

Monthly Briefing: October 2018

A look at this month's top issues for Congress and the White House

November 5, 2018

Producer

Presentation Center staff

Roadmap

● **Overview: policy state of play**

Issue area recaps

Unfinished business for Congress

○ **Top issues**

Georgia's "exact match" law

Stock market drops







Migrant caravan

USMCA timeline

October overview: continuing resolution passed through December 7, 2018, the Farm Bill expired & more

Major developments by issue area

■ Particularly important issues

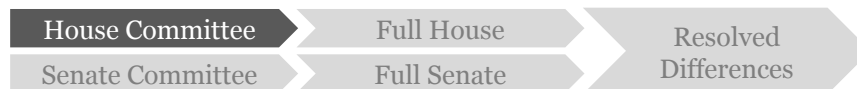
-  **Agriculture**
House and Senate conference committees fail to reconcile differences; Farm Bill expires
-  **Appropriations/budget**
House and Senate pass multiple FY2019 “minibus” packages (groups of 2-3 appropriations bills) as well as a continuing resolution through Dec. 7, 2018
-  **Education**
No movement on HEA reauthorization; many Democrats campaigning on “free” college nationwide
-  **Energy & environment**
UN panel warns of a global climate crisis by 2040 if greenhouse gas emissions continue at current rates
-  **Finance**
Federal Reserve raised interest rates to a range of 2% to 2.25%
-  **Health care**
Congress weighs requiring drug companies to disclose payments to nurse practitioners; the House and Senate pass an opioid-relief bill

-  **Immigration**
Dept. of Homeland Security raises its estimates of separated children; Trump says he may order as many as 15,000 troops to US-Mexico border in response to a migrant caravan
-  **Infrastructure**
House and Senate pass a “minibus” appropriations bill that includes increases for water projects
-  **International relations**
Trump administration announces it will deny visas to same-sex partners of diplomats in some circumstances
-  **Tax, labor & economy**
The US, Canada and Mexico announced an agreement on a new trade deal to supplement NAFTA
-  **Technology**
The US blocks a Chinese state-owned semiconductor company from buying American components on national security grounds

Reauthorization of major government programs

Higher Education Act (HEA)

- Authorizes many major education programs, usually for four years



Dec. 1, 2017: H.R. 4508 (the PROSPER Act) passed House Education and the Workforce Committee but has since stalled

July 7, 2018: Democrats' Aim Higher Act (H.R. 6543) was introduced

National Defense Authorization Act (NDAA)

- Defines the next year's military strategy and funding levels, and usually includes reforms to other government entities



May 24, 2018: H.R. 5515 passed House (351-66)

June 18, 2018: Passed Senate with amendment (85-10)

August 13, 2018: Signed by the president

Farm Bill

- Authorizes through 2023 most agricultural support and food assistance programs, including SNAP
- Also includes some rural infrastructure spending



June 21, 2018: H.R. 2 passed House (213-211)

June 28, 2018: Passed Senate with amendment (86-11)

Sept. 30, 2018: Critical provisions of the 2014 Farm Bill expired

Federal Aviation Administration (FAA)

- Approves five years of funding for the FAA in addition to other policy reforms including drones and funding for some infrastructure projects



April 27, 2018: H.R. 4 passed House (393-13)

