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Capital Snapshot

July 2025

This Month's Capital Snapshot Deck Includes:

- Overview of the 119th Congress, including party breakdown of each chamber, the upcoming congressional schedules, and key dates
- An overview of the One Big Beautiful Bill Act (OBBBA) ([H.R. 1](#)/[P.L. No: 119-21](#)), which has now been signed into law
- An update on the state of play for FY26 federal appropriations
- Legislative and policy updates across a variety of key policy areas
- Current public opinion polling on President Trump's job performance and policy priorities
- Economic factors that could impact the future political landscape

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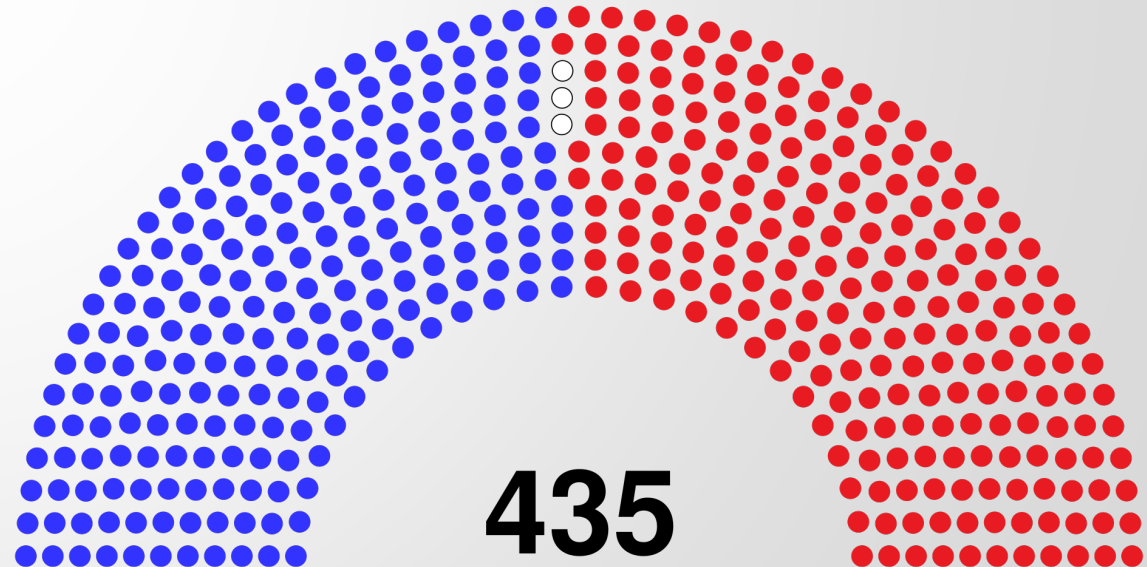
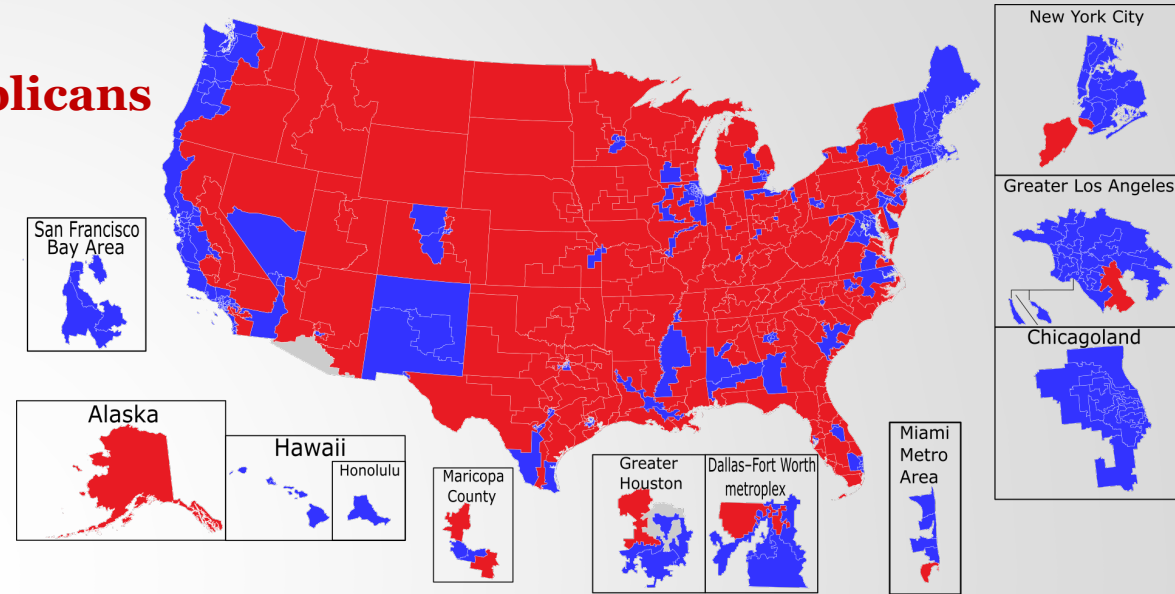
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Current State of Play for the 119th Congress

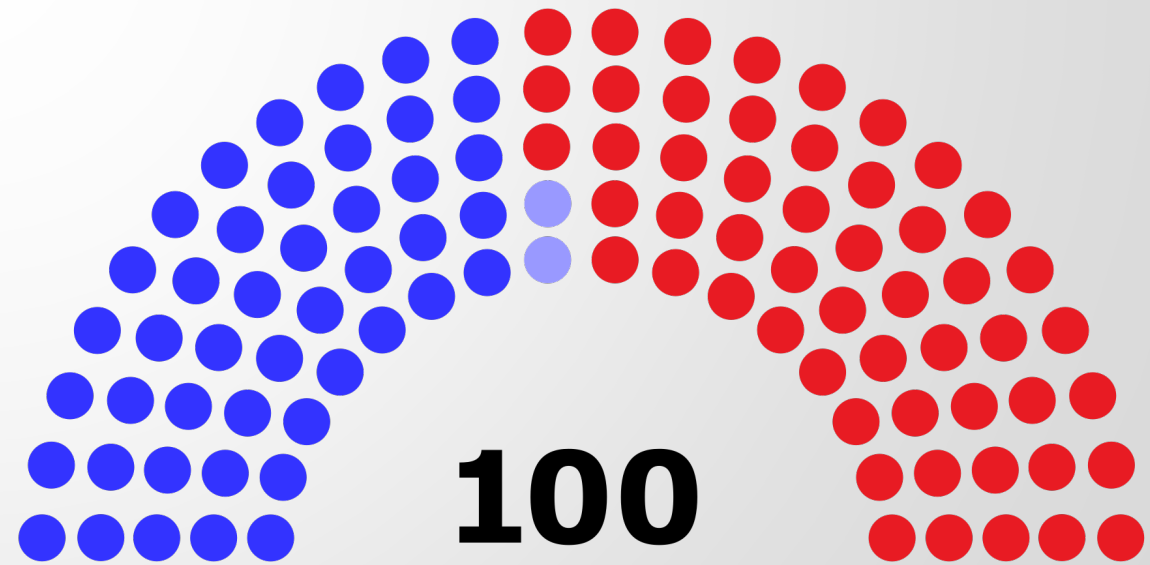
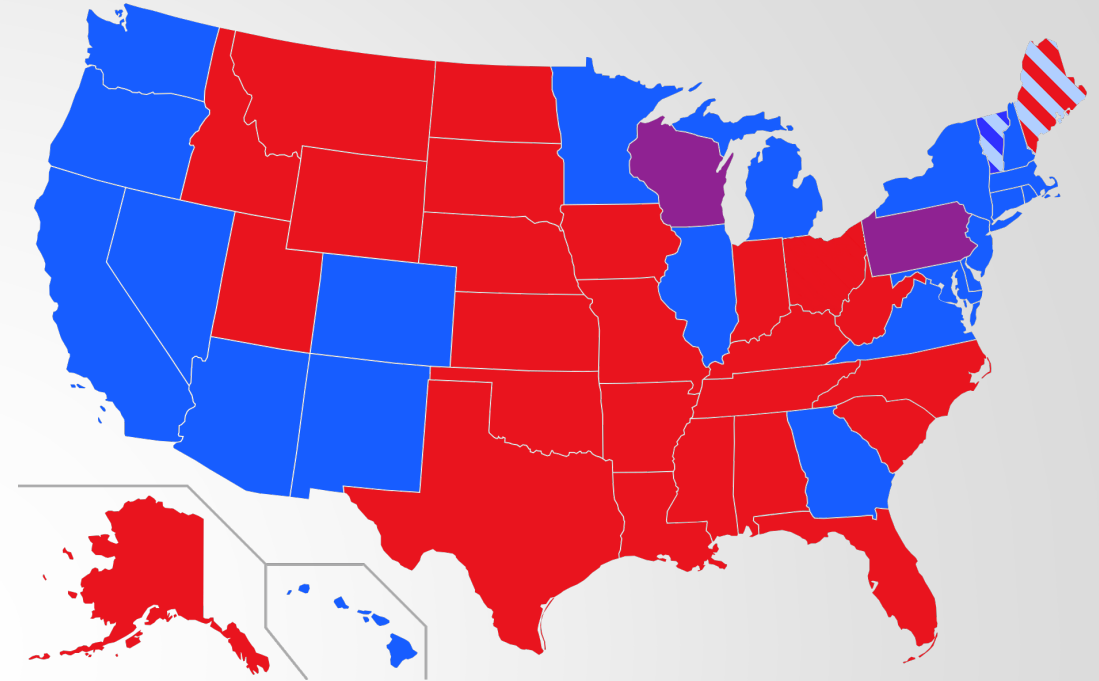
Current House — 119th Congress

- Republicans currently hold a narrow majority (**220 Republicans** - **212 Democrats**), which is just a *three-vote* majority.
- The House currently has three vacancies:
 - Rep. Sylvester Turner (D-TX-18) passed away on March 5, 2025.
 - Special election November 4, 2025 (**Safe D**)
 - Rep. Raúl Grijalva (D-AZ-7) passed away on March 13, 2025.
 - Special election September 23, 2025 (**Safe D**)
 - Rep. Gerry Connolly (D-VA-11) passed away on May 21, 2025.
 - Special election September 9, 2025 (**Safe D**)
- Rep. Mark Green (R-TN-7) recently announced his retirement from Congress, effective on July 20, 2025.
 - Special election rating: **Safe R**
 - The special election has not been announced yet, but is expected in the fall.
- Likely outcome after all special elections are held: **220 Republicans** and **215 Democrats**, which would be a *two-vote* GOP majority.



Current Senate — 119th Congress

- Republicans currently hold a 53-47 majority, which is the same majority they held when they last controlled the Senate (January 2021).
- Two independent Senators caucus with Democrats: Senator Angus King (I-ME) and Senator Bernie Sanders (I-VT).
- Vice President J.D. Vance, who also serves as the Senate President, can cast a tie-breaking vote if the final vote on any legislation or nominee is tied at 50-50.
 - Since assuming the office, Vice President Vance has cast five tie-breaking votes, including on final Senate passage of the One Big Beautiful Bill Act (OBBBA) ([H.R. 1](#)).
 - Former Vice President Kamala Harris holds the record for most Senate tie-breaking votes, with 33.





119th Congress Calendars

2025 Senate Calendar

- The Senate currently plans to be in session for 37 weeks (179 legislative days), a longer period than each year of the previous Republican Senate majority from 2015 to 2020.
- By comparison, in 2024, the Senate was in session for 29 weeks (102 legislative days).
- The Senate did not have its first recess of 2025 until the week of March 17, largely due to work to confirm President Trump's cabinet and administration appointees.
- The Senate is expected to begin its annual August recess on August 4, 2025, with the potential for August 1 if the Senate adjourns early.
- There are 72 legislative days left in the Senate for the remainder of this year, though it could be less since the Senate adjourns before Friday some weeks.

