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Capital Snapshot: A Monthly Overview of the Issues, Events, Timelines, and Polling Data Driving Federal Policy Decisions

May 2023

This Month's Capital Snapshot Deck Includes

- An overview of the upcoming congressional schedule, including key dates in May
- An outlook on the state of play for the 2024 elections
- An update on developments, outlook, and priorities for key policy and legislative areas
- A look at current trends and factors that could impact the 2023 political and legislative landscape

Congressional Schedule for May 2023



2023 House Calendar

- There are 12 legislative days scheduled in the House for May.
- The House is in recess the first week of May and will also be on recess for Memorial Day week at the end of the month.
- There are 76 legislative days left in the House in 2023.

STEVE SCALISE

MAJORITY LEADER

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House Calendar // 118th Congress // First Session

2023 Senate Calendar

- There are 15 legislative days scheduled in the Senate for May.
- At this time, the Senate plans to be on recess the week before Memorial Day, but will return to session the day after Memorial Day.
- There are 104 legislative days left in the Senate in 2023.

DICK DURBIN
Majority Whip

JOHN THUNE
Republican Whip

UNITED STATES SENATE
118th Congress, 1st Session

2023

TENTATIVE SCHEDULE

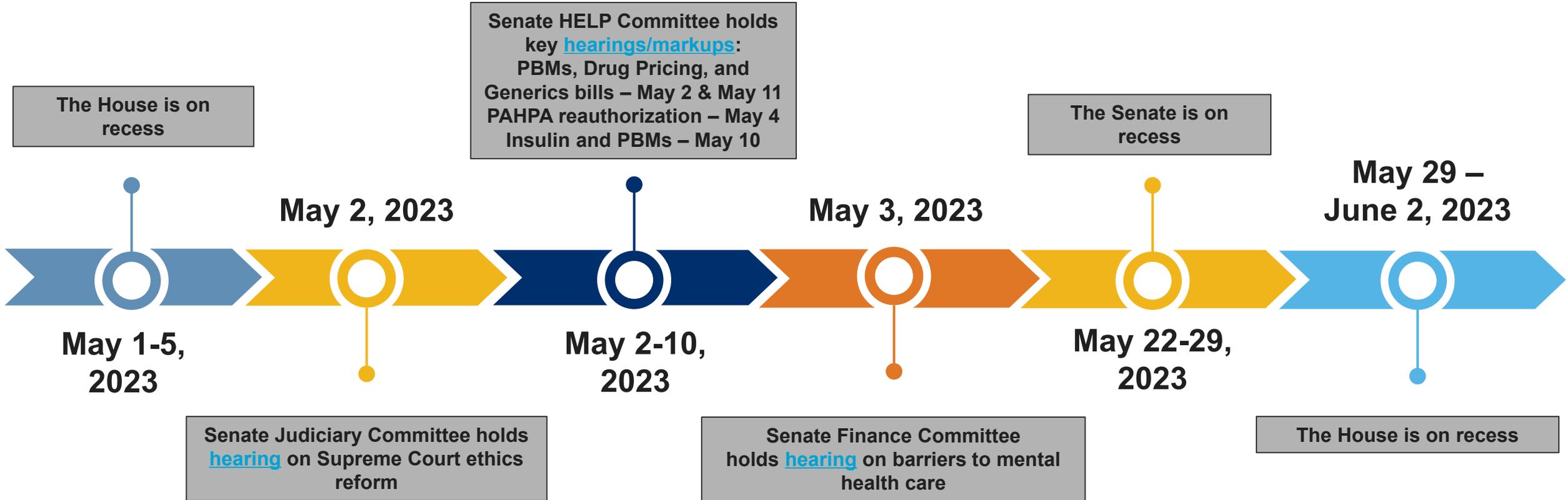
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<small>SENATE CONVENES JANUARY 3, 2023</small>																				
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JULY							AUGUST							SEPTEMBER						
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OCTOBER							NOVEMBER							DECEMBER						
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29	30	31	26	27	28	29	30	24	25	26	27	28	29	30						

Red dates = Senate not in session

1ST SESSION CONVENES—JANUARY 3, 2023
TARGET ADJOURNMENT—DECEMBER 15, 2023

GPO: 2022-49-898(100)

Congressional Schedule – May 2023

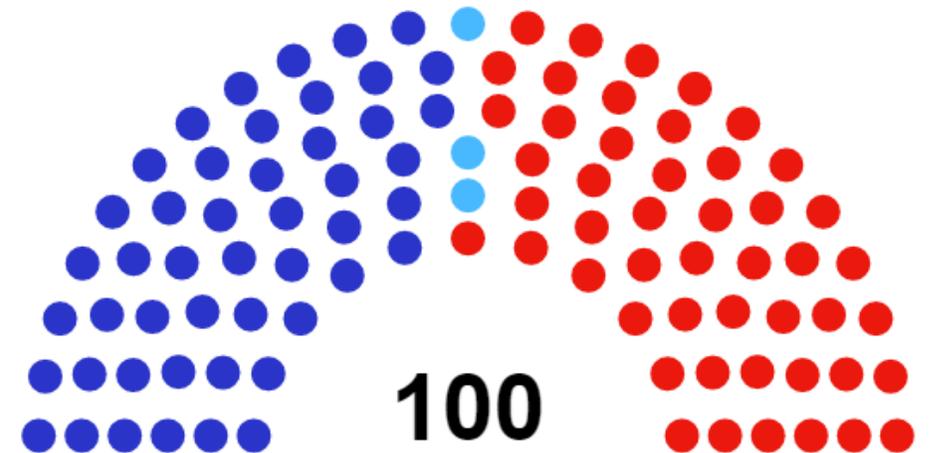
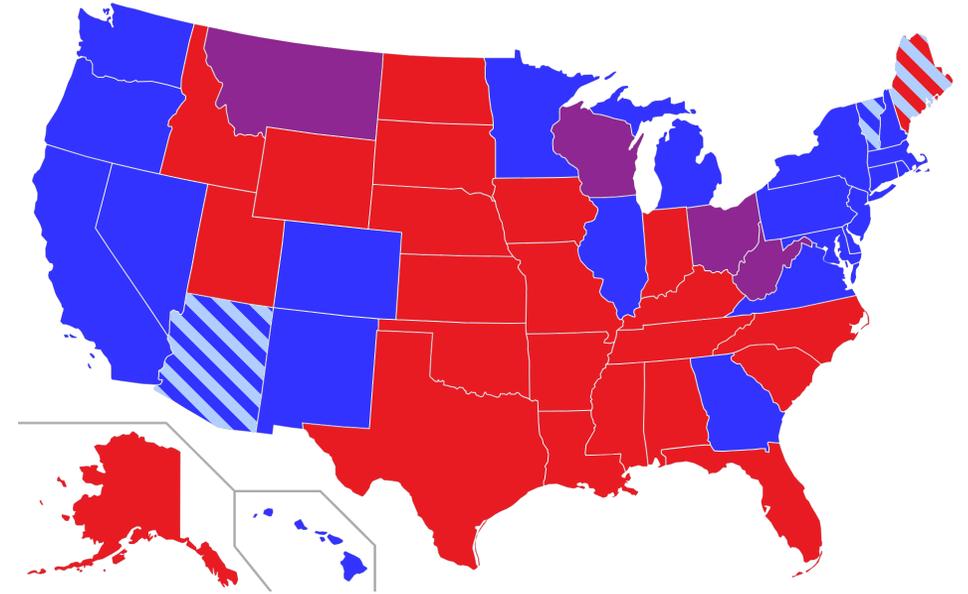