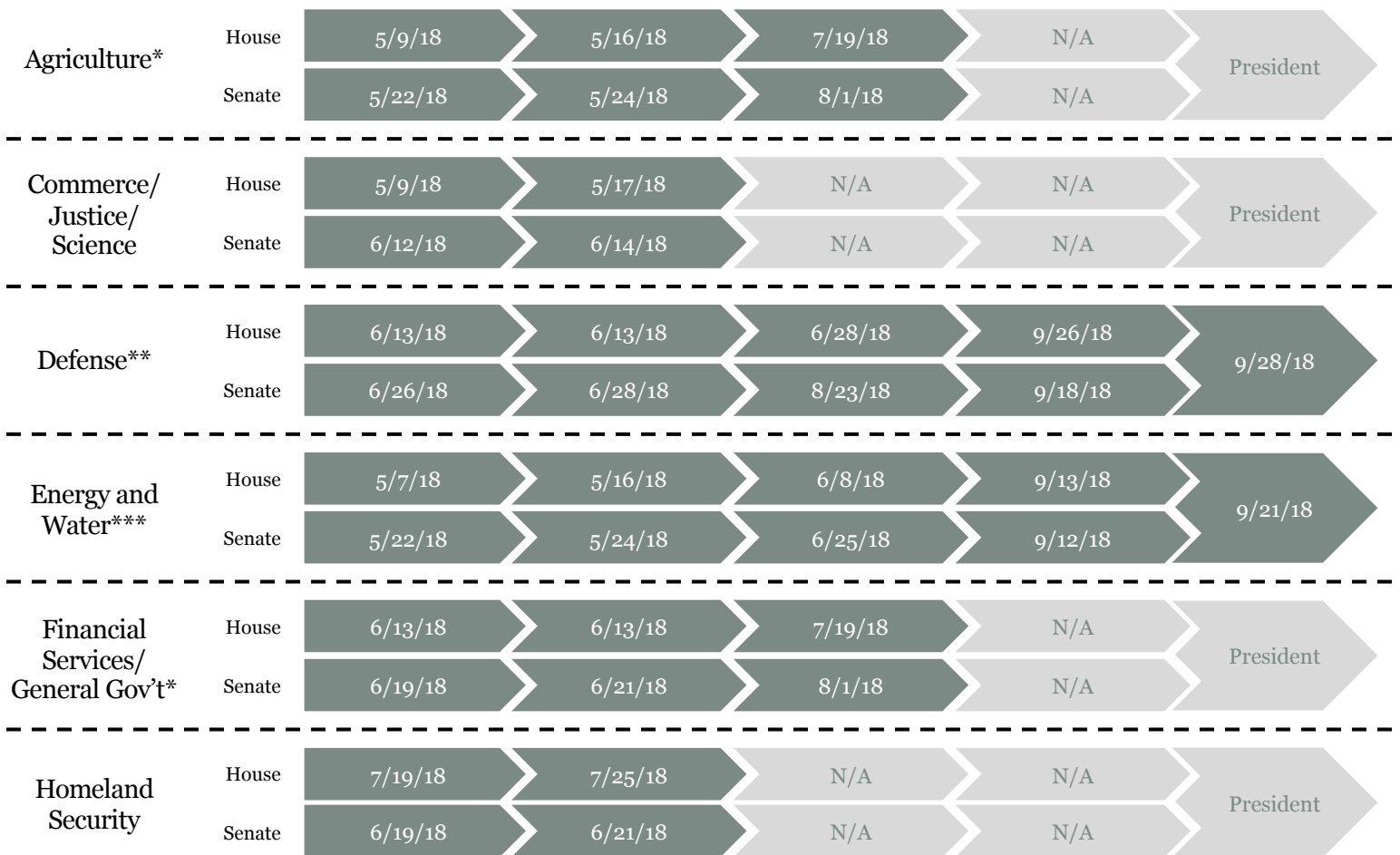
Sept. 26, 2018: Attached to H.R. 302 and passed House

Oct. 4, 2018: Passed Senate

Oct. 5, 2018: Signed by the president

Sources: National Journal Research, 2018.

Legislation to watch: FY2019 appropriations (1/2)