JOHN BARRASSO
Majority Whip

DICK DURBIN
Democratic Whip

UNITED STATES SENATE
119th Congress, 1st Session
2025

TENTATIVE SCHEDULE

JANUARY							FEBRUARY							MARCH						
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26	27	28	29	30	31		23	24	25	26	27	28		23	24	25	26	27	28	29
SENATE CONVENES JANUARY 3, 2025														30 31						
APRIL							MAY							JUNE						
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JULY							AUGUST							SEPTEMBER						
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OCTOBER							NOVEMBER							DECEMBER						
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19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	⑮	26	27
26	27	28	29	30	31		23	24	25	26	⑲	28	29	28	29	30	31			
							30													

Red dates = Senate not in session
○ = Federal Holiday

1ST SESSION CONVENES—JANUARY 3, 2025
TARGET ADJOURNMENT—DECEMBER 19, 2025

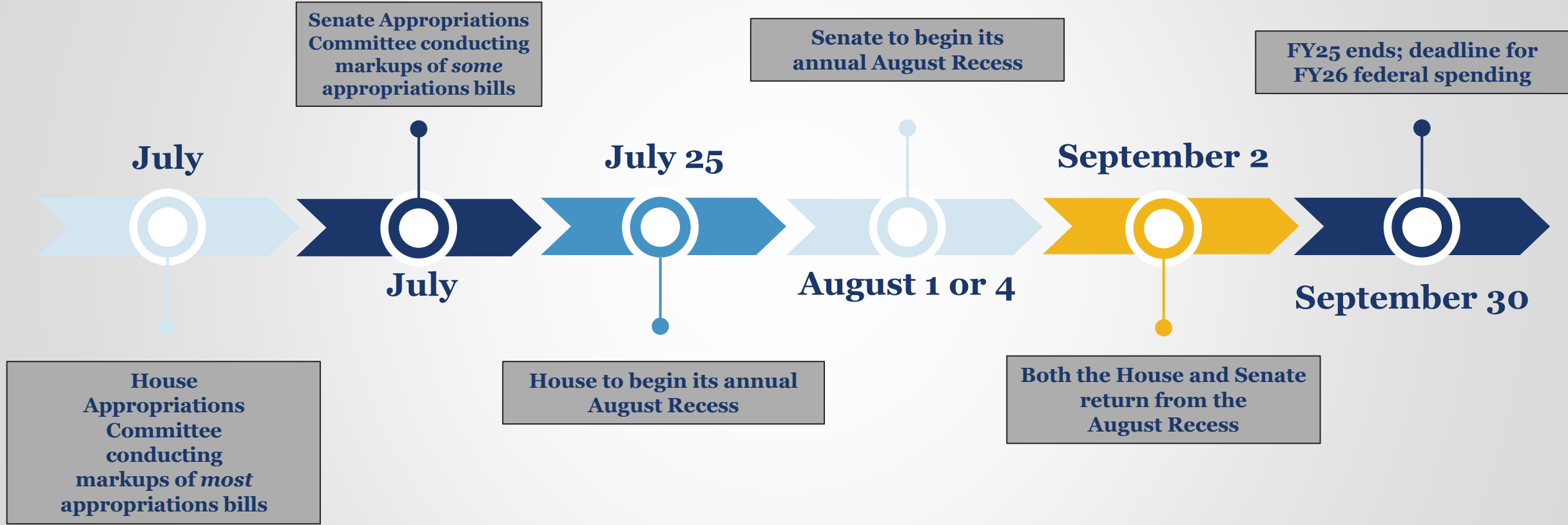
GPO: 2024 57-753 (mac)

2025 House Calendar

- This will continue to be a busy year for the House, which expects to be in session for 33 weeks (134 legislative days).
- By comparison, in 2024, the House was in session for 28 weeks (110 legislative days).
- The longest session stretch will come October 7 to November 6, 2025, when the House will be in session for five straight weeks.
- The House is expected to start August recess on July 25, 2025.
- There are 58 legislative days left in the House for the remainder of this year.



Congressional Key Dates





Reconciliation and Appropriations

The One Big Beautiful Bill Act (OBBBA) Becomes Law

- President Trump officially [signed](#) the One Big Beautiful Bill Act (OBBBA) ([Senate amendment to H.R. 1](#)) into law at the White House on July 4, 2025.
- This came after the Senate passed the amended legislation in a [51-50](#) vote on July 1, 2025, with Vice President JD Vance breaking the 50-50 tie, and the House then passing the bill in a [218-214](#) vote on July 3, 2025.
 - Senators Susan Collins (R-ME), Rand Paul (R-KY), and Thom Tillis (R-NC) voted with all Senate Democrats in opposition.
 - In the House, two Republicans – Reps. Brian Fitzpatrick (R-PA) and Thomas Massie (R-KY) – joined all 212 Democrats in voting against the measure.
- The version of the OBBBA that reached the president's desk was [amended](#) by the Senate before their final vote on July 1, 2025, which is the version the House then ultimately passed on July 3, 2025.



President Donald Trump signs the One Big Beautiful Bill Act (OBBBA) into law on July 4, 2025, accompanied by congressional Republicans

The One Big Beautiful Bill Act (OBBBA) Becomes Law

- The OBBBA is sweeping legislation that contains provisions across a variety of policy areas. Topline components of the bill include:
 - Extensions of many of the Trump tax cuts from the Tax Cuts and Jobs Act of 2017 (TCJA), with some tax reforms extended on a permanent basis.
 - Reforms to Medicaid that will reduce roughly \$930 billion in federal support to the program.
 - Over \$150 billion in new funding for the Department of Defense.
 - Over \$120 billion in new funding for immigration and border enforcement.
 - Cuts funding to nutrition assistance and anti-hunger programs, such as the Supplemental Nutrition Assistance Program (SNAP), by \$185 billion.
 - Significant modifications/repeal of many clean/renewable energy tax credits and subsidies from the Inflation Reduction Act (IRA).
 - Provisions that seek to expand oil and gas leasing.
 - Raises the debt ceiling by \$5 trillion.
- For more information on specific provisions in the legislation, please see the relevant policy-specific slides in this Advisory.
- The Congressional Budget Office (CBO) [projects](#) that the OBBBA will increase the federal deficit by \$3.4 trillion over the next decade.
 - The bill is [forecast](#) to cut spending by over \$1.2 trillion, but decrease revenues by almost \$4.6 trillion.



House Speaker Mike Johnson (R-LA) signs the One Big Beautiful Bill Act (OBBBA) before sending the bill to the White House for the president's signature

House FY26 Appropriations Process



House Appropriations Chair Tom Cole (R-OK)

- In June, the House Appropriations Committee held subcommittee and full committee appropriations [markups](#) on several FY26 spending bills, including: Agriculture-FDA, Defense, Legislative Branch, Military Construction, Veterans Affairs, and Homeland Security.
- The Republican-drafted appropriations bills were approved by the full committee, largely on party-line votes after lengthy markups.
- On June 25, 2025, the House passed the FY26 Military Construction, Veterans Affairs (MilConVA) appropriations bill ([H.R. 3944](#)) in a 218-206 party-line vote with two Democrats, Reps. Jared Golden (D-ME) and Marie Gluesenkamp Perez (D-WA), supporting the measure.
- Additional spending bills advanced out of the committee are expected to be considered on the House floor in the coming weeks.
- In July, the House will continue its ambitious markup schedule. While the House Appropriations Committee Chairman Tom Cole (R-OK) aimed to complete markups on all 12 annual spending bills before the August recess, multiple spending bills have been postponed or rescheduled.
- The following bills are slated for markups in July, which is subject to change:

Bill	Markup Dates
Transportation, Housing and Urban Development	Subcommittee – July 14 Full committee – July 17
Labor, Health and Human Services, Education	Subcommittee – July 21 Full committee – July 24

Senate FY26 Appropriations Process



Senate Appropriations Vice Chair Patty Murray (D-WA)
and Chair Susan Collins (R-ME)

- The Senate Appropriations Committee will begin its markups on July 10, 2025 for the FY26 Agriculture-FDA, Commerce-Justice-Science, and Legislative Branch spending bills.
- The committee is kicking off its markup process, despite the lack of an agreement on topline funding levels by appropriations leadership.
- During a June 25, 2025 [hearing](#) to consider President Trump's rescission package ([H.R. 4](#)), Vice Chair Patty Murray (D-WA) said progress was being made on the FY26 topline funding levels but warned the process would "break down" if the rescissions package were passed.

President Trump's Rescissions Package



President Donald Trump and Speaker Mike Johnson (R-LA)

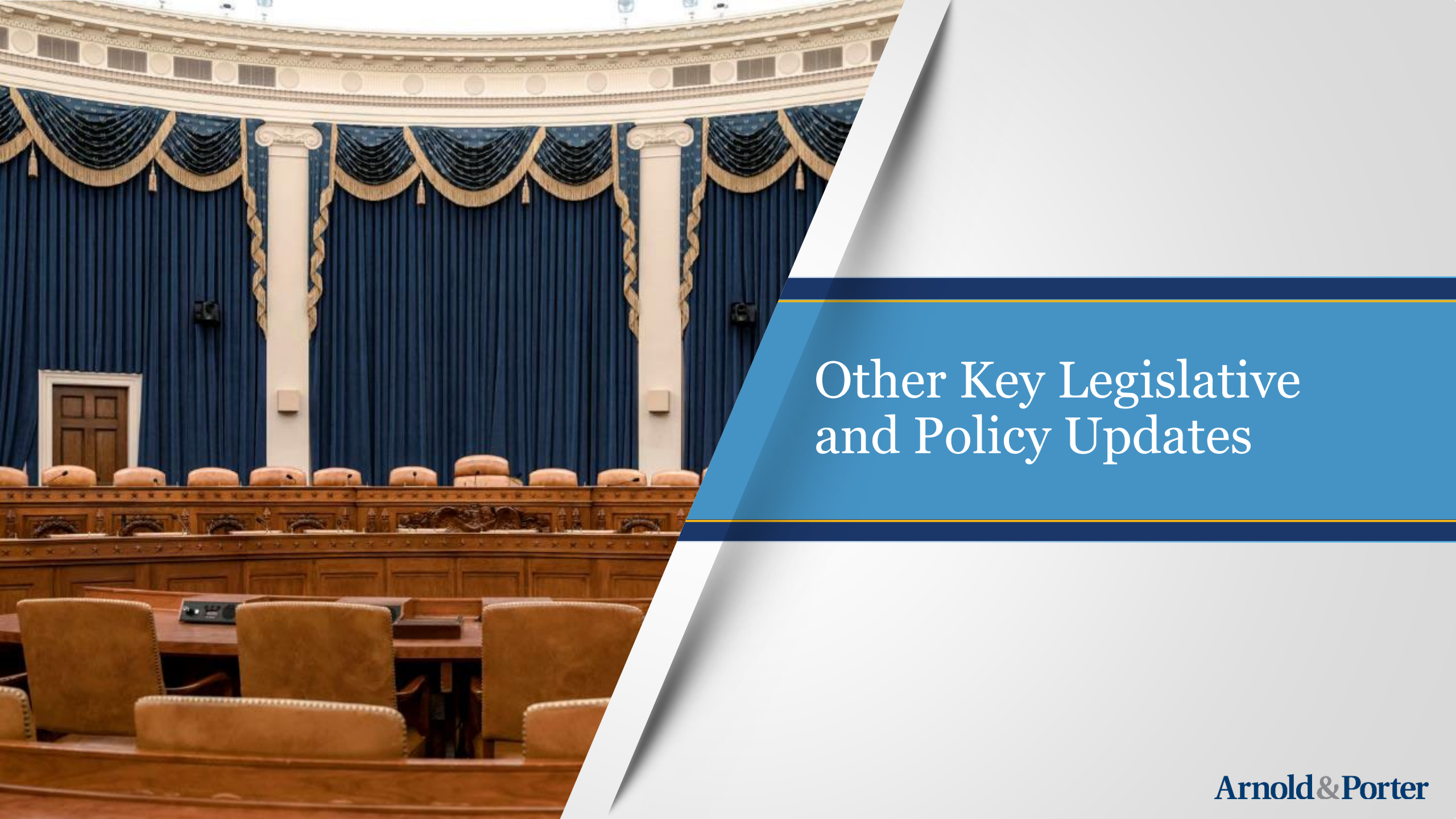
- On June 12, 2025, the House narrowly approved on a party-line vote President Trump's rescission package ([H.R. 4](#)).
 - The \$9.4 billion package would revoke FY24 and FY25 funds from accounts under the Department of State, USAID, the United States Institute of Peace, the Corporation for Public Broadcasting, and other international assistance programs. Congress must act on the rescission proposal by July 18, 2025, or the funds will be released.
- On June 25, 2025, the Senate Appropriations Committee held a [hearing](#) to consider the rescissions package.
 - Multiple Republican appropriators, including Chair Susan Collins (R-ME), expressed concerns about the package's proposed cuts for global HIV/AIDS prevention. Additionally, a few Republicans have expressed concerns regarding cuts to public broadcast funding, impacting their rural states.
- The package only requires a simple majority (51 votes) to pass, so four Republicans would need to oppose the measure to block its passage.
 - Senate leadership has not announced whether the Appropriations Committee will hold a markup to revise the House-passed rescissions bill. If the Senate adopts any changes, the House will need to vote on the measure again before the July 18, 2025 statutory deadline.

Future Rescissions and “Pocket Rescissions”



Office of Management and Budget (OMB) Director Russ Vought

- President Trump has signaled plans to issue future rescissions packages if the current rescissions package is signed into law.
- Additionally, Office for Management and Budget (OMB) Director Russ Vought has suggested “pocket rescissions” to codify additional cuts (that have already been appropriated) without congressional approval.
- According to Director Vought, by sending a rescissions memorandum with less than 45 days remaining in the fiscal year, the White House can claim the proposed funding cuts as “expired” regardless of congressional action.
- The suggestion has received pushback from senior Republican appropriators, including Senate Appropriations Committee Chair Susan Collins (R-ME) calling the move “illegal.”



Other Key Legislative and Policy Updates

Tax – Final Reconciliation Corporate Provisions

- **Global Intangible Low-Taxed Income (GILTI) and Foreign Derived Intangible Income (FDII)** – Modifies the deduction for foreign-derived eligible income and Net Controlled Foreign Corporation (CFC) tested income to 33.34% and 40% (Sec. 70321). GILTI has been renamed to “Net CFC Tested Income” (Sec. 70323). FDII has been renamed to “Foreign-Derived Deductible Eligible Income” (Sec. 70323).
- **Base Erosion Alternative Tax (BEAT)** – Increases current BEAT rate of 10% to 10.5%, effective for tax years beginning after December 2025 (Sec. 70331).
- **199A Pass-Through** – Amends the tax code for non-joint filers from \$50,000 to \$75,000 and makes the previous extension set to expire under the Tax Cuts and Jobs Act (TCJA) permanent.



