

Week Ahead

Legislative Focus: Federal Funding, Health Care, Secure Rural Schools, 100 Days, Agriculture Secretary

The Senate will convene today to vote on the nomination of Former Georgia Governor Sonny Perdue to serve as U.S. Secretary of Agriculture. The Senate will then vote on a motion to proceed to the nomination Rod Rosenstein to serve as Deputy U.S. Attorney General.

The House will convene tomorrow for consideration of eight bills under suspension of the rules. On Wednesday, the House takes up a bill on the U.S. copyright system. Later this week, the House could also consider legislation to reform Fannie Mae and Freddie Mac.

The House may also vote on legislation to reform the Affordable Care Act.

The current continuing resolution funding the federal government expires on Saturday, the President's 100th day in office. This week's funding debate is expected to be dominated by the possible construction of a wall along the southern U.S. border. A short-term funding extension is likely as Congress negotiates specific details for the remainder of fiscal year 2017. An extension of the Secure Rural Schools program may also be included as part of the funding debate due the program's recent expiration. States are currently receiving payments 75% below FY 2016 amounts.

In the countdown to the President's 100th day in office, he is expected to sign executive orders on Veterans Affairs whistleblower protections, the Antiquities Act, offshore energy and agricultural and rural issues. On Wednesday, the President is expected to release his priorities for tax reform, including tax cuts.

Senate Appropriations Committee

- Defense Subcommittee hearing on review of National Guard and Reserve programs and readiness, witnesses include General Joseph Lengyel, chief of the National Guard Bureau. Wednesday, April 26 at 10:30 a.m.

Senate Armed Services Committee

- Cybersecurity Subcommittee hearing on "Cyber-Enabled Information Operations." Thursday, April 27 at 2:30 p.m.

Senate Energy and Natural Resources Committee

- Full committee hearing on H.R.339, the "Northern Mariana Islands Economic Expansion Act." Thursday, April 27 at 10 a.m.

Senate Environment and Public Works Committee

- Full committee hearing on "A Review of the Technical, Scientific, and Legal Basis of the WOTUS (Waters of the United States) Rule." Wednesday, April 26 at 10 a.m.

Senate Health, Education, Labor and Pensions Committee

- Full committee markup of pending legislation and to vote on the nomination of Scott Gottlieb to be commissioner of the Food and Drug Administration. Wednesday, April 26 at 9:30 a.m.

Senate Judiciary Committee

- Full committee hearing on "Intellectual Property - Driver of Innovation: Making Our Lives Healthier, Safer, and More Productive." Tuesday, April 25 at 10 a.m.

House Armed Services Committee

- Military Personnel Subcommittee hearing on "Post-Traumatic Stress Disorder/Traumatic Brain Injury." Thursday, April 27 at 2 p.m.

House Education and the Workforce Committee

- Full committee hearing on "Strengthening Accreditation to Better Protect Students and Taxpayers." Thursday, April 27 at 10 a.m.

House Energy and Commerce Committee

- Full committee hearing on the Nuclear Waste Policy Amendments Act of 2017. Wednesday, April 26 at 10 a.m.

House Financial Services Committee

- Full committee hearing on "A Legislative Proposal to Create Hope and Opportunity for Investors, Consumers, and Entrepreneurs (CHOICE)," focusing on an the Financial CHOICE Act. Wednesday, April 26 at 10 a.m.

House Oversight and Government Reform Committee

- Information Technology Subcommittee hearing on "Unfunded Mandates: Examining Federally Imposed Burdens on State and Local Government." Wednesday, April 26 at 10 a.m.
- Government Operations Subcommittee hearing on "Reviewing the Unintended Consequences of the Foreign Account Tax Compliance Act." Wednesday, April 26 at 2 p.m.
- National Security Subcommittee hearing on "The Border Wall: Strengthening our National Security." Thursday, April 27 at 10 a.m.

House Small Business Committee

- Full committee hearing on "Storm Watch: Making Sure SBA's Disaster Loan Program is Prepared." Wednesday, April 26 at 11 a.m.
- Economic Growth, Tax and Capital Access Subcommittee hearing on "Small Business: The Key to Economic Growth." Thursday, April 27 at 10 a.m.

House Transportation and Infrastructure Committee

- Railroads, Pipelines and Hazardous Materials hearing on "Building a 21st Century Infrastructure for America: The State of Railroad, Pipeline, and Hazardous Materials Safety Regulations and Opportunities for Reform." Wednesday, April 26 at 10 a.m.
- Economic Development, Public Buildings and Emergency Management Subcommittee hearing on "Building a 21st Century Infrastructure for America: Mitigating Damage and Recovering Quickly from Disasters." Thursday, April 27 at 10 a.m.

Latest Developments

President Orders Reviews of Tax and Finance Rules

On Friday President Trump signed two presidential memoranda and an executive order directing reviews of finance and tax rules.

- The first memo directs Treasury Secretary Mnuchin to review the federal government's orderly liquidation authority (OLA) under the Dodd-Frank Act, which provides a process for the liquidation of a large, failing financial company. Of note to states, the memo does not include reference to municipal bonds. Under a rule issued in 2014, municipal bonds were excluded from designation as a high quality liquid asset (HQLA). Currently, banks are required to hold HQLA sufficient to fund their operations for 30 days. Bipartisan legislation introduced in Congress (S. 828 and H.R. 1624) would designate municipal bonds as HQLA.
- The second memo requires a review of the designation process for systemically important financial institutions by the Financial Stability Oversight Council (FSOC), also established under Dodd-Frank.
- The executive order directs Secretary Mnuchin to review significant tax regulations issued in 2016 and determine if they too costly, complex, or are beyond Treasury's authority. This window includes Obama administration rules on corporate inversions and earnings stripping intended to reduce corporate profit offshoring.

These actions follow an executive order issued in February, which established the administration's core financial regulatory principles.

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