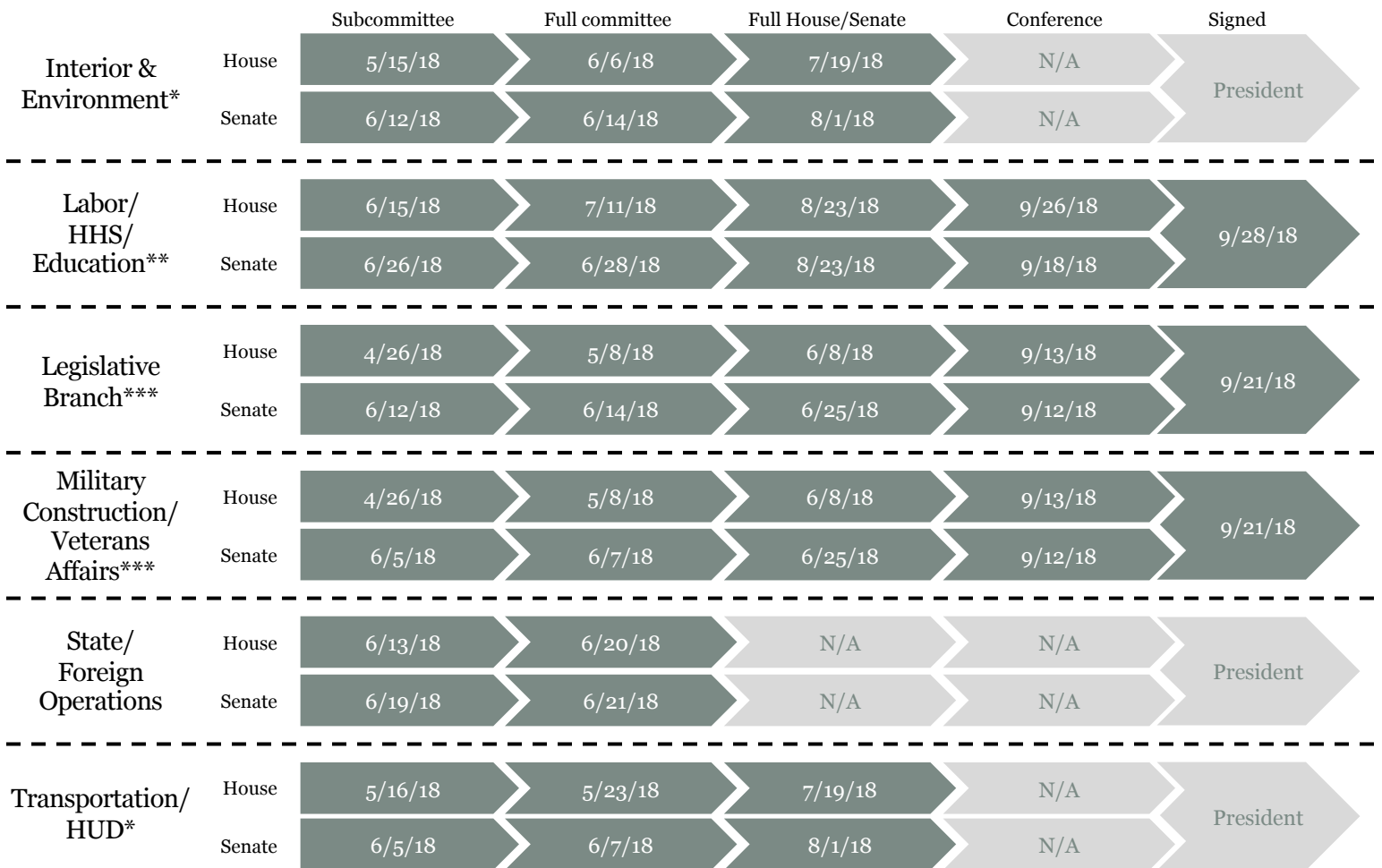
*H.R. 6147 consolidated bill includes Agriculture, Financial Services/General Government and Interior/Environment, and Transportation/HUD

**H.R. 6157 consolidated bill includes Defense and Labor/HHS/Education

***H.R. 5895 consolidated bill includes Energy/Water, Legislative Branch, and Military Construction/Veterans Affairs

Sources: Congress.gov

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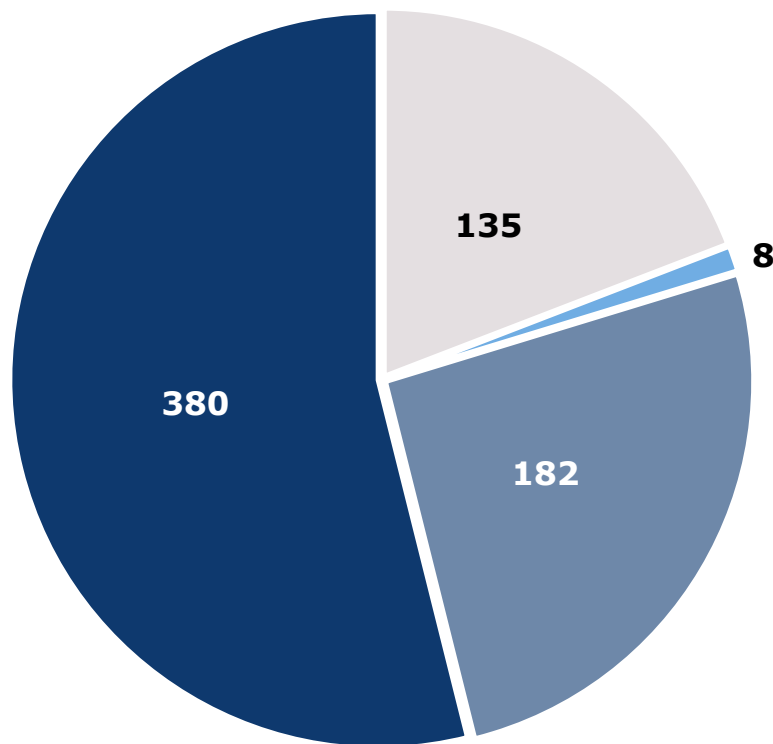
Sources: Congress.gov