Senate Finance Committee Chairman Mike Crapo (R-ID) discusses Senate reconciliation proceedings

Tax – Final Reconciliation Corporate Provisions

- **Research and Development Deduction** – Reinstates the deduction of 100% of the costs of U.S. domestic research and development (R&D) expenses, permits immediate deduction, retroactively, for qualifying domestic R&D expenditures incurred from tax year 2022 onward, and retains the option to amortize over five years. Foreign R&D expenses are excluded from the 100% deduction and must continue to be amortized over 15 years (Sec. 70312).
- **Permanently Extends Bonus Depreciation** – Reinstates 100% bonus depreciation for certain property placed in service after January 19, 2025 (Sec. 70301).
- **New U.S. Manufacturing Deduction** – Creates a temporary 100% deduction for certain property used for the manufacturing, production, or refining of any tangible personal property constructed between January 20, 2025 and December 2028 and placed into service before 2031 (Sec. 70307).
- **Inflation Reduction Act (IRA) Tax Credits** – While the Senate softened the House's gutting of IRA tax credits, the expedited phase out of several IRA tax credits remain, including the Advanced Manufacturing Production Credit (45X), Clean Electricity Production Credit (45Y), and Clean Electricity Investment Credit(48E), with respect to construction start dates and placed in service dates. (Secs. 70501-70531).
- **Advanced Manufacturing Investment Tax Credit (48D)** – Increases the investment tax credit for semiconductor manufacturing from 25% to 35%, effective for property placed in service after December 31, 2025 (Sec. 70308).



House W&M Chairman Jason Smith (R-MO) and Speaker Mike Johnson (R-LA) discuss the reconciliation bill

Tax – Final Reconciliation Individual Provisions

- **Makes 2017 TCJA Individual Tax Rates and Standard Deduction Permanent** – Makes permanent the individual income tax rates from the Tax Cuts and Jobs Act (TCJA) originally enacted in 2017 (Sec. 70101) and permanently increases the standard deduction amounts (Sec. 70102).
- **Increases SALT Deduction Limit** – Temporarily increase the current limit of \$10,000 to \$40,000 per household for incomes under \$500,000 through 2029 (Sec. 70120).
- **Ends Consumer IRA Tax Credits** – Accelerates termination dates for certain consumer credits (Secs. 70501-70508) and removes the House-passed transition exceptions for 30D and 45W.
 - **Home Upgrades:** Energy Efficient Home Improvement Credit (25C) and Residential Clean Energy Credit (25D).
 - **EVs:** Previously-owned Clean Vehicle Credit (25E); New Clean Vehicle Credit (30D); Alternative Fuel Vehicle Refueling Property Credit (30C); and Commercial Clean Vehicle Credit (45W).



Chairman Mike Crapo (R-ID) (right) and Ranking Member Ron Wyden (D-OR) (left) during a Senate Finance Committee hearing

Tax – Final Reconciliation Other Key Provisions

- **Endowment Tax for Private Universities** – Increases the excise tax from 1.4% net investment income for schools with an endowment of \$500,000 or more per student, which is current law, to 4% for schools with an endowment of more than \$750,000 but less than \$2 million per student, and 8% for those schools with endowments of more than \$2 million per student. These changes are less extreme than the House-passed bill, which placed the top rate at 21% (Sec. 70415).
- **Employer-Provided Childcare Tax Credit** – Permanently increases the employer-provided childcare credit (45F) from 25% to 40% of qualified childcare expenditures (and from 25% to 50% for eligible small businesses). The total credit limit would increase from \$150,000 to \$500,000 (\$600,000 for small businesses) per tax year, beginning in 2026 (Sec. 70401).
- **Increases Childcare Tax Credit** – Permanently increases the value of the nonrefundable portion of the child tax credit from \$2,000 to \$2,200 per child, beginning in 2026. Further updates credit eligibility to ensure that at least one taxpayer and qualifying children have a valid Social Security Number (Sec. 70104).
- **529 Savings Accounts** – Expands eligible uses of 529 accounts for additional elementary, secondary, or home-schooling enrollment or attendance expenses and increases the contribution limit from \$10,000 to \$20,000, beginning in 2026 (Sec. 70413). The bill permits 529 accounts to be used for other post-secondary credentialing and related expenses for programs listed on the U.S. lists of eligible Workforce Innovation and Opportunity Act offerings, effective for distributions made after the date of enactment (Sec. 70414).

Tax – Key Provisions Removed During Senate Consideration Reconciliation

- **Section 899 “Revenge Tax”** – The bill does not include the House-passed Sec. 899 tax proposal (often referred to as the “Revenge Tax”).
- **Endowment Tax for Private Foundations** – The Senate did not agree with the House’s proposal to increase the tax rate on the net investment income of private foundations with assets of \$50 million or greater at graduated rates up to 10% for foundations with assets of \$5 billion or greater.
- **GILTI in U.S. Virgin Islands** – The Senate did not agree with the House’s proposal to include income from personal services performed in the U.S. Virgin Islands from GILTI, and thus it was not included in the final bill.
- **Excise Tax on Third-Party Litigation** – The bill does not include the third-party litigation excise tax as proposed in the initial draft from the Senate Finance Committee. The Senate Parliamentarian ruled that the provision violated the Byrd Rule, so the provision was taken out of the bill.
- **Excise Tax on Wind and Solar** – The bill does not include an excise tax on wind and solar developments, which was proposed in the Senate’s manager amendment during the last week of bill debate.



Treasury Secretary Scott Bessent, responsible for orchestrating the removal of the “Revenge Tax”

Tax – Administration Update

- **Secretary Bessent Secures U.S. Exemption From Pillar 2** – Treasury Secretary Scott Bessent announced an agreement with G7 nations that exempts American companies from the OECD's Pillar Two tax framework. In exchange for this exemption, Secretary Bessent requested that Congressional leaders remove the proposed Section 899 from the One Big Beautiful Bill that would have established a revenge tax against foreign trade partners.
- **Billy Long Confirmed as IRS Commissioner** – The Senate [confirmed](#) the nomination of former Rep. Billy Long (R-MO) to serve as Commissioner of the Internal Revenue Service (IRS) in a party-line vote of 53-44. Democrats opposed Long's nomination, questioning his overall lack of experience and his ties to companies that use suspicious tax credits.
- **Kenneth Kies Confirmed for Top Treasury Tax Post** – The Senate [confirmed](#) Ken Kies to serve as Assistant Secretary of the Treasury for Tax Policy on a party-line vote of 53-45. In this capacity, he will be responsible for analyzing, developing, and implementing federal tax policies and programs.



Former Rep. Billy Long (R-MO), who was recently confirmed as Commissioner of the IRS

Financial Services – Stablecoin Legislation Update



House Financial Services Committee Chairman
French Hill (R-AR)

- **Senate Passes GENIUS Act.** On June 17, 2025, the Senate passed the GENIUS Act ([S. 1582](#)) in a bipartisan vote of 68-30, with 18 Democrats joining most Republicans in supporting the measure. Sens. Josh Hawley (R-MO) and Rand Paul (R-KY) voted against the bill.
 - The Financial Services Committee previously [reported](#) out its own approach to stable coin regulation, the STABLE Act ([H.R. 2392](#)), in May.
- **House Advances CLARITY Act.** On June 11, 2025, the House Financial Services Committee (HFSC) passed the CLARITY Act ([H.R. 3633](#)) in a bipartisan vote of 32-19. The bill also passed the House Agriculture Committee.
 - The CLARITY Act would establish a regulatory framework for digital assets, splitting jurisdiction between the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC).
- **What's Next:** House Republican leadership plans to bring the bill to the floor the week of July 14, 2025, which HFSC has dubbed “Crypto Week.” The House will also consider the Anti-Central Bank Digital Currency (CBDC) Surveillance State Act ([H.R. 1919](#)) and the Senate’s GENIUS Act.

Financial Services – Administration Update

- **Federal Reserve Unveils Stress Test Results.** On June 27, 2025, the Federal Reserve published the [results](#) of its annual stress test. All 22 banks tested remained above their minimum common equity tier 1 (CET1) capital requirements and would be well-positioned to weather a severe recession.
- **Kenneth Kies Confirmed for Top Treasury Tax Role.** On June 26, 2025, the Senate [confirmed](#) Kenneth Kies to serve as Assistant Secretary of the Treasury for Tax Policy in a party-line vote of 53-45. Sens. Ed Markey (D-MA) and Catherine Cortez Masto (D-NV) did not attend the vote.
 - Kies was a prominent tax lobbyist for over two decades and previously held senior positions at the House Ways and Means Committee and the Joint Committee on Taxation.



Assistant Secretary of the Treasury for Tax Policy
Kenneth Kies

Trade – Final Reconciliation Provisions



Speaker of the House Mike Johnson (R-LA)
and Majority Leader Steve Scalise (R-LA)

- July 4, 2025 – President Trump signed the reconciliation bill, which contains the following trade provision:
 - **De Minimis:** Provisions to (1) repeal the *de minimis* exception for all commercial imports, effective July 1, 2027, and (2) establish civil penalties of \$5,000 for the first violation and \$10,000 for subsequent violations of exploiting *de minimis* shipping to violate other laws, effective 30 days after enactment of the bill (Sec. 70531).

Notable amendments filed but not introduced include:

- **Federal Excise Tax:** This was in the House bill but not the Senate/final version. Sen. Mike Lee (R-UT) filed an [amendment](#) to limit the “double drawback” excise tax loophole on tobacco imports, but the amendment was never offered.
- **Miscellaneous Tariff Impacts:**
 - A. Sen. Andy Kim (D-NJ) sought to [compensate](#) U.S. manufacturers for increases in costs of inputs attributable to tariffs, to make [payments](#) to low- and middle-income households if tariff revenue exceeded \$25 billion in a fiscal quarter, and to [terminate](#) tariffs imposed by the president three years after imposition unless extended by Congress.
 - B. Sen. Ed Markey (D-MA) filed an [amendment](#) for relief for small businesses from the tariffs.
 - C. Sen. Brian Schatz (D-HI) proposed an [amendment](#) to exempt goods impacting consumer costs for rural and low-income communities from duties.

Trade – U.K Framework Agreement

- On June 16, 2025, President Trump signed an [executive order](#) implementing the framework of the May 8, 2025, U.S.-UK Economic Prosperity Deal. Notable outcomes of the announced framework include:
 - U.S. promise to allow 100,000 UK-made passenger vehicles to enter the United States at a 10% tariff rate.
 - UK-made auto parts for use in UK vehicles are exempt from higher tariffs and subject to 10% total duty rates.
 - Preferential tariff treatment is provided for certain commercial aircraft parts.
 - Other anticipated provisions, including a tariff rate quota (TRQ) for UK-made steel and aluminum products, have not yet been finalized and implemented.



President Donald Trump and
UK Prime Minister Keir Starmer

Trade – China Framework Agreement



Chinese President Xi Jinping and
President Donald Trump

- On June 26, 2025, the United States and China announced they had signed a framework agreement to de-escalate trade tensions.
 - Dialogue restarted after a phone call in early June between President Trump and President Xi, as well as a round of trade talks in London.
 - The agreement does not substantially change the terms of the Geneva agreement. It keeps the 55% tariffs on China, and China will keep its 10% tariffs on the United States.
 - Following the deal, the Department of Commerce informed chip design software companies that “requirements to seek government licenses for business in China are no longer in place.”

Trade – Vietnam Framework Agreement

- On July 2, 2025, President Trump announced that the United States and Vietnam had reached a trade agreement framework. Available details are as follows:
 - Lowering planned tariffs on Vietnam from 46% to 20%.
 - Goods transshipped through Vietnam would be subject to 40% tariffs.
 - Vietnam would remove all tariffs on U.S. products.



Vietnamese Communist Party General Secretary To Lam

Trade – Tariff Negotiations With Other Countries

- July 7, 2025 – President Trump signed an [executive order](#) delaying implementation of reciprocal tariff rates until August 1, replacing the original July 9 deadline. President Trump [posted](#) on Truth Social that the U.S. would start delivering letters to various countries notifying them of tariff rates and possible deals. So far, letters have been sent to over a dozen countries.
- **EU:** Trade negotiations continue, and the EU [signaled](#) it may accept a 10% baseline tariff. Officials will seek reduced rates for autos, steel, pharmaceuticals, semiconductors, alcohol, and commercial aircraft. The EU aims to have a deal in place in mid-July.



EU Commission President Ursula von der Leyen and President Donald Trump

Trade – Tariff Negotiations With Other Countries

- **Korea:** On July 7, 2025, President Trump posted a [letter](#) to President Lee on Truth Social announcing 25% tariffs on Korea, starting August 1, 2025. Korea's new government is aiming for a summit between President Trump and President Lee later this summer.
- **Japan:** On July 7, 2025, President Trump posted a [letter](#) to Prime Minister Ishiba on Truth Social announcing 25% tariffs on Japan starting August 1, 2025. Japan's upcoming elections may delay a deal with the United States. In June, Japanese trade negotiator Ryosei Akazawa said Japan would not agree to the 25% auto tariff rates.



South Korean President Lee Jae-myung

Trade – Tariff Negotiations With Other Countries

- **India:** India's External Affairs Minister Subrahmanyam Jaishankar [stated](#) that negotiations are nearly complete and that there is a lot of “give and take” involved in finalizing the agreement. Treasury Secretary Scott Bessent [echoed](#) the remarks, stating that a deal with India is very close. Recent reporting suggests that U.S. market access for agricultural goods may be a sticking point for negotiations.
- **Canada:** President Trump [announced](#) he was terminating all trade discussions with Canada because of the country's new digital service tax (DST). In response to President Trump's indication that he would increase tariffs, Canada decided not to implement the DST.
- **Mexico:** The United States and Mexico are [reportedly](#) nearing a trade agreement on a quota system for Mexican steel. The reports indicate the fixed quota volume would be subject to a 10% tariff, while any imports exceeding the quota would be subject to the full 50% steel tariff. The quota volume will supposedly be set based on historical steel import volumes.