State of Play of the 2024 Elections



Current Senate – 118th Congress

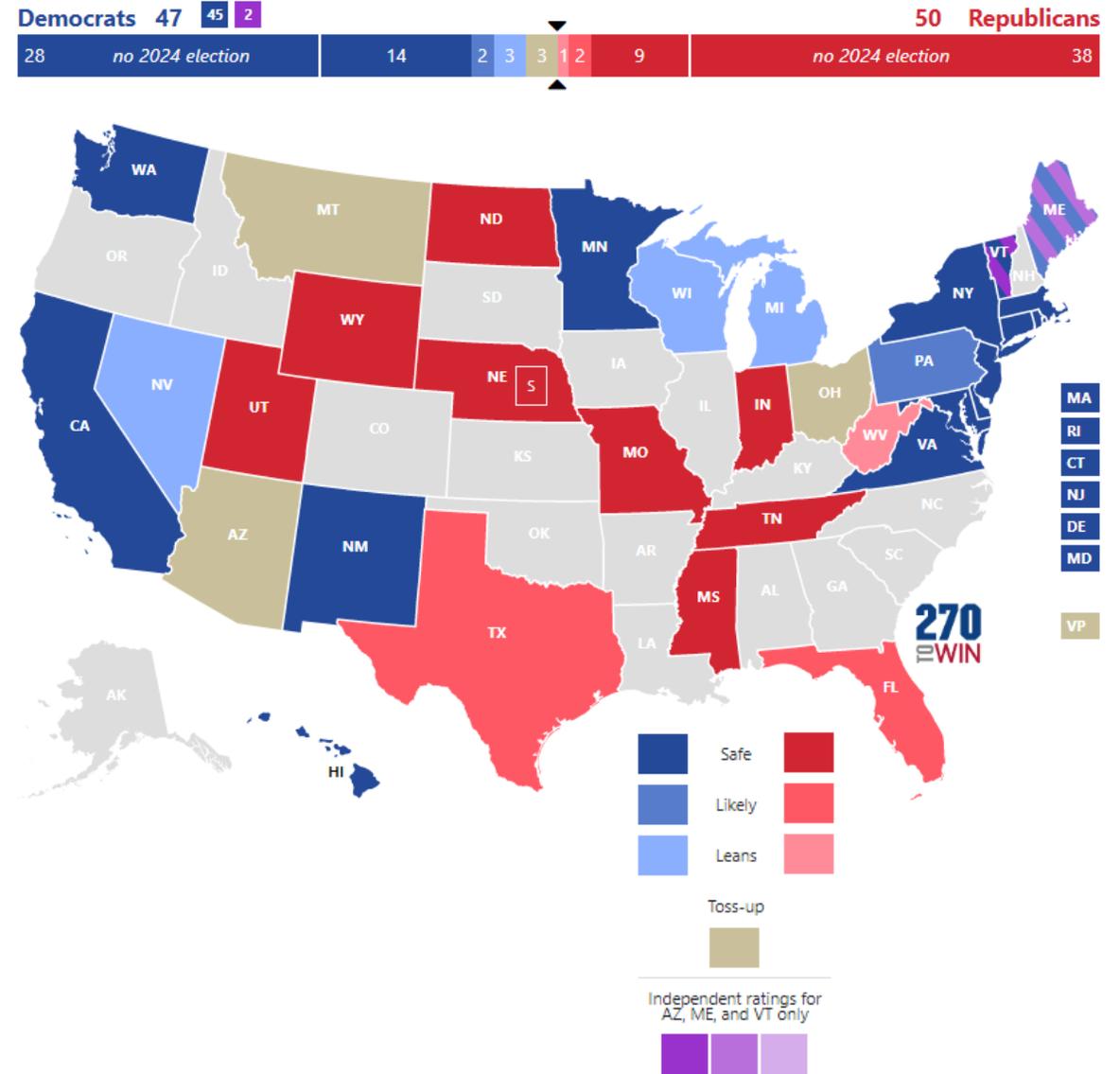
- Democrats have a 51-49 majority; their majority includes three independent Senators who caucus with the Democrats.
 - Every incumbent Senator who ran for re-election in the 2022 midterms won their race – this is the first time this has occurred in decades.
- Vice President Kamala Harris, who also serves as the Senate President, can cast a tie-breaking vote if the final vote on any legislation or nominee is tied at 50-50.
- Senator Patty Murray (D-WA) is the President Pro Tempore of the Senate. She is the first female President Pro Tem in history.



