

Trump administration toolbox

A guide to the policies, personalities and priorities of the White House

March 7, 2018

Producer

Presentation Center team

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Hope Hicks resigns; Walmart and Dick's Sporting Goods raise min. age to purchase guns; Trump flips stance on gun control

Week in Review: Feb. 26, 2018 – Mar. 2, 2018

Feb

26

- **On Monday**, during a meeting with the nation's governors on gun safety, President Trump discussed reopening mental-health institutions and said that he would have intervened in the deadly school shooting in Parkland, Florida, even if he was unarmed.
- The former sheriff's deputy, criticized for not entering the high school to stop the shooting, defended his actions.
- The Supreme Court declined to hear the Trump administration's appeal of a federal judge's ruling ordering the government to allow DACA recipients to renew their protected status.

Feb

27

- **On Tuesday**, private Twitter messages obtained by The Atlantic show that Roger Stone, a longtime confidante and informal adviser to President Trump, corresponded with WikiLeaks during the 2016 presidential campaign.
- Trump son-in-law Jared Kushner was reportedly informed on Friday that his security clearance would be downgraded.
- During an appearance before the House Intelligence Committee, White House Communications Director Hope Hicks refused to answer questions about the presidential transition or the Trump White House.
- Paul Ryan signaled he won't support new gun-control measures because "we shouldn't be banning guns for law-abiding citizens."

Feb

28

- **On Wednesday**, During a meeting with lawmakers, President Trump accused some Republicans of being "petrified of the NRA" and said that authorities should "take the guns first, go through due process second."
- Hope Hicks said she's resigning as White House communications director.
- Dick's Sporting Goods, a major sports equipment retailer, said it will stop selling all assault-style rifles, and both Walmart and Dick's said they would raise the minimum age for purchasing a gun from 18 to 21.
- Attorney General Jeff Sessions pushed back after Trump rebuked him on Twitter for calling on the inspector general to review accusations of government surveillance abuses.

Mar

1

- **On Thursday**, Trump said he will impose tariffs on steel and aluminum imports, drawing criticism from Republicans.
- MSNBC reports that the White House plans to replace National-Security Adviser H.R. McMaster "as early as next month."
- Senate Intelligence Committee found that Republicans on the House Intelligence Committee leaked private text messages between the Senate panel's top Democrat, Mark Warner, and a Russian-connected lawyer.
- Putin said Russia has developed highly advanced nuclear weapons he claims are impossible to intercept.

Mar

2

- **On Friday**, after a meeting with the president, the N.R.A.'s top lobbyist said that Trump and Vice President Mike Pence "support strong due process and don't want gun control." Trump tweeted about the meeting, as well, calling it "great."
- White House Press Secretary Sarah Huckabee Sanders dismissed reports that McMaster could be replaced as soon as this month.
- The Hill reported that, according to inside sources, Jared Kushner has expressed his commitment to preserving his influence in the White House, despite his recent drop in security clearance.

Sources: National Journal Research; The Atlantic Politics and Policy Newsletter, 2018; TheHill.com, 2018.

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Trump's cabinet includes conservative activists as well as establishment Republicans from previous administrations

This cabinet is the first in a generation to not include a member of the opposition party



Secretary of State
Rex Tillerson



Secretary of the Treasury
Steve Mnuchin



Secretary of Defense
James Mattis



Attorney General
Jeff Sessions



Secretary of the Interior
Ryan K. Zinke



Secretary of Agriculture
Sonny Perdue



Secretary of Commerce
Wilbur Ross



Secretary of Labor
Alexander Acosta



Secretary of Health & Human Services
*Alex Azar**



Secretary of Housing & Urban Development
Ben Carson



Secretary of Transportation
Elaine Chao



Secretary of Energy
Rick Perry



Secretary of Education
Betsy DeVos



Secretary of Veterans Affairs
David Shulkin



Secretary of Homeland Security
Kirstjen Nielsen

**Tom Price resigned and was replaced by Alex Azar as Sec. of HHS*

Source: National Journal research, 2017; Chuck Todd, Mark Murray and Carrie Dann, "Trump's cabinet, by the numbers," NBCNews, January 19, 2017.

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Trump's cabinet confirmation tracker (1)

James Mattis was the first confirmed cabinet member, and Kirstjen Nielsen was the last

Nominee	Position	Senate committee holding hearing	Committee approved?	Confirmed by full Senate?	Date confirmed
James Mattis	Sec of Defense	Armed Services	✓	✓98 – 1	Jan. 20
Michael Pompeo	Director of the CIA	Intelligence	✓	✓66 – 32	Jan. 23
Elaine Chao	Sec. of Transportation	Commerce, Science & Transportation	✓	✓93 – 6	Jan. 31
Nikki Haley	Ambassador to the UN	Foreign Relations	✓	✓96 – 4	Jan. 24
Rex Tillerson	Sec. of State	Foreign Relations	✓	✓56 – 43	Feb. 1
Betsy DeVos	Sec. of Education	Health, Education, Labor & Pensions	✓	✓51 – 50	Feb. 7
Jeff Sessions	Attorney General	Judiciary	✓	✓52 – 47	Feb. 8
Alex Azar* *Replaced Tom Price	Sec. of HHS	Health, Education, Labor & Pensions	✓	✓52 – 47	Feb. 24, 2018
Steven Mnuchin	Sec. of Treasury	Finance	✓	✓53 – 47	Feb. 13
David Shulkin	Sec. of Veterans' Affairs	Veterans' Affairs	✓	✓100 – 0	Feb. 13
Linda McMahon	Small Business Admin.	Small Business & Entrepreneurship	✓	✓81 – 19	Feb. 14

Sources: National Journal research, 2017; Washington Post confirmation tracker, 2017.

Trump's cabinet confirmation tracker (2)

75% of Trump's cabinet are white men, the highest percentage since the Reagan administration

Nominee	Position	Senate committee holding hearing	Committee approved?	Confirmed by full Senate?	Date confirmed
Scott Pruitt	EPA Administrator	Energy & Natural Resources	✓	✓52 – 46	Feb. 17
Mick Mulvaney	Director of OMB	Budget	✓	✓51 – 49	Feb. 16
Wilbur Ross	Sec. of Commerce	Commerce, Science & Transportation	✓	✓72 – 27	Feb. 27
Ryan Zinke	Sec. of Interior	Energy & Natural Resources	✓	✓68 – 31	Mar. 1
Ben Carson	Sec. of HUD	Banking, Housing & Urban Affairs	✓	✓58 – 41	Mar. 2
Rick Perry	Sec. of Energy	Energy & Natural Resources	✓	✓62 – 37	Mar. 2
Dan Coats	Dir. of National Intelligence	Intelligence	✓	✓85 – 12	Mar. 15
Sonny Perdue	Sec. of Agriculture	Agriculture, Nutrition & Forestry	✓	✓87 – 11	Apr. 24
Alexander Acosta	Sec. of Labor	Health, Education, Labor & Pensions	✓	✓60 – 38	Apr. 27
Robert Lighthizer	Trade representative	Commerce, Science & Transportation	✓	✓82 – 14	May 11
Kirstjen Nielsen* *Replaced John Kelly	Sec. of Homeland Security	Homeland Security & Gov. Affairs	✓	✓62 – 37	Dec. 5

Sources: National Journal research, 2017; Washington Post confirmation tracker, 2017.

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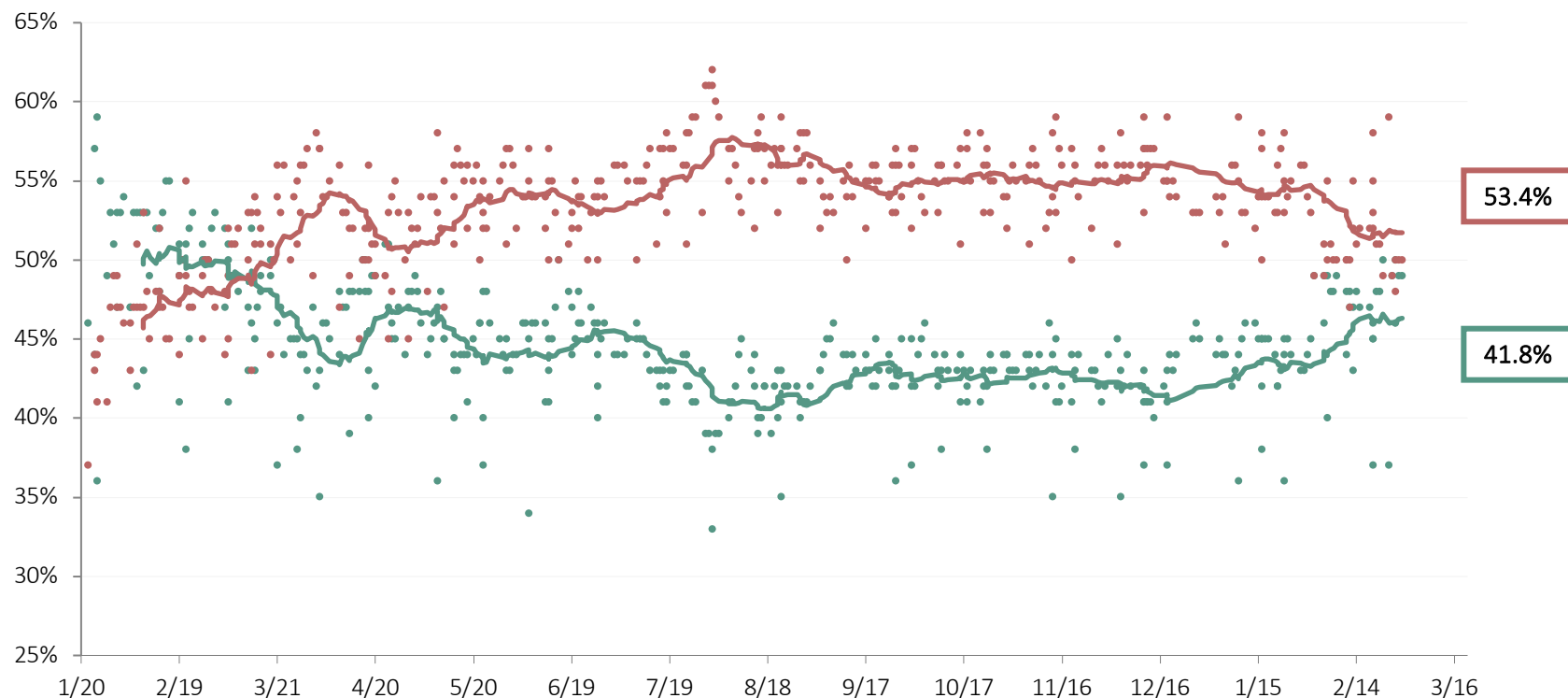
Tax reform gave President Trump's approval a bump, but it has since plateaued and remains negative overall

Donald Trump approval ratings since inauguration

HUFFPOST POLLSTER; AMONG REGISTERED OR LIKELY VOTERS

■ Approve ■ Disapprove

Average
March 1

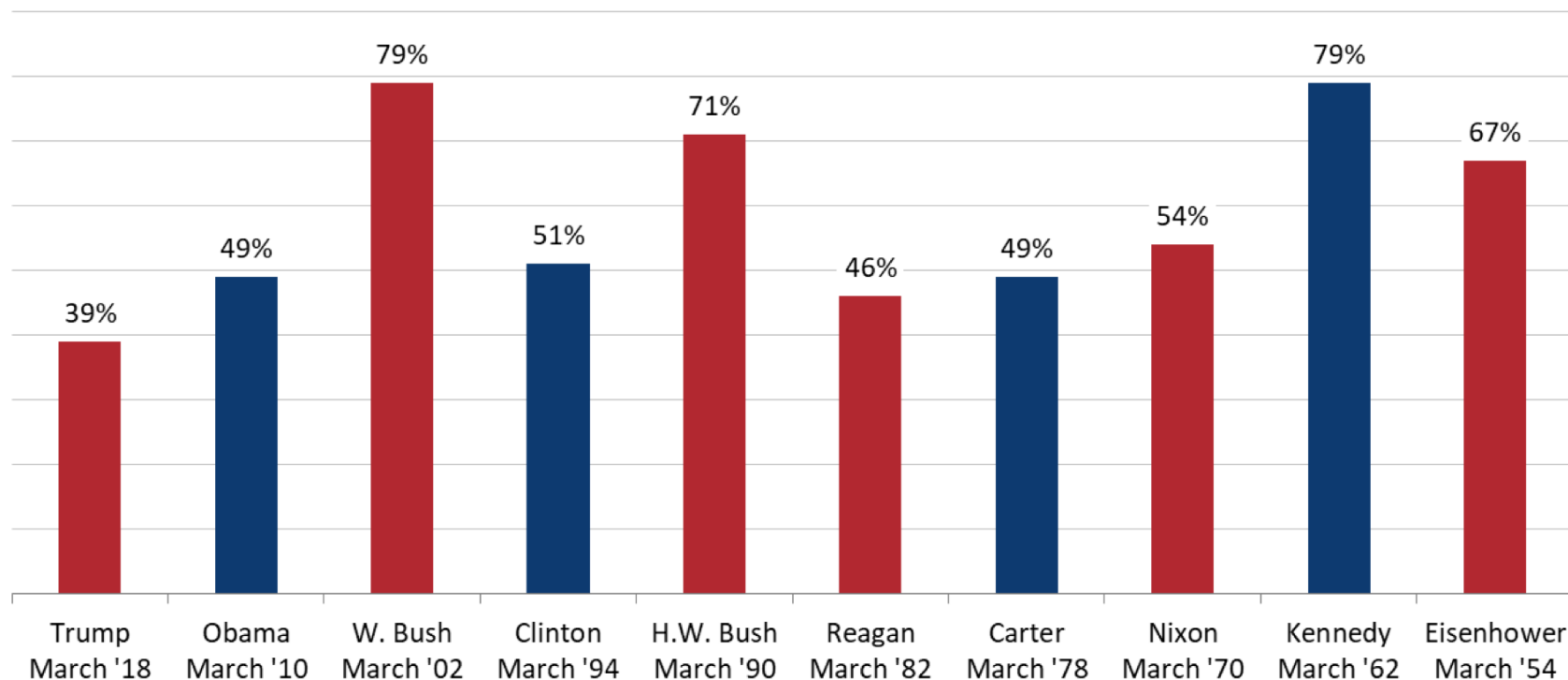


Source: HuffPost Pollster, "Poll Chart: Donald Trump Approval Rating," 2018.

Trump's approval numbers are lower than any other elected president's at this point in their respective terms

Gallup comparative presidential approval ratings

IN MARCH OF EACH PRESIDENT'S SECOND YEAR



Source: Gallup, March 5, 2018.

