

Congress is back in session after a two-week recess. The most immediate concern they must address is that the current short-term Continuing Resolution (CR), which is funding the federal government, expires this Friday, April 28. As of this morning, there is no clear resolution in sight which raises the possibility of a government shutdown. The potential options Congress can take to avoid a shutdown include passing:

- Another short-term extension of the CR – perhaps for two to three weeks while negotiations continue on a longer term solution.
- A year-long CR which would fund the government through the end of FY'17 – September 30, 2017 – but at generally lower FY'16 funding levels.
- A number of actual FY'17 federal agency appropriations bills, including the THUD (US DOT) funding bill, as part of an omnibus package.

Passage of some actual FY'17 appropriations bills did not occur before the recess because of congressional concern – from many members of both parties – that the Trump Administration was insisting on attaching funding for construction of the Mexican border wall and additional DOD funding. However, as of yesterday, the Administration has somewhat backed off on the need for immediate funding for the wall which may allow an omnibus appropriations package to proceed.

There has been no additional information provided by the Administration on the timing of the release of its formal, detailed budget recommendations for FY'18. Previous statements by OMB Director Mick Mulvaney indicated a release by early to mid-May.

In several public statements last week, President Trump said he plans to make a major announcement tomorrow regarding his tax reform plan. However, many observers believe it is likely the announcement will be more of a broad statement of principles and less of a list of specific details. In addition, it is expected that the Administration's tax plan is likely to differ – perhaps substantially – from the tax blueprint which the House Republican leadership has been promoting. There have been no indications if the White House's tax plan will include funding or tax changes related to infrastructure.

There has been no further information released by the Administration about an infrastructure package. US DOT Secretary Chao previously indicated a plan might be released in mid-May, leading some to believe it could be unveiled during Infrastructure Week – the week of May 15, but more recently Chao was quoted as saying "this summer". The effort could be pushed back if the Administration decides to take another run at healthcare reform.