

Subject:

Where Things Stand on GOP Budget Reconciliation

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The TRP Tip Sheet

February 18, 2025

Featuring a daily Capitol Hill update, news clips from our Washington insiders, and links to our trove of federal policy resources.

QUICK TAKES

- **WHERE THINGS STAND ON GOP BUDGET RECONCILIATION.** While the House is out this week, the Senate GOP will aim to pass its own budget resolution on the floor.
- **THIS WEEK IN NOMS: COMMERCE, SBA, FBI.** Howard Lutnick is expected to be confirmed to lead the Commerce Department later today.
- **TRACKING TRUMP 2.0 PRESIDENTIAL ACTIONS.** Click to view TRP's running tracking [document](#) of the Trump administration EOs and other prominent executive actions.
- **WH STARTS UNWINDING ENVIRONMENTAL PERMITTING RULES.** The White House is moving quickly to undo the rules that clarify how environmental permits are issued for federal projects.

CAPITOL HILL UPDATE

— **WHERE THINGS STAND ON GOP BUDGET RECONCILIATION.** Last week, the House Budget Committee passed the House GOP's budget resolution ([TRP summary](#)) for fiscal year (FY) 2025 as both chambers race to unlock the reconciliation process for President Donald Trump's legislative agenda. It's much-needed momentum for Speaker Mike Johnson's (R-LA) one-bill reconciliation strategy, especially as the Senate prepares to take up its own budget resolution as soon as this week ([TRP summary](#)) — which tackles border and energy first, followed by tax in a second package later this year. Senate Republicans are expected to pass their budget resolution with relative ease once they conclude the required marathon “vote-a-rama” amendment debate. This would place Majority Leader John Thune's (R-SD) reconciliation plan in pole position over the House's one-bill approach that encompasses all of the aforementioned priorities.

- **What's next?** While the House's resolution passed in committee with the full support of Republicans on the panel, it remains to be seen whether it has the votes necessary to pass the full House given the narrow margin leadership is working with. Of note, some House tax writers have taken issue with a provision adopted within the budget resolution that seeks to tie the overall size of the tax package to the amount of spending cuts ultimately achieved. Others have also expressed uneasiness about a proposal to raise the debt limit by \$4 trillion. Another Republican lawmaker who represents a competitive district from the last election cycle, Rep. Rob Bresnahan (R-PA), indicated that he would vote against any bill that "guts" public benefits. As Speaker Johnson and Leader Thune continue negotiations over the coming weeks, it will be worth monitoring to see if President Trump weighs in more concretely to express his preference for the House or Senate approach.

— **THIS WEEK IN NOMS: COMMERCE, SBA, FBI.** The Senate will return to action later today to resume consideration of pending Trump cabinet nominations. After confirming Robert F. Kennedy Jr. and Brooke Rollins to lead the Departments of Health and Human Services (HHS) and Agriculture last week, Howard Lutnick's nomination to be Secretary of Commerce is up next in the nominations queue with a confirmation vote at 5:30 PM EST today. Senators are also set to consider the nominations of former Sen. Kelly Loeffler (R-GA) to be Small Business Administrator and Kash Patel to be Director of the Federal Bureau of Investigation (FBI). However, the timing of their confirmation votes is in flux given the likely consideration of the Senate budget resolution. Meanwhile, House lawmakers will not be in session this week and will resume voting on Monday, Feb. 24.

WHAT WE'RE TRACKING

NEW TODAY...

— **WHITE HOUSE ESTABLISHES COUNCIL ON 'ENERGY DOMINANCE.'** The Trump administration issued an executive order ([EO](#)) establishing the "National Energy Dominance Council," which will coordinate federal efforts to expand domestic energy production and reduce regulatory barriers

- Click to view TRP's updated tracking [document](#) of the Trump administration EOs and other prominent executive actions.

RECENT DEVELOPMENTS...

— **WHITE HOUSE ANNOUNCES RECIPROCAL TRADE & TARIFF PLAN.** The Trump administration issued a [directive](#) for several agencies to assess and counter non-reciprocal trade practices by foreign trading partners.

- The "Reciprocal Trade & Tariff Plan" specifically outlines a strategy to impose equivalent tariffs and address barriers such as value-added taxes, subsidies, currency manipulation, and regulatory restrictions.
- Click to view TRP's updated tracking [document](#) of the Trump administration EOs and other prominent executive actions.