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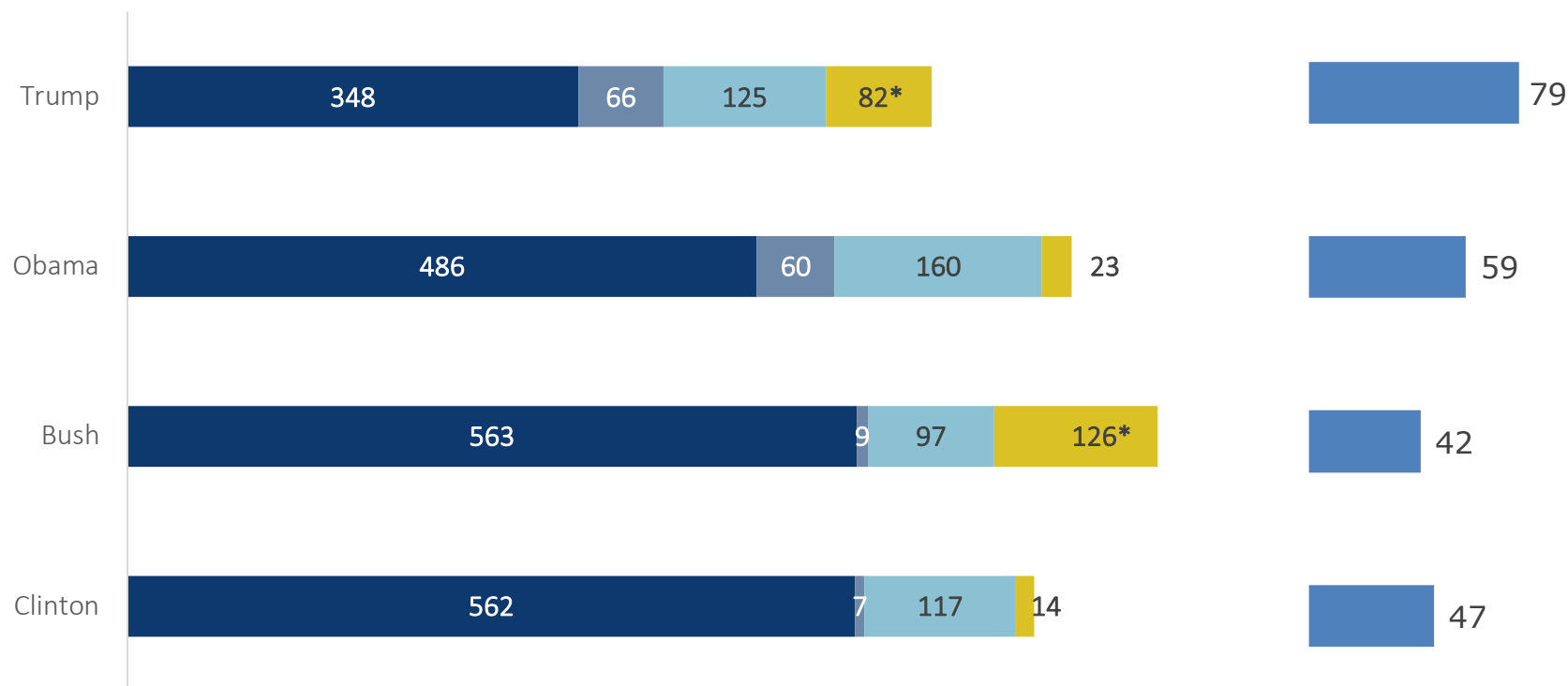
Compared to previous presidents, Trump has about 190 fewer confirmed nominees at this point in his presidency

Number of administration officials nominated and confirmed

BY MARCH 7 EACH PRESIDENT'S SECOND YEAR IN OFFICE

Average number of days to confirm nominees

■ Confirmed ■ Nominated (on executive calendar) ■ Nominated (in committee) ■ Failed



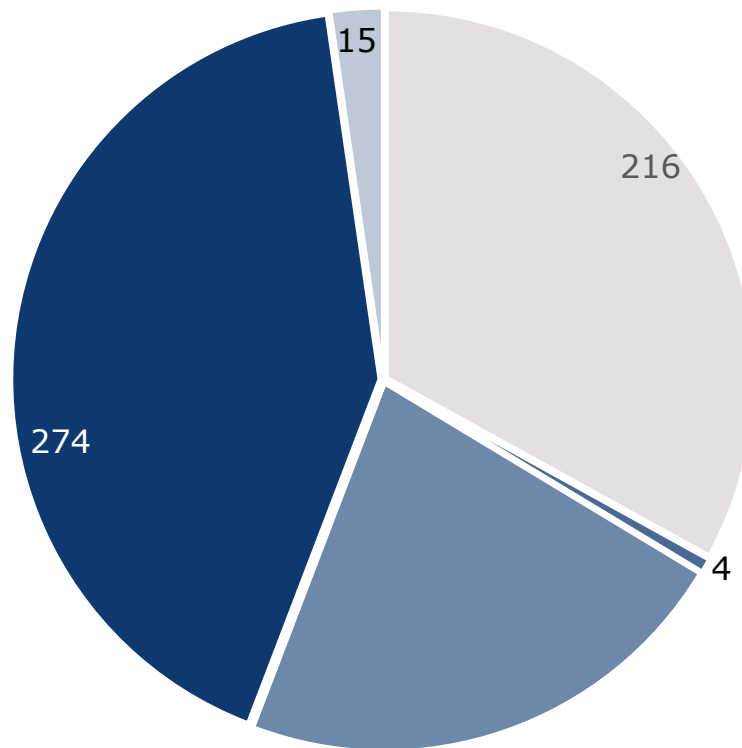
*All of President Bush's unconfirmed nominees were returned before the 2001 Fall recess; all of Trump's unconfirmed nominees were returned at the end of 1st session of the 115th Congress (January 3, 2018)
Sources: National Journal Research, 2018. Partnership for Public Service/Washington Post, 2018.

Of 636 Trump nominations requiring Senate approval, 249 have been confirmed

Status of key positions requiring Senate confirmation

AS OF February 8, 2018

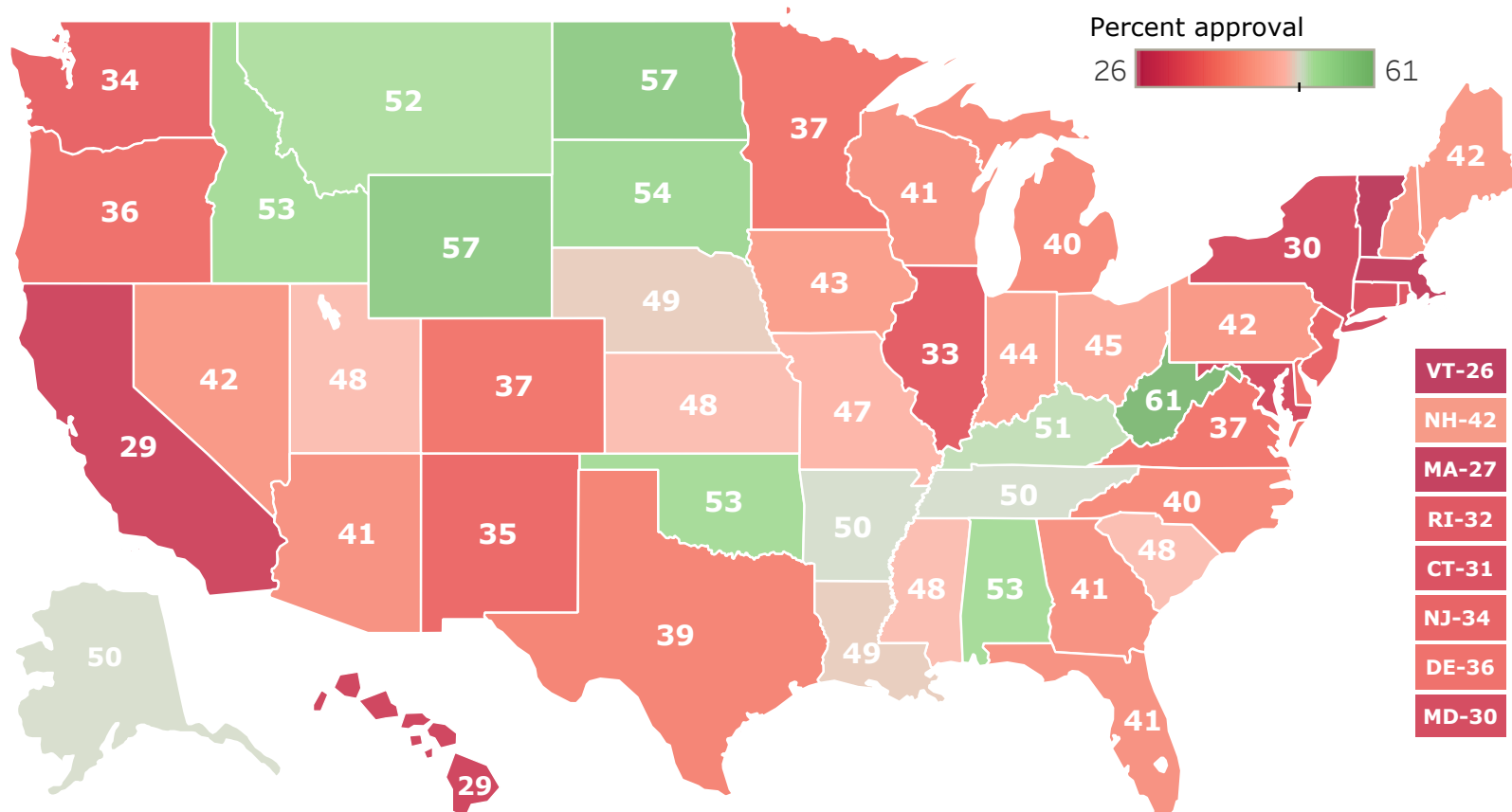
■ No nominee ■ Awaiting nomination ■ Awaiting confirmation ■ Confirmed ■ Failed



Source: "Tracking how many key positions Trump has filled so far," Washington Post, Sept. 22, 2017.

Support for Trump was highest in West Virginia at 61 percent approval and lowest in Vermont at 26 percent

President Trump's job approval by state, January-December 2017



Sources: Lydia Saad, "Trump's Approval Highest in West Virginia, Lowest in Vermont," Gallup News, January 30, 2018.

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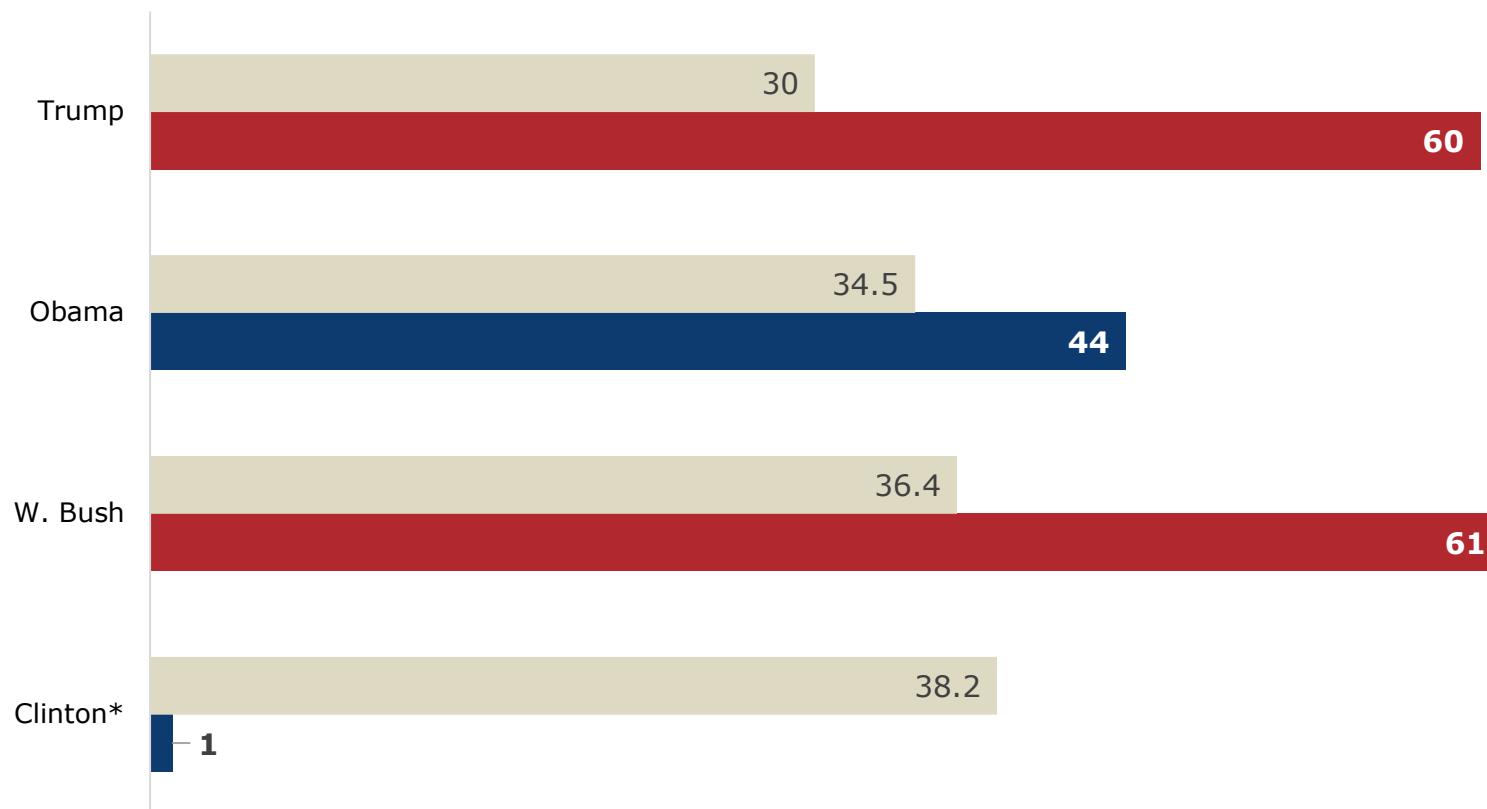
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Trump has signed more executive orders than Obama and Clinton up to this point in their presidencies, fewer than Bush

Executive orders signed by president

■ Yearly average of EOs at end of term ■ or ■ Number of EOs signed through March 7 of their second year in office



*Clinton did not sign any executive orders his first year in office, but signed 52 the next year

Sources: National Journal research, 2018. National Archives.

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An ongoing list of important dismissals or resignations from the Trump White House and senior administration posts

In order of their departure



Michael Flynn
National Security Advisor
Resigned: 2/13/2017



Sean Spicer
Press Secretary
Resigned: 7/21/2017



George Gigicos
Dir. of Scheduling & Advance
Reassigned: 8/1/2017



Boris Epshteyn
Director for Surrogate Ops
Resigned: 3/27/2017



Michael Short
Snr. Asst. to the Press Sec.
Resigned: 7/25/2017



Ezra Cohen-Watnick
NSC Sen. Dir. of Intel.
Dismissed: 8/2/2017



Katie Walsh
Deputy Chief of Staff
Resigned: 3/30/2017



Derek Harvey
NSC Sen. Dir. for Middle East
Reassigned: 7/27/2017



Stephen Bannon
Chief Strategist
Dismissed: 8/18/2017



K.T. McFarland
Dep. Nat. Security Advisor
Dismissed: 4/9/2017



Reince Priebus
Chief of Staff
Resigned: 7/28/2017



George Sifakis
Director of Public Liaison
Resigned: 8/--/2017



Michael Dubke
Communications Director
Resigned: 6/02/2017



Josh Pitcock
Chief of Staff to VP Pence
Resigned: 7/28/2017



Andy Hemming
Director of Rapid Response
Resigned: 8/21/2017



Rich Higgins
NSC Dir. of Strategic Planning
Dismissed: 7/21/2017



Anthony Scaramucci
Communications Director
Resigned: 7/31/2017



Sebastian Gorka
Strategist
Dismissed: 8/25/2017

Sources: National Journal Research, 2017. Jeremy Berke, "Anthony Scaramucci lasted less than 2 weeks — here are all 10 casualties of the Trump administration so far," Business Insider, July 31, 2017.

An ongoing list of important dismissals or resignations from the Trump White House and senior administration posts

In order of their departure



Tory Maguire
Director of Scheduling
Resigned: 9/22/2017



Omarosa Manigault
Comms, Office of Pub. Liaison
Dismissed: 12/13/2017



George David Banks
NEC, Int'l energy and environ.
Resigned: 2/14/2018



Andy Surabian
Deputy Strategist
Resigned: 9/6/2017



Rick Dearborn
Dpty. Chief of Staff
Resigned: 12/21/2017



Grace Koh
NEC, Tech., telecoms & cyber
Resigned: 2/15/2018



Tom Price
HHS Secretary
Resigned: 9/29/2017



Jeremy Katz
Dpty. Dir. Nat. Econ. Council
Resigning: Early Jan. 2018



Josh Raffel
Deputy Comms Dir.
Resigning: March 2018



James Schultz
Associate Counsel - Ethics
Resigned: 11/27/2017



Zina Bash
Spec. Asst. for Immigration
Resigned: Early Jan. 2018



Hope Hicks
Dir. of Communications
Resigning: March 2018



Paul Winfree
Dpty. Dir. Dom. Policy Council
Resigned: 12/15/2017



Rob Porter
White House Staff Secretary
Resigned: 2/7/2018



Gary Cohn
NEC Director
Resigning: March 2018



Dina Powell
Deputy Nat. Security Advisor
Resigned: End of 2017



David Sorensen
White House speechwriter
Resigned: 2/11/ 2018

Sources: National Journal Research, 2017. Jeremy Berke, "Anthony Scaramucci lasted less than 2 weeks — here are all 10 casualties of the Trump administration so far," Business Insider, July 31, 2017.