Source: Parliament Diagram Tool

Senate 2024 Outlook

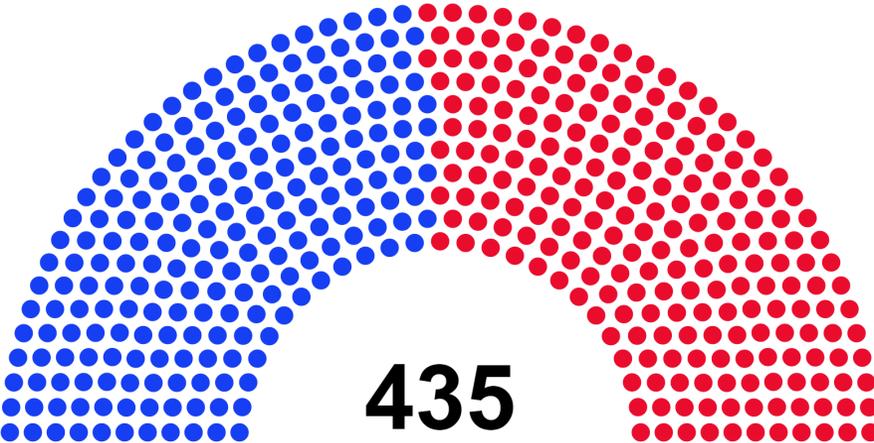
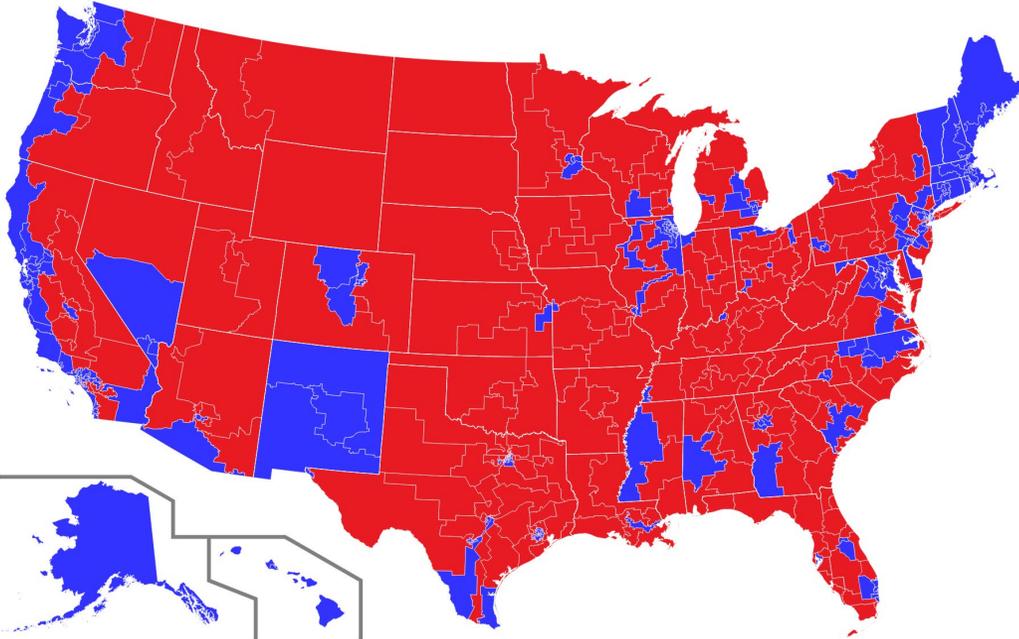
- Democrats currently only have a narrow majority and have a difficult Senate map for 2024.
- Three Democratic incumbents are from states which former President Trump won in both 2016 and 2020 (Montana, Ohio, and West Virginia).
- Democrats will also be defending seats in other competitive states such as Arizona, Nevada, Michigan, Pennsylvania, and Wisconsin.
- Republicans hold 38 seats that are not up for election in 2024; nine seats are “Safe R,” two seats are “Likely R,” and one seat “Leans R.”
 - If Republicans win the presidency in 2024, then 50 seats will be enough for a majority.
 - If Democrats retain the presidency in 2024, then Republicans will need 51 seats for a majority.
- While the contest for control of the Senate will be very competitive, due to an advantageous map, Republicans are slightly favored to win back the chamber in 2024.



Sources: UVA Center for Politics, Sabato’s Crystal Ball; 270 To Win

Current House – 118th Congress

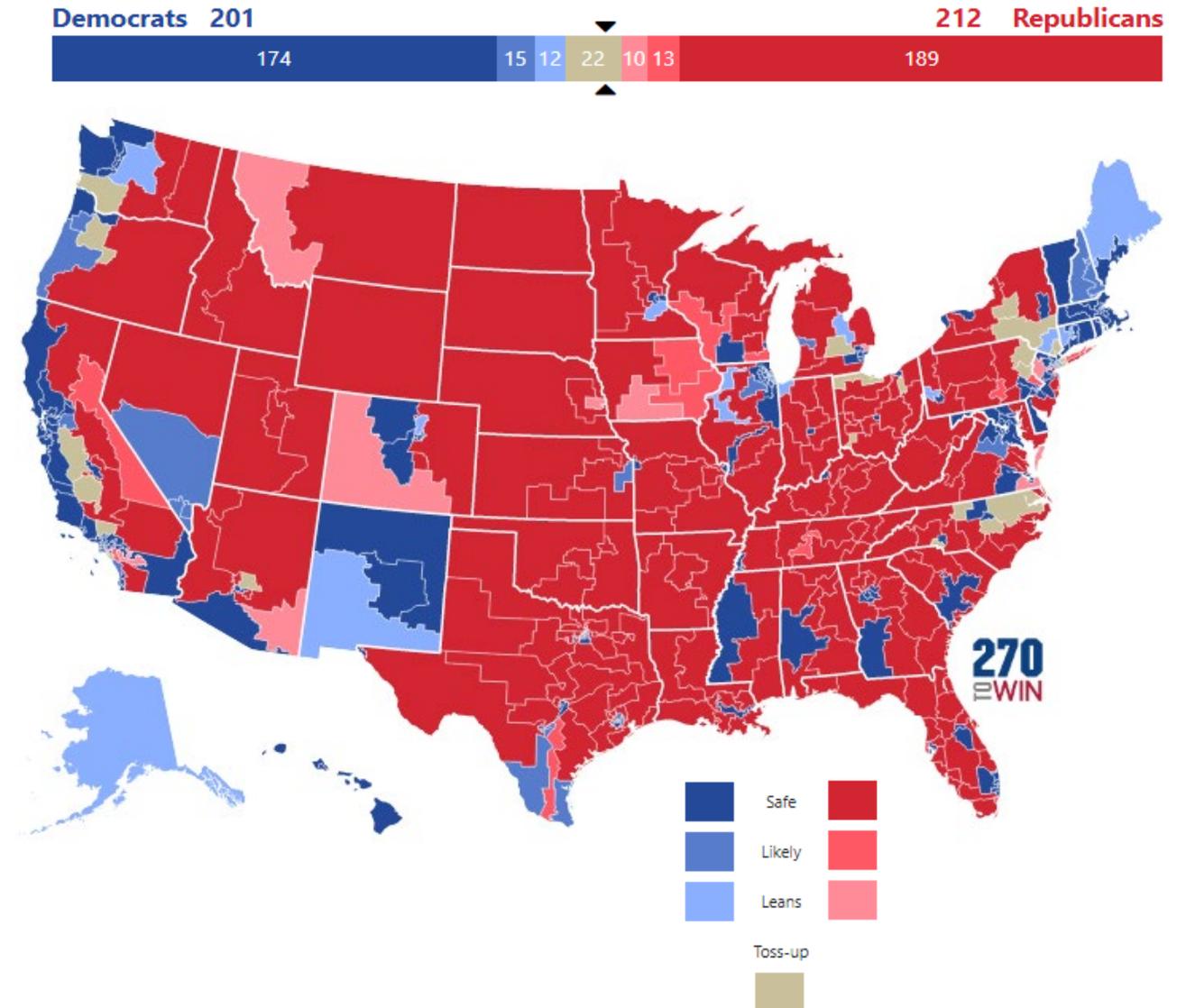
- Republicans hold a four-seat majority (222-213) in the House.
- The 2022 Republican midterm victory is an exact mirror image of the Democrats' 222-213 victory in the 2020 election.