— **TRUMP ESTABLISHES 'MAKE AMERICA HEALTHY AGAIN' COMMISSION.** The Trump administration issued an [EO](#) officially establishing the "Make America Healthy Again Commission."

- Among other things, the order requires the commission to conduct assessments, recommend policy changes, and promote transparency in federally funded health research to combat obesity, diabetes, mental health disorders, and other chronic conditions.

- Click to view TRP's updated tracking [document](#) of the Trump administration EOs and other prominent executive actions.

— **E&C HOLDS SUBCOMMITTEE HEARING ON AI MANUFACTURING.** On Feb. 12, the House Energy and Commerce (E&C) Subcommittee on Commerce, Manufacturing, and Trade held a hearing on the future of industrial artificial intelligence (AI) integration into U.S. manufacturing. Click [here](#) to read TRP's hearing summary.

— **'DOGE' SUBCOMMITTEE HOLDS HEARING ON IMPROPER PAYMENTS.** On Feb. 12, the House Oversight Subcommittee on Delivering on Government Efficiency (DOGE) held a hearing to examine improper payments and fraud in federal programs. Click [here](#) to read TRP's hearing summary.

— **E&C REPUBLICANS LAUNCH DATA PRIVACY WORKING GROUP.** House E&C Chair Brett Guthrie (R-KY) [announced](#) the creation of a new Republican working group on data privacy to be led by Rep. John Joyce (R-PA).

- Members of the working group include Rep. Morgan Griffith (R-VA), Rep. Troy Balderson (R-OH), Rep. Jay Obernolte (R-CA), Rep. Russell Fry (R-SC), Rep. Nick Langworthy (R-NY), Rep. Tom Kean (R-NJ), Rep. Craig Goldman (R-TX), and Rep. Julie Fedorchak (R-ND).
- Stakeholders interested in engaging with the working group can reach out to PrivacyWorkingGroup@mail.house.gov for more information.

— **POWELL TESTIFIES BEFORE CONGRESS.** On Feb. 11 & 12, Federal Reserve Chair Jerome Powell testified before the Senate Banking and House Financial Services Committees to discuss the central bank's Semi-Annual Monetary Policy Report. Click to read TRP's summaries of the [Banking](#) and [Financial Services](#) hearings.

— **HOUSE SMALL BUSINESS EXAMINES SBA LENDING PROGRAMS.** On Feb. 12, the House Small Business Committee held a hearing to discuss lending programs at the Small Business Administration (SBA), as well as the role of community lenders. Click [here](#) to read TRP's hearing summary.

— **WAYS AND MEANS HOLDS SUBCOMMITTEE HEARING ON HEALTH MODERNIZATION.** On Feb. 11, the House Ways and Means Subcommittee on Health held a hearing to examine ways to modernize health care. Click [here](#) to read TRP's hearing summary.

— **TRP SPECIAL REPORT: TRUMP TRADE PRIMER AND OUTLOOK ON TARIFFS.** TRP's [special report](#) provides a primer on tariffs and looks ahead to the dynamics shaping policy under the second Trump administration.

— **TRP SPECIAL REPORT: A LANDSCAPE ANALYSIS OF MEDICAID UNDER TRUMP.** TRP's [special report](#) examines the major Medicaid proposals from Trump's first term and explores the future of the program.

— **TRP'S COMBINED HOUSE-SENATE SCHEDULE FOR 2025.** Click [here](#) to view TRP's downloadable, combined calendar of the House and Senate schedules for 2025.

WHAT WE'RE READING

[Bloomberg: White House Starts Unwinding Environmental Permitting Rules](#)

The White House is moving quickly to undo the rules that clarify how environmental permits are issued for federal projects such as pipelines, highways, and transmission lines. An interim final rule titled "Removal of National Environmental Policy Act Implementing Regulations" submitted Sunday by the Council on Environmental Quality circumvents the typical notice and comment process, meaning it can take effect immediately. Agencies generally only make interim final rules in emergencies. They can still be challenged in court. But the courts are already tilting in the Trump administration's favor on rolling back federal environmental permitting regulations. The US District Court for the District of North Dakota said earlier this month that CEQ doesn't have legal authority to issue rules.