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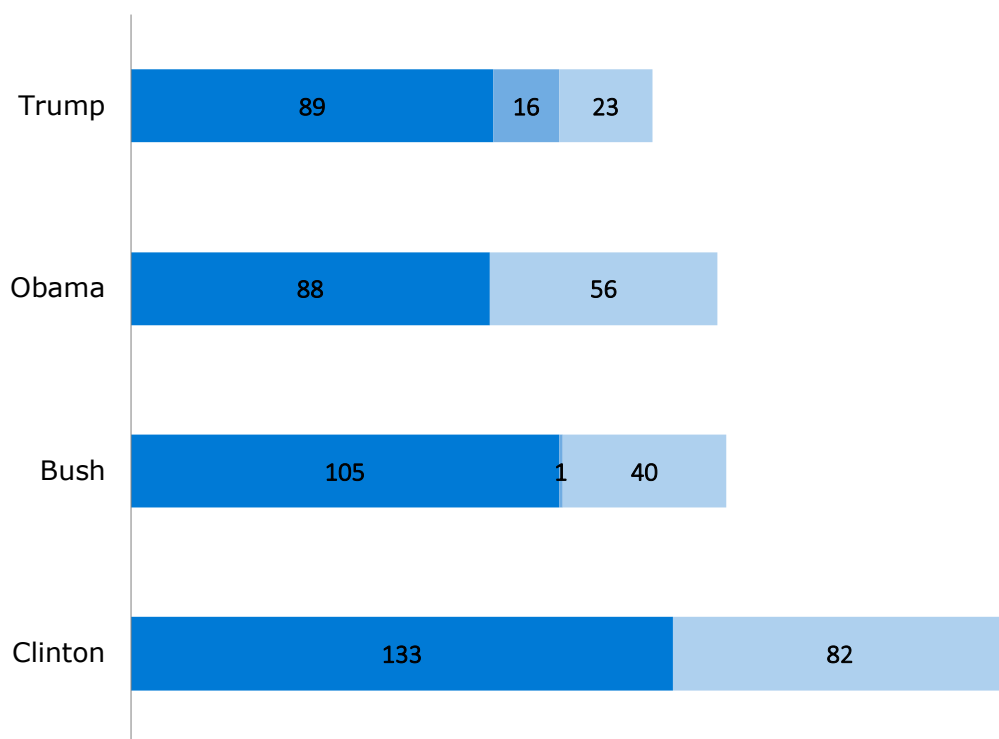
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Trump now has a major legislative win with tax reform, but he still trails recent presidents in total bills signed into law

Bills signed into law by presidents through March 7 of their first term

■ Non-CRA legislation ■ Congressional Review Act (CRA) legislation ■ Ceremonial



Most important legislation signed by March 7 of their first term

- 16 Congressional Review Act bills
- H.R. 1 the “Tax Cuts and Jobs Act”
- Department of Veterans Affairs Accountability & Whistleblower Protection Act of 2017

- American Recovery and Reinvestment Act of 2009
- Lilly Ledbetter Fair Pay Act of 2009
- Helping Families Save Their Homes Act of 2009
- Fraud Enforcement & Recovery Act of 2009
- Credit CARD Act of 2009

- Economic Growth & Tax Relief Reconciliation Act of 2001
- Fallen Hero Survivor Benefit Fairness Act of 2001
- Authorization for the Use of Military Force
- USA PATRIOT Act
- No Child Left Behind Act

- Family and Medical Leave Act of 1993
- Emergency Unemployment Comp. Amendments of 1993
- National Voter Registration Act of 1993
- Omnibus Budget Reconciliation Act of 1993
- Brady Handgun Violence Prevention Act
- NAFTA Implementation Act

Sources: National Journal Research, 2017. Congress.gov.

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Justice Gorsuch returns the Supreme Court to a 5-4 conservative majority



Justice Neil Gorsuch

Background: Gorsuch is a constitutional originalist whose legal views are considered similar to the late Justice Scalia, but less conservative than Justice Thomas. As a former clerk for Justice Kennedy, Gorsuch gives hope to some conservatives that he will be able to pull his more moderate mentor to the right. When Gorsuch was 38, President George W. Bush appointed him to a federal judgeship. As the court's youngest justice, Gorsuch could serve for over three decades.

Confirmation votes by party

	Yea	Nay	Not Voting
Republicans	● 52	● 0	○ 1
Democrats	● 3	● 43	○ 0
Independents	● 0	● 2	○ 0
Total	54	45	1

Justices of the Supreme Court



Neil Gorsuch

Associate Justice – Age 50
Nominated by: Reagan



Samuel Alito

Associate Justice – Age 67
Nominated by: W. Bush



Clarence Thomas

Associate Justice – Age 69
Nominated by: H.W. Bush



Anthony Kennedy

Associate Justice – Age 81
Nominated by: Reagan



John Roberts

Chief Justice – Age 62
Nominated by: W. Bush



Stephen Breyer

Associate Justice – Age 79
Nominated by: Clinton



Elena Kagan

Associate Justice – Age 57
Nominated by: Obama



Ruth Bader Ginsburg

Associate Justice – Age 84
Nominated by: Clinton



Sonia Sotomayor

Associate Justice – Age 63
Nominated by: Obama

Sources: National Journal Research, 2017.

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Agriculture: policy goals for the upcoming Farm Bill remain unclear and Trump's trade wars threaten ag exports

■ Completed ■ In progress ■ Stalled ■ No action



Repealing the WOTUS rule

- EPA Administrator Scott Pruitt started an official review process of which waters must be regulated by the EPA and Army Corps of Engineers
- Most farmers opposed the Obama-era definition



Large budget cuts to USDA

- Trump's budget called for the elimination of some popular programs, the creation of fees for most inspection services and large cuts to SNAP
- Congress gave similar appropriations as FY17



Farmer Fair Practice rules

- Late Obama-era regulations on contract farming have been revoked
- Ag contractors argued these rules would provoke massive amounts of litigation by contractees



Relaxing school nutrition standards

- An interim final rule was advanced that makes permanent a relaxation of nutrition requirements
- The secretary recently expanded exemptions to cafeteria worker training for rural schools



Filling key posts

- Only the secretary, deputy secretary and three of seven under secretaries have been confirmed
- Debate over RFS is holding up ag nominees



2018 Farm Bill

- Opposing camps in the Trump administration:
 - Sec. Perdue supports a standard Farm Bill
 - OMB Director Mulvaney has historically called for major cuts to Farm Bill programs

What's next?

- Congress is set to appropriate similar funds as the previous years to USDA which will serve as the baseline for 2018 Farm Bill negotiations
- The Rural Task Force led by Secretary Perdue recommended the president streamline broadband permitting and promote public-private partnerships for rural communities
- The president's budget request suggested the creation of a new program that delivers shelf-stable food to recipients as part of SNAP
- While no official action on WOTUS has been taken, EPA Administrator Pruitt stated his firm commitment to repealing the rule in a video which is under review for possible ethics violations

Sources: National Journal Research, 2017

Influential voices on important agricultural issues



Sonny Perdue
Secretary of Agriculture



Sen. Pat Roberts
Chair of the Senate
Agriculture Committee

On NAFTA renegotiations:

- “For most sectors, NAFTA has been good for agriculture. We have a very high market share with Mexico in the products we send down there. We don’t have a lot of room for improvement.”

- “We request that [USTR Lighthizer] avoid any revisions to NAFTA and other previously negotiated trade agreements that would diminish the opportunities for U.S. farmers and ranchers to export their products.”

On crop insurance:

- “We are moving away from direct payments. The American public will tolerate and support [crop insurance] because they recognize that food production is a national security issue.”

- “Yes, we will have to meet our budget figures, but we can do so in a way where we achieve efficiencies as opposed to major cuts.”
- “I would remind ‘reform’ advocates, that the last Farm Bill voluntarily cut spending.”

On SNAP:

- “I think most people would acknowledge that the coalition that comes together to pass this farm bill is necessary...I don’t think there will be a serious effort to bifurcate those bills this year.”

- “Block grants don’t get us to 60 votes. A farm bill without any changes to SNAP doesn’t get us 60 votes either.”

Sources: Gene Zaleski, “Speak up, speak often, speak loud”: U.S. ag secretary visits with local farmers”, T&D.com, August 28, 2017. Letter from Senators to USTR Robert Lighthizer, June 28, 2017. Willis Scott, “Roberts talks about Farm Bill at Harvesters,” KSNT.com, August 25, 2017.

Results of the NAFTA negotiations could drastically alter the agricultural landscape of the United States

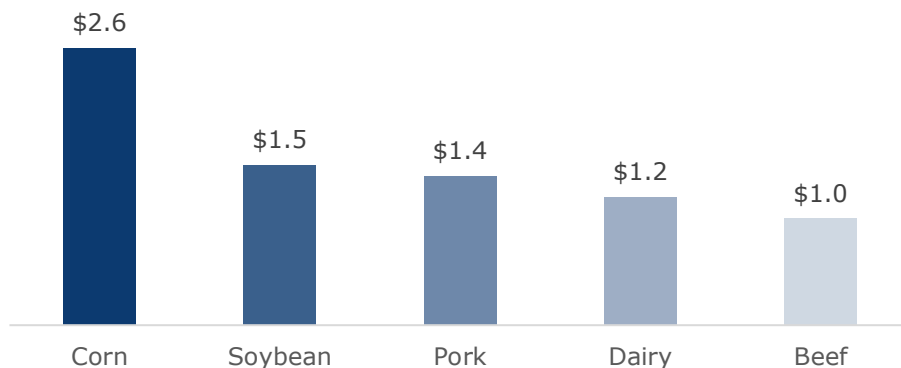
Key effects of NAFTA on the agriculture industry

If the administration withdraws from NAFTA, tariffs would revert to WTO levels. Tariffs under NAFTA are 0% for most goods. The average tariffs for exports to each country are:

- **United States:** 3.5%
- **Canada:** 4.2%
- **Mexico:** 7.1%

Top agricultural exports to Mexico

IN BILLIONS OF USD



For agricultural goods, the US would see much higher tariffs without NAFTA, particularly with Mexico:

 **Wheat** **15%**

 **Beef** **25%**

 **Chicken** **75%**

 **Potatoes** **75%**

Sources: Ana Swanson and Kevin Granville, "What Would Happen if the US Withdrew From Nafta," NY Times, October 12, 2017; "US agriculture exports to Mexico and Canada amounted to \$41 billion in 2016," Quartz, July 17, 2017; "NAFTA's Economic Impact," Council on Foreign Relations, Oct. 4, 2017.

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Budget: two-year budget passed by House and Senate

■ Completed ■ In progress ■ Stalled ■ No action



Health care reform

- With the failure of repeal and replace in the Senate, health care reform has been put on the back burner



Tax reform and simplification

- The White House signed tax reform into law on December 22, 2017
- The corporate tax rate was lowered from 35% to 21%



Immigration reform

- A solution for DACA residents was not established before the budget deal was passed



Reductions in federal spending

- The debt ceiling was suspended until March 1, 2019
- The House Freedom Caucus voiced frustration over the spending limits in the two-year budget deal



Welfare reform

- The deal raised funding for domestic programs by \$128 billion
- \$1.5 billion was set aside over the next 10 years to address the opioid crisis



Strengthen national defense

- Budget caps were raised on defense spending for FY 2018 and 2019
- NDAA is the highest defense spending proposal

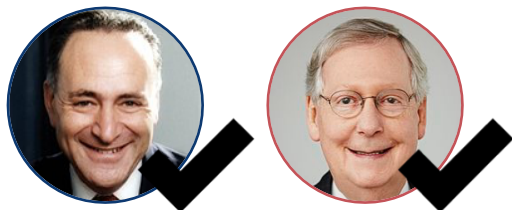
What's next?

- President Trump released his FY 2019 budget, but it was overshadowed by the two-year deal
- As DACA went unaddressed in the budget, Republicans and Democrats must still find a solution for immigration reform
- The DACA program expires on March 5, 2018
- With the debt ceiling suspended until 2019, another shutdown will not occur during the next year
- The administration will look to reforming immigration and infrastructure projects for its next priority

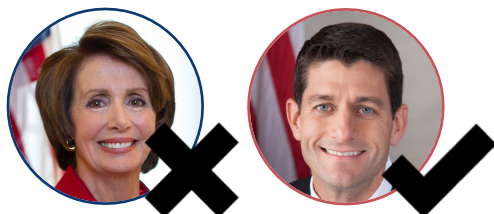
Sources: National Journal Research, 2017; Thomas Kaplan, "Senate Approves Budget Plan That Smooths Path Toward Tax Cut," NYT, October 19, 2017; Chairman Diane Black, "Building a Better America: House FY18 Budget," House Budget Committee, 2017; Office of Management and Budget, "A New Foundation For American Greatness, Fiscal Year 2018," White House, 2017.

President Trump signs budget deal into law after it passes the House 240-186

Key provisions of the budget deal



Senate Majority Leader McConnell and Minority Leader Schumer both supported the deal. Sen. Rand Paul (R-KY) delayed the final vote until after 1 AM, causing a brief government shutdown.



Speaker of the House Ryan supported the deal but Minority Leader Pelosi opposed it because it does not include a solution for DACA recipients. Conservative Freedom Caucus members opposed the deal because it increases spending.



Increases defense discretionary spending cap by \$80 billion in FY18 and \$85 billion in FY19



Fully repeals sequestration for nondefense spending



Funds government through March 23 to give Congress time to deal with appropriations



Provides \$90 billion in emergency funding for Puerto Rico, Florida and Texas



Extends CHIP funding for four years and reauthorizes community health centers for two years



Allocates \$20 billion to infrastructure spending



Provides \$4 billion over two years to address claims at Veterans Affairs



Authorizes \$6 billion over two years to address the opioid crisis



Suspends debt ceiling until March 1, 2019

Sources: Alexander Bolton, "What you need to know about the Senate budget deal," The Hill, Feb. 8, 2018; John Bresnahan, Scholtes and Caygle, "All eyes on House Dems as Congress readies vote on budget deal," Politico, Feb. 8, 2018; Thomas Kaplan, "Trump Signs Budget Deal to Raise Spending and Reopen Government," NY Times, Feb. 9, 2018.

Congress suspended the debt ceiling despite House Freedom Caucus concerns over increased spending

Most recent action on the debt ceiling



The two year budget plan passed by Congress includes a suspension of the debt ceiling through March 1, 2019, at which time the debt ceiling will likely need to be raised or suspended again

Debt ceiling timeline



Sources: Investopedia staff, "Debt ceiling," Investopedia, September 2017; Shanthi Rexaline, "How The 'Debt Ceiling' Works," Yahoo Finance, March 19, 2017; Kim Soffen, Darla Cameron and Kevin Uhrmacher, "Why does the debt ceiling exist?" The Washington Post, September 7, 2017. Kimberly Amadeo, "U.S. Debt Ceiling: Current Status and Looming Crisis," The Balance, February 8, 2018.

Trump unveils \$4.4 trillion budget

Key elements of the budget



President Trump's \$4.4 trillion budget includes steep cuts in domestic programs and entitlements, including Medicare, and large increases for the military



The White House is proposing \$540 billion in non-defense spending for 2019 — \$57 billion below the new spending cap set by Congress in the recently passed two-year budget deal

“The administration does not believe these nondefense spending levels comport with its vision for the proper role and size of the federal government.”

White House Budget Director Mick Mulvaney, on current federal spending



The budget proposal would add \$984 billion to the federal deficit next year and would continue adding \$7 trillion to the federal deficit over the next 10 years



President Trump's budget calls for \$200 billion over the next decade in new spending to improve the nation's crumbling infrastructure



The plan includes a request for \$85.5 billion in discretionary funding for veterans' medical care, which follows Trump's executive order in January 2018 to help more veterans receive mental health care



\$13 billion in new spending is allocated to tackle opioid abuse through prevention, treatment and recovery support services as well as mental health programs

Sources: Julie Hirschfeld Davis, “White House Proposes \$4.4 Trillion Budget That Adds \$7 Trillion to Deficits,” NYT, February 12, 2018.

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Cybersecurity: Trump moves on improving overall federal cybersecurity but fails to act on Russian election hacking

■ Completed ■ In progress ■ Stalled ■ No action



Cybersecurity EOs

- OMB and DHS will submit a cybersecurity plan to the president based on agencies' self-evaluations to identify cybersecurity gaps and plans to mitigate them, which the OMB and DHS will consider when reviewing budget needs
- DHS released a [draft report](#) for public comment on January 5, 2018 to receive input from stakeholders on the proposed federal action plan



Kaspersky anti-virus

- Worries that security products from the Russia-based security firm, Kaspersky Lab, provided a backdoor for Russian intelligence agencies to access US government computers led to a DHS directive banning all federal agencies from using Kaspersky software
- Kaspersky announced they will sue for deprivation of rights following the DHS ban, and asked a federal court judge to block the directive in mid-January



Vulnerabilities equities process

- After major leaks containing NSA and CIA hacking tools, the White House promised greater transparency in the vulnerabilities equities process, or the method to determine whether to alert tech companies of vulnerabilities in their products or to exploit these vulnerabilities for spying operations



Election hacking

- Special Counsel Robert Mueller issued an indictment on February 16 charging 13 Russian nationals and three Russian companies with conspiracy to defraud the US
- President Trump tweeted following the release of the indictment that the Russians had been interfering before he announced his candidacy and there was "no collusion!"

What's next?