Source: Parliament Diagram Tool

House 2024 Outlook

- Republicans currently have a small majority of 222-213. 218 is needed for a majority.
- Although it is early, for the 2024 elections, 189 seats are currently projected as “Safe R,” while 212 seats are rated as Safe, Likely, or Leans R.
- On the other hand, for 2024, 174 seats are rated as “Safe D,” while 201 seats are rated as Safe, Likely, or Leans D.



Sources: UVA Center for Politics, Sabato’s Crystal Ball; 270 To Win

House 2024 Outlook (Toss-up, Leans, and Likely Seats)

Democrats		
TOSS-UP (12)	LEANS DEMOCRATIC (12)	LIKELY DEMOCRATIC (15)
CA-47 Open (Porter)	Mary Peltola (AK-AL)	Josh Harder (CA-9)
MI-7 Open (Slotkin)	Yadira Caraveo (CO-8)	Mike Levin (CA-49)
Don Davis (NC-1)	Jahana Hayes (CT-5)	Lauren Underwood (IL-14)
Jeff Jackson (NC-14)	Frank Mrvan (IN-1)	Sharice Davids (KS-3)
Kathy Manning (NC-6)	Eric Sorensen (IL-17)	Hillary Scholten (MI-3)
Wiley Nickel (NC-13)	Jared Golden (ME-2)	Annie Kuster (NH-2)
Marcy Kaptur (OH-9)	Dan Kildee (MI-8)	Chris Pappas (NH-1)
Greg Landsman (OH-1)	Angie Craig (MN-2)	Susie Lee (NV-3)
Emilia Sykes (OH-13)	Gabe Vasquez (NM-2)	Steven Horsford (NV-4)
Matt Cartwright (PA-8)	Pat Ryan (NY-18)	Dina Titus (NV-1)
Susan Wild (PA-7)	Chris Deluzio (PA-17)	Val Hoyle (OR-4)
M. Gluesenkamp Perez (WA-3)	Kim Schrier (WA-8)	Andrea Salinas (OR-6)
		Henry Cuellar (TX-28)
		Vicente Gonzalez (TX-34)
		Abigail Spanberger (VA-7)

Total seats rated Safe Democratic: 174
Total seats rated Safe, Likely, or Leans D: 201

Republicans		
TOSS-UP (10)	LEANS REPUBLICAN (10)	LIKELY REPUBLICAN (13)
David Schweikert (AZ-1)	Juan Ciscomani (AZ-6)	Kevin Kiley (CA-3)
John Duarte (CA-13)	Ken Calvert (CA-41)	Young Kim (CA-40)
Mike Garcia (CA-27)	Michelle Steel (CA-45)	Anna Paulina Luna (FL-13)
David Valadao (CA-22)	Lauren Boebert (CO-3)	María Elvira Salazar (FL-27)
Anthony D'Esposito (NY-4)	Zach Nunn (IA-3)	Ashley Hinson (IA-2)
Mike Lawler (NY-17)	John James (MI-10)	M. Miller-Meeks (IA-1)
Marc Molinaro (NY-19)	Ryan Zinke (MT-1)	Nick LaLota (NY-1)
George Santos (NY-3)	Don Bacon (NE-2)	Brian Fitzpatrick (PA-1)
Brandon Williams (NY-22)	Tom Kean Jr. (NJ-7)	Scott Perry (PA-10)
L. Chavez-DeRemer (OR-5)	Jen Kiggans (VA-2)	Andy Ogles (TN-5)
		Monica De La Cruz (TX-15)
		Bryan Steil (WI-1)
		Derrick Van Orden (WI-3)

Total seats rated Safe Republican: 189
Total seats rated Safe, Likely, or Leans R: 212

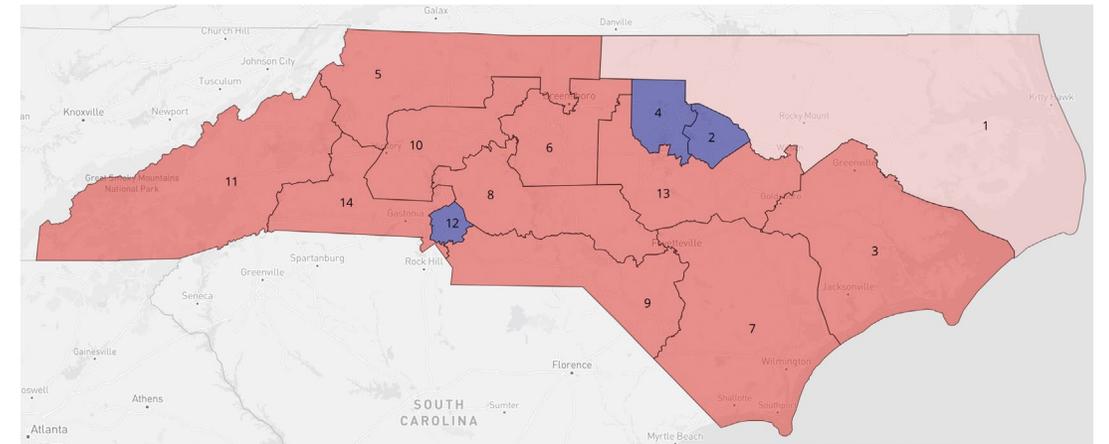
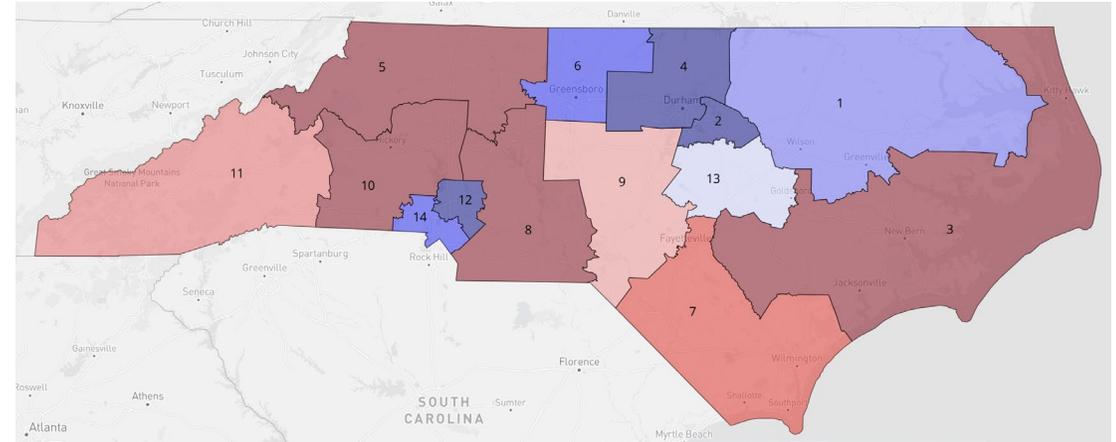
Source: UVA Center for Politics, Sabato's Crystal Ball