182 nominees to key positions are awaiting confirmation, 135 positions have no nominee

Status of key positions requiring Senate confirmation

AS OF OCTOBER 31, 2018

■ No nominee ■ Awaiting nomination ■ Awaiting confirmation ■ Confirmed



Vacant cabinet secretaries:

- Environmental Protection Agency (no nominee)

Departments without a deputy secretary:

- Commerce (Karen Dunn Kelley nominated)
- Treasury (Justin George Muzinich nominated)
- Veterans Affairs (no nominee)
- Homeland Security (no nominee)

Departments without a deputy administrator:

- Small Business Administration (no nominee)

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Overview of Georgia’s controversial “exact match” program

Key actions

- 1965** • Section 5 of the Voting Rights Act of 1965 required states with histories of discriminatory voting policies to acquire the DOJ’s approval (“preclearance”) prior to implementing voting rules
- 2008** • Brian Kemp (R-GA) introduced an “exact match” voter registration program, which failed the DOJ’s preclearance review on the grounds that it affected people of color disproportionately
- 2010** • The “exact match” system passed after the program was modified with new safeguards
- 2013** • The Supreme Court declared Section 5 of the Voting Rights Act of 1965 unconstitutional, allowing states to codify voting rules without federal “preclearance”
- 2013** • Civil rights organizations sued Kemp for the “exact match” system after finding that nearly 35,000 registrations between 2013 and 2015 were rejected, 76.3% of which were for voters of color; the program was then suspended
- 2017** • Georgia lawmakers enacted another iteration of the “exact match” program, different from the program that was suspended in 2016
- 2018** • Civil rights organizations sued Secretary Kemp for Georgia’s current “exact match” system, after the revelation that about 53,000 applications were placed on hold, the majority of which belonged to racial and ethnic minorities. A US District judge ordered that election officials stop rejecting applications due to mismatched signatures

The “exact match” system suspends a person’s voting status if the information on their registration form does not exactly match the state driver’s license and social security records

Key figures



Brian Kemp (R)

- Current Secretary of State of Georgia & 2018 Georgia gubernatorial candidate
- Presides over state’s election system



Stacey Abrams (D)

- 2018 Georgia gubernatorial candidate
- Requested that Kemp resign from his Secretary of State post

Sources: Brentin Mock, “How Dismantling the Voting Rights Act Helped Georgia Discriminate Again,” City Lab, October 15, 2018; Gregory Krieg, “Stacey Abrams campaign demands GOP’s Kemp resign as Georgia secretary of state amid voter registration uproar,” CNN, October 12, 2018; Associated Press, “Voting Rights Become a Flashpoint In Georgia Governor’s Race,” NPR, October 9, 2018; Adam Liptak, “Supreme Court Invalidates Key Part of Voting Rights Act,” The New York Times, June 25, 2013.

Civil right groups sued Georgia over a voter registration policy that disproportionately affects voters of color

Overview of the lawsuit

Plaintiff: A coalition of advocacy groups, including the Campaign Legal Center and Lawyers' Committee for Civil Rights Under Law

Claims:

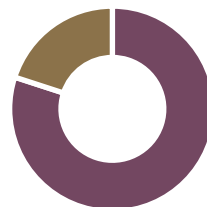
- Georgia's "exact match" requirement violates the Voting Rights Act, the National Voter Registration Act and the First and Fourteenth Amendments
- "Exact match" requirements impair the abilities of African Americans, Latinos and Asian Americans to register to vote

Defendant: Brian Kemp in his official capacity of secretary of state of the state of Georgia

Counterargument:

- The "exact match" system ensures election integrity
- Registrants have ample time and the right to correct discrepancies in the system
- Provisional ballots will be made available in case disputes cannot be sorted on the spot

Potential effects on minority voter turnout



Of 53,000 pending voter registration applications pending, approximately **80%** of registrants are racial and ethnic minorities



African Americans comprise **31.6%** of the state's voting-age population



African American voters constitute **70%** of the currently pending voter registrations



According to the lawsuit, recently naturalized voter registrants can be flagged if they were not fully citizens when they received their driver's licenses, even if their proof of citizenship is included with their voter registration form

Sources: Brentin Mock, "How Dismantling the Voting Rights Act Helped Georgia Discriminate Again," City Lab, October 15, 2018; Gregory Krieg, "Stacey Abrams campaign demands GOP's Kemp resign as Georgia secretary of state amid voter registration uproar," CNN, October 12, 2018; Associated Press, "Voting Rights Become a Flashpoint In Georgia Governor's Race," NPR, October 9, 2018; Adam Liptak, "Supreme Court Invalidates Key Part of Voting Rights Act," The New York Times, June 25, 2013.