- **US CYBERCOM in the spotlight:** The House and Senate are reviewing the budget, strategy and policy of the recently elevated unified combatant command, CYBERCOM. Trump recently nominated Lt. Gen. Paul Nakasone to head CYBERCOM and the NSA under the dual hat arrangement. Lt. Gen Nakasone pioneered the US Army's offensive and defensive cyber-operations mission
- **Trump's nuclear posture review and cybersecurity:** Trump includes greater cybersecurity efforts in his 2018 nuclear posture review, one in a series of US strategic documents
- **FY19 budget includes funding for agency cyber efforts:** Trump's FY19 budget request includes increased funding for cybersecurity and cyber operations across multiple agencies

Sources: National Journal research, 2018; Nicole Perlroth, "How antivirus software can be turned into a tool for spying," New York Times, January 1, 2018; Andrew Blake, "Kaspersky Lab seeks injunction blocking DHS from banning Russian antivirus vendor," The Washington Times, January 18, 2018; Pam Fessler, "Trump Official On Russian Hacking: 'A National Security Issue'," NPR January 12, 2018; Joseph Marks, "2017 Was Marked by Continuity and Confusion in Cyber Policy," NextGov, December 27, 2017.

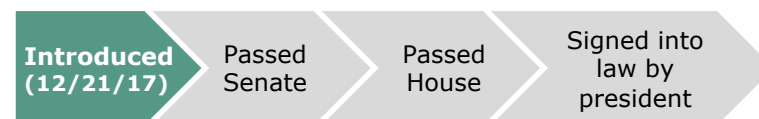
Cybersecurity policy to watch in 2018

Legislation in motion

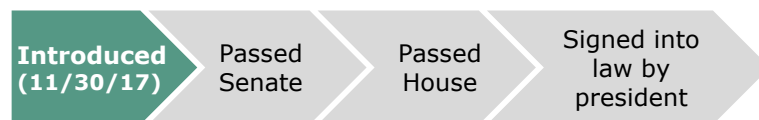
The Cybersecurity and Infrastructure Security Agency Act of 2017 (H.R. 3359), sponsored by Rep. Michael McCaul (R-TX), amends the Homeland Security Act of 2002 to authorize the Cybersecurity and Infrastructure Security Agency of the Department of Homeland Security



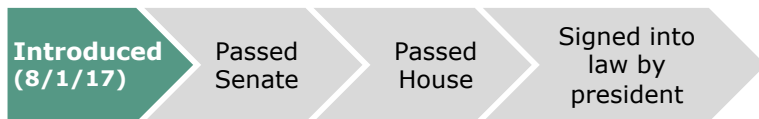
The Secure Elections Act of 2017 (S. 2261), sponsored by Sen. James Lankford (R-OK), aims to eliminate paperless voting machines, incentivize post-election audits and expand information sharing regarding voting system and threats to their integrity



The Data Security and Breach Notification Act (S. 2179), sponsored by Sen. Bill Nelson (D-FL), requires reasonable security policies and procedures to protect data containing personal information and requires nationwide notice in the event of a breach of security



The Internet of Things (IoT) Cybersecurity Improvement Act of 2017 (S. 1691), sponsored by Sen. Mark Warner (D-VA), provides minimal cybersecurity operational standards for Internet-connected devices purchased by federal agencies



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Criminal justice: side-stepping Congress, Sessions and Trump have spearheaded many hard-line changes

■ Completed ■ In progress ■ Stalled ■ No action



Crack down on drug crimes

- AG Jeff Sessions has been vocal about instituting a return to harsher federal charging policies
- In May he overturned Obama-era flexibility on mandatory minimums



Create task force on crime reduction and public safety

- Trump instructed Jeff Sessions to create the task force in February via executive order
- The task force has not yet initiated policy change



Cut down on police regulation

- The DOJ is rolling back an Obama-era program that investigates and issues public reports about problems in individual police departments



Change policy on transgender students

- Trump rescinded Obama's guidance to the nation's schools, which warned that failing to allow students to use the bathrooms matching their gender identity could cause them to lose federal funds



Appoint a new Supreme Court justice

- President Trump's nominee, Neil Gorsuch, was confirmed by the Senate

What's next?

- Attorney General Jeff Sessions said the DOJ will be **less interested in opening civil rights investigations** of local police departments than the DOJ was under Eric Holder
- Trump assigned Jared Kushner to set the White House agenda on criminal justice, though he has also been assigned purview over a number of other issue areas
- Kushner had a meeting on Capitol Hill in mid-April 2017 to discuss the future of criminal justice reform with House and Senate leaders who plan to resurrect a criminal justice reform bill from 2015
- Jeff Sessions was a vocal opponent of the 2015 bill
- Legislative progress on criminal justice will likely be a **low priority** behind DACA, budget negotiations & more

Sources: National Journal Research, 2017

Jeff Sessions has led the DOJ in reversing many Obama-era policies

Jeff Sessions' impact as attorney general so far



Private prisons

Two weeks after being sworn in, Sessions announced he was rescinding an August 2016 memo to phase out the use of private prisons for federal inmates. His reasoning involved his concern about the DOJ prison agency's "ability to meet the future needs of the federal correctional system."



Crack down on drug crimes

Sessions has been vocal about instituting a return to harsher federal charging policies. In May 2017, he overturned Obama-era flexibility on mandatory minimums, resulting in more drug-related arrests.



More power to border patrol

In April 2017, Sessions instructed prosecutors to charge immigrants re-entering the country with a felony rather than a misdemeanor and told them to crack down on the "harboring" of undocumented immigrants. He also announced that he would be sending more immigration judges to states on the Mexican border through a new "streamlined" hiring plan.



Review police consent decrees

Sessions said the practice of establishing consent decrees between the federal government and local police departments on reforming police activities can lower police morale.



"We have a crime problem. I wish the rise that we are seeing in crime in America today were some sort of aberration or a blip. My best judgment, having been involved in criminal law enforcement for many years, is that this is a dangerous, permanent trend that places the health and safety of the American people at risk."

– Jeff Sessions during his speech after taking the attorney general oath of office on February 9, 2017.

Ending DACA

- In January 2018, a federal district judge in California issued a preliminary injunction against the end of the DACA program and as a result the USCIS announced they will resume accepting requests to renew a grant of deferred action under DACA
- The Supreme Court rejected the Department of Justice's appeal for a direct review of the federal court's ruling so the case will continue to move through the court system and the USCIS will continue to accept DACA renewals

Sources: Riley Beggin, "Jeff Sessions: everything you need to know about the attorney general," ABC, June 12, 2017; Hannah Kozlowska, "Jeff Sessions has done more damage in his first 100 days than his boss," Quartz, May 19, 2017; Adam Serwer, "What Jeff Sessions' Role in Prosecuting the Klan Reveals About His Civil-Rights Record," The Atlantic, February 10, 2017.

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Defense: Trump's pledge to increase US military strength relies on Congress lifting budget caps

■ Completed ■ In progress ■ Stalled ■ No action



Restoring National Security Act

- The act would expand military investment, end the defense sequester and protect infrastructure from cyber-attacks
- These action items have been incorporated into other pieces of legislation



Plan to defeat ISIS

- The Pentagon announced in early December that the US has 5,200 troops in Iraq and 2,000 in Syria, but those numbers are trending down



Relations with Russia

- Relations with Russia are expected to improve as the two countries continue the fight against ISIS in Syria
- Both countries are on track to meet the nuclear warhead cap February deadline under the new START agreement of 2010



Increase defense spending & size of the US military

- Congress passed a budget agreement with funding for the military on February 9, 2018 that raised defense budget caps
- The NDAA authorizes a military pay increase of 2.4% and 20,000 more troops across military services



Relations with North Korea

- The Trump administration is pressuring North Korea to dismantle its nuclear program via the UN and congressional sanctions
- North Korea and South Korea have renewed relations using the 2018 winter Olympics as a vehicle for negotiation while Trump continues to use hawkish rhetoric

What's next?

- **Russia:** Russia joined with China in urging the United States not to take military action against North Korea, saying the escalating threats of war traded between Washington and Pyongyang could reach the point of no return
- **Ban on transgender service members:** Judge Kollar-Kotelly rejected the administration's request to delay the order requiring military services to allow transgender troops to serve openly starting January 1
- **Trump's national defense strategy:** Secretary of Defense James Mattis released an unclassified version of the National Military Strategy guides the implementation of the National Security Strategy within the Defense Department. It is the first defense strategy released since 2008. The strategy has three main components for a strategic approach: build a more lethal force, strengthen alliance and attract new partners, and reform the Defense Department's business practices for greater performance and affordability

Sources: National Journal Research, 2018

Consistent with Trump's National Security Strategy, the FY19 budget request outlines national security spending

FY2019 budget fact sheet: supporting national security



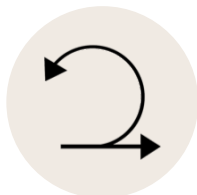
Preserving peace through strength:

- \$716 billion for national defense
- Aggressive reform agenda to save and reinvest in higher priority needs



Growing and modernizing the force:

- Increases size of the Joint Forces
- Funds equipment modernization including armored vehicles, artillery, warships and bombers



Enhancing the Joint Force's capability to fight and prevail:

- Invests in lethality, resilience and agility of forces to better deter and, if necessary, fight and win against any adversaries



Building warfighter readiness:

- Over \$70 million to enhance equipment and training for the Navy surface fleet
- Provides resources to alleviate pilot shortages



Modernizing the nuclear deterrent:

- \$24 billion to modernize and sustain the nuclear triad and nuclear command, control and communications systems



Building a state-of-the-art missile defense architecture:

- Strengthens US and allies' missile defense system
- Prevents threats prior to launch



Ensuring our preeminence in space:

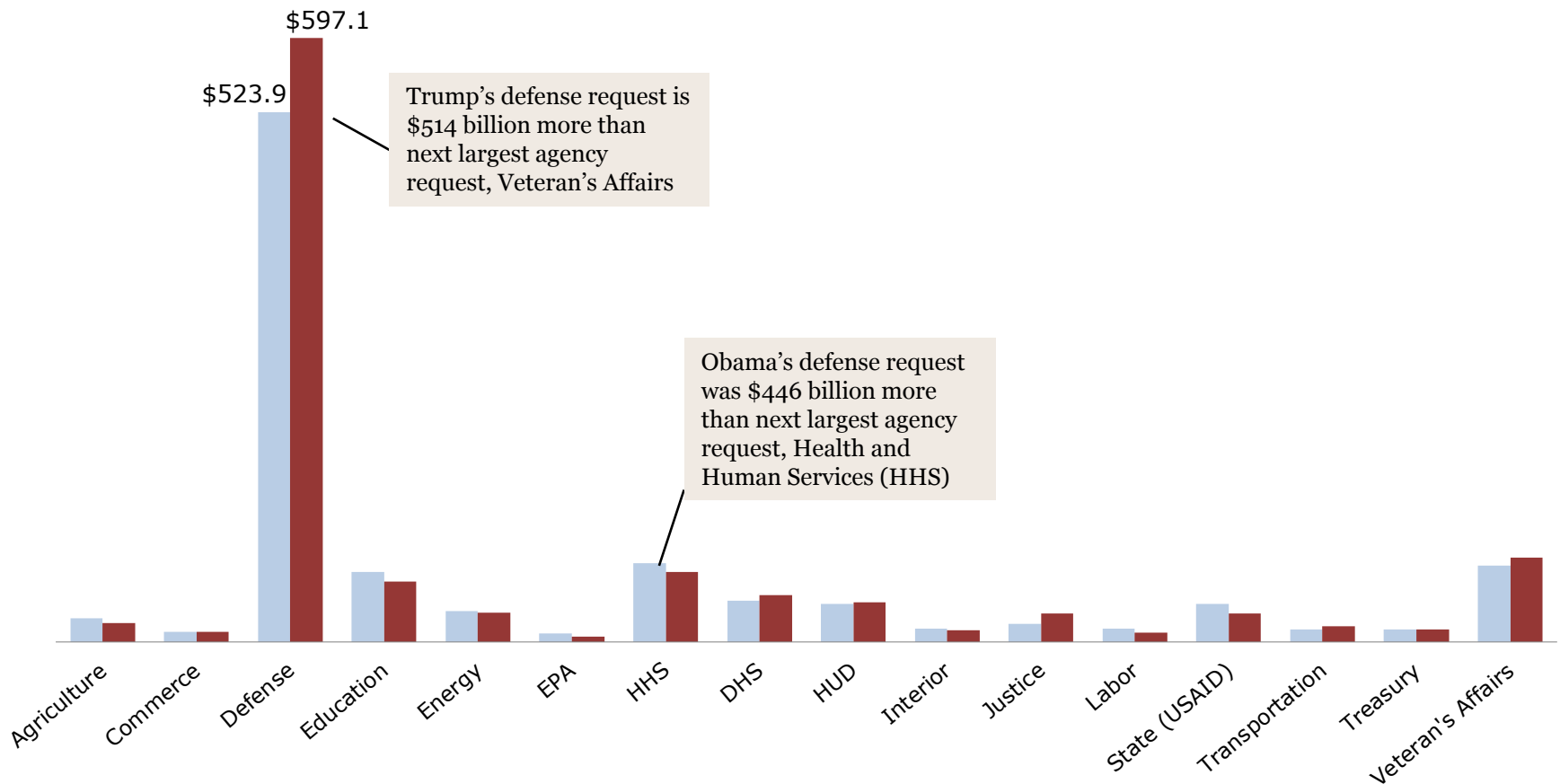
- Funds to continue US preeminence and freedom of action in space

Sources: "[Supporting National Security: 2019 Budget Fact Sheet](#)," Executive office of the President, February 2018.

Defense discretionary budget compared to other agencies

BILLIONS OF USD

■ FY17 request (Obama) ■ FY19 request (Trump)



Sources: The President's [FY2019 budget](#); The President's [FY2018 budget](#); The President's [FY2017 budget](#)

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Energy & Environment: Trump's budget plan for FY19 includes additional environmental rollbacks

■ Completed ■ In progress ■ Stalled ■ No action



Lessen regulatory measures

- The White House infrastructure plan aims to expedite the environmental review processes and loosen regulations, in addition to previous rollbacks



Increase tax on gas

- In order to pay for infrastructure changes, President Trump proposed increasing federal gas tax, an announcement that has sparked considerable opposition



Reduce clean energy funding

- President Trump's FY19 budget request includes major proposed cuts to climate change mitigation and research on renewable energy



Open federal lands for extraction

- The president's infrastructure plan would give right-of-way through national parks for gas and oil pipelines



Expand offshore drilling

- The Trump administration announced in early January its intentions to open up all federal waters, except for those around Florida, for private offshore oil drilling



Withdraw from Paris Climate Agreement

- President Trump remains adamant about withdrawing from the Paris Climate Agreement, but legally this has to wait until November 2020

What's next?

- It remains in question whether the cuts in the budget plan for FY18 will be actualized this year. The FY19 budget request includes even greater environmental cuts
- The president's infrastructure plan aims to hand over some of the EPA's power to the Department of the Interior and the Army Corps of Engineers
- Secretary of the Interior Ryan Zinke's announcement that Florida would be excluded from the offshore drilling ban removal may cause some legal problems, enabling other states to fight for exemption
- Nothing has changed in regards to the Paris Climate Agreement. The U.S. remains committed to withdrawal in 2020, when first legally allowed

Sources: National Journal Research, 2017

Senate Democrats are requesting an extended comment period for offshore drilling plan

An additional 60 days may give states more time to hold open forums



January 4th, the Department of the Interior announces steps to begin developing the National Outer Continental Shelf Oil and Gas Leasing Program



January 10th, Secretary Zinke announces Florida will be exempt from the offshore drilling program, lawmakers from 12 states request similar exemptions



March 9th, 60 day comment period ends. Meetings have been announced in 23 states

March 7, 22 Democratic senators led by Maria Cantwell (WA) urge Secretary of the Interior Ryan Zinke to extend the comment period for the Outer Continental Shelf Lands Act (OCSLA), which ends on Friday, March 9th. **The senators** argued in a letter to Zinke that given the large scope of the proposed offshore drilling program, the typical two month window for public comment is insufficient. OCSLA proposes opening 90% of the U.S. Outer Continental Shelf, off the coasts of 23 states, for offshore drilling. In the two months following the announcement, the Interior Department has announced 'open house' forums in each of these states. Cantwell and the rest of the senators criticize these forums as providing only a limited opportunity for public input. They advocate holding more public meetings in coastal communities that include formal oral testimony, as opposed to the 'open house' format, in order to ensure people's concerns are recorded publicly. The senators request an extension of the public comment period until **May 8th**.