The New York Times: FEMA Quietly Eases Rules Meant to Protect Buildings in Flood Zones

The Federal Emergency Management Agency has decided to stop enforcing rules designed to prevent flood damage to schools, libraries, fire stations and other public buildings. Experts say the move, which has not been publicly announced, could endanger public safety and may be in violation of federal law. The change in policy was laid out in a Feb. 4 memo by FEMA's chief counsel, Adrian Sevier, that was viewed by The New York Times. The rule in question, called the Federal Flood Risk Management Standard, was one of the Biden administration's most significant efforts to address the growing costs of disasters. The rule says that when public buildings in a flood zone are damaged or destroyed, those structures must be rebuilt in a way that prevents future flood damage if they are to qualify for FEMA funding. That could include elevating a structure above the expected height of a future flood or relocating it to a safer spot. In some cases, the standards also apply to private homes repaired or rebuilt in a flood plain.

Axios: What's behind Brett Guthrie's targeting of Medicaid

New House Energy and Commerce Chair Brett Guthrie (R-Ky.) has pushed for changes to Medicaid since his days as a state legislator. Now he's one of the main drivers behind what could become a sweeping overhaul of the safety net program. Why it matters: Guthrie is pushing for spending limits that will be controversial as the House crafts a budget package. However, they could provide almost \$900 billion to help extend the Trump 2017 tax cuts. Catch up quick: He's pushing for "per capita caps," which would give states a fixed maximum amount of money for each person on Medicaid.

POLITICO: DOE guts numerous offices in layoffs (\$)

The Energy Department's purge of probationary employees that eliminated hundreds of workers last week made deep cuts across its clean energy programs and power marketing administrations, according to Democratic lawmakers, affected staffers and former DOE officials. DOE was set to lose more than 11 percent, or 1,800, of its roughly 16,000 employees as of Friday, according to Senate Appropriations ranking member Patty Murray (D-Wash.). Many of those employees worked on climate and infrastructure programs that were expanded under the Biden administration, while others did critical work to keep the lights on across the West, she said. ... The department's National Nuclear Safety Administration, Loan Programs Office, Office of Clean Energy Demonstrations, Office of Energy Efficiency and Renewable Energy, Grid Deployment Office, Office of Manufacturing and Energy Supply Chains, Joint Office of Energy and Transportation, Bonneville Power Administration and Western Area Power Administration were among the offices hit. The full extent of the firings remains unclear, and the department moved to restore some positions in the following days.

Punchbowl: Flood charts the GOP housing agenda

America's housing shortage isn't new. But Rep. Mike Flood (R-Neb.) wants to breathe fresh life into the issue among Republicans on the House Financial Services Subcommittee on Housing and Insurance. ... Today, Flood says it's time to work with Hill Democrats. Democrats have spent much of the last decade trying and failing to advance housing solutions at the national level, but House Republicans haven't made it a consistent focus. (The Senate Banking Committee is a different matter.) ... The agenda: Flood sees three big "buckets" for his subcommittee Republicans to focus on: housing programs, insurance reform and releasing government-sponsored enterprises from conservatorship. In housing, reauthorization is the name of the game for Flood. There are a lot of federal housing programs that haven't been formally reauthorized in years, just extended. Flood says it's time to look under the hood.

Bloomberg: Steve Bannon, US Hospitals Join GOP Rebellion Over Medicaid Cuts

A quiet rebellion among Republicans representing working-class and low-income areas against President Donald Trump's legislative agenda has picked up some powerful new allies: US hospitals and conservative agitator Steve Bannon. The party's leaders have worked to placate budget hawks and Republicans in high-tax and high-income areas who have dominated the GOP debate over the extension of Trump's 2017 tax cuts and the corresponding cost-cutting crusade led by billionaire Elon Musk, Trump's most prominent adviser. Now the party's biggest target — the Medicaid health-care system that insures 72 million low income and disabled people — threatens Trump's agenda in a House where only a few Republican defectors could sink it.

Bloomberg: Trump Ends Climate Work Inside Agency That Responds to Disasters

The top officials at the US Department of Homeland Security received a memo on Friday ordering an immediate stop to work connected to climate change and the elimination of climate-related terms across the agency. The memo instructs senior office heads to "eliminate all climate change activities and the use of climate change terminology in DHS policies and programs, to the maximum extent permitted by the law," according to the document seen by Bloomberg News. The changes are meant to bring "alignment" with Trump's executive orders that reverse multiple climate-related orders by former President Joe Biden, it said. The directive from DHS Secretary Kristi Noem marks the latest move by President Donald Trump and his appointees to roll back federal efforts to address global warming and could affect disaster response capabilities which are overseen by DHS.

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