All major indices dropped in October; the stock market lost more than \$2 trillion

Market performance from October 1, 2018 to October 31, 2018

Dow Jones



-5.76%

S&P 500



-7.28%

Russell 2000



-9.66%

Nasdaq



-9.10%

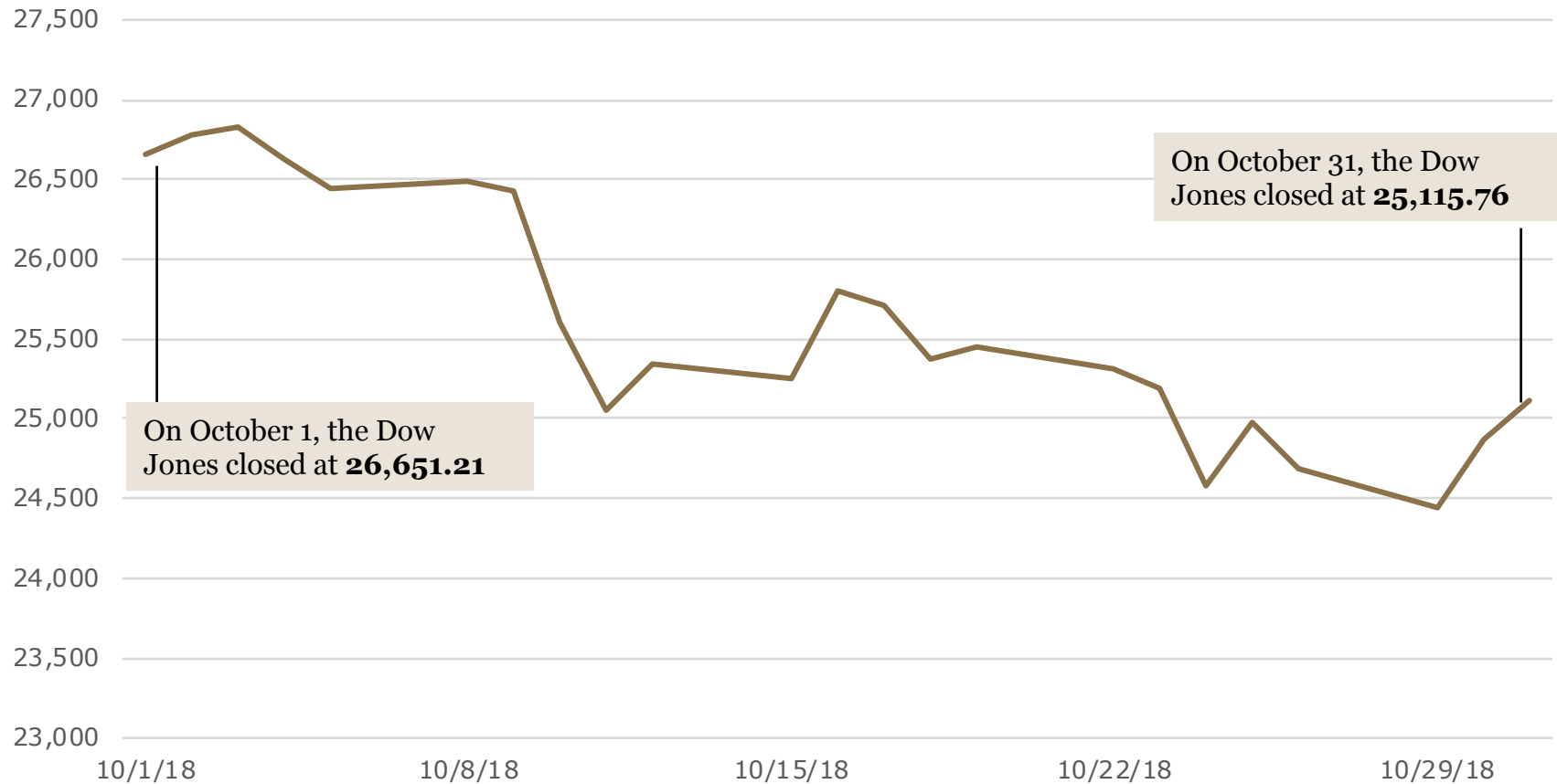
Analysis:

- Despite robust signals from macroeconomic data, investors sold off stocks through much of October
- Worries about trade and monetary tightening continued, but it is hard to attribute the sell-off to either of these factors alone
- Concerns about inflated tech stock valuations contributed strongly to the sell-off

The Dow dropped less than other major indices in October

Dow Jones Industrial Average

ADJUSTED CLOSING VALUES; OCTOBER 1, 2018 TO OCTOBER 31, 2018

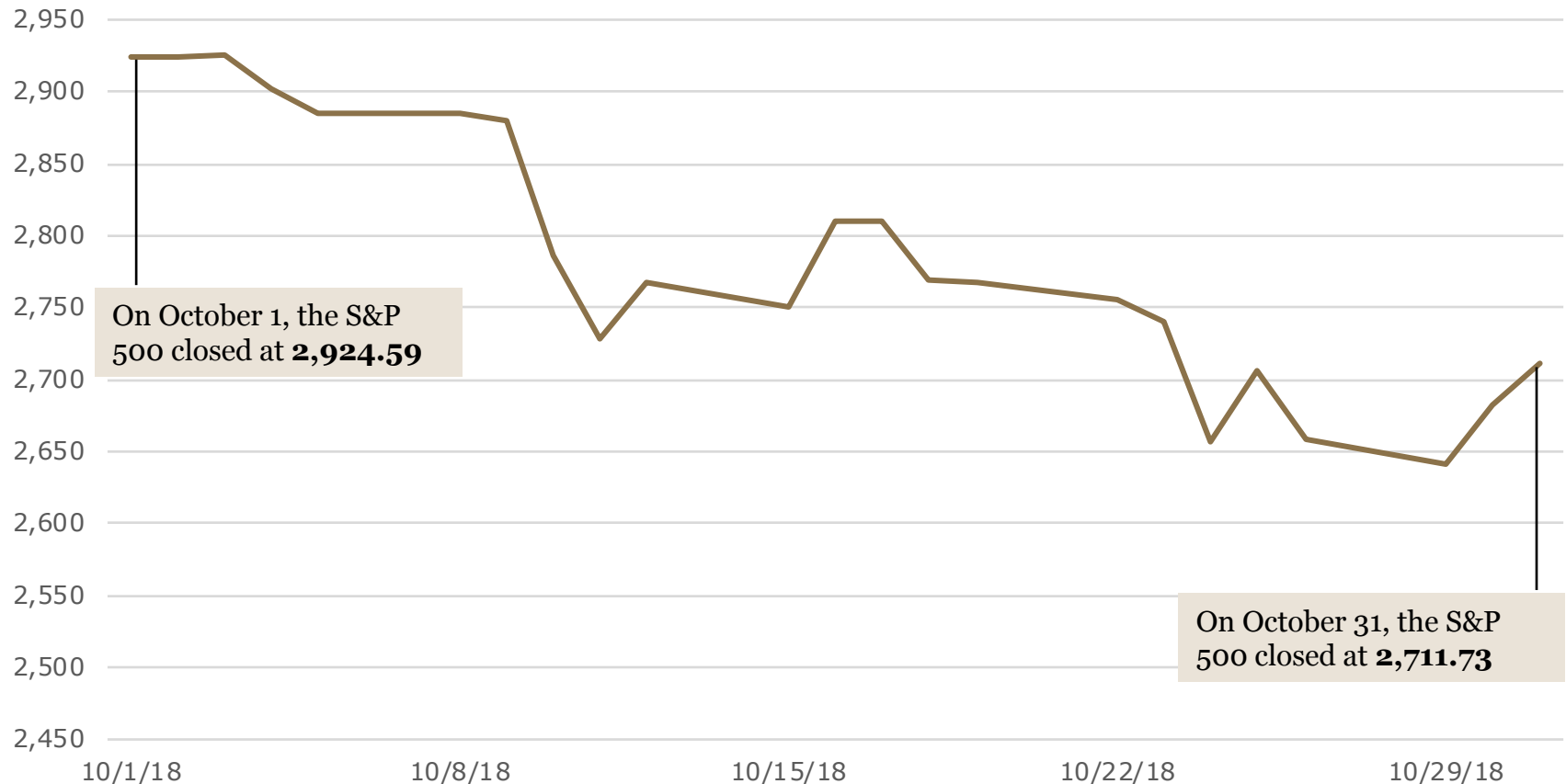


Sources: Yahoo Finance data.