Sources: The Hill, "Dems ask for longer comment period on Trump's offshore drilling plan," March 6, 2018. U.S. Department of the Interior January 4, 2018. Reuters, "U.S. senators from 12 states seek offshore drilling exemptions like Florida's," January 11, 2018. United States Senate March 5, 2018.

Trump's infrastructure plan aims to speed up environmental review processes

Key changes in reviews and regulations



Opens public lands to pipelines

Authorizes the Secretary of the Interior Ryan Zinke to review and approve “rights of way” through National Park Service land for oil and natural gas pipelines. Removes the need for approval from Congress



Changes water oversight

Shifts jurisdiction of the Clean Water Act from the Environmental Protection Agency to the Army Corps of Engineers. Aims to streamline permit decisions and eliminate duplication of oversight



Reduces levels of review

Changes the review process under the National Environmental Policy Act (NEPA). Reduces the number of agencies required to approve infrastructure projects.



Restricts EPA veto power

Limits the ability of the Environmental Protection Agency to veto federal permits for projects that produce potentially harmful discharge or fill material. This power is rarely used



Clarifies air quality standards

Requires conformity to only the most recent National Ambient Air Quality Standard even while it remains in its 1-year review period. Aims to clarify confusion surrounding updated standards

Sources: “Legislative Outline for Rebuilding Infrastructure in America”, the Whitehouse, February 12, 2018.

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Education: Trump administration has worked to deregulate public education, promote school choice

■ Completed ■ In progress ■ Stalled ■ No action



Eliminate Common Core

- Trump promised to cut Common Core, but states, not the federal government, already have the power to opt into the program



Increase funding for school choice

- Trump pledged some \$20 billion in federal funding for school choice programs
- The appropriations bill does not include school choice funding, but the GOP tax bill provides financial support for private school attendees



Reduce student debt

- Trump promised on the campaign trail to reduce student debt and promote loan forgiveness
- The department reinstated large fees on defaulted student loan debt, revoked two consumer protection rules for students and has approved no student borrower defense claims



Scale back Department of Education

- Trump's May budget proposal called for a \$9.2 billion cut to the Department of Education
- The House approved a bill to cut \$2.3 billion from the Ed Dept, but the Senate Approps. Committee approved a \$29 million increase in funding for the department



Fund more charter schools

- Trump's education budget called for \$168 million for charter schools (a 50% increase)
- The administration has struggled to gain support for its proposed education budget



Deregulate education mandates

- Trump ordered a review of the government's role in K-12 education, which is still ongoing
- The department overturned two rules mandating new teacher training and school performance standards

What's next?

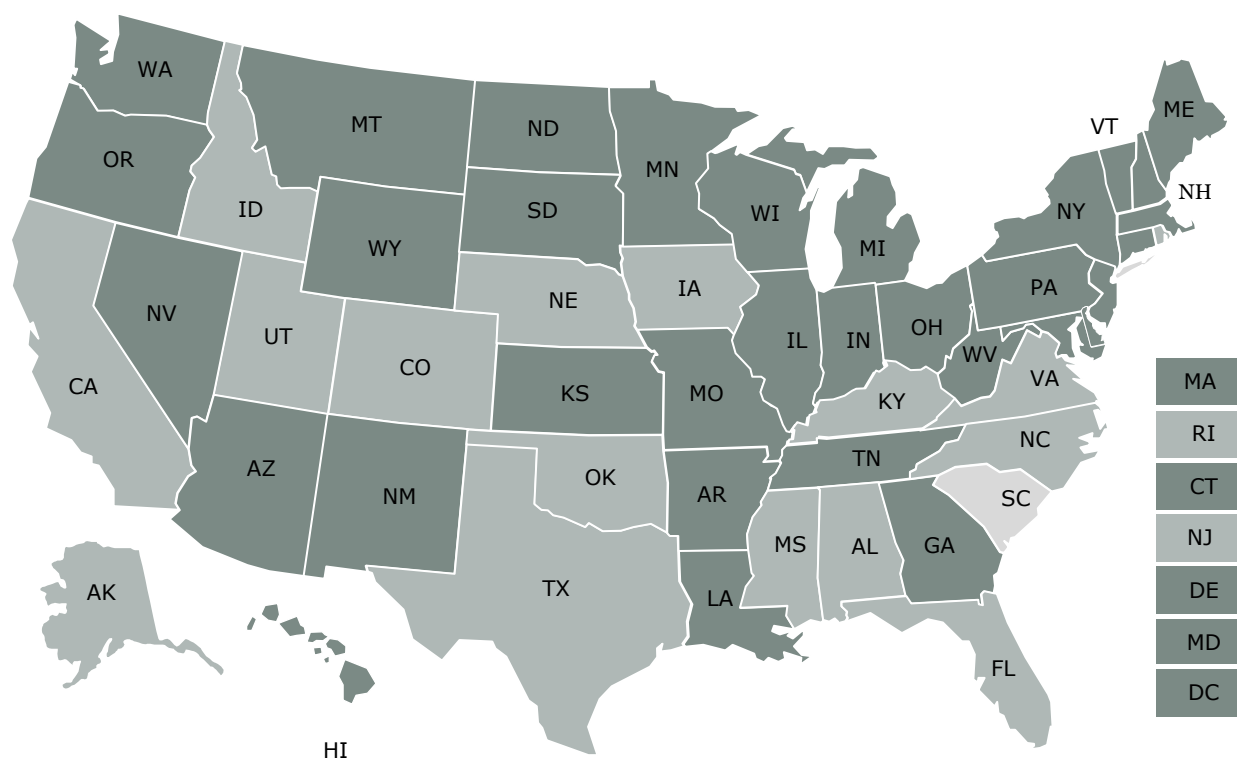
- The **GOP's tax reform** left intact a school supply deduction for teachers and breaks for student borrowers, but critics say the plan could hurt public school funding while supporting private school attendees
- **For-profit college:** Trump has signaled his support for a free market approach to public education, which DeVos may pursue going forward
- **Every Student Succeeds Act:** The first deadline for ESSA state plans was Apr. 3, and the second deadline was Sept. 18. All states and DC have submitted plans; the Department of Education has begun reviewing these, and DeVos has approved the plans of 33 states, DC and Puerto Rico so far

Sources: "Promises about Education on Trump-O-Meter," Politifact; Lauren Camera, "Trump Promises to Spend Big on Education Weeks After Proposing Billions in Cuts," US News, Apr. 4, 2017; Michael Hansen et al., "Reflecting on education policy during Trump's first 100 days—and predicting what's next," Brookings Institute, May 2, 2017; "ESSA State Plan Submission," US Department of Education; Andrew Ujifusa, "With White House Backing, Senate Overturns ESSA Accountability Rules," EdWeek, Mar. 9, 2017; Danielle Douglas-Gabriel, "House Republicans at odds with Trump's proposed higher education cuts," Washington Post, Jul. 19, 2017; Miranda Marquit, "President Trump's First 100 Days: Student Loan Edition," Student Loan Hero, Apr. 26, 2017; Mercedes Schneider, "Senate appropriations has no funding for Betsy DeVos' private school voucher hopes," Huffington Post, Sept. 10, 2017.

The Department of Education has approved ESSA plans from 33 states, DC and Puerto Rico, all with changes

Approval status of states' Every Student Succeeds Act (ESSA) education plans

■ Plans submitted, peer review received, plans approved ■ Plans submitted, peer review received ■ Plans submitted



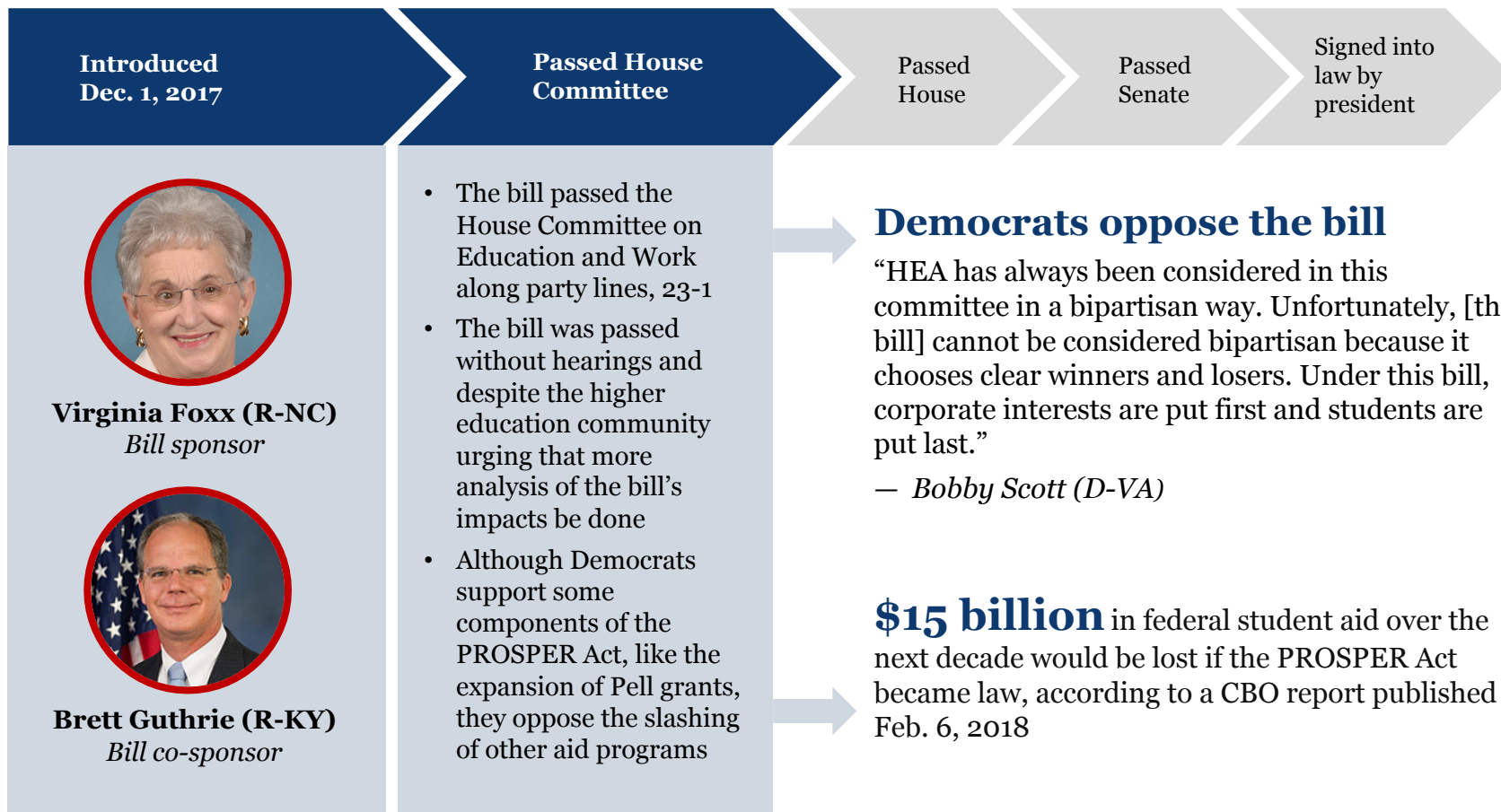
Process of ESSA state plan approval

1. Each state submits an ESSA plan, ideally fitted to the educational needs of the state – all states, DC and Puerto Rico have completed this step, per the Department deadlines in Apr. and Sept.
2. Submitted plans undergo peer review
3. States receive feedback, which they take into account in their revised plans
4. The revised plans are approved by the Department of Education (33 states' plans have been approved so far)

Sources: Every Student Succeeds Act (ESSA) Press Releases, U.S. Department of Education, 2017; ESSA Implementation in the States, NCTE, 2017; Alyson Klein et al., "A Guide to State ESSA Plans: Goals, Teacher Quality, and More," Education Week, Oct. 2, 2017. **Puerto Rico is not featured on this map – its ESSA plan has been submitted.

Status of the House PROSPER Act

House Higher Education Act reauthorization bill, 2018



Source: House.gov; Danielle Douglas-Gabriel, “CBO estimates show House higher ed bill could hit student loan borrowers hard, Washington Post, Feb. 7, 2018; Education and the Workforce Committee Democrats: Press Releases, Dec. 13, 2017.

The Senate's approach to HEA authorization

The Senate has struck a more bipartisan tone than the House over the HEA

Multiple hearings

Sen. Lamar Alexander (R-TN), chair of the Health, Education, Labor & Pensions Committee, and Sen. Patty Murray (D-WA), its ranking member, have held five committee hearings this year alone on HEA reauthorization. There has been no formal proposal yet, but education advocates are hopeful.



**Sen. Patty Murray
(D-WA)**



**Sen. Lamar Alexander
(R-TN)**

This month & the look ahead

Feb. 1, 2018: Sen. Alexander released a policy white paper that outlines a framework for federal accountability in higher education; shortly after, Senate Democrats issued a sense of principles they said should guide HEA reauthorization

Feb. 15, 2018: Sen. Alexander said the committee would consider reinstating Pell financial aid grants for incarcerated students in the HEA reauthorization

Apr. 2018: Sen. Alexander has indicated that the committee is aiming for an April markup of a HEA reauthorization bill – an optimistic goal that would allow Sen. Mitch McConnell to bring legislation to the floor relatively early in 2018

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Finance: Trump is setting the stage for a wave of financial deregulation

■ Completed ■ In progress ■ Stalled ■ No action



Dismantle Dodd-Frank

- The Financial CHOICE Act, which would roll back many Dodd-Frank provisions, passed in the House on June 8
- On Dec. 5, the Senate Banking Committee passed the first significant bipartisan proposal to provide relief for small and regional lenders from a number of Dodd-Frank regulations



Weaken the authority of the CFPB

- Congress voted to repeal the CFPB's arbitration rule in Oct. 2017, the most significant victory for the financial industry since Trump took office
- Acting Director Mick Mulvaney has already begun rolling back Obama-era regulations and loosening the agency's regulatory approach



Repeal the fiduciary rule

- The best-interest core principle of the rule was implemented in June
- On Nov. 27, the DOL announced an official 18-month extension for the start of key provisions of the rule, extending the compliance date to July 1, 2019



Glass-Steagall

- Though Trump has stated he plans to bring back Glass-Steagall, to date there has been no significant action on that front

What's next?

- So far, Trump has not been able to roll back major Wall Street regulations as he promised, in part because many of his nominees for regulatory posts were only recently confirmed
- With many of Trump's financial regulators confirmed, they are expected to continue to ease individual Dodd-Frank provisions
- Trump's FY2019 budget plan would bring the CFPB's budget under congressional oversight, ending its status as an independent agency
- Trump will eventually appoint a more industry-friendly regulator to permanently head the CFPB as he has done at the Fed, SEC and OCC
- While Republicans lack the Senate votes to pass the CHOICE Act, Congress is moving forward to repeal individual provisions of Dodd-Frank, including modifying the Volcker rule, easing bank capital requirements and reducing the frequency of regulator stress tests
- Congress hopes to pass the Senate's Dodd-Frank relief bill in Q1 2018

Sources: Ryan Tracy and Dave Michaels, "Trump Chips Away at Postcrisis Wall Street Rules," The Wall Street Journal, August 13, 2017; Sylvian Lane, "Bank industry searches for wins under Trump," The Hill, October 19, 2017; National Journal research, 2018.