Prime Minister of India Narendra Modi and
President Donald Trump

Trade – IEEPA at CAFC



President Donald Trump and
Commerce Secretary Howard Lutnick

- On June 9, 2025, the U.S. Court of Appeals for the Federal Circuit stayed the Court of International Trade’s (CIT) permanent injunction on all of President Trump’s executive orders implementing tariffs under the International Emergency Economic Powers Act (IEEPA) pending the appeal of the case. The tariffs will remain in place while the CAFC considers the merits of the CIT’s earlier decision invalidating the IEEPA tariffs.
- The suit is running in parallel with a hearing at the U.S. Court of Appeals for the D.C. Circuit for the *Learning Resources, et al. v. Trump* case. The Department of Justice is appealing a district judge’s decision to grant a preliminary injunction against the administration’s reciprocal IEEPA tariffs.

Trade – Section 232 Investigations and Updates



Commerce Secretary Howard Lutnick

- **Derivatives Inclusions:** On June 16, 2025, the Department of Commerce [announced](#) new derivative products that will be subject to the steel Section 232 tariffs. The notice added a number of home appliance products to the list of derivatives covered by the 50% steel duties.
- **Auto Inclusions:** On June 24, 2025, the Department of Commerce issued a [press release](#) enabling domestic producers of automobile parts to request additional auto part article inclusions within the scope of Section 232 tariffs.

Defense – Budget

Department of Defense Budget

- The Department of Defense [released](#) additional FY26 budget justification documents on June 26, 2025.
- Lawmakers had grown increasingly frustrated over the budget delays in recent weeks, which were showcased during budget hearings held in June. Some of the department's budget materials have not been released yet.

FY26 Defense Appropriations

- On June 12, 2025, the House Appropriations Committee [advanced](#) (36-27) the FY26 defense appropriations bill, which would provide \$831.5 billion in discretionary funding (level with FY25 enacted).
- House Republican leaders plan to consider the FY26 defense spending bill on the floor the week of July 14.
- The Senate Appropriations Committee has not announced its markup date yet for its FY26 defense spending bill.

Reconciliation

- On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (OBBBA) ([H.R. 1](#)), which included \$150 billion in mandatory funding for key defense initiatives, including shipbuilding, quality of life initiatives for military personnel, and additional resources for supply chain resiliency, nuclear modernization, and border security.
- House and Senate Armed Services Committee Chairmen Mike Rogers (R-AL) and Roger Wicker (R-MS) touted the passage of the bill, which would make generational investments in national security.



House Appropriations Defense Subcommittee
Chairman Ken Calvert (R-CA)

Defense – National Defense Authorization Act (NDAA)

- After the passage of the reconciliation bill, the House and Senate Armed Services Committees (HASC and SASC) resumed work on their annual national defense authorization bills.
- SASC [scheduled](#) its NDAA subcommittee and full committee markups for the week of July 7, 2025. The SASC markup process is largely held in closed session. The bill text and additional details will be released following the markup.
- HASC will hold its full committee NDAA markup on July 15, 2025. The draft bill (also known as the Chairman's mark) was released ahead of the markup. The Chairman's mark:
 - Does not exceed the president's \$848 billion budget request (not including the \$150 billion in additional defense funding provided in the reconciliation package)
 - Includes the bipartisan SPEED Act ([H.R. 3838](#)), which would reform defense acquisition
 - Authorizes \$300 million for the Ukraine Security Assistance Initiative, which is a departure from the president's budget, which requested zero funding for the initiative
 - Authorizes \$1 billion for Taiwan Security Assistance to help deter China
- HASC members are expected to file and debate hundreds of amendments during their full committee markup process, before the bill is advanced to the floor for further consideration.



House Armed Services Committee
Chairman Mike Rogers (R-AL)

Artificial Intelligence



Sen. Ted Cruz (R-TX),
Chair of the Senate Commerce Committee

- On June 2, 2025, the FDA [launched](#) an agency-wide generative AI tool called “Elsa,” a large language model (LLM) built within the GovCloud platform of Amazon Web Services to support FDA staff by summarizing adverse events, accelerating clinical protocol reviews, and generating code for nonclinical applications. According to FDA Chief AI Officer Jeremy Walsh, Elsa will “grow with the needs of employees and the agency,” as the FDA plans to expand Elsa’s capabilities and integrate additional AI tools in the future.
- On June 30, 2025, the White House announced that the companies signed their “Pledge to America’s Youth, Investing in AI Education.” The pledge comes in response to the April 23, 2025 [executive order](#) on AI in education. Sixty-eight companies have signed the [pledge](#) so far.
- On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) ([H.R. 1](#)) was signed into law. During the vote-a-rama process in the Senate, Sen. Marsha Blackburn (R-TN) offered an amendment ([S. Amdt. 2814](#)) to remove the AI moratorium provision from the OBBBA ([H.R. 1](#)). The amendment was adopted by a vote of 99-1. Sen. Thom Tillis (R-NC) voted no on the amendment. The move comes after Sen. Blackburn withdrew her support on the [compromised AI deal](#) with Sen. Ted Cruz (R-TX).

Technology – Congressional Developments



FCC Chairman Brendan Carr (R)

- **Key Reconciliation Provisions:*** OBBBA restores the Federal Communications Commission’s (FCC) spectrum auction authority through 2034, but the authorization excludes certain frequency bands used by the Department of Defense and other federal agencies (Sec. 40002).
 - FCC is required to auction at least 300 megahertz of spectrum by 2034, including at least 100 megahertz of additional C-Band spectrum between 3.98-4.2 GHz in the next two years.
 - FCC and Department of Commerce’s National Telecommunications and Information Administration (NTIA) need to identify another 500 megahertz in covered band for “full-power commercial licensed use cases.” 200 megahertz must be identified in the next two years, and the remaining 300 megahertz within four years.
- **COPPA Markup:** On June 25, 2025, the Senate Commerce, Science, and Transportation Committee held an [executive session](#) to mark up five pieces of legislation, including the Children and Teens’ Online Privacy Protection Act (COPPA) ([S. 836](#)).
 - Two amendments were offered to the bill by [Chairman Ted Cruz](#) (R-TX) and [Sen. John Fetterman](#) (D-PA). Both were adopted, and the bill was voted out of committee by a unanimous vote.

**Note: The increase to the semiconductor manufacturing investment credit (48D) is covered in the Tax Update section.*

Technology – Congressional Developments

- **BIS Budget Hearing:** On June 12, 2025, Under Secretary of Commerce for Industry and Security Jeffrey Kessler appeared before the House Foreign Affairs' Subcommittee on South and Central Asia to discuss the Administration's FY26 budget request for the Commerce Department's Bureau of Industry and Security (BIS).
 - The technical supplement to the president's 2026 budget request proposes increasing BIS' budget to \$311 million in FY26, from \$205 million in FY25.
 - Democrats questioned Under Secretary Kessler's role in the U.S.-China trade talks and whether his participation meant the Trump administration was putting export controls on the table for negotiations. Full Committee Ranking Member Gregory Meeks (D-NY) said that he was "deeply concerned" about the administration mixing export controls, which require national security justification, with trade negotiations.
 - Under Secretary Kessler declined to discuss the discussions between the U.S. and China negotiators, but said he was "confident" that export controls with respect to AI technologies would remain strong.



Under Secretary of Commerce for
Industry and Security Jeffrey Kessler

Technology – Administration Developments

- **Dabbar Confirmed:** On June 25, 2025, the Senate confirmed Paul Dabbar to serve as Deputy Secretary of the Department of Commerce (DOC) in a 56-40 vote. The vote was split mostly along party lines, with all but three Democrats — Sens. Maria Cantwell (D-WA), Amy Klobuchar (D-MN), and Mark Warner (D-VA) — voting against it. All Republicans except for Sen. Rand Paul (R-KY) voted for Dabbar's nomination.
 - Democrats opposing Dabbar's nomination cited concerns over the future of the Broadband, Equity, Access, and Development (BEAD) program, which Dabbar will likely help implement.
 - Dabbar previously served as Under Secretary for Science at the Department of Energy during President Trump's first term.



Deputy Secretary of Commerce Paul Dabbar

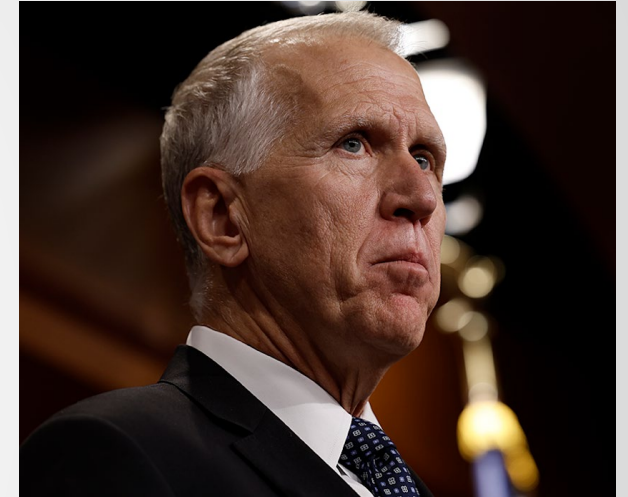
Technology – Administration Developments



- **TikTok Ban Delayed, Again:** On June 19, 2025, President Trump signed an [executive order](#) to delay enforcement of the TikTok ban for another 90 days, until September 17, 2025. This is the third time President Trump has delayed enforcement of Protecting Americans from Foreign Adversary Controlled Applications Act ([P.L. 118-50](#)), which requires TikTok’s China-based parent company, ByteDance, to divest and sell its ownership of the app to a non-Chinese entity or face a ban from U.S. app stores.
 - White House Press Secretary Karoline Leavitt said of the order, “He’s making an extension so we can get this deal done. It’s wildly popular. He also wants to protect Americans’ data and privacy concerns on this app. And he believes we can do both at the same time.”
 - Some Senate Republicans expressed frustration with the latest enforcement delay but stopped short of criticizing the president’s order. Sen. Josh Hawley (R-MO) [said](#), “That’s not my favorite thing. I’m fine with him trying to sell it, that’s fine, but I think at a certain point we’ve got to enforce this law.” Senate Armed Services Committee Chair Roger Wicker (R-MS) and Sen. John Cornyn (R-TX) made similar remarks following the announcement.

Healthcare – Budget Reconciliation

- On July 1, 2025, the Senate passed their version of the One Big Beautiful Bill Act (OBBBA) (H.R. 1), [as amended](#), by a vote of [51-50](#), with Vice President JD Vance breaking the tie.
- Shortly before final passage, Senate Republicans released the final text ([S. Amdt. 2848](#)) of the reconciliation legislation. Notable health provisions in the Senate Amendment include:
 - A 2.5% Medicare Physician Fee Schedule conversion factor increase for 2026
 - A cap on provider taxes for states that have expanded Medicaid (starting with a 5.5% cap in FY28 and falling to a 3.5% cap in FY32) and a reduction in State Directed Payments for both expansion and non-expansion states
 - A new \$50 billion Rural Health Transformation Program
 - An expansion of orphan drug exemptions from Medicare drug price negotiations (ORPHAN Cures Act)
- The Senate Amendment also removed language that was included in the original House bill from May, including:
 - Provisions related to pharmacy benefit managers (PBMs), including Medicaid “spread pricing”
 - The moratorium on state and local artificial intelligence laws and regulations
- On July 3, 2025, the House passed the [Senate Amendment to H.R. 1](#), with no changes to the text, by a vote of [218-214](#). On July 4, 2025, President Trump signed this version of the OBBBA into law.
- **What’s next?** Agencies will begin implementing the provisions of the OBBBA. With a Republican trifecta, there is potential for passage of a second reconciliation bill during this Congress.



Senator Thom Tillis (R-NC) announced he will not seek re-election after expressing opposition to the reconciliation bill

Healthcare – Congressional Hearings

- On June 10 and 11, 2025, the [House Oversight and Government Reform Committee](#) and the [Senate Judiciary Committee](#) held hearings on 23andMe's bankruptcy sale and consumer privacy of genetic information.
 - For both committees, there was bipartisan consensus over concerns about consumer privacy and national security. Members discussed gaps in existing privacy laws regarding sensitive genetic data.
- On June 11, 2025, the House Energy and Commerce Health Subcommittee held a [hearing](#) titled “Made in America: Strengthening Domestic Manufacturing and Our Health Care Supply Chain.”
 - Members of both parties agreed that reducing reliance on foreign supply chains is necessary for ensuring patient safety and national security. Republicans offered support for the Trump administration's policies to prioritize domestic manufacturing, while Democrats expressed concerns about federal agency budget cuts and workforce reductions.
- On June 24, 2025, the House Energy and Commerce Health Subcommittee held a [hearing](#) with HHS Secretary Robert F. Kennedy Jr. on the HHS FY26 Budget.
 - Members questioned Secretary Kennedy on a variety of topics, including the proposed HHS reorganization; termination of HHS personnel; research funding; vaccine safety; prescription drug prices; drug development; and Medicaid cuts included in OBBBA.
- On June 25, 2025, the House Ways and Means Committee held a [hearing](#) on “Health at Your Fingertips: Harnessing the Power of Digital Health Data.”
 - This hearing followed Secretary Kennedy's announcement of a forthcoming campaign encouraging Americans to use wearable health devices, such as continuous glucose monitors (CGMs), to improve individuals' health management.
- On June 24, 2025, the Senate Judiciary Antitrust, Competition Policy, and Consumer Rights Subcommittee held a [hearing](#) titled “Deregulation & Competition: Reducing Regulatory Burdens to Unlock Innovation and Spur New Entry.”
 - Witnesses included FTC Commissioner Mark Meador and Principal Deputy Assistant Attorney General Roger Alford, who works in DOJ's Antitrust Division. Senator Katie Britt (R-AL) discussed the impact of government regulation on the healthcare system.