The S&P dropped more in October than it has in any month since September 2011

S&P 500

ADJUSTED CLOSING VALUES; OCTOBER 1, 2018 TO OCTOBER 31, 2018

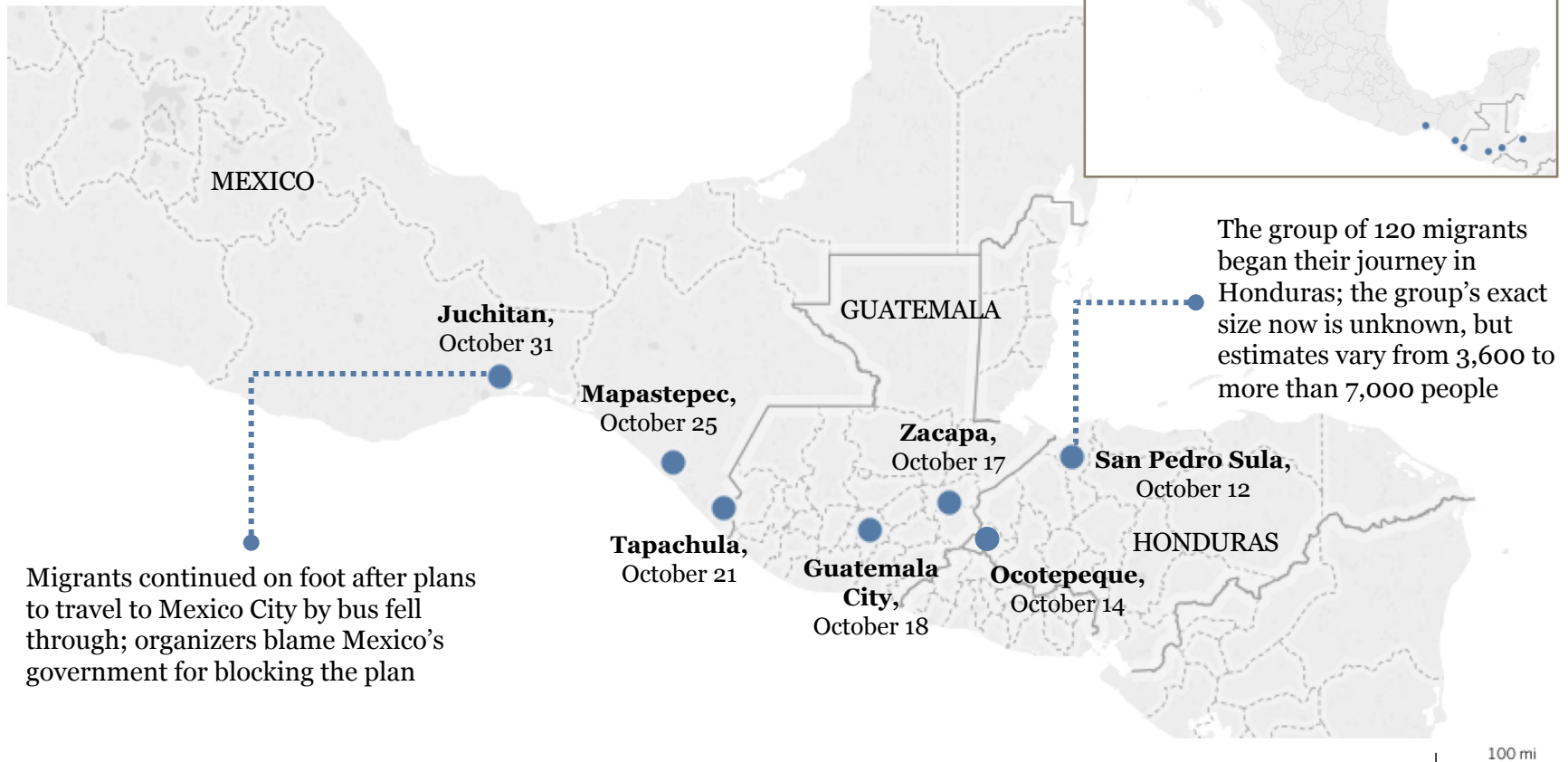


Sources: Yahoo Finance data, Michael Sheetz, "The stock market lost nearly \$2 trillion in October. Here's what happened," CNBC, October 31, 2018.