Financial regulatory reform under the Trump administration

Overview of Treasury Secretary Mnuchin's financial regulatory policy recommendations



**Reduce regulatory
burden for community
banks**



**Volcker Rule
repeal/reform**



**Reduce restrictions on
capital requirements
and risk-taking**



**Reform small
business lending**



**Ease mortgage lending
requirements**



**Weaken the
authority and
influence of the
CFPB**



**Standardize foreign
banking operations**

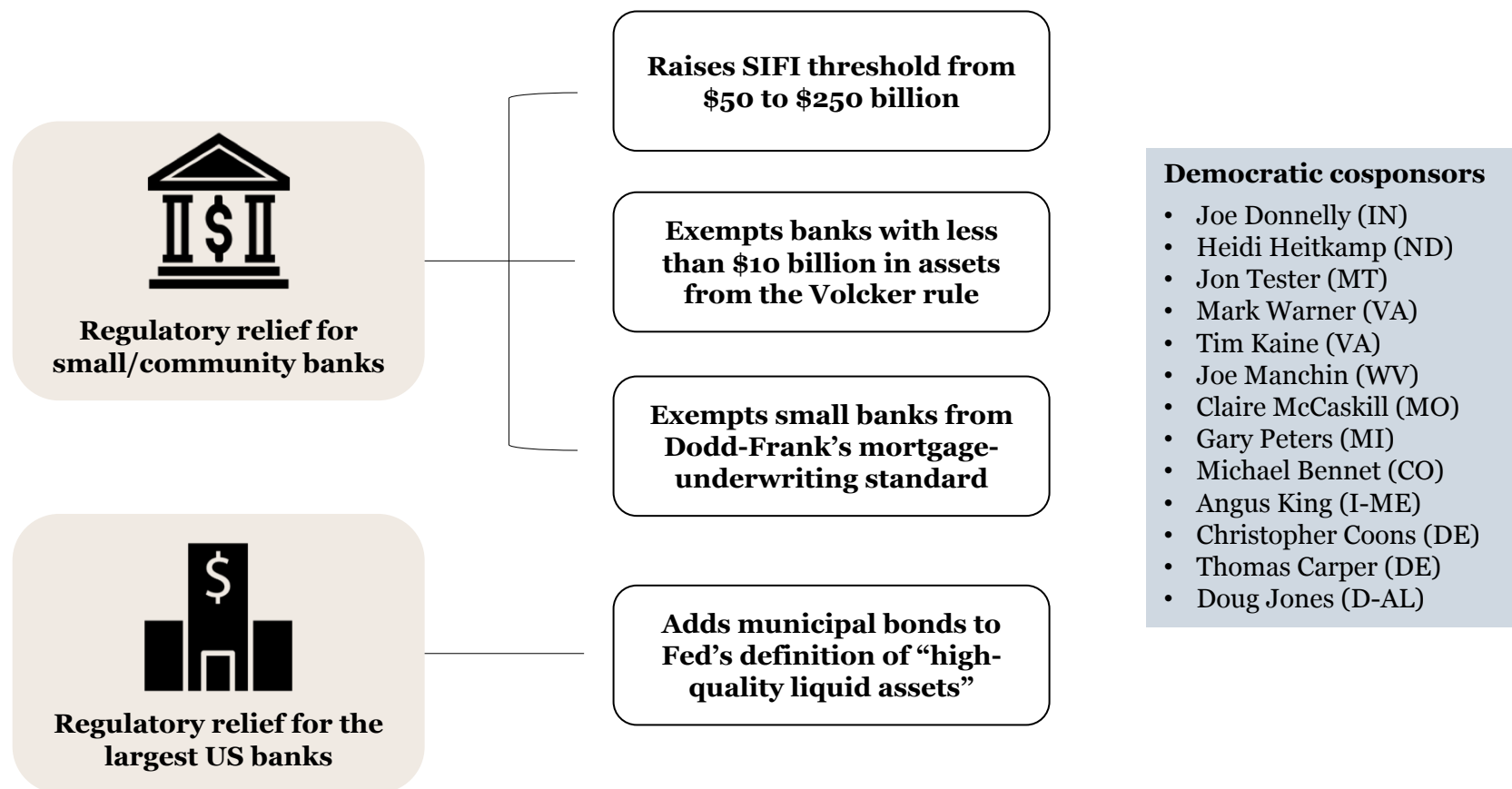


**Reform living will
regulations**

Source: US Department of the Treasury, "A financial system that creates economic opportunities," June 13, 2017; Jeremy Venook, "The House Takes Another Step Toward Repealing Dodd-Frank," The Atlantic, June 9, 2017.

Bipartisan Senate legislation would mainly roll back Dodd-Frank regulations for small and community banks

Major provisions of the Economic Growth, Regulatory Relief, and Consumer Protection Act (S.2155)



Sources: Andrew Ackerman, "Senators Support Rollback of Bank Oversight," The Wall Street Journal, November 14, 2017; Zachary Warmbrodt, "Senators reach rare bipartisan deal to ease banking rules," Politico, November 13, 2017; Andrew Ackerman, "Big Banks Get a Big Win in Senate Rollback Bill," The Wall Street Journal, March 6, 2018.

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Health care: individual mandate repeal passed, funding cut for 340B drug payment program

■ Completed ■ In progress ■ Stalled ■ No action



Repeal and replace ACA

- The tax plan signed into law by President Trump includes a repeal of the ACA's individual mandate
- The repeal will go into effect in 2019



Drug pricing

- The Centers for Medicare and Medicaid Services cut \$1.6 billion in reimbursements for drugs purchased through the 340B payment program



The opioid crisis

- President Trump has tapped Kellyanne Conway to head White House efforts to combat the opioid crisis



Trump's HHS confirmations

- HHS nominee Alex Azar was approved by the Senate Finance Committee on January 17, 2018 and sent to the Senate floor for a vote



CSR payments

- In October, President Trump announced that he would be ending CSR payments
- Sens. Lamar Alexander (R-TN) and Patty Murray (D-WA) announced a bipartisan proposal that would extend CSR payments for two years and give states more flexibility, but this plan has not been brought to the Senate floor

What's next?

- Polls suggest that many Americans will continue to purchase health insurance even after the individual mandate is repealed
- States may implement their own policies in place of the ACA's individual mandate. MD state legislators have already proposed a replacement program
- Hospital and patient organizations have filed lawsuits against CMS, saying cutting 340B payments is out of the scope of their authority
- Months after declaring the opioid crisis a public health emergency and receiving guidelines from the president's commission on the opioid crisis, the Trump administration has not secured funding to combat the opioid epidemic
- Concerns have been raised over potential conflicts of interest once Alex Azar takes over as HHS secretary, given his former experience as an Eli Lilly executive
- The Alexander-Murray plan is unlikely to obtain the level of support it needs to be voted on in the Senate

Sources: National Journal Research, 2017

Five ways the Trump administration can undermine the Affordable Care Act in 2018

Congress may not be able to repeal the law, but there are several actions Trump could take to weaken the ACA

ACA executive order

- Trump signed an executive order to ease ACA regulations in October 2017, but health agencies have not yet issued regulations to bring the order into effect
- Expanding short-term health insurance plans and association health plans could siphon healthy people away from ACA plans

Cuts to ACA outreach programs

- In 2017, the Trump administration cut ACA outreach funding by 90%. The administration could cut funding further for the next open enrollment period
- Despite the funding cut, 8.7 million people signed up during the 2018 open enrollment period, down just slightly from 9.2 million in 2017

Targeting essential health benefits

- Without congressional action, Trump cannot repeal the ACA's essential health benefits, which require insurance plans to cover a wide range of services such as mental health care and prescription drugs
- Trump could, however, take steps to loosen definitions and give states flexibility to change the requirements

Allowing counties to have zero on-exchange insurers

- In previous years, officials have had to take active measures to prevent some counties from having zero insurers that provide ACA plans
- Earlier in 2017 Trump administration officials declined to comment about whether they would encourage insurers to participate in the ACA marketplaces

Rejecting plans to stabilize ACA marketplaces

- Two bipartisan bills have been announced to help stabilize the ACA insurance markets
- House Republicans have resisted the bills, saying they are "just throwing more money at ObamaCare"
- Passing the bill in the House may require Trump to put pressure on House conservatives, but it is unclear if he will do so

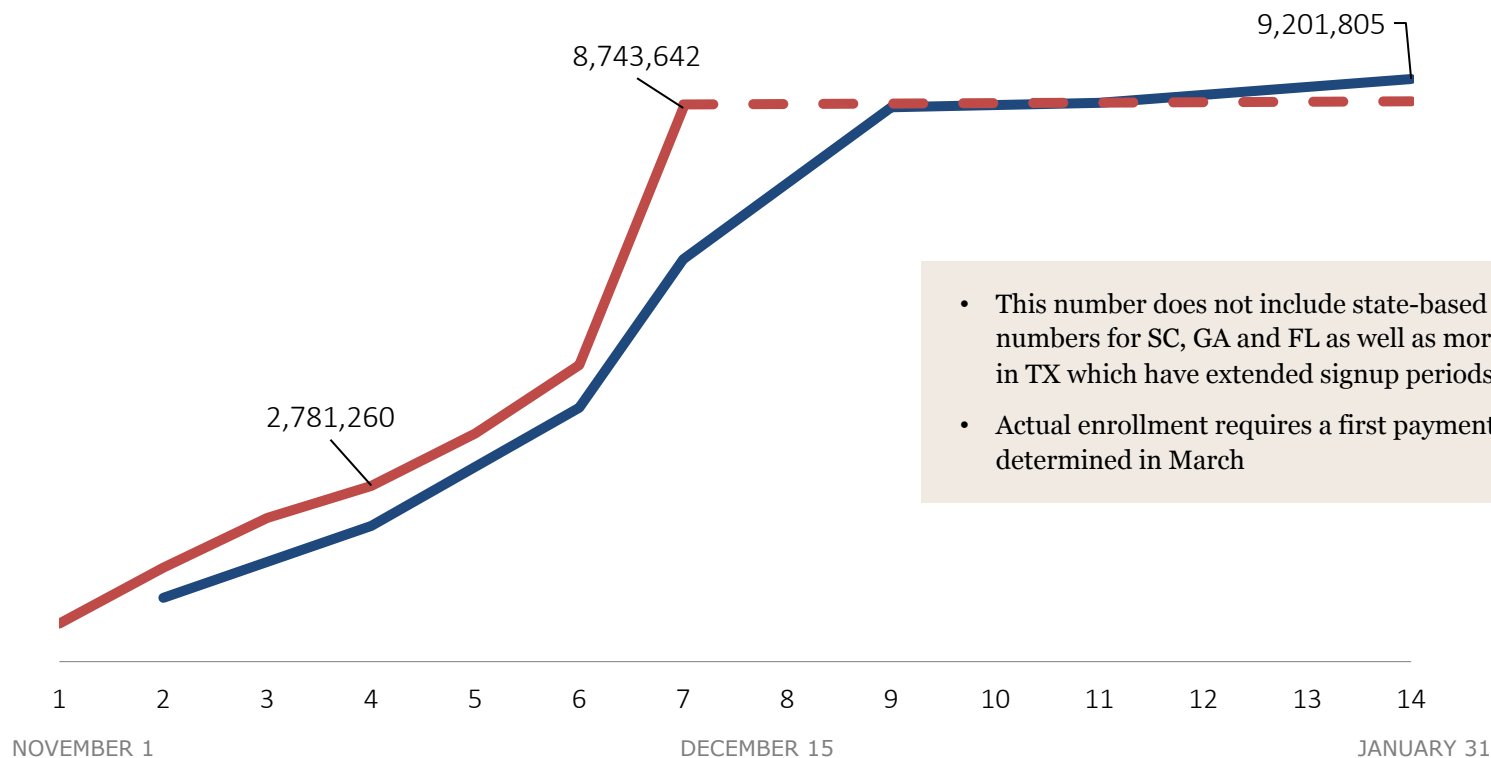
Sources: Peter Sullivan, "Five ways Trump can undermine ObamaCare in 2018," The Hill, December 30, 2017.

Signups for 2018 plans through the federal health exchanges decreased by 450,000, with some states not yet finalized

Enrollment through Healthcare.gov

BY WEEK OF ENROLLMENT PERIOD

■ FY2018 signups ■ FY17 signups



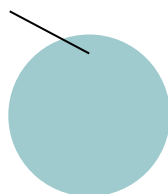
- This number does not include state-based exchanges or final numbers for SC, GA and FL as well as more than 50 counties in TX which have extended signup periods due to hurricanes
- Actual enrollment requires a first payment and will be determined in March

Sources: CMS.gov, "Enrollment Snapshots"

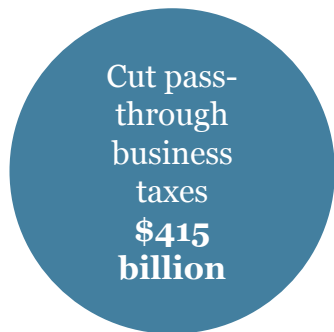
Renewing CHIP for five years would cost just Congress \$800 million

Cost comparison: CHIP vs. other congressional priorities

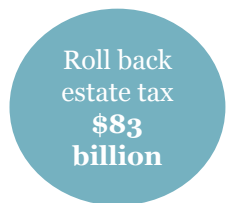
Trump admin proposal to build the wall
\$18 billion



Cut pass-through business taxes
\$415 billion



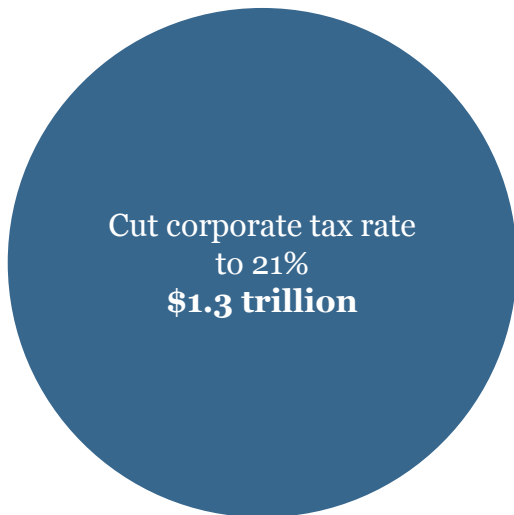
Roll back estate tax
\$83 billion



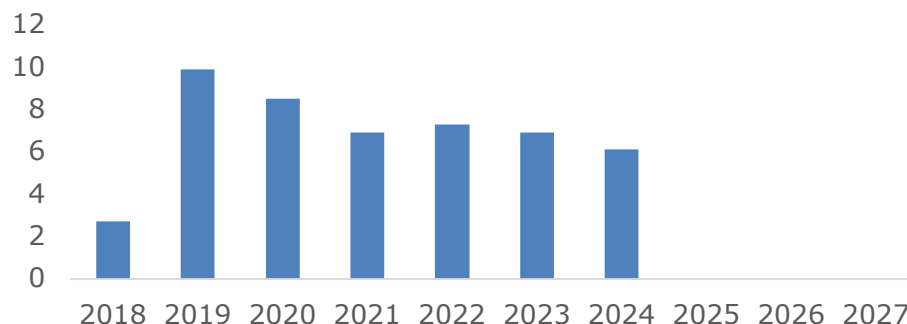
Extend CHIP for five years
\$800 million



Cut corporate tax rate to 21%
\$1.3 trillion



CBO score on the budgetary effects of funding CHIP, in billions of dollars



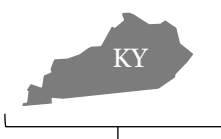
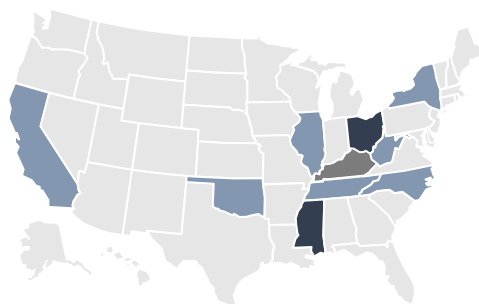
Analysis:

- The Children's Health Insurance Program (CHIP) covers over 9 million low- and middle-income children
- The budget for CHIP expired in fall 2017, and Congress has still not extended funding for the program
- States can expect to see funding run out as early as January 19th, 2018
- In a letter sent Friday to Senate Finance Committee Chairman Orrin Hatch (R-Utah), the CBO said that financing CHIP would cost \$800 million over the next 10 years
- Analysts predict that eliminating the individual mandate will raise the cost for the government of subsidizing plans & extending CHIP funding could encourage parents to get insurance for their children through the program instead of through exchanges

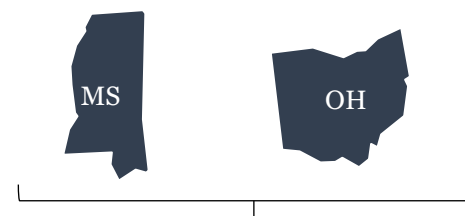
Sources: National Journal Research, 2017; Kaiser Family Foundation, July 2017.