U.S. Department of Health and
Human Services (HHS)
Secretary Robert F. Kennedy Jr.

Healthcare – Agency News

- On June 11, 2025, the DOJ and FTC [announced](#) a series of three listening sessions on lowering drug prices through competition, in accordance with President Trump's EO, “[Lowering Drug Prices by Once Again Putting Americans First](#).”
 - The sessions will feature remarks from practitioners and scholars and will inform a forthcoming joint FTC-DOJ report on combating anticompetitive practices in pharmaceutical markets. The following topics will be covered:
 - Anticompetitive conduct by pharmaceutical companies impeding generic or biosimilar competition
 - Formulary and benefit practices and regulatory abuse impacting drug competition
 - Turning insights into actions to reduce drug prices
- On June 17, 2025, FDA announced its new commissioner’s National Priority Voucher (CNPV) program. Under this program, FDA may grant priority review to U.S. drug companies “aligned with U.S. national priorities” that could significantly expedite access to innovative therapies.
 - General details about the CNPV program were made available in a [press release](#), an accompanying [FAQ](#), and [a message](#) by FDA Commissioner Makary posted on X. Arnold & Porter also published an [Advisory](#) on the development.
 - Under the program, eligible companies can receive a CNPV that reduces FDA’s review time for a New Drug Application (NDA) or Biologics License Application (BLA) from the standard 10 to 12 months to just one to two months.
 - National priorities for the CNPV program will include (1) national health crises, (2) innovative cures, (3) unmet public health needs, and (4) domestic drug manufacturing for national security.



FDA Commissioner Marty Makary

Healthcare – Agency News

- On June 18, 2025, FDA [announced](#) the immediate review of clinical trials that involved exporting Americans' living cells to China and other countries for genetic engineering and reinfusion into U.S. patients.
 - FDA stated they are actively reviewing all relevant clinical trials and will require companies to demonstrate full transparency, ethical consent, and domestic handling of sensitive biological materials. New trials unable to meet these standards will not proceed.
 - The agency is also coordinating with the National Institutes of Health (NIH) to ensure federally funded research remains uncompromised, with additional policy measures forthcoming.
- On June 23, 2025, the White House Office of Science and Technology Policy (OSTP) issued [guidance](#) in a [memo](#) to federal agencies on integrating Gold Standard Science into agency research activities, following an executive order on [“Restoring Gold Standard Science.”](#)
 - Agency heads will be required to report within 60 days (by August 22, 2025) of the published guidance on actions taken to implement the Gold Standard at their agencies, including funding opportunities, award selection and reporting, and agency culture, among other research activities.
 - The memo outlines nine key tenets agencies must integrate into their research activities, including reproducibility, transparency, falsifiability, interdisciplinary research, open-minded evaluation, and merit-based peer review, as well as communicating uncertainties, recognizing negative/null results, and disclosing conflicts of interests.
- On June 24, 2025, the Health Resources and Services Administration (HRSA) [announced](#) that federally funded health centers will be required to provide insulin and injectable epinephrine for patients at the same price that health centers pay for the medications through the 340B Drug Pricing Program.

Education – Reconciliation Package

- While several education-related provisions fell out of the One Big Beautiful Bill Act (OBBBA) ([H.R. 1](#)) before being signed into law, the final package contains many significant higher education policy changes, including:
 - **Student Loans:**
 - Eliminates Grad PLUS loans and creates aggregate loan limits of \$100,000 for graduate students and \$200,000 for professional students
 - Limits student loan repayment to two new repayment plans for new loans, an income-driven repayment plan, and a new standard repayment plan
 - **Establishes** a new Workforce Pell Grant Program and provides \$10.5 billion in funding in FY26 to help address the expected Pell Grant shortfall.
 - **Creates** new higher education accountability requirements for institutions of higher education that would prohibit the use of federal direct student loans for programs that are “low-earning” based on student outcome metrics.
 - **Extends and enhances** the Child Tax Credit (CTC) and modernizes childcare tax credits (45F, DCAP, and CDCTC).
 - **Expands** the current excise tax (on a sliding scale ranging from 1.4% to 8% based on endowment size) on certain private colleges and universities.



Senate Parliamentarian Elizabeth MacDonough, who determined which provisions did and did not comply with the Senate’s Byrd Rule

Education – Administration Developments

- Several other developments impacting the education space include:
 - Legal Developments
 - At a June 18, 2025 hearing, U.S. District Judge Allison Burroughs said Harvard is likely to demonstrate irreparable harm if international students are barred from attending the university.
 - On June 20, 2025, U.S. District Judge Indira Talwani issued a [ruling](#) overturning the National Science Foundation’s (NSF) plan to cap reimbursements for indirect costs at 15% for colleges and universities.
 - On June 30, 2025, 16 states [sued](#) the Department of Education (ED) over the cancellation of approximately \$1 billion in federal mental health grants. The following states filed the lawsuit: California, Colorado, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Michigan, New Mexico, New York, Nevada, Oregon, Rhode Island, Washington, and Wisconsin.
 - On June 30, 2025, ED announced that it would not issue school program funds (after-school programs, teacher training initiatives, and education for migrant students), which will take effect on July 1, 2025.
 - On July 2, 2025, ED concluded its negotiated rulemaking session on employer qualification for the Public Service Loan Forgiveness Program (PSLF). The negotiations did not yield a unanimous opinion, with one negotiator opposing the proposal. Given the lack of consensus, ED will now develop its own language, which may or may not align with changes that were proposed during the rulemaking sessions.
 - Staffing Updates
 - On June 6, 2025, the Trump administration announced additional Department of Education [appointees](#), which include:
 - Lindsey Burke, Ph.D., Deputy Chief of Staff for Policy and Programs
 - Jeffrey Andrade, Deputy Assistant Secretary for Policy, Planning, and Innovation, Office of Postsecondary Education
 - Christopher J. McCaghren, Deputy Assistant Secretary for Higher Education Programs, Office of Postsecondary Education
 - Nicholas Moore, Deputy Assistant Secretary for Career, Technical, and Adult Education
 - Jason Delisle, Chief Economist and Senior Adviser, Office of the Under Secretary
 - Casey K. Sacks, Ph.D., Senior Policy Advisor, Workforce and AI
 - Meir Katz, Senior Advisor, Office for Civil Rights

Education – Congressional Activity

- On June 3 and June 4, 2025, Education Secretary Linda McMahon testified before the Senate Appropriations Committee and the House Education & Workforce Committee, where lawmakers discussed the ED's FY26 budget request and its policies and priorities.
- On June 3, 2025, Democratic leaders from the House and Senate committees on education, appropriations, and oversight sent a [letter](#) to Secretary McMahon urging her to cooperate with the department's Office of Inspector General (OIG). The letter states the OIG has faced repeated delays and has been denied access to documents and information necessary to conduct its review of recent changes to the ED's operations and workforce as part of the efforts to dismantle the department.
- On June 24, 2025, the House Education and the Workforce Early Childhood, Elementary, and Secondary Education Subcommittee held a [hearing](#) on "Child Care and the American Workforce: Removing Barriers to Economic Growth." Committee members on both sides of the aisle agreed on the urgent need to expand access to affordable childcare for working families, but disagreed on the approach. This was the first childcare-focused hearing the committee has held in several years.
- On June 26, 2025, the Senate HELP Committee [advanced](#) (12-11) two of President Trump's ED nominees: Penny Schwinn's nomination to serve as Deputy Secretary of Education and Kimberly Richey's nomination to serve as Assistant Secretary for Civil Rights.
- Congress is expected to continue its oversight on institutions of higher education, with a particular focus on antisemitism. The House Education and Workforce Committee is expected to hold a hearing titled "Antisemitism in Higher Education" in the coming weeks.



Chairman of the House Education & Workforce Committee's Early Childhood, Elementary, and Secondary Education Subcommittee, Rep. Kevin Kiley (R-CA)

Energy and Environment – California Waiver Developments

- On June 12, 2025, President Trump signed three Congressional Review Act (CRA) resolutions targeting California’s most recent standards regulating greenhouse gas emissions from light- and heavy-duty vehicles ([H.J.Res. 87](#), [H.J.Res. 88](#), and [H.J.Res. 89](#)). President Trump stated the resolutions will “officially rescue the U.S. auto industry from destruction,” referencing California’s goals of phasing out gas-powered passenger vehicles.
 - California has had a long history of utilizing Section 209 of the Clean Air Act to implement more rigorous vehicle emission standards than the federal government. As a result, many states have deferred to California’s standards.
 - The Government Accountability Office (GAO) has [stated](#) California’s standards are not subject to the CRA. California’s Attorney General Rob Bonta and 10 other attorneys general immediately filed a [lawsuit](#) against the Trump administration for an “unprecedented and illegal use of the CRA.”
- After the Environmental Protection Agency’s (EPA) initial success in revoking three California preemption waivers, industry and state officials are urging the EPA to rescind additional California rules. Potential at-risk rules include Advanced Clean Cars I, non-road diesel fleet standards, small off-road engine regulations, and RVs and engines. The most common pathway for revoking waivers is to submit waivers for congressional review and allow Congress to reject the waiver. Some state officials hope the EPA will take advantage of this pathway to amend older rules on vehicle inspection and maintenance in areas not meeting the national air quality standards for ozone.



President Donald Trump hosts a bill signing ceremony at the White House on June 12, 2025

Energy and Environment – Greenhouse Gas Emissions Developments

- On June 11, 2025, EPA Administrator Lee Zeldin released a [proposed rule](#) to revoke Biden-era limits on greenhouse gas (GHG) emissions from fossil fuel-fired power plants. Comments on the proposed rule are due by August 7, 2025. If finalized, this measure will remove a significant federal regulatory incentive for electric utilities to decarbonize.
 - The EPA finds GHG emissions from these plants do not “significantly contribute” to dangerous air pollution; thus, do not meet the legal threshold under Section 111 of the Clean Air Act (CAA). EPA made this finding notwithstanding that the U.S. power sector represents about 25% of U.S. GHG emissions.
- This move by EPA will become more significant if it leads EPA to revoking its other major climate change regulations, such as its regulation of methane emissions from the oil and gas industry and its regulation of GHG emissions from vehicles. Together, these deregulatory steps would effectively remove EPA from the business of regulating GHG emissions to address climate change.
- The EPA also issued a separate [proposed rule](#) repealing Biden-era amendments to mercury and air toxics standards. Zeldin stated the Biden administration perpetuated a “false binary choice” between the economy and the environment, “suffocat[ing] our economy in order to protect the environment.”



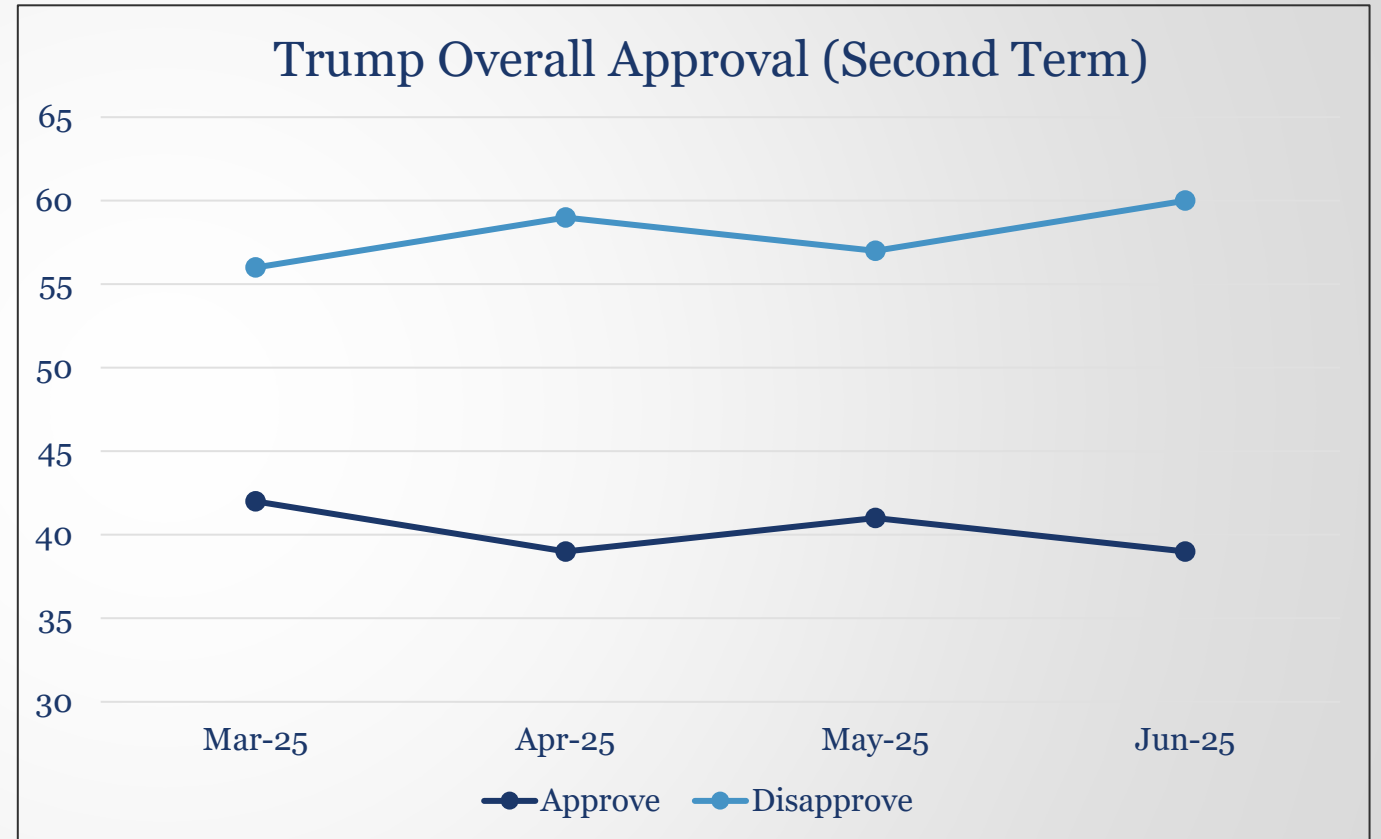
EPA Administrator Lee Zeldin

Current Public Opinion Polling

*Polling results may vary from poll to poll based on polling methodology and reporting.
Results reported here are for context only.

