.
- On clean energy, House conservatives are pushing for faster rollbacks of Inflation Reduction Act tax credits. The Senate takes a slower approach, drawing fire from the House Freedom Caucus.

## **Disagreement Among Senate Republicans on Spending Cuts**

- Sens. Ron Johnson (R-WI) and Rick Scott (R-FL) have raised objections that the bill doesn't go far enough in reducing the deficit.
- These senators may block the bill unless significant spending cuts are added — which could endanger other provisions that support entrepreneurship, local economies, and innovation.

## **Controversy over Public Land Sales**

- A Senate proposal would authorize the sale of public lands in 11 Western states (excluding Montana), prompting internal opposition from both Senate and House Republicans.
- This provision could reignite debate about land use, environmental protection, and rural economic development — especially if it reemerges in final negotiations.

## What to Watch

- Will GOP leaders pass the reconciliation package by their self-imposed deadline of July 4?
  - Even if a reconciliation package is signed into law, it does not replace the need for Congress to pass separate appropriations bills to fund the government for FY 2026. Reconciliation only addresses targeted spending and revenue items.
  - If reconciliation wraps by July 4, Congress will still have a tight window to complete funding legislation before the fiscal year ends on September 30, 2025. With recess from August 4 to September 4, lawmakers will have less than a month in session to act.
  - If reconciliation isn't passed by July 4, it could further delay the appropriations process. In either scenario, a Continuing Resolution (CR) may be needed to avoid a government shutdown.
- How will California Republicans navigate the SALT cap fight and Medicaid provider limits?
- Could deeper cuts or concessions affect programs or tax credits important to small business owners?

## State of Play - Fiscal Year 2026 Appropriations

On May 2, 2025, the Trump Administration released a 'skinny' version of its Fiscal Year 2026 Budget Request, officially kicking off the federal appropriations process. The White House followed up with a more detailed budget request on May 30, 2025, and is expected to submit a final budget request once Congress passes the reconciliation package. *While the President's budget is not binding, it serves as a critical signal of the administration's priorities and sets the stage for congressional negotiations—especially with both chambers currently under Republican control.*

The proposed budget calls for sweeping reductions in domestic discretionary spending while ramping up investments in defense and border enforcement. Negotiations are likely to remain contentious throughout the summer, with major implications for small businesses, rural communities, and underserved populations.

## Budget Request Timeline

By law, the President is required to submit a formal budget request to Congress no later than the first Monday in February. While this deadline is intended to give Congress ample time to consider funding priorities and begin the annual appropriations process, presidential administrations often submit the budget later than required.

The President's budget request serves as a starting point for Congressional deliberations but does not carry the force of law. From there, Congress works to pass 12 individual appropriations bills—one for each subcommittee of the House and Senate Appropriations Committees—before the end of the fiscal year on September 30, 2025.

In practice, Congress rarely completes all appropriations bills on time. Instead, it often relies on Continuing Resolutions (CRs)—stop-gap funding measures that temporarily extend existing funding levels—to avoid a government shutdown while negotiations continue.

To fully fund the federal government, Congress must pass all 12 appropriations bills, either individually or as part of an omnibus or minibuss legislative package, and have them signed by the President before the start of the next fiscal year on October 1, 2025.

## **President Trump's FY'26 Budget Request**

Below is an overview of some of the most significant proposals to reduce federal spending:

### **1. Small Business Administration (SBA) — 33% Cut**

- Overall discretionary funding: Reduced to \$600 million (down from \$900M in FY25 and \$1.1B in FY24).  
Entrepreneurial Development Programs: Slashed by \$167 million. The proposal eliminates all but one program—Small Business Development Centers (SBDCs)—which would receive a \$10 million boost to preserve services for veteran-owned businesses.
- Salaries & Expenses: Cut by \$111 million, reducing SBA's operational capacity.

### **2. U.S. Department of Treasury — Proposed Cuts to the CDFI Fund**

- **CDFI Fund Discretionary Awards:** Cut by \$291 million, with new awards eliminated entirely.
  - The Administration cites opposition to “racial equity” and “climate resiliency” efforts as justification.
- New Rural Award Program: Proposes \$100 million for rural CDFI lending, with a mandate that 60% of funds benefit rural areas.
- IRS Funding: Cut by nearly \$2.5 billion, with vague references to eliminating “complex tax credits” and modernizing tech.

### 3. U.S. Department of Agriculture (USDA) — Rural Support Programs Eliminated

- USDA discretionary budget reduced by 21%, a \$4.7 billion cut.
- Rural Development Programs slashed by \$721 million, including:
  - Elimination of Rural Business Development Grants, Rural Cooperative Development Grants, and the Rural Microentrepreneur Assistance Program.
  - Broadband expansion and water infrastructure grants are also zeroed out.

### 4. MBDA Elimination

- The budget completely eliminates funding for the Minority Business Development Agency (MBDA).
- Justification cites “DEI” as incompatible with the Administration’s priorities and references recent court rulings narrowing the scope of federal diversity programs.

### What to Watch

- House and Senate Appropriations Committees will begin markups shortly, likely deviating from the President’s proposals but working within reduced caps.
- Potential reconciliation package (nicknamed the “Big Beautiful Bill”) may carry some funding changes forward—particularly in defense, homeland security, and health policy.
- Disagreements over programmatic cuts could slow the process and force a stopgap (continuing resolution) in the fall.
- Expect major advocacy from small business networks, CDFIs, and rural development stakeholders to protect critical funding lines.