Tennessee & North Carolina join six other states in filing lawsuits against drug manufacturers

States that currently have filed lawsuits against drug manufacturers



Kentucky filed and settled a lawsuit in 2015 with Purdue for falsely marketing painkiller OxyContin as non-addictive. Kentucky also settled with Janssen, which sold fentanyl under the name Duragesic, for \$15.5 million



Ohio filed a lawsuit to sue the following companies:

- Purdue Pharma
- Endo Health Solutions
- Teva Pharmaceutical Industries and subsidiary Cephalon
- Johnson & Johnson and subsidiary Janssen Pharmaceuticals
- Allergan

These lawsuits cite the rising numbers of opioid-related overdoses in both states and blame the companies for:

- Overstating the benefits of opioid drug therapy
 - Targeting vulnerable populations and patients
 - Violating anti-fraud and consumer protection laws
- Mississippi filed similar lawsuits against the companies in 2015



Counties in these states have started the process of litigation and filed lawsuits against pharmaceutical firms for distributing large amounts of drugs without regulations in place

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An overview of legal immigration reform plans

	Graham-Durbin	Grassley amendment	McCain-Coons	Common Sense Caucus
<i>Dreamers</i>	Pathway to citizenship for ~1.8 million Dreamers	Pathway to citizenship for ~1.8 million Dreamers	Pathway to citizenship for 800,000 individuals protected under DACA	Pathway to citizenship for ~1.8 million Dreamers
<i>Border security</i>	Not specifically addressed	\$25 billion for border security and wall	Increases patrol officers, security technology and physical barriers	\$25bn in border security spending over 10 years
<i>The wall</i>	\$3 billion allocated for the wall and border security technology	\$25 billion for border security and wall	Does not address	\$25bn in border security spending over 10 years
<i>Family migration</i>	Limits family visas for DACA recipients	Only allows family visas for spouses and unmarried children under 18 years old	Does not address	Restrictions on immigrants' parents becoming citizens
<i>Diversity visa lottery</i>	Eliminates diversity visa lottery	Eliminates diversity visa lottery	Does not address	Retains diversity visa lottery
<i>Who supports it</i>	Cosponsored by senators from both parties Trump: No	Supported by Republicans, mainly hardline conservatives Trump: Yes	Similar to a House proposal supported by 27 Ds and 27 Rs Trump: No	Cosponsored by senators from both parties Trump: No

Sources: Stef W. Kight, "A viewer's guide to the immigration debate," Axios, February 12, 2018.

Overview of the legislative timeline for DACA & Trump's potential actions to end it

Key moments related to DACA



On September 5th, 2017, Trump said, "I have advised the Department of Homeland Security that DACA recipients are not enforcement priorities unless they are criminals, are involved in criminal activity, or are members of a gang"



In January 2018, a federal district judge issued an injunction against the end of the DACA program and as a result the USCIS announced they had resumed accepting requests to renew a grant of deferred action under DACA

What now?

- The government stopped accepting new applications for DACA protections from undocumented immigrants on October 5th, 2017 and resumed on January 14th, 2018
- However, DACA beneficiaries could face deportation **as soon as March 5th of 2018**
- On January 16th Trump said the White House will appeal the federal judge's order to the Supreme Court
- On February 26th the Supreme Court declined to hear the Trump administration's appeal of the ruling that requires the government to keep DACA going
- This means the March 5th deadline is largely meaningless and the case will continue to move through the court system

DACA negotiation timeline

June 2012

Deferred Action for Childhood Arrivals is created by the Obama administration

September 5, 2017

Trump chooses to end DACA, hands it over to Congress to make it into law or get rid of it

Sept. 13-14, 2017

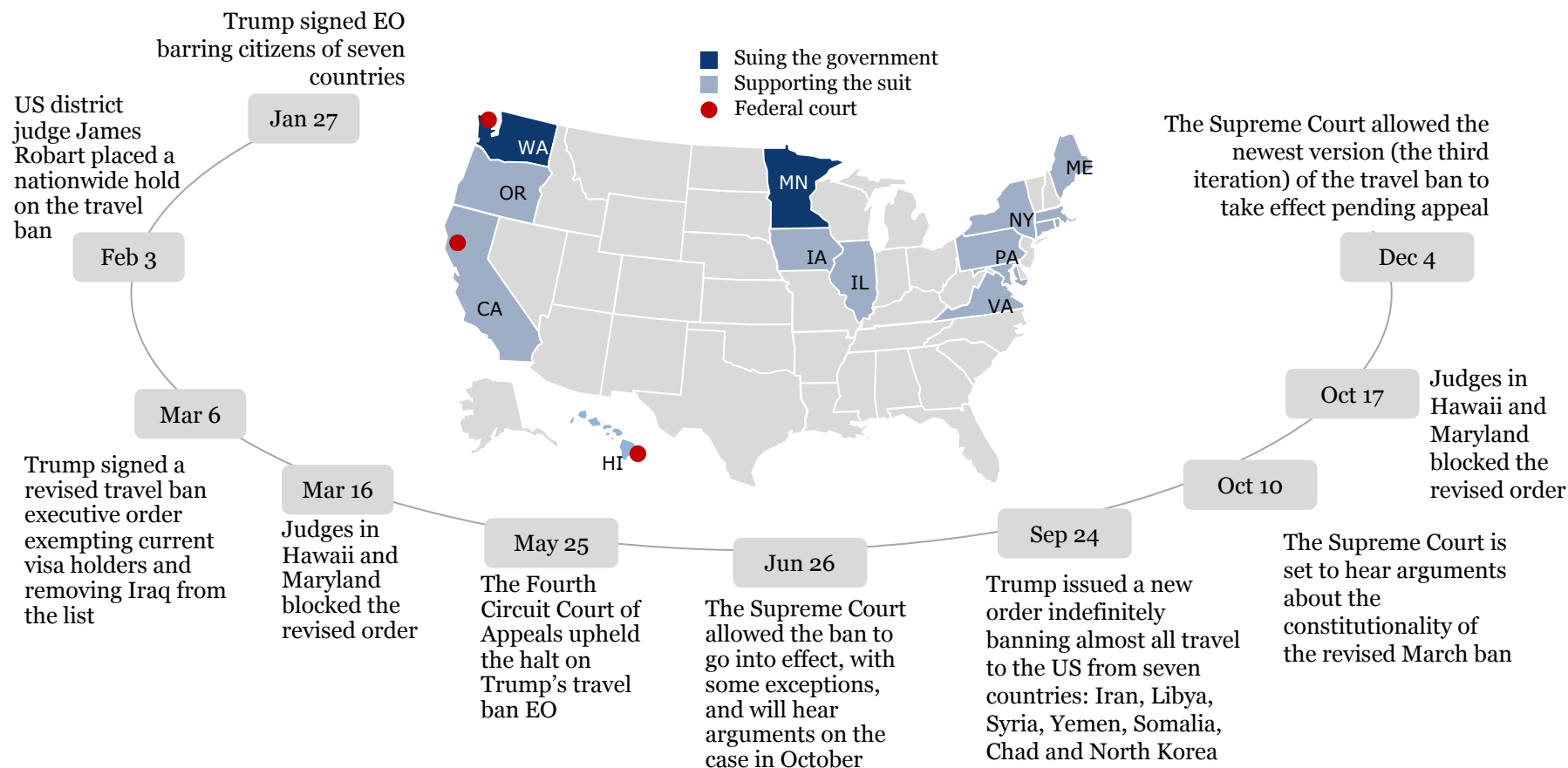
Congressional Dems say they reached a deal with the president, but Trump tweets that there was actually no deal

Jan. 25, 2018

The White House proposes a path to citizenship for DACA recipients along with limits to family-based immigration and appropriating \$30 billion for the border wall

Sources: National Journal Research, 2017; NYT, September 2017; Washington Post, September 2017.

Travel ban timeline, 2017



Sources: Kevin Lui, "President Trump added three new countries to his travel ban. Here's what to know about them," Time, Sept. 24, 2017; Michael D. Shear, "New order indefinitely bars almost all travel from seven countries," NYT, Sept. 24, 2017; Chris Geidner, Talal Ansari, Nidhi Prakash, "Trump's revised travel ban is in effect," BuzzFeed, June 29, 2017.

An overview of Trump's Sept. 24 travel ban

Who is affected and how?



Countries affected by the new executive order

The majority of citizens from Iran, Libya, Syria, Yemen, Somalia, Chad and North Korea will be banned from entering the US. Iraqi and Venezuelan citizens will face heightened scrutiny and restrictions.



Ban is more far-reaching than the March ban

While Trump's March travel ban suspended travel from seven Muslim-majority countries for 90 days, this ban imposes permanent restrictions on travel.



Countries dropped and added to the ban

For Chad, Venezuela and North Korea, Trump's proclamation suggested that they had been added because of those countries' inadequate information-sharing and/or a lack of cooperation with the US; for example, it stated that Chad would be included in the ban because it "does not adequately share public-safety and terrorism-related information."

Sudan was dropped from the ban, which administration officials said was because the country's cooperation with the US had improved.

Each country will have its own restrictions



Iran will be able to send its citizens on student exchanges, but they will be subject to more screening.



Certain government officials of **Venezuela** and their families will be barred from entering the US.



Citizens of **Somalia** will not be allowed to emigrate to the US, although they may visit, with enhanced screening.



All **Syrians** will be blocked from emigrating to or visiting the US.



All **North Koreans** will be blocked from emigrating to or visiting the US.

Most citizens of **Chad, Libya and Yemen** will be blocked from emigrating to or visiting the US, allegedly because those countries don't have the technical ability to screen their travelers. However, many critics are unsure why some countries were included, such as Chad, which has been an important antiterrorism ally in the region.



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Infrastructure: the White House releases its long awaited infrastructure plan

■ Completed ■ In progress ■ Stalled ■ No action



Comprehensive infrastructure bill

- Trump released his promised infrastructure plan on February 12th
- It aims to transfer decision making power to states and the private sector



Streamline regulatory review

- The proposal includes a 21-month deadline for federal permitting and review and designating one lead agency to review each project



Increase gas tax

- Trump's proposal to generate revenue for infrastructure by increasing the gas tax has proven unpopular in Congress



Infrastructure workforce training

- The plan proposes changing licensing requirements to allow workers to move between states and expanding apprenticeships



Airport privatization

- The proposal includes a plan for selling airports and highways to the private sector, a promise that the Trump administration made last June



Funding for infrastructure in FY19

- The White House included cuts to other sectors in their FY19 budget proposal to fund infrastructure, as previously promised

What's next?

- The White House has finally released its infrastructure plan, outlining a proposed shift in power towards states and the private sector
- The measures outlined in the plan must first pass Congress
- There would need to be a legal process for the shift in jurisdiction over infrastructure planning from federal agencies to state governments and private companies
- It will be clear over the next few months which of these proposals will be realized

The infrastructure plan allocates \$20 billion to expand the use of private activity bonds (PABs) and to boost federal lending programs

As P3s can tap these lending sources, they are a major opportunity for private investment

\$6 billion

Expanding the use of PABs

PABs are a low cost financing option that are often used to support P3s involving private equity investments. \$6 billion is allotted to expand the types of projects that can be financed with PABs, including hydroelectric power plants and facilities for flood control, rural broadband service and storm water. The plan also eliminates the alternative minimum tax preference and state volume caps on PABs

\$14 billion

Expanding existing programs

\$14 billion will go to expanding existing credit programs, including: TIFIA, which provides direct loans to surface transportation projects; WIFIA, which provides credit to water and wastewater infrastructure; and RRIF, which helps finance railroad infrastructure. The expansion of these programs is designed to attract private capital, as they are matched with other debt and equity contributions

25¢ gas tax hike

User pay models

As governments may need to consider user pay models to access the federal incentives, they could be more open to participating in P3s. To provide additional infrastructure funding, Trump has endorsed raising the federal gas tax by 25¢, which would raise an estimated \$394 billion over the next 10 years. The plan also proposes removing federal restrictions on tolling interstate roads to support investment

Sources: National Journal research, 2018. Miriam Gottfried and Cezary Podkul, "Blackstone, Other Private-Equity Firms May Sit Out Trump Infrastructure Push," The Wall Street Journal, February 13, 2018; "President Trump's Infrastructure Plan: A Substantive Shift to Private-Sector Funding," S&P Global Ratings, February 14, 2018.

Trump's infrastructure plan aims to speed up environmental review processes

Key changes in reviews and regulations



Opens public lands to pipelines

Authorizes the Secretary of the Interior Ryan Zinke to review and approve “rights of way” through National Park Service land for oil and natural gas pipelines. Removes the need for approval from Congress



Changes water oversight

Shifts jurisdiction of the Clean Water Act from the Environmental Protection Agency to the Army Corps of Engineers. Aims to streamline permit decisions and eliminate duplication of oversight



Reduces levels of review

Changes the review process under the National Environmental Policy Act (NEPA). Reduces the number of agencies required to approve infrastructure projects.



Restricts EPA veto power

Limits the ability of the Environmental Protection Agency to veto federal permits for projects that produce potentially harmful discharge or fill material. This power is rarely used



Clarifies air quality standards

Requires conformity to only the most recent National Ambient Air Quality Standard even while it remains in its 1-year review period. Aims to clarify confusion surrounding updated standards

Sources: “Legislative Outline for Rebuilding Infrastructure in America”, the Whitehouse, February 12, 2018.

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International relations: tensions with adversaries have risen, but so far the Trump administration has avoided conflict

■ Completed ■ In progress ■ Stalled ■ No action



Press North Korea to dismantle its nuclear weapons program

- While in Asia, Trump spoke with leaders about increasing pressure on North Korea
- North Korea sent athletes to the Olympics in Pyeongchang, but Kim reaffirmed tensions with the US in his annual address



Boost NATO defense spending

- During a speech at NATO headquarters, Trump did not reaffirm Article 5, which provides for mutual defense. He later clarified his support of defense for all NATO nations
- According to a NATO report, member states will increase NATO spending by 4.3 percent in 2017



Improve relations with Russia

- Four Trump campaign officials were charged in the Russia special counsel investigation. 13 Russian citizens and 3 Russian companies were indicted for interference in the 2016 election
- AG Jeff Sessions launched a cyber task force to examine election interference



Renegotiate the Iran nuclear deal

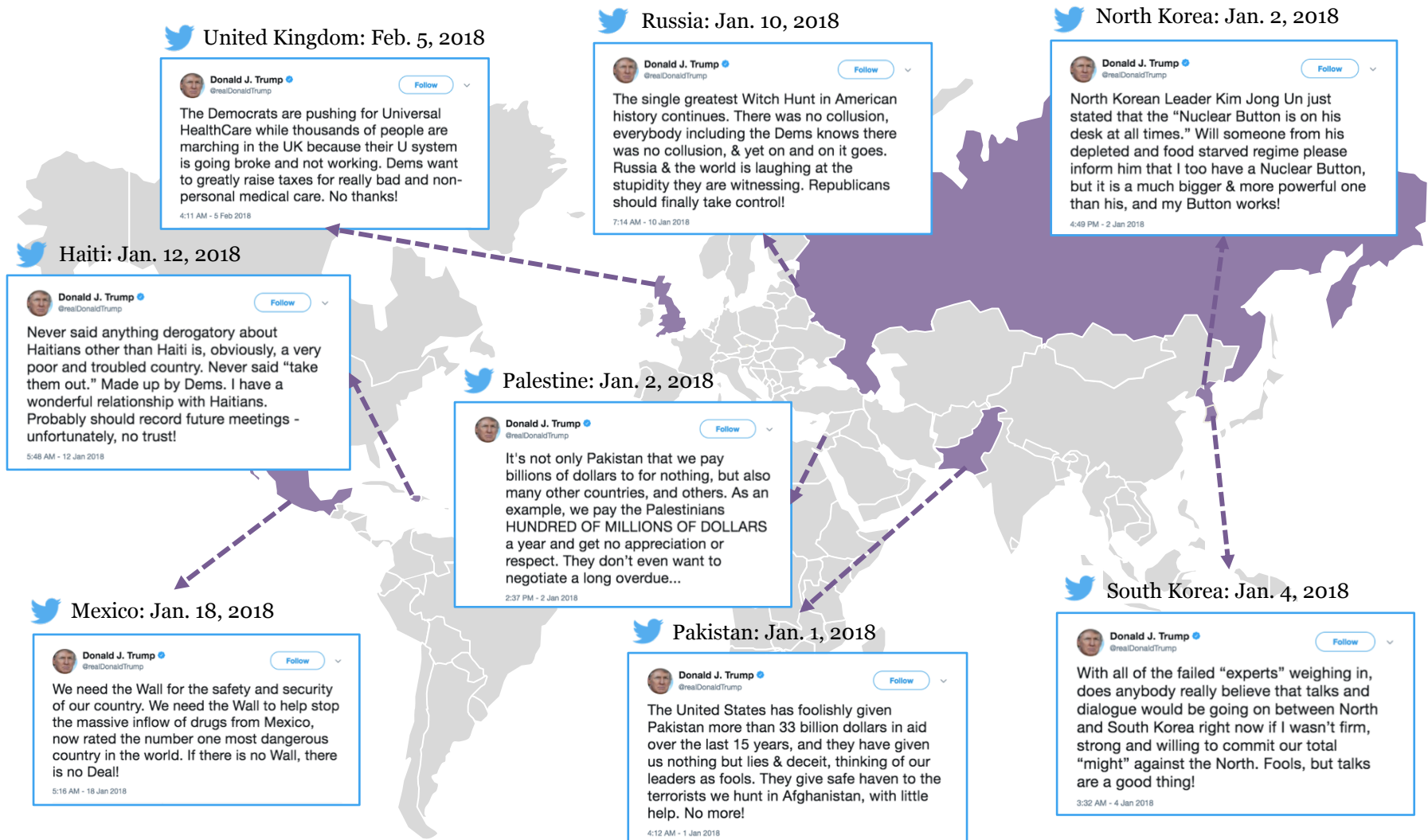
- Trump signed new sanctions against Iran in August for its ballistic missile program
- Trump decertified the Iran deal in 2017, but continued to waive US sanctions against Iran in January

What's next?