President Trump's Approval Rating

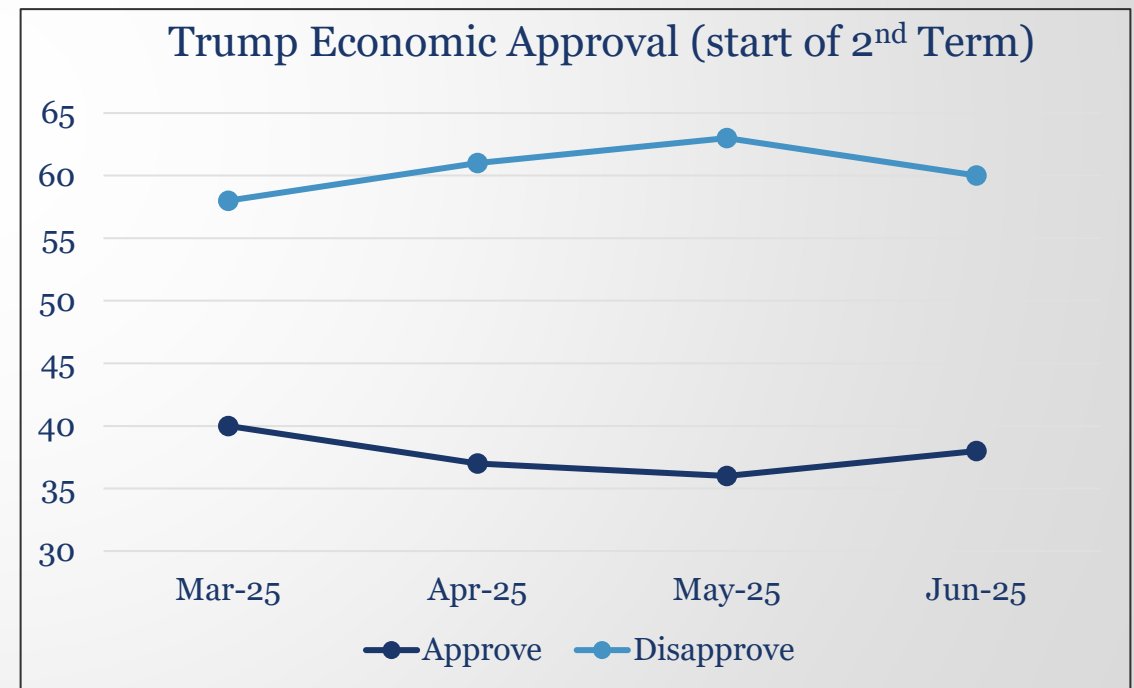
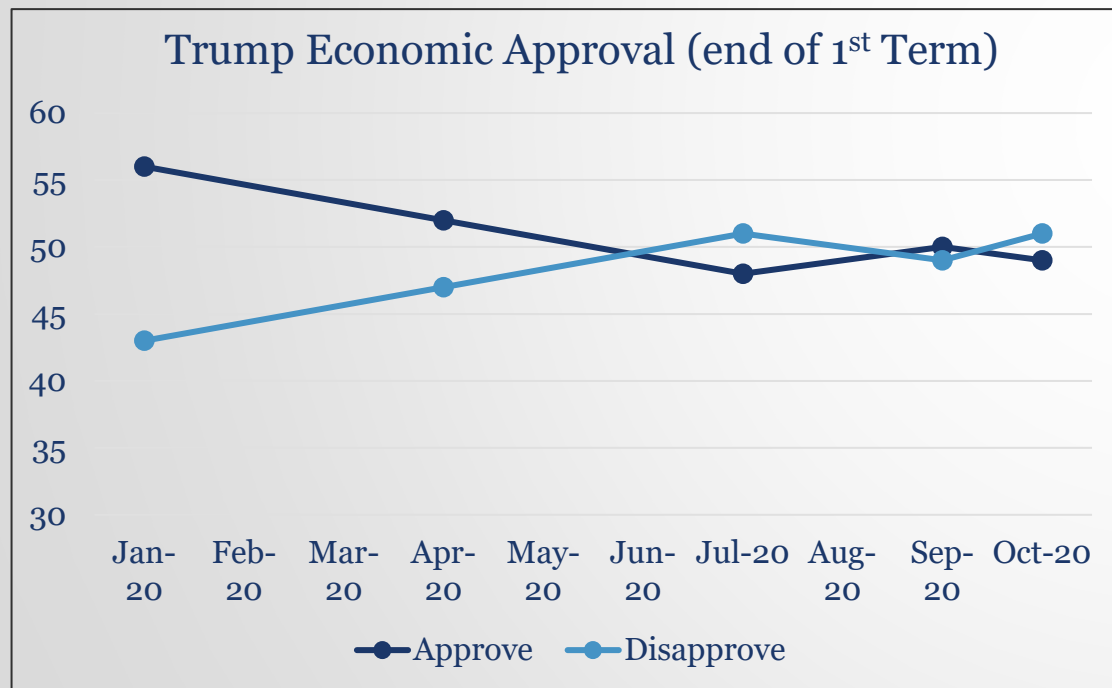
- President Trump's approval rating is currently 39%, according to the June 2025 AP-NORC poll.
- President Trump had a 42% approval rating in the first AP-NORC poll of his second term (March 2025).
- President Trump's approval rating never got higher than 43% in the AP-NORC poll during his first term (Jan. 2017 to Jan. 2021).
- The president's current disapproval rating is 60%. His highest disapproval rating in the AP-NORC poll came in December 2017 (67%).



Source: AP-NORC Poll, June 5-9, 2025
1,158 adults; Online and telephone interviews
Margin of sampling error: +/- 4.0 percentage points

President Trump's Approval Rating on the Economy

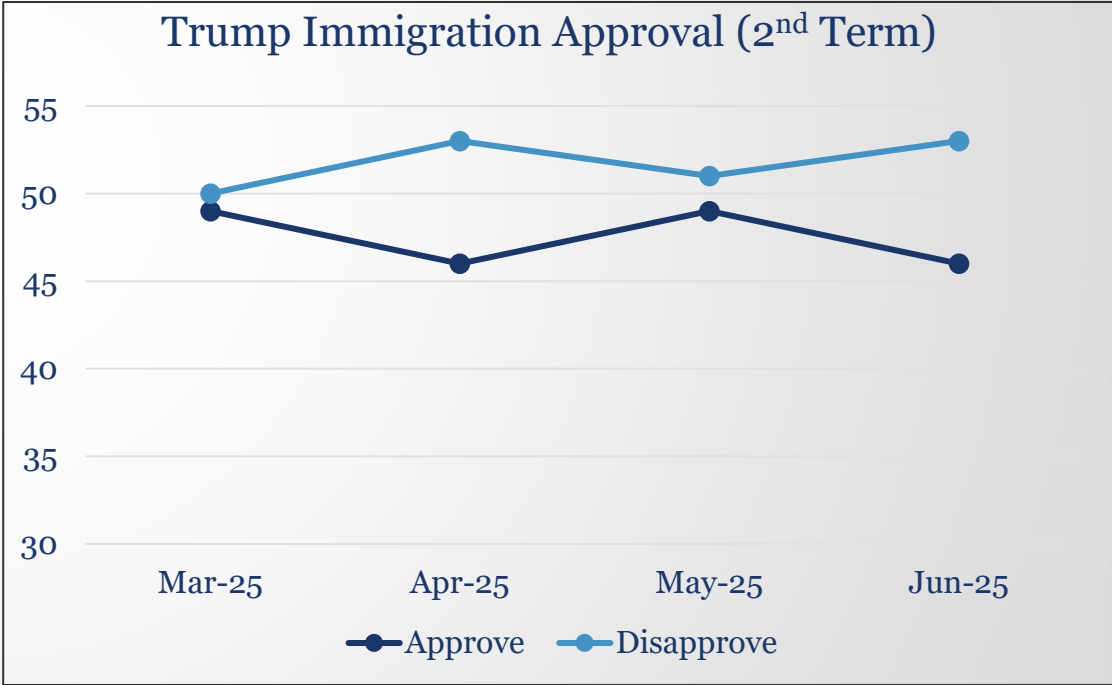
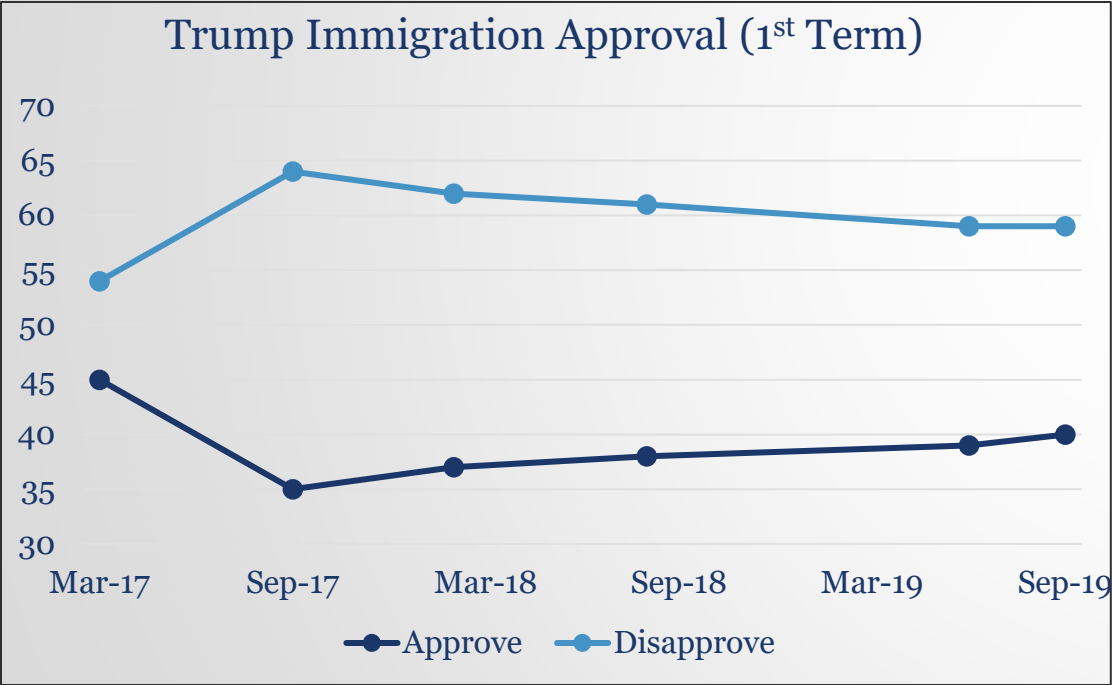
- President Trump currently has low approval ratings on the economy, with just 38% of Americans approving of his handling of the economy.
- 60% disapprove of the president's economic policies, which is close to the highest economic disapproval rating of either of his two terms in office thus far (63%).
- President Trump enjoyed strong economic ratings in early 2020, though those numbers decreased as the COVID-19 pandemic progressed and worsened. Still, he hovered near 50% on the economy for most of the second half of 2020.



