



Potential Two-Track Agreement to End DHS Shutdown

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Action: Following the House's rejection last week of a Senate-passed bill to end the [shutdown](#) of the Department of Homeland Security (DHS), the President has now endorsed the Senate's two-track plan for DHS funding. Beyond the first track (funding for most DHS agencies), Republicans in Congress are hoping to pass the second track, a reconciliation bill to fund Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) by June 1. (Reconciliation bills, which can be enacted only once per fiscal year, require only a simple majority in the Senate to pass. In addition, under the Byrd Rule only certain items may be included, and the Senate Parliamentarian must rule as to whether a particular item is germane to be included in the bill).¹ However, on April 2, the House declined to take up the first track of the agreement, extending the shutdown, because of opposition from some conservative Republicans.

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- Last week, a group of Senate Republicans met with the White House to determine a strategy to reopen DHS.² The group emerged from the meeting with a tentative compromise to fund all of DHS except for ICE's enforcement and removal operations through the Homeland Security appropriations bill,³ with the rest of ICE funding to be included in a second party-line reconciliation bill alongside other Republican legislative priorities.⁴
- ICE was funded in H.R. 1 last year; the issue has concerned the other parts of DHS, with TSA as the most visible impact; other important impacts concern the Coast

Guard and FEMA.

- Meanwhile, the impact of the DHS shutdown continued to grow, particularly at airports. In response, the President announced on Thursday his intent to sign an order directing DHS to pay Transportation Security Administration (TSA) agents, possibly using funds from the 2025 tax bill.⁵
- This week, the President endorsed the Senate’s two-track plan for DHS funding, demanding Republicans in Congress pass a reconciliation bill covering ICE and CBP by June 1.⁶
- It’s unclear when the House will vote on the Senate’s bill and what other legislative priorities (e.g., parts of the SAVE America Act, tax changes, or supplemental funding for the Iran war) will be included in the reconciliation bill.⁷
- **What this means for business:** As Congress and the White House work to find a path forward, continue to expect operational friction as businesses evaluate and account for incremental slowdowns across aviation, cargo, and possibly border systems. Contingency planning for disaster response gaps will become more important, as will anticipating unpredictability in regulatory coordination across Federal agencies. The economic risk rises from the effects of cumulative strain—especially if an external shock such as a major disaster intersects with already constrained DHS capacity. Given the push for the reconciliation bill, Congress will also have less scope for other or bipartisan legislative priorities leading up to the midterm elections.

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1. Emily Brooks and Mallory Wilson, “[Trump endorses funding ICE and Border Patrol in GOP-only bill](#)”, *The Hill*, April 1, 2026.
 2. Jordain Carney, Mia McCarthy, and Katherine Tully-McManus, “[GOP senators see path to ending DHS shutdown after Trump meeting](#)”, *Politico*, March 23, 2026.
 3. Alexander Bolton, “[Senate GOP says Trump signals shift to backing DHS compromise with Democrats](#)”, *The Hill*, March 23, 2026.
 4. Punchbowl News AM, “[NEWS: Inside the deal to open DHS](#)”, *Punchbowl News*, March 24, 2026.
 5. Lisa Mascaro and Mary Clare Jalonick, “[Trump says he’ll sign order to pay TSA agents as Senate works into the night on funding deal](#)”, *AP News*, March 26, 2026.
 6. Emily Brooks and Mallory Wilson, “[Trump endorses funding ICE and Border Patrol in GOP-only bill](#)”, *The Hill*, April 1, 2026.
 7. Myah Ward and Jordain Carney, “[Trump demands Republican-only DHS bill by June 1](#)”, *Politico*, April 1, 2026.

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