2024 Congressional Redistricting

- On April 28, the North Carolina Supreme Court ruled that state courts “are not intended to meddle in policy matters” such as redistricting and gerrymandering, and that the state’s constitution “expressly assigns the redistricting authority to the General Assembly.”
- The state Supreme Court had previously ruled that partisan gerrymandering violated the state Constitution’s free elections protections.
- However, the state’s top court flipped to Republican control in January 2023, and the new Republican majority revisited and ultimately reversed two voting rights rulings, including the gerrymandering ruling.
- The new majority dismissed the case, and said the state legislature can redraw the state’s congressional maps and state legislature maps.
- Since the North Carolina state legislature is controlled by Republicans, and the state’s Democratic governor was stripped of the ability to veto maps drawn by the state legislature, the Republicans are expected to draw new gerrymandered maps that will ultimately net Republicans a few new seats in the U.S. House of Representatives.
- The current court-drawn map is a split 7D-7R delegation. North Carolina Republicans are now expected to draw a map that will likely be 11R-3D.

Sources: NBC News; NPR; Dave Wasserman (Cook Political Report)

Current North Carolina congressional map (with partisan lean)
7R – 7D



Possible 2024 North Carolina congressional map (with partisan lean)
11R – 3D

President Joe Biden Announces His Re-election Bid

- On April 25, President Joe Biden (D-DE) officially [launched](#) his re-election campaign to seek a second term in the 2024 presidential election. Vice President Kamala Harris (D-CA) is expected to be his running mate once again.
- Two other candidates have announced they are running in the 2024 Democratic presidential primary: Robert F. Kennedy, Jr., son of former U.S. attorney general Robert F. Kennedy, and Marianne Williamson, who ran for the Democratic nomination in 2020.
- President Biden will very likely be the 2024 Democratic nominee for President, as incumbent presidents rarely face a contested primary, and have not faced one since then-President Gerald Ford did in 1976.



Incumbent President Joe Biden

2024 Republican Presidential Primary – Candidates Who Have Declared

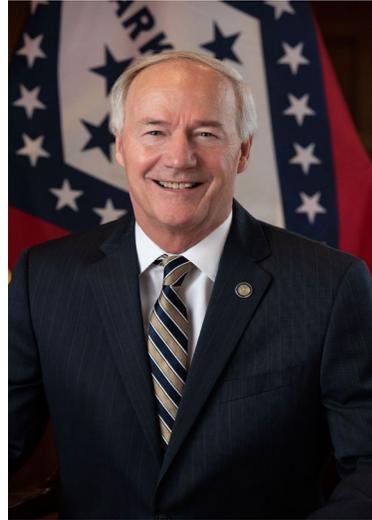
- A plethora of candidates are expected to run for the Republican nomination for President in the 2024 Republican presidential primary; a few major candidates have already declared.
- The most notable candidates who have declared so far include former President Donald Trump, former UN Ambassador and South Carolina Governor Nikki Haley, former Governor of Arkansas Asa Hutchinson, and entrepreneur Vivek Ramaswamy.
- Senator Tim Scott (R-SC) formed an exploratory committee on April 12 and is expected to formally announce a run for president on May 22.



Former President
Donald Trump



Former UN Ambassador
Nikki Haley



Former Governor
Asa Hutchinson



Vivek Ramaswamy



Senator Tim Scott

2024 Republican Presidential Primary – Other Potential Candidates

- A few notable potential candidates have yet to either make a decision about running or have not formally announced their presidential campaign yet.
- If Florida Governor Ron DeSantis officially enters the race, he and former President Trump are expected to be the two candidates who would be most likely to win the Republican nomination, with Trump being the favorite at this time.



Governor Ron DeSantis



Former Vice President
Mike Pence



Former Governor
Chris Christie



Governor Chris Sununu

History Is Not So Kind to White House Retreads

- At this time, the 2024 presidential election is expected to be a rematch of the 2020 election: President Joe Biden (D) vs. former President Donald Trump (R).
- In the past 150 years, there have been three rematches for the White House. In each instance, the loser of the first match-up won a smaller percentage of the vote.



Candidates	Years	First Election	Rematch
Dwight D. Eisenhower (R) Adlai Stevenson (D)	1952 & 1956	Eisenhower (55.2%) Stevenson (44.3%)	Eisenhower (57.4%) Stevenson (42%)
Franklin D. Roosevelt (D) (1944) Harry Truman (D) (1948)* Thomas E. Dewey (R)	1944 & 1948	Roosevelt (53.4%) Dewey (45.9%)	Truman (49.6%) Dewey (45.1%)
William McKinley (R) William Jennings Bryan (D)	1896 & 1900	McKinley (51%) Jennings Bryan (46.7%)	McKinley (51.6%) Jennings Bryan (45.5%)

Legislative and Policy Updates & Overviews



Debt Ceiling Negotiations

- On April 26, the House passed the House Republican leadership's debt ceiling legislative proposal, the Limit, Save, Grow Act of 2023 ([H.R. 2811](#)), by a vote of [217-215](#).
 - Four of the House Republicans' most conservative members voted against the bill, while all 211 Democrats who cast a vote voted against the measure. 217 was the minimum number of votes needed to pass the bill.
- House Republican leadership claims that their debt ceiling legislation saves an estimated US\$4.5 trillion over 10 years. The bill would also reduce government spending by setting FY 2024 discretionary spending at FY 2022 levels and would cap the growth of discretionary spending at 1% per year for the next ten years.
- This debt ceiling legislation now heads to the Senate, where it has no chance of passing and will not receive a floor vote. However, House Republican leadership, including Speaker Kevin McCarthy (R-CA), are hoping this gives them leverage in the debt ceiling negotiation process, since they are now the only chamber of Congress that has passed a debt ceiling bill. Speaker McCarthy [called on](#) President Joe Biden and Senate Majority Leader Chuck Schumer (D-NY) to come to the table to negotiate a debt ceiling increase.



