**Our View from Washington, D.C. -- February 2018**

Although White House personnel resignations, domestic abuse allegations, leaks and infighting between White House staff dominate the news headlines, it’s also been a month of action on substantive policy issues – both in the White House and in Congress. Trade, infrastructure, immigration, health care, disaster funding all received their time in the spotlight.

After two brief government shutdowns (due to bitter debate on the fate of the DACA “Dreamers” program), and subsequent deadline extensions, Congress finally passed a two-year bi-partisan budget agreement, putting an end to the short-term “kick the can” budget extensions. The bill will increase spending by about $300 billion over the next two years (including $90 billion for disaster funding) and raises the debt ceiling until March 2019. Another deadline now looms—appropriators must divvy up the funding to relevant government agencies in an omnibus spending bill by March 23.

While Congress scrambles to designate funding for 2018 programs (including funding levels for federal grant programs), the White House released its budget priorities for the next fiscal year, 2019 (which actually begins Oct. 1st of this year). Everyone in Washington understands that no matter who is President, his Budget is dead on arrival when it reaches Capitol Hill, even when the same party controls Congress and the White House. The spending cuts proposed are largely symbolic as Members of Congress will be hesitant to enact budget cuts on popular programs during an election year.

In the midst of the budget fervor, the Trump Administration released their highly anticipated “Infrastructure Principles” document – detailing goals for his oft-touted comprehensive infrastructure plan. With the release of the 55-page document, the baton was passed to Congress to begin the bill drafting process. What you can expect—less revenue contributed by the federal government ($200 billion over 10 years rather than $1.5 trillion), a focus on rural infrastructure, expedited environmental permitting processes, and some tweaks to existing grant programs.

While all eyes have been on Washington this month, trade talks have played out quietly in other corners of the world. In Montreal, slow progress was made on NAFTA renegotiation. The Trump Administration appears to have heard the cries of governors, farmers, and other stakeholders from key election states to remain in NAFTA. It’s expected that talks will stretch past the initial deadline of the Mexican election, taking place this July. While at the World Economic Forum in Davos Switzerland, President Trump hinted at a possible re-entrance into the Trans-Pacific Partnership agreement, raising the hopes of many. No further mention of TPP has been made since his return to the U.S.

Between trade agreements, an infrastructure plan, appropriations, and an immigration resolution, Congress and the White House have a lot to accomplish this spring. As the 2018 elections approach, politicians face pressure to prove to their constituents that they passed something (or conversely, prevented something “bad” from being enacted) during their time in Washington. This could play out in one of two ways: either Democrats and Republicans fight each other until the bitter end to prove that they will not compromise their party ideals OR a mutual desire to pass sweeping legislation could lead to compromise and bi-partisan agreement. These next several months will play a pivotal role in shaping voters’ perceptions of their lawmakers in advance of the 2018 elections.