Source: AP-NORC Poll, June 5-9, 2025
1,158 adults; Online and telephone interviews
Margin of sampling error: +/- 4.0 percentage points

President Trump's Approval Rating on Immigration

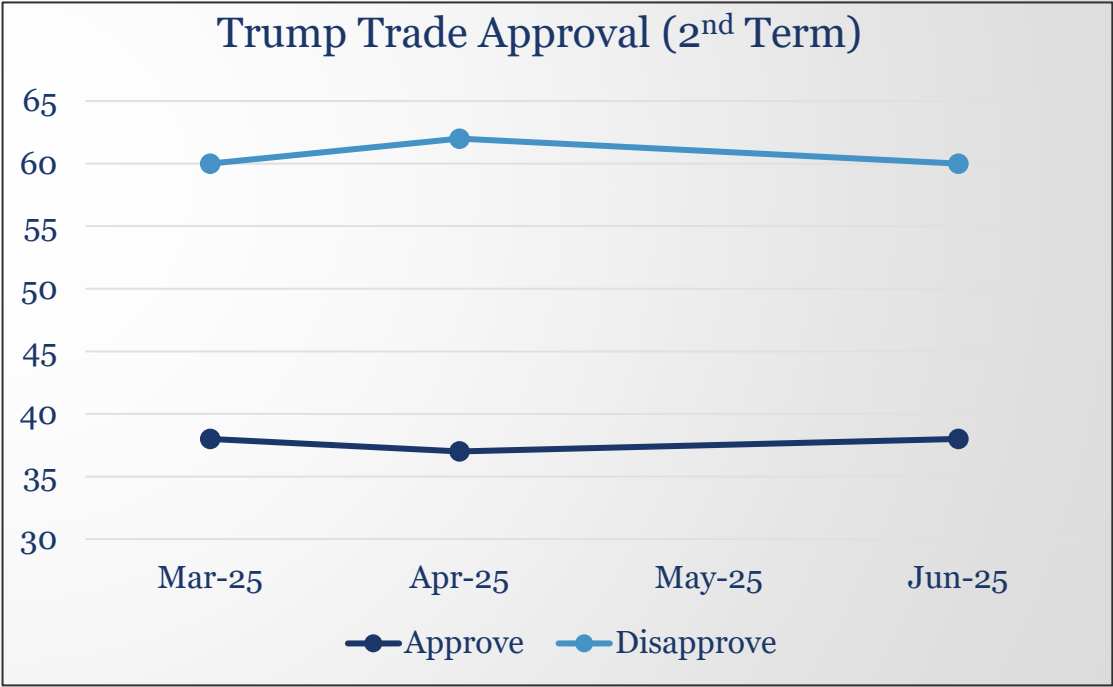
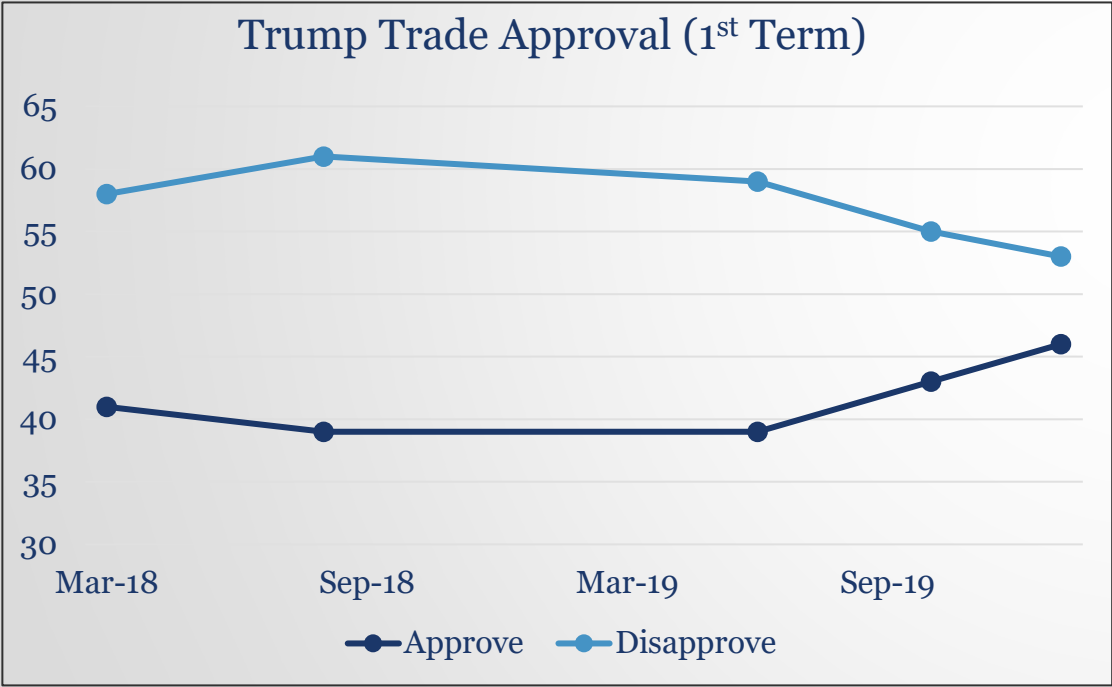
- One of the policy areas in which President Trump holds the highest approval ratings is immigration, though more Americans disapprove of his immigration policies than approve (46% approve; 53% disapprove).
- This is in contrast to the public's views of the immigration policies during his first term, when his approval ratings on this issue were usually around 20 points below his disapproval ratings.
- The public has essentially flipped in its collective views of Trump's handling of the economy and immigration from his first term to his second term. Immigration ratings have improved, while economic ratings have deteriorated.



Source: AP-NORC Poll, June 5-9, 2025
1,158 adults; Online and telephone interviews
Margin of sampling error: +/- 4.0 percentage points

President Trump's Approval Rating on Trade and Tariffs

- President Trump has had relatively low approval ratings during his second term on the issue of trade negotiations. He is currently at 38% approval, with 60% disapproval.
- He also generally had poor approval ratings on trade during most of his first term, though his approval on the issue saw some improvement at the end of his first term.
- President Trump has made trade and tariffs negotiations one of the top priority issues of his second term. It remains to be seen how possible future action in this space could impact his approval rating.



Source: AP-NORC Poll, June 5-9, 2025
1,158 adults; Online and telephone interviews
Margin of sampling error: +/- 4.0 percentage points

Voters' Views on Environment, Energy, and Climate Change

• In a recent poll, surveyed Americans were asked, “Do you favor, neither favor nor oppose, or oppose each of the following?”

	Strongly/ somewhat favor	Neither favor nor oppose	Strongly/ somewhat oppose
Reducing the amount of greenhouse gases that companies are allowed to emit	59%	27%	12%
Funding projects to reduce inequality when it comes to who is impacted by climate change	41%	34%	23%
Providing consumer rebates for more efficient home appliances	65%	25%	9%
Providing consumers with information about more efficient home appliances	68%	25%	6%
Providing tax credits for the installation of solar panels	56%	29%	15%
Providing tax credits for the purchase of electric vehicles	37%	32%	30%
Auctioning off more public space for oil drilling	26%	33%	40%

Source: AP-NORC Poll, June 5-9, 2025
1,158 adults; Online and telephone interviews
Margin of sampling error: +/- 4.0 percentage points

Economic Factors That Could Impact the Future Political Landscape

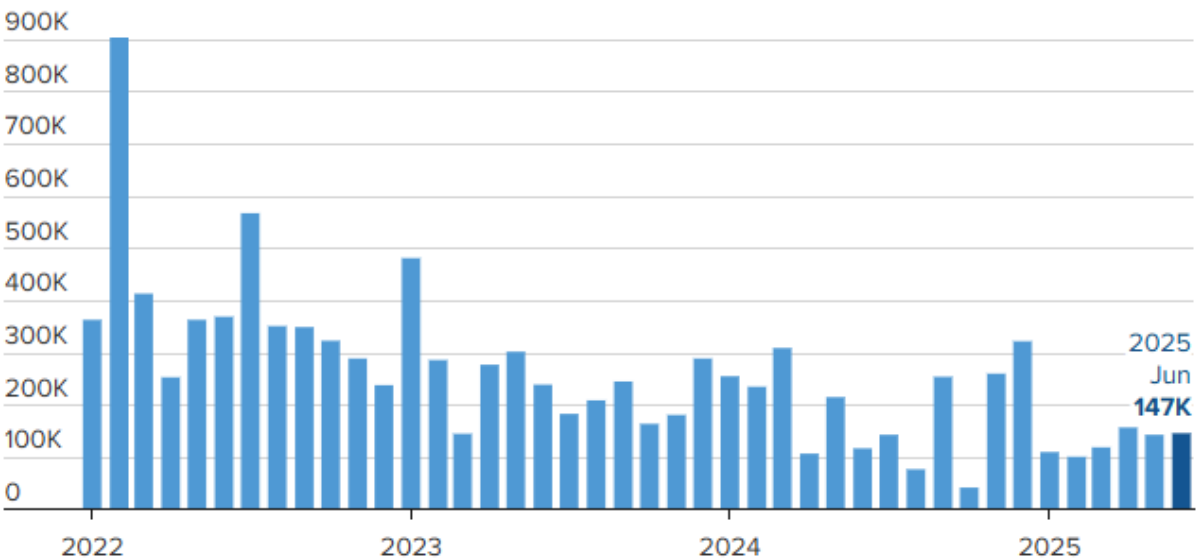
June 2025 Jobs Report Comes in Above Expectations

- On July 3, 2025, the Department of Labor's Bureau of Labor Statistics [announced](#) (1) total nonfarm payroll employment increased by 147,000 in June 2025, the fifth full month of the second Trump administration, and that (2) the unemployment rate fell slightly to 4.1%.
 - Economists had expected an increase of about 110,000 for the month.
 - The unemployment rate of 4.1% is the lowest since February, and came in below predictions of 4.3%, though the unemployment rate has been at or above 4% since May 2024. The unemployment rate was below 4% for 27 consecutive months before May 2024.
- While hiring numbers were stronger than expected, half of all hires in June came from government employment (73,000), mostly at the state and local level. 40,000 of these government hires were in public education-related jobs. The federal government lost 7,000 jobs in June, which does not include employees who have been furloughed but are still receiving severance.
- Healthcare saw a net gain of 39,000 new jobs. The social assistance had a net gain of 19,000 new jobs, followed by construction with 15,000. Manufacturing lost 7,000 jobs, though.
- Average hourly earnings for all employees rose by 0.2% in June. Over the last 12 months, average hourly earnings have increased by 3.7%.
- An alternate measure of unemployment that includes “discouraged workers” and “those holding part-time jobs for economic reasons” slightly fell to 7.7%, the lowest since January.
- The April 2025 jobs report was revised up by 11,000, from +147,000 to +158,000. Additionally, the May 2025 report was revised up by 5,000, from +139,000 to +144,000. Thus, employment from these two months combined is +16,000 higher than previously reported, though for the last three months, this net change in previously reported jobs numbers is **-79,000 lower**.

June 2025 Jobs Report – Key Data and Trends

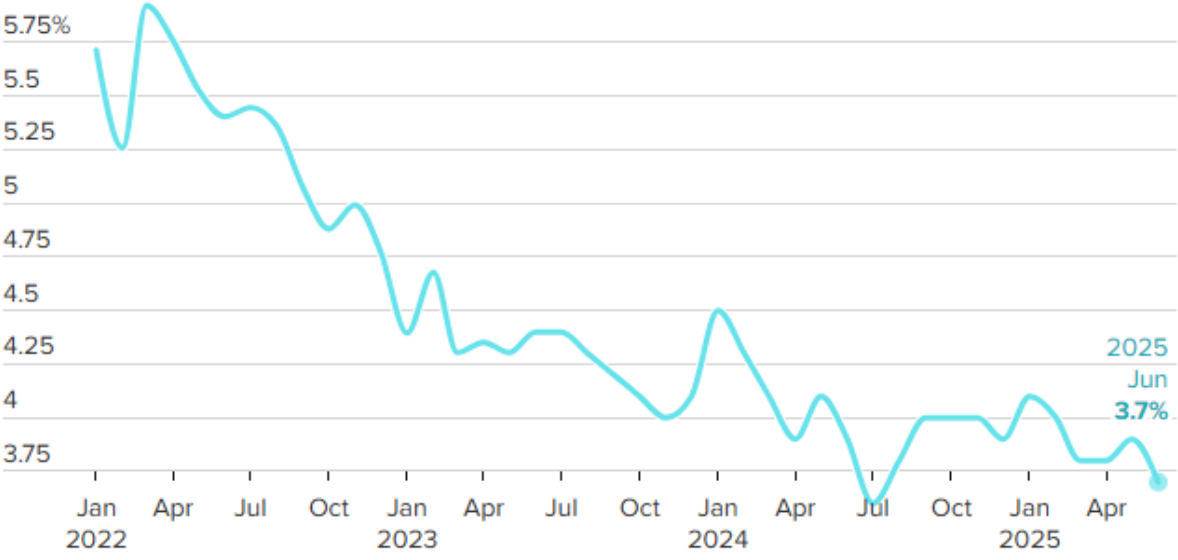
Monthly job creation in the U.S.