- Kim Jong Un continues to threaten missile attacks against the US. Trump is trying to work with regional allies to increase pressure
- Trump will face pushback from both the European Union and Democrats as Congress decides what to do next about the Iran nuclear deal
- A number of positions remain unfilled in Tillerson's Department of State and it is rumored that Tillerson may be on his way out, making it difficult to conduct standard diplomatic relations with many nations
- Trump made derogatory comments about Haiti and African nations in a meeting with members of Congress, causing uproar in the US and around the world

Sources: Adam Taylor, What the new UN sanctions on North Korea mean, Washington Post, August 7, 2017; "US-Russia sanctions: How did we get here?" BBC News, August 3, 2017; Daniel Politi, "Trump's Threat to Invade Venezuela Boosts Embattled Leader Maduro," Slate, August 12, 2017; Dan Merica, Kevin Liptak, Jeff Zeleny, "Trump, showered in Polish praise, backs NATO's Article 5," CNN, July 6, 2017; Peter Baker, "Trump recertifies Iran Nuclear Deal, but only reluctantly," NY Times, July 17, 2017; Jacopo Barigazzi, "NATO to increase non-US spending by 4.3 percent in 2017," Politico, June 28, 2017.

Trump's relationship with the world through Twitter in 2018



Sources: Donald J. Trump Twitter, 2018.

Kim Jong-un reaches out to South Korea as tensions with the United States rise

Key elements of Kim's annual address



Every year, Kim Jong-un gives an address to the country and the world concerning North Korea's priorities for the new year and highlights advancements in the past year. He gave his annual address on January 1, 2018



Kim claimed that North Korea had completed its nuclear forces and that he would be able to launch them using a button at his desk. He also emphasized that all of the United States is within range of North Korea's nuclear capabilities



He also focused on improving relations with South Korea, with the possibility of sending athletes to the upcoming Winter Olympics in Pyeongchang

President Trump's response



Donald J. Trump
@realDonaldTrump

Follow

North Korean Leader Kim Jong Un just stated that the "Nuclear Button is on his desk at all times." Will someone from his depleted and food starved regime please inform him that I too have a Nuclear Button, but it is a much bigger & more powerful one than his, and my Button works!

4:49 PM - 2 Jan 2018

North Korea relations recent events

Nov 29, 2017

Jan 1, 2018

Jan 2, 2018

Jan 3, 2018

Jan 9, 2018

North Korea tests its Hwasong-15 ICBM, conducting a total of 16 missile tests in 2017

Kim delivers annual address

Trump responds via Twitter

Officials reopen phone hotline between North and South Korea at the DMZ

North Korea agrees to send a delegation of athletes to the Winter Olympics in February in Pyeongchang, South Korea

Sources: Eric Talmadge, "Kim Jong Un: North Korea's Nuclear Forces Are a Reality, Not a Threat," Time, January 1, 2018; Donald J. Trump Twitter, 2018; Choe Sang-Hun, "Suddenly, an Olympic Charm Offensive From Kim Jong-un," NY Times, January 9, 2018; Joshua Berlinger, "North Korea's missile tests: What you need to know," CNN, December 3, 2017.

President Trump announces controversial decision to move American embassy from Tel Aviv to Jerusalem

The move represents a major reversal of US foreign policy under previous administrations



In a speech on December 6, 2017, President Trump recognized Jerusalem as the capital of Israel and stated that the United States Embassy would relocate from Tel Aviv to Jerusalem in the coming years.

The decision is a reversal of over 70 years of American policy. Previous presidents have withheld recognition of Jerusalem as the capital because of ongoing peace talks between Israelis and Palestinians.

Israel has increased security measures and the State Department issued a travel advisory to American travelers about a possible rise in violence in reaction to the decision.

Responses from leaders in the region and around the world



Saeb Erakat

Chief Palestinian negotiator

“President Trump just destroyed any policy of a two-state (solution). He has taken an action to recognize Jerusalem as the capital of Israel. This is in total contradiction of agreements signed between Palestinians and Israelis.”



Benjamin Netanyahu

Prime Minister of Israel

“Jerusalem has been the capital of Israel for nearly 70 years. Jerusalem has been the focus of our hopes, our dreams, our prayers for three millennia. Jerusalem has been the capital of the Jewish people for 3,000 years. Thank you, @realDonaldTrump!”



Theresa May

Prime Minister of the UK

“We disagree with the U.S. decision to move its embassy to Jerusalem and recognize Jerusalem as the Israeli capital before a final status agreement. We believe it is unhelpful in terms of prospects for peace in the region.”

Sources: Mark Landler and David Halbfinger, “US to Recognize Jerusalem as Israel’s Capital, Trump Says, Alarming Middle East Leaders,” NY Times, December 5, 2017; Jeremy Diamond and Elise Labott, “Trump recognizes Jerusalem as Israel’s capital,” CNN, December 6, 2017;

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Tax, labor and economy: Trump signs tax reform bill, NAFTA renegotiations stalled, overtime rule to be revised

■ Completed ■ In progress ■ Stalled ■ No action



Tax reform

- The House passed tax legislation on November 16 and the Senate approved its version of the bill on December 2
- The final conference committee bill was passed by both chambers on December 20, and President Trump signed the bill on December 22



Overtime rule

- The DOL confirmed on October 30th that it will issue a new overtime rule; it's expected that the new salary threshold for exemptions will be in the low \$30,000 range



China currency status

- Trump has walked back his pledge to name China a currency manipulator in exchange for Chinese cooperation on North Korea



NAFTA renegotiation

- NAFTA renegotiations began in August and will continue through the first quarter of 2018
- Trump has expressed his willingness to withdraw from the trade deal if negotiations are unsuccessful



TPP withdrawal

- Trump issued an executive order withdrawing the US from the trade deal on January 23



Buy American, Hire American

- Trump issued an executive order mandating the federal government to prioritize domestic workers and US products

What's next?

- NAFTA negotiations have reached an impasse; Mexico and Canada won't accept Trump's demands, such as 50 percent American-made parts in tariff-free cars and a "sunset" clause
- Canadian officials are concerned that Trump may soon invoke Article 2205, triggering a 6-month countdown for potential NAFTA withdrawal; Mexican officials have said they will withdraw from negotiations if this occurs
- Alexander Acosta, the newly appointed Secretary of Labor, is expected to replace the Obama overtime rule with a more conservative version of the wage regulation
- The Department of Commerce may propose new tariffs or countervailing duties against specific products or other countries that run trade surpluses with the United States

Sources: National Journal Research, 2018

Provisions changed by the tax reform bill (1)

Provision	Current law	Conference committee bill (passed)
Income tax	Seven individual tax rates: 10%, 15%, 25%, 28%, 33%, 35% and 39.6%	Seven brackets, with a top rate of 37 %, which married people filing jointly will pay on income they earn in excess of \$600,000. If you're single, the top rate applies to income earned beyond \$500,000
Standard deduction	\$6,350 for single filers and \$12,700 for married couples	The standard deduction is temporarily increased to \$12,000 for singles and \$24,000 for married couples filing joint returns. In 2025, the deductions and exemptions revert to current law
State and local taxes	Taxpayers can deduct both state / local income and property taxes	Taxpayers may deduct only up to \$10,000 total, which may include any combination of state and local taxes, including property taxes (also sales taxes)
Mortgage interest deduction	Taxpayers can deduct interest payments on up to two mortgages, worth up to a combined \$1m	Taxpayers can deduct the interest paid on mortgage debt up to \$750,000. Interest payments on property bought before Dec. 15 is still deductible up to \$1m (current law); home equity loan interest is no longer deductible for anyone
Individual mandate	Under the ACA, individuals must buy a qualifying health insurance plan or pay a penalty, unless they qualify for exemption	The penalty is reduced to zero, which means that fewer healthy individuals may sign up for coverage. That is expected to lead to higher premiums for people who do not qualify for premium subsidies
Estate tax	Top rate of 40 %, with exemptions of up to \$5.49 million for an individual and \$10.98 million for a married couple	The baseline exemption amount doubles to \$10 million and is indexed to inflation occurring after 2011. It applies to the estates of people who die after Dec. 31 but before Jan. 1, 2026 (and also to gifts made during that time frame)
529 plans	Money grows free of any capital gains taxes, and you can withdraw it tax-free to pay for higher education expenses	Individuals will be able to withdraw up to \$10,000 each year, per child, to pay for private/religious school and receive the same tax benefits. Families participating in home schooling can also take out up to \$10,000 a year to use for educational expenses. Also, families can roll 529 funds over to ABLE accounts, which offer tax advantages for people with disabilities
Alternative minimum tax	Business income from partnerships, S corporations and sole proprietorship is taxed at individual tax rates	The AMT will remain, though many Republicans had hoped to eliminate it. Through 2025, it will apply to fewer people and kick in at higher income levels

Source: Bernie Becker, "8 key differences between the dueling Senate and House tax bills," Politico, November 9, 2017; Alan Rappeport, "House and Senate Have Big Differences to Bridge on Tax Plans," The New York Times, November 9, 2017; Alan Rappeport, "The House and Senate Still Have Very Different Tax Bills. Here's How They Compare," NYT, November 16, 2017; Jared Walczak, "Important Differences Between the House and Senate Tax Reform Bills Heading into Conference," Tax Foundation, Dec. 2, 2017; Ron Lieber and Tara Siegel Bernard, "What's in the Tax Bill, and How It Will Affect You," NYT, December 16, 2017.

Provisions changed by the tax reform bill (2)

Provision	Current law	Conference committee bill (passed)
Pass-through business	Business income from partnerships, S corporations and sole proprietorship is taxed at individual tax rates	Starting next year and before Jan. 1, 2026, individuals can generally deduct 20 % of their qualified business income from a partnership, S corporation and sole proprietorship. There are limits, including a phase-out for the deduction that begins at \$157,500 of individual income and \$315,000 of income for couples filing jointly
Medical expenses	Taxpayers can deduct out-of-pocket medical expenses that exceed 10 % of your adjusted gross income (but not the expenses that amount to the first 10 %)	In 2017 and 2018, taxpayers can deduct out-of-pocket medical expenses that exceed 7.5% of adjusted gross income
Investment fees and unreimbursed business expenses	Individuals can deduct fees they pay to an investment adviser / money management service but only if they add up to at least 2% of their adjusted gross income; applies also to work expenses for which an employer does not reimburse employees	These deductions are revoked until 2025
Roth IRA	Individuals can revert their IRA if they've recently converted to a Roth IRA	Individuals can no longer change their IRA back from Roth once it has been converted
Child tax credit	Taxpayers can claim a \$1,000 credit per child for individuals making less than \$75,000 and married couples making less than \$110,000	The child tax credit is increased to \$2,000 for each child — and up to \$1,400 of that can be delivered in the form of refundable credit, which means taxpayers can receive money back even if they have no tax liability. (Taxpayers may also reduce their tax bill by up to \$500 for other dependents who are not children). In 2025, the deductions and exemptions revert to current law
Discharged student loan debt	Those benefitting from the federal government's public service loan forgiveness program are not required to count the amount of forgiven debt as taxable income. The amount is taxable when student loan balances are forgiven in the event of a death or disability	Discharged debt in the event of death or total and permanent disability will no longer be taxable. The provision expires after 2025

Source: Bernie Becker, "8 key differences between the dueling Senate and House tax bills," Politico, November 9, 2017; Alan Rappeport, "House and Senate Have Big Differences to Bridge on Tax Plans," The New York Times, November 9, 2017; Alan Rappeport, "The House and Senate Still Have Very Different Tax Bills. Here's How They Compare," NYT, November 16, 2017; Jared Walczak, "Important Differences Between the House and Senate Tax Reform Bills Heading into Conference," Tax Foundation, Dec. 2, 2017; Ron Lieber and Tara Siegel Bernard, "What's in the Tax Bill, and How It Will Affect You," NYT, December 16, 2017.

Provisions changed by the tax reform bill (3)

Provision	Current law	Conference committee bill (passed)
Alimony	Alimony is a deductible expense for people paying it, and those who receive it must pay income taxes	Divorce would become a bit more burdensome for the ex-spouse who pays alimony because it would no longer be a deductible expense. The person receiving the payments would no longer need to pay tax on the income received. The change would take effect for divorce and separation agreements executed starting in 2019
Moving expenses	Taxpayers can deduct moving expenses as long as the new workplace is at least 50 miles farther from the old home than the old job location was from the old home	Moving costs would generally no longer be a deductible expense starting in 2018, though the bill allows some exceptions for members of the military
Tax preparation	Taxpayers can usually deduct the amount a tax preparation specialist bills them or any similar tax-related expenses, like software and the fee to file forms electronically	The bill removes this deduction
Bicycle riding	One can exclude up to \$20 a month from their income for expenses related to regular bicycle commuting, as long as their employer is not offering other pretax commuting benefits	The bill removes this deduction
Fire and flood losses	A victim of a house fire, flood, burglary or similar event can deduct losses, as long as each loss is more than \$100 and all losses collectively exceed 10% of your adjustable gross income	Taxpayers can still deduct these losses using the same rules — but only if the loss occurred during an event that the president officially declared to be a disaster
Gambling	Taxpayers can deduct gambling losses but only up to the amount of any gambling income during any given year	Taxpayers (including professional gamblers) who deduct wagering expenses, such as the cost of travel to a casino, must add those expenses to their total losses before comparing that sum to their total taxable winnings for the purpose of making the overall deduction calculation; this does not apply to expenses incurred beyond 2025
Inflation	The federal government relies on the Consumer Price Index	The bill specifies that the government will use the chained C.P.I. to measure inflation

Source: Bernie Becker, "8 key differences between the dueling Senate and House tax bills," Politico, November 9, 2017; Alan Rappeport, "House and Senate Have Big Differences to Bridge on Tax Plans," The New York Times, November 9, 2017; Alan Rappeport, "The House and Senate Still Have Very Different Tax Bills. Here's How They Compare," NYT, November 16, 2017; Jared Walczak, "Important Differences Between the House and Senate Tax Reform Bills Heading into Conference," Tax Foundation, Dec. 2, 2017; Ron Lieber and Tara Siegel Bernard, "What's in the Tax Bill, and How It Will Affect You," NYT, December 16, 2017.

Roadmap

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Tax, labor and the economy

Technology

Tech: FCC votes to repeal net neutrality

■ Completed ■ In progress ■ Stalled ■ No action



Repeal privacy oversight law

- Trump signed a GOP bill repealing an FCC rule that prevented internet service providers from selling customer data to third parties without the users' affirmative consent



Roll back net neutrality

- The White House supported the FCC proposal to rescind net neutrality, which was approved in December
- The FCC decision will now face legal challenges



Establish technology council

- Through an executive order, Trump created the American Technology Council, which is made up of government officials and aims to modernize government IT



Expand rural broadband service

- Trump has pledged to expand broadband service to rural areas as part of his \$1 trillion infrastructure plan; he proposed spending \$25 billion over 10 years on rural infrastructure needs



Limit regulations for self-driving cars

- Trump's Department of Transportation released updated guidelines for self-driving cars that encouraged manufacturers to put autonomous vehicles on the roads and advised states to institute only light regulations

What's next?

- After Republicans repealed FCC internet privacy laws, several states have attempted to pass their own laws; California and Massachusetts seem likely to pass internet privacy laws in the next year
- Bipartisan legislation seeking to hold internet companies liable for facilitating sex trafficking has been introduced in both the House and Senate

2018 tech look ahead

4 key tech policy developments to watch in 2018



Net neutrality:

The FCC's repeal vote is sure to face a legal challenge, and Congress may introduce legislation reinstating net neutrality.



Anti-sex trafficking legislation:

The House passed legislation that would hold internet companies liable for facilitating online sex trafficking; a companion bill is set for a vote in the senate. After the tech community initially criticized the legislation, both the House and Senate committees revised the language in their bills.



Regulation of social media companies:

After Russian influence campaigns across social media platforms in the 2016 election, senators have introduced legislation requiring digital platforms to disclose advertisers. Social media executives have testified before Congress, and this bill is likely just the first of several major proposals to prevent foreign influence and the spread of false information.



Supreme Court cases addressing digital privacy:

In *Microsoft v. US* and *Carpenter v. US*, the Supreme Court will weigh in on whether law enforcement can access private email and cellular data without a search warrant.