President Biden and Speaker McCarthy speaking with each other on March 17, 2023

Debt Ceiling Negotiations

- On May 1, Treasury Secretary Janet Yellen sent a [letter](#) to Speaker McCarthy in which she wrote that, after reviewing recent federal tax receipts, the Treasury Department now estimates that they could be “unable to continue to satisfy all of the government’s obligations by early June, and potentially as early as June 1, if Congress does not raise or suspend the debt limit before that time.”
- Secretary Yellen notes in the letter that it is impossible to predict the exact date when the Treasury Department will be unable to pay the government’s bills, adding that the actual date that Treasury will exhaust “extraordinary measures” could be a few weeks later than their current early June estimate.
- Secretary Yellen shared in the letter that Treasury is taking an additional “extraordinary measure” to delay reaching the debt limit: suspending the issuance of State and Local Government Series (SLGS) Treasury securities.
- The Secretary closes the letter by urging Congress “to protect the full faith and credit of the United States by acting as soon as possible.”
- Soon after Secretary Yellen sent the letter to Speaker McCarthy, [reports](#) began to [surface](#) that President Biden invited the “Big Four” congressional leaders to meet on May 9 to discuss the “budget.” As of now, the White House continues to maintain they will not negotiate over the debt ceiling, as they contend Congress must lift the debt limit without conditions.



Treasury Secretary
Janet Yellen

FY 2024 Appropriations Process – Earmarks

- Nearly 70% of House Republicans are requesting community project funding for FY 2024, up from 60% last year and the highest level since the return of earmarks in FY 2022.
- Overall, House members asked for 5,067 earmarks, a nearly 7% increase over last year, for a total of US\$19.4 billion, more than a 56% increase from last year's total amount requested of US\$12.4 billion.
- While the number and amount of earmarks requested for FY 2024 has increased, not all projects will ultimately receive funding, since earmarks in the House's spending bills are likely to be capped at about US\$7.35 billion, or 0.5% of the Republicans' total US\$1.47 trillion discretionary spending limit.



FY 2024 Appropriations Process – Earmarks

- Republicans v. Democrats:** Republicans are seeking US\$10.2 billion across 1,864 projects versus US\$9.2 billion for Democrats spread over 3,203 requests. The Transportation-HUD measure was the most popular bill to submit requests for, with US\$8.7 billion of the total.
- New Requesters:** This increase in requested funding includes fourteen GOP lawmakers who did not accept earmark requests when Democrats controlled the House, as well as 33 of the 40 freshman GOP representatives. New requesters this cycle include House Appropriations Chairwoman Kay Granger (R-TX) and Reps. Marjorie Taylor Greene (R-GA), Andy Harris (R-MD), Matt Gaetz (R-FL), and Ben Cline (R-VA). Rep. Katie Porter (D-CA) was the only House Democrat who did not seek earmark funds.

	Member	Requested
1	Randy Weber, R-Texas	\$686.0 million
2	Jack Bergman, R-Mich.	\$465.8 million
3	John James, R-Mich.	\$430.5 million
4	Brian Mast, R-Fla.	\$337.3 million
5	John Carter, R-Texas	\$284.9 million
6	Chuck Fleischmann, R-Tenn.	\$273.7 million
7	Zoe Lofgren, D-Calif.	\$265.6 million
8	Jill N. Tokuda, D-Hawaii	\$255.3 million
9	Greg Murphy, R-N.C.	\$235.7 million
10	Mike D. Rogers, R-Ala.	\$208.9 million
11	Rick Crawford, R-Ark.	\$187.2 million
12	Sam Graves, R-Mo.	\$176.2 million
13	Nikki Budzinski, D-Ill.	\$153.8 million
14	Eric Sorensen, D-Ill.	\$149.3 million
15	Frank D. Lucas, R-Okla.	\$148.9 million
16	Darin LaHood, R-Ill.	\$145.1 million
17	Matt Gaetz, R-Fla.	\$141.5 million
18	Michael Waltz, R-Fla.	\$141.1 million
19	Grace Meng, D-N.Y.	\$135.9 million
20	Blaine Luetkemeyer, R-Mo.	\$135.6 million

Top 20 House Earmark Requesters (FY 2024)

FY 2024 Appropriations – Next Steps

- **House Markup Process:** House Appropriations subcommittee markups are set to begin on May 17; they will also be held on May 18, June 7, and June 8. Full committee markups will occur May 23-25 and June 13-15. The full committee markups are "likely to go well into the afternoon and evening," according to an April 27 letter from Chairwoman Granger to the membership of her committee.
- **Senate Appropriations Process:** Senators are finalizing the disclosure of projects they have requested on behalf of constituents. While Senators have no limit on the number of projects they can support, each Senate office takes its own approach at this point in the process. Senator Tammy Baldwin (D-WI), for example, chose to only advance a select number of projects under each subcommittee, whereas Senator Alex Padilla (D-CA) disclosed a more extensive list of projects. Neither Senator is expected to have their entire list of projects funded as the process proceeds, and more information will become available when the Senate Appropriations Committee begins subcommittee markups in early summer.



FY 2024 National Defense Authorization Act (NDAA) Process

Background: The NDAA is the annual defense legislation that sets the budget and priorities of the Department of Defense (DoD). The bill has passed every year for over six decades and is considered the last real “must-pass” bill by many in Congress, leading to a bipartisan, bicameral process to ensure passage.

Timeline: The FY 2024 process began with President’s Budget request release in March; annual budget hearings with each military service component followed. The House Armed Services Committee (HASC) has announced a May 23 committee markup with intent to consider the bill on the floor June 13-15. We expect the Senate Armed Services (SASC) to follow suit with committee markups in June and floor activity in July. Ideally, the two sides conference the bill in August and September, setting up final negotiations and passage in the fall.

What We Are Hearing: Historically, Congress approves an increase over the President request. For example, in FY 2023 Congress allocated US\$45 billion more than President Biden requested. We expect this to remain the norm despite House GOP calls for budget cuts, especially as the U.S. seeks to further deter China and Russia’s war in Ukraine. However, debt ceiling negotiations and the potential for a year-long continuing resolution (CR) could complicate DoD FY 2024 funding.