Jan. 2022–June 2025



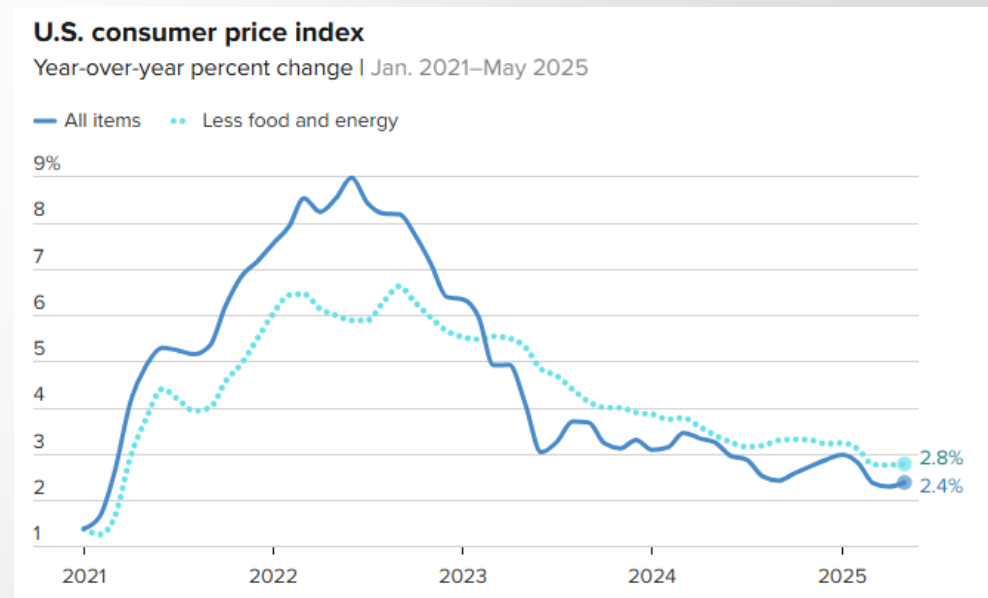
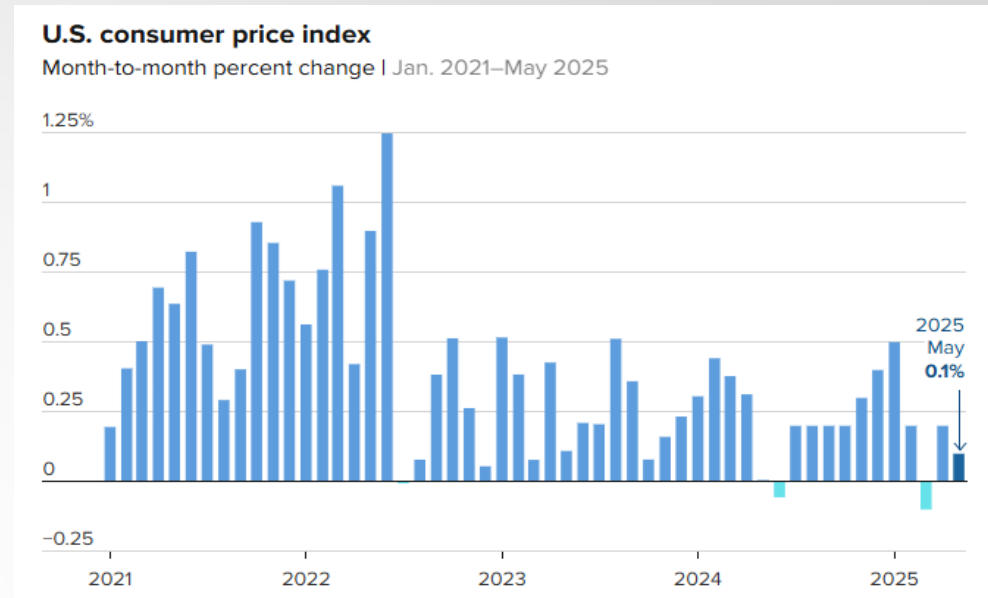
U.S. wage growth

Year-over-year percent change in average hourly earnings | Jan. 2022–June 2025



May 2025 Inflation Report

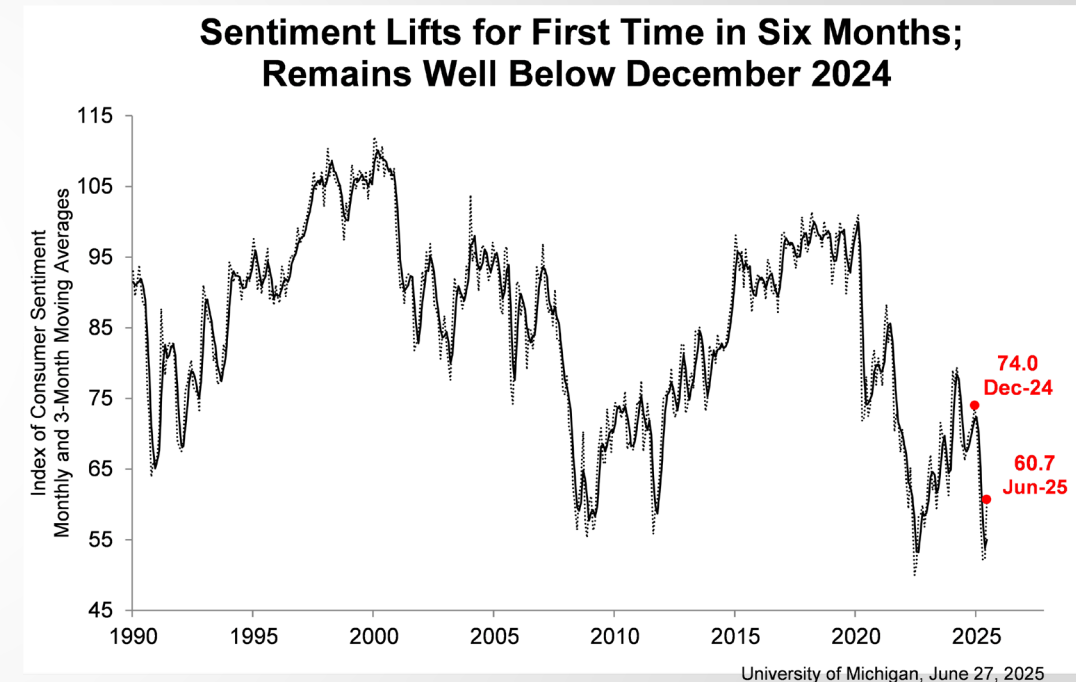
- On June 11, 2025, the U.S. Bureau of Labor Statistics [announced](#) the Consumer Price Index (CPI) increased +0.1% in May 2025 on a seasonally adjusted basis.
 - This increase was slightly less than experts had predicted (+0.2%).
 - This CPI figure was higher than the March 2025 reading (-0.1%), but slightly lower than the April 2025 reading (+0.2%).
- The Bureau of Labor Statistics also reported that the CPI increased by 2.4% from May 2024.
 - This 2.4% CPI annual gain is slightly up from the April 2025 level (2.3%).
 - This figure was in line with economists' forecasts.
- “Core CPI,” which excludes food and energy prices, rose by 0.1% in May 2025, and 2.8% on an annual basis from May 2024.
 - Economists had projected that the annual core CPI figure would be 2.9%.
- While the annual inflation rate (2.4%) is lower than its peak in summer 2022 (9%), the Federal Reserve aims for a 2% annual inflation rate over the long term.
- The CPI report for June 2025 will be [released](#) on July 15, 2025.



Sources: U.S. Bureau of Labor Statistics, Dept. of Labor; CNBC

Consumer Sentiment Report

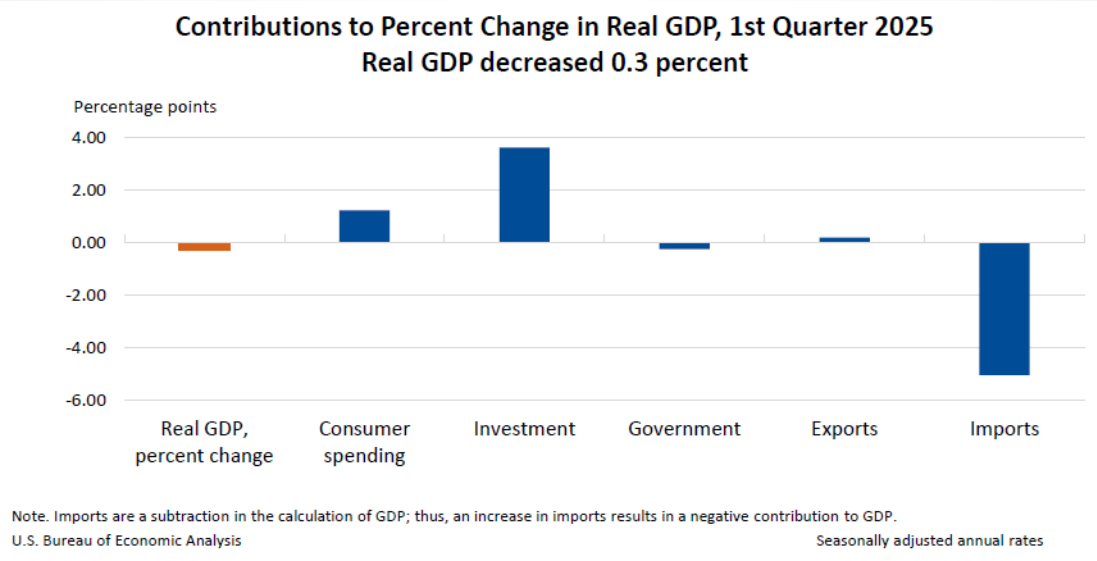
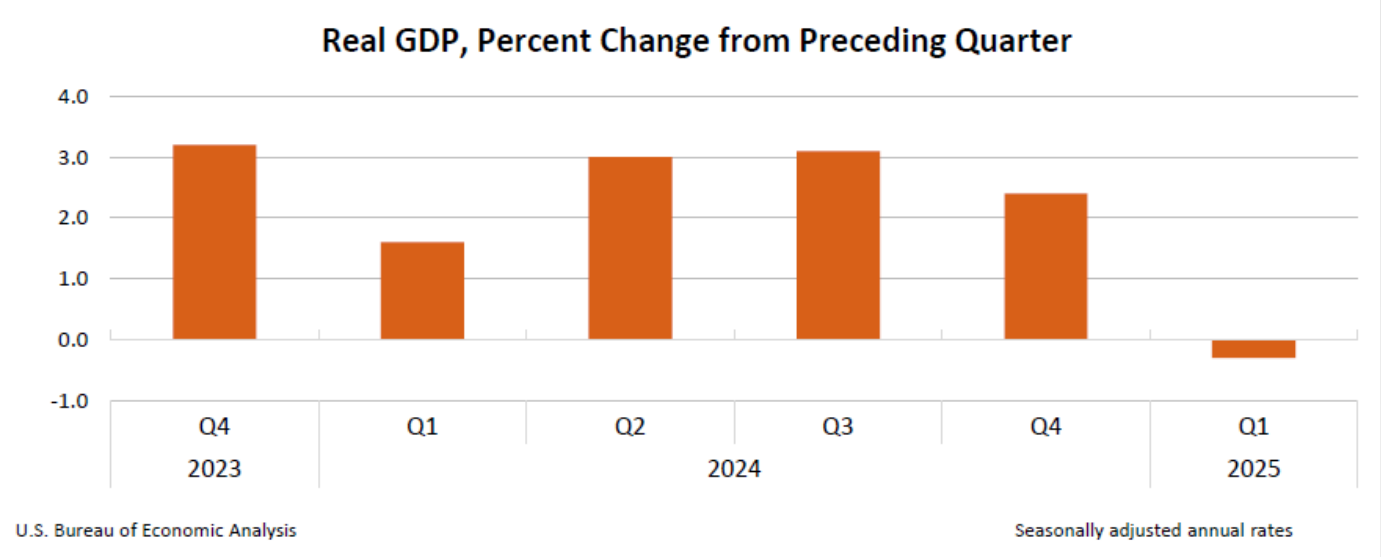
- Consumer sentiment for June 2025 increased to 60.7, which is a 16.3% *increase* from May (52.2).
 - This is an annual *decrease* of 11% from June 2024 (68.2), though.
 - This remains a significant decline from the fall and winter – consumer sentiment had been above 70 for each month from September 2024 to January 2025.
- The Index of Consumer Sentiment varies by political party.
 - 42.5 among Democrats
 - 55.6 among Independents
 - 94.4 among Republicans
- Expectations for personal finances, labor markets, inflation, and business conditions:
 - Year-ahead inflation expectations fell from 6.6% in May to 5.0% in June. This is the lowest reading in four months.
 - Additionally, long-run inflation expectations slightly fell from 4.2% in May to 4.0% in June. This is also the lowest reading in four months.
 - Expectations for personal finances and business conditions increased by more than 20%.
 - Consumers' fears about the possible impact of tariffs on future inflation and prices eased a bit in June, though inflation expectations are still higher than they were for the second half of 2024.



GDP Reports and Economic Outlook

- On June 26, 2025, the Department of Commerce's Bureau of Economic Analysis (BEA) [released](#) its “third estimate” of U.S. real gross domestic product (GDP) for the first quarter (Q1) of 2025. The BEA reported that real GDP **decreased** at an annual rate of **-0.5%** in Q1 2025 (adjusted for seasonality and inflation); real GDP was revised down by 0.2% from the original “[advance estimate](#).”
 - Economists had expected an *increase* of 0.4% in Q1, so the Q1 2025 GDP report came in below expectations and estimates. This was the first quarter of negative growth since Q1 of 2022.
 - The U.S. economy had grown in all four quarters of 2024, including by over 3% in Q3 2024.
- The price index for gross domestic purchases increased by 3.4% in Q1 (revised up by 0.1%); the increase in Q4 2024 was 2.2%.
- Personal consumption expenditures, which reflects consumer activity, increased by just 0.5% in Q1 2025 (down 1.3% since the April advance estimate), down from a 4% increase in Q4 2024. This is the slowest quarterly gain for this metric since Q2 2023.
- The personal consumption expenditures price index, which is a key inflation variable for the Federal Reserve, increased at a 3.7% annualized pace for Q1 2025 (0.1% higher than the “second estimate”). This is higher than the 2.4% figure from Q4 2024.
- The personal savings rate in Q1 2025 was 4.3% (revised up 0.3%), up from 3.7% in Q4 2024.
- Some economists contend that the primary reason for the -0.5% contraction of the U.S. economy in the first three months of 2025 is due to an import surge amid fears that President Trump would issue tariffs. The president did ultimately implement some tariffs, but not until the first week of Q2 2025, in April 2025 (though some of these tariffs have been temporarily paused or amended). U.S. imports in Q1 2025 increased by +37.9% (compared to a decrease of -1.9% in Q4 2024 and an increase of +10.7% in Q3 2024); imports *subtract* from a country's GDP.

Real GDP Growth Over the Last Six Quarters



Thank you



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