Mapping the Central American migrants' journey to the US

The caravan remains over 1,000 miles from the US-Mexico border – a journey that could take weeks or months, depending on their route

Note: the caravan's path and timing are based, in part, on estimates and vary by source



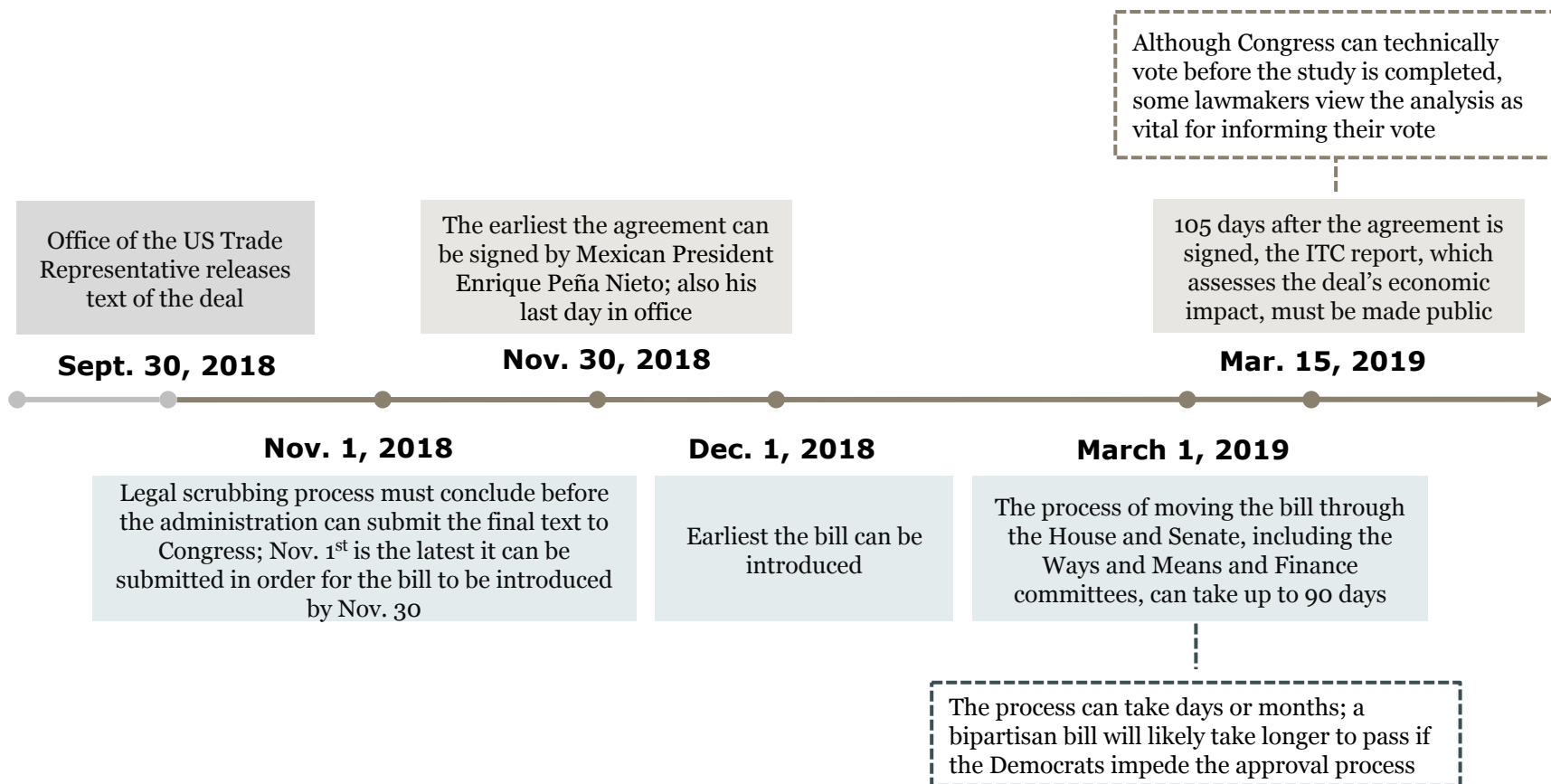
Sources: "Migrant caravan: What you need to know about their location, why they left their homes, how many there are," *USA Today*, Oct. 26, 2018; Sonia Perez D., "Migrant caravan must walk as Mexico ignores demand for buses," *ABC News*, Oct. 31, 2018; Catherine E Shoichet, et al., "The migrant caravan could be weeks away from the US border," *CNN*, Oct. 27, 2018..

Overview: USMCA timeline

Agreement timeline

A series of procedural hurdles will most likely delay its passage until early 2019

■ Congressional actions ■ Non-congressional actions



Sources: Megan Cassella, "NAFTA 2.0's long road to completion," *Politico*, updated October 1, 2018; Kimberly Amadeo, "Trade Promotion Authority, Its Pros, Cons and History," *The Balance*, August 28, 2018.