Student Loan Payment Moratorium

- Department of Education officials are urging Congress to provide additional funding for the Office of Federal Student Aid (FSA) to support the overhaul of the student loan system and to prepare for the return to repayment.
 - After getting level funding in FY 2023, the President's FY 2024 Budget Request included US\$2.7 billion for Student Aid Administration, a US\$620 million increase.
- Department spokespeople and student loan servicers alike are sounding alarm bells about a lack of sufficient funding to deal with 44 million borrowers returning to repayment later this year.
- A response from the Department is due May 9 to House Education and the Workforce Committee leaders who sent a letter asking for specific details about the Department's activities related to returning borrowers to repayment.



Secretary of Education Miguel Cardona testifying in April 2023 on the need for additional funding for restarting student loan repayments.

Possible Action on Student Loan Congressional Review Act Resolution

- Before the April recess, Republican leaders introduced a bicameral Congressional Review Act (CRA) resolution to overturn President Biden's one-time debt relief plan and latest payment pause extension.
- 48 Republican Senators and 71 Republican House members have signed onto the resolution, but floor time is unlikely to be scheduled in either chamber until Republicans determine they have enough votes to pass the resolution, which would require simple majorities in both the House and Senate.
- Republicans may have to lean on moderate Democrats, particularly in the Senate, to move forward. So far, Sen. Lisa Murkowski (R-AK) is the sole Republican Senator who has not co-sponsored the Senate resolution.



House Education & the Workforce Chairwoman Virginia Foxx (R-NC)

Student Loan Provisions in House Debt Limit Proposal

- The [Limit, Save, Grow Act of 2023](#) includes several provisions to address government spending through student loan policy by:
 - nullifying the President's one-time student loan forgiveness plan
 - invalidating the Department of Education's generous income-driven repayment (IDR) proposal
 - preventing future extensions of the payment pause
 - prohibiting other executive actions on student loans that are economically significant
- In a [statement](#), Education Secretary Miguel Cardona said the Republican plan would cause “a catastrophic default and plunge America into recession.” He also criticized Republicans for trying to stop debt forgiveness for student borrowers despite themselves benefitting “from hundreds of thousands of dollars in small business loan forgiveness.”
- While the Biden Administration is unlikely to agree to any of the student loan provisions in a final package, House passage means student loans could be on the negotiating table.



Speaker of the House Kevin McCarthy (R-CA)

Title IX Developments

- **Department of Education.** On April 6, the department published its proposed rule clarifying the implications of Title IX for the participation of transgender student athletes in school-based sports.
 - Under the proposed rule, schools receiving federal funding may bar transgender students from joining school athletic teams that align with their gender identity provided the limitations on their participation “substantially relate” to the achievement of an important educational objective” and “minimize harms” to the impacted transgender students.
 - The department also is expected to finalize in the coming weeks its expansive Title IX rewrite establishing that prohibitions against sex discrimination similarly forbid discrimination on the basis of sexual orientation and gender identity.
- **Congress.** On April 20, the Republican-controlled House of Representatives passed the Protection of Women and Girls in Sports Act of 2023 (H.R. 734), fulfilling a top campaign priority for House Republicans.
 - The bill, which is unlikely to survive scrutiny from the Senate Democratic majority, would implement a total ban on the participation of transgender women and girls on female school athletic teams, setting up a clash between the Biden Administration and Congress on civil rights for transgender Americans.



Healthcare Updates – Implementation of the *Inflation Reduction Act (IRA)*

- On April 19, CMS posted notice of a new IRA information collection request (ICR) related to the Counteroffer Form that Primary Manufacturers may submit if they do not accept CMS's initial offer for the maximum fair price. Comments are due June 20, 2023.
- On April 21, CMS released revised copies of the small biotech drug ICR forms. Comments are due by May 24, 2023.
- On April 26, CMS Administrator Chiquita Brooks-LaSure [testified](#) in front of the House Energy & Commerce Committee, in which she faced Republican criticism regarding the implementation of CMS' Drug Price Negotiation Program and other IRA provisions.
- Future GOP-led oversight efforts are expected to continue, especially as CMS gears up to announce the first 10 Medicare Part D drugs selected for the Drug Price Negotiation Program by September 1, 2023.



Healthcare Updates – Congressional Hearings

- Congressional committees have continued to hold several hearings related to President Biden’s FY 2024 Budget Request, including Republican-led oversight efforts related to federal agency programs with alleged waste, fraud, and abuse.
- Committee Members have raised a wide range of topics at these hearings, including (1) implementation of the IRA; (2) proposed reforms to the Medicare Advantage (MA) program; (3) COVID-19 oversight; (4) proposed reforms to how pharmacy benefit managers (PBMs) operate; (5) the U.S. Food and Drug Administration’s (FDA’s) accelerated approval pathway (AAP); (6) pandemic preparedness; and (7) surprise medical bills.
- Recent key hearings have included:
 - House L-HHS Appropriations Budget Hearing with ASPR, NIH, and CDC ([April 19](#))
 - Senate Appropriations Subcommittee Budget Hearing with FDA ([April 19](#))
 - House Energy & Commerce Subcommittee Hearing with HRSA ([April 19](#))



Healthcare Updates – Senate Finance Committee



Senate Finance Committee Chairman Ron Wyden (D-OR)

- **Health committees are focused on advancing legislative initiatives to address PBMs and other bipartisan drug pricing proposals.**
- On April 20, the Senate Finance Committee [released](#) a bipartisan framework to address PBMs and the pharmaceutical supply chain. In the framework document, Chairman Ron Wyden (D-OR) and Ranking Member Mike Crapo (R-ID) point to “misaligned incentives” for PBMs and incomplete disclosure requirements as drivers of rising drug prices in the U.S. The framework includes a list of possible policy solutions, including:
 - Delinking PBM compensation from drug prices to align incentives for lower costs
 - Enhancing PBM accountability to health plan clients to drive cost-cutting competition and produce better choices for beneficiaries
 - Ensuring discounts negotiated by PBMs produce meaningful savings for seniors
 - Addressing and mitigating practices that unfairly inflate the prices patients and government programs pay for prescription drugs
 - Modernizing Medicare’s “Any Willing Pharmacy” requirements to improve options and access for seniors
 - Increasing transparency to foster a better understanding of how financial flows across the prescription drug supply chain impact government healthcare programs

Healthcare Updates – Senate Health, Education, Labor and Pensions (HELP) Committee

- On May 2, the HELP Committee held a [markup](#), during which the committee considered the following bills:
 - *Ensuring Timely Access to Generics Act of 2023* ([S. 1067](#)), which would impose requirements related to third-party petitions concerning an application for FDA approval to market a generic drug or biosimilar
 - *Expanding Access to Low-Cost Generics Act of 2023* ([S. 1114](#)), which would grant certain generic drug manufacturers the ability to receive 180-day market exclusivity if a generic competitor drug does not come to market within a certain timeframe
 - *Retaining Access and Restoring Exclusivity (RARE) Act* ([S. 1214](#)), which would ensure that orphan drug exclusivity applies only to the same approved use or indication within a rare disease
 - *Pharmacy Benefit Manager (PBM) Reform Act* ([S. 1339](#)), which would require new reporting requirements, limit the use of “spread pricing,” and require that rebates, fees, and other discounts be passed through to health plans
- The markup was adjourned before any votes were taken after some committee members voiced concerns about (1) the process for accepting and considering amendments and (2) the timing of the markup, as some committee members argued the markup should be held *after* next week’s insulin and PBMs hearing. The markup will resume on May 11.
- The Senate’s drug pricing package is expected to include policies moving through the Senate Finance, HELP, Judiciary, and Commerce Committees.