### Ways to Take Action

- **Schedule in-district legislative visits with Representatives and Senators or their staff**
  - Find your House Representatives and Senators [here](#)
  - See sample outreach letter below.
- **Attend a Town Hall or public event with your member of Congress**
  - Find sample questions below
- **Email or call your member of Congress**
  - Review CAMEO’s latest actions alerts:

- [CAMEO Network Sign On Letter In Support of the CDFI Fund](#)
- [CAMEO Network Sign On Letter In Support of USDA Rural Entrepreneurial Development Programs](#)
- [Sign up to receive CAMEO Network news updates and action alerts](#)

## Sample letter/email to Congressional offices

### Subject: Meeting Request During [July/August] Recess

Dear [Staff First Name],

My name is [Your Name], and I am a [business owner/community leader/entrepreneur/etc.] based in [City, Congressional District]. I'm writing to inquire whether [Senator/Representative Last Name] will be holding any public events, such as town halls or roundtable discussions, during the upcoming [July/August] recess. I would welcome the opportunity to engage with [him/her/them] directly and share how federal small business programs are making a difference in our community.

In particular, I'd like to discuss the importance of [CDFI Fund/SBA Resource Partners/USDA Entrepreneurial Development Programs] in supporting small and microbusinesses in [City or District]. These programs have had a powerful impact on local entrepreneurs—especially those in underserved communities—and continued federal support is vital.

\*In addition to any public engagements, I would also like to respectfully request an in-person meeting with [Senator/Representative Last Name] or the appropriate staff at the [City/District] office during the recess. I am a constituent and would be happy to meet at a time that works best with the office's schedule.

Thank you in advance for your time and consideration. I look forward to the opportunity to connect.

Sincerely,

[Your Full Name]

[Title or Organization, if applicable]

[Email Address]

[Mailing Address, optional]

*\*This request can be revised to capture your priorities, or to reflect group meetings. This is meant to serve as guidance for you to reach out and engage with the offices of your elected officials during recess.*

## Sample Town Hall Questions

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|---|---|
| 1 | The FY26 budget proposes eliminating all discretionary funding for the CDFI Fund, even though CDFIs are often the only source of capital for rural, Native, and underserved communities. With many CDFIs already struggling to meet demand, what is [Senator/Representative] doing to ensure the CDFI Fund is fully funded in this year's appropriations process? <b><i>This is not a partisan issue.</i></b> Nearly every congressional district in America benefits from the work of CDFIs, with 92% of House districts having at least one CDFI. CDFIs are an engine of local resilience—supporting job creation, small business formation, and upward mobility. |
| 2 | Programs like the Rural Microentrepreneur Assistance Program and Rural Business Development Grants are lifelines for small towns and rural areas. With the FY26 budget proposing to eliminate them, how is [Senator/Representative] working to ensure rural small businesses still get the support they need?   |
| 3 | The FY26 budget proposes eliminating several USDA programs that directly support rural entrepreneurs, including the Rural Microentrepreneur Assistance Program, Rural Business Development Grants, and Intermediary Relending Program. These programs are often the only source of capital and technical assistance in small towns across California. What is [Senator/Representative] doing to ensure these rural entrepreneurship programs are preserved in this year's appropriations process?   |
| 4 | Programs like Women's Business Centers, SCORE, and Veteran Business Outreach Centers provide essential technical assistance to small and microbusinesses. If the FY26 budget proposal to eliminate these programs moves forward, does [Senator/Representative] have a plan to ensure these services are replaced or supplemented—particularly in communities that rely on them the most?  |



## How to Find Town Halls and Contact your Members of Congress

There is no public repository for Congressional town halls or public events. However, you can learn about these events in advance by signing up for your elected officials' mailing lists, listservs or monitoring their social media accounts for updates. Listserv signups can be found on your elected official's websites. Additionally, you can call your members' offices to inquire about upcoming events and whether members of the public are welcome to attend. Below you will find information about ways to find contact information to make a call:

### House of Representatives/Senate Look Up

- Type in your zip code or home address into [Congress.gov](https://www.congress.gov)'s "[Find Your Representatives](#)" tool. **Note** that several House members may populate the page, so it is recommended that you type out your full 7-digit zip code or home address for the most accurate results.

## CAMEO Network Policy Priorities

- Responsible small business lending and guardrails for loan and non-loan small business financing products
- Funding for disaster recovery efforts targeting small business, including SBDCs and capital and technical assistance providers
- Extending community reinvestment obligations to state chartered financial institutions
- Additional funding for Community Development Financial Institutions (CDFIs)
- Additional funding for technical assistance providers and business coaching organizations
- Additional funding for Women's Business Centers
- Privacy protections for microentrepreneurs

## Additional Resources

- [CAMEO Network's Small Business Policy Guide](#)
- [CAMEO Network Sign On Letter In Support of the CDFI Fund](#)
- [CAMEO Sign On Letter In Support of USDA Rural Entrepreneurial Development Programs](#)
- [Suggested Agenda for Legislative Meetings](#)