Senate HELP Committee
Chairman Bernie Sanders (I-VT)

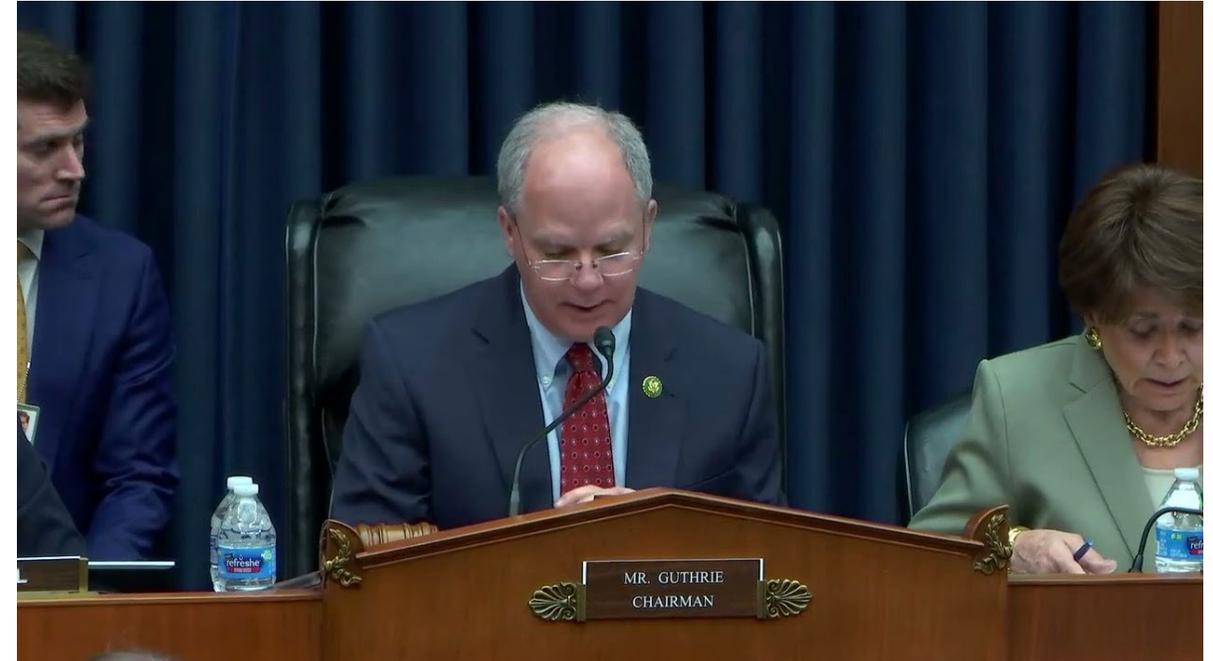
Healthcare Updates – Senate HELP Committee, Continued

- On May 10, the Senate HELP Committee will hold a [hearing](#) on “The Need to Make Insulin Affordable for All Americans.”
 - The CEOs from three major insulin manufacturers (Eli Lilly and Company, Novo Nordisk, and Sanofi) and top executives from the major PBMs (CVS Health, Express Scripts, and OptumRX) will testify.
 - Chairman Sanders said the hearing will be an opportunity to ensure that recent insulin price reductions “go into effect in a way that results in every American getting the insulin they need at an affordable price.” Chairman Sanders recently introduced [legislation](#) to cap the price of insulin to \$20 a vial.
 - This hearing follows manufacturers’ recent announcements to reduce insulin prices significantly and continues the trend of major CEOs testifying in front of Congress, following TikTok, Starbucks, and Moderna.
- **Healthcare workforce shortages continue to be a top priority for the Senate HELP Committee.**
 - Senate HELP Committee members have expressed interest in having workforce legislation based on the committee’s workforce [RFI](#) by May or June.
 - One proposal would establish a public-private scholarship match program offering states a Federal Medical Assistance Percentage (FMAP) bump of around ten percent for implementing an educational scholarship fund using state dollars and money from the healthcare sector.



Healthcare Updates – House Energy & Commerce (E&C) Committee

- On April 26, the E&C Health Subcommittee held a [legislative hearing](#) titled “Lowering Unaffordable Costs: Legislative Solutions to Increase Transparency and Competition in Health Care.”
 - Seventeen bills were on the agenda for consideration by the subcommittee, and the hearing consisted of two panels of witnesses, including CMS Administrator Chiquita Brooks-LaSure.
- A wide range of health policy matters were discussed, including:
 - Value-based purchasing (including the impact on accessing cell and gene therapies)
 - The 340B drug discount program
 - Greater access to generics and biosimilars
 - Consolidation in healthcare
 - Site-neutral payments
 - Price transparency and implementation of the *No Surprises Act*
 - Proposed cuts to Medicaid
 - Medicaid Disproportionate Share Hospital (DSH) payments.
- Following the hearing, CMS released a [fact sheet](#) titled “Hospital Price Transparency Enforcement Updates” outlining enforcement updates the agency is making (without formal rulemaking) to increase compliance with the hospital price transparency requirements.
- House Oversight Committee Chairman James Comer (R-KY) also plans to hold an oversight hearing on PBMs in the near future.



House Energy & Commerce Health Subcommittee
Chairman Brett Guthrie (R-KY)

Healthcare Updates – House E&C Committee, Continued

- **Like the Senate HELP Committee, the House E&C Committee is also considering improvements to the healthcare workforce.**
 - On April 19, the E&C Subcommittee on Health held a [hearing](#) titled “Examining Existing Federal Programs to Build a Stronger Health Workforce and Improve Primary Care.” During the hearing, members of the subcommittee discussed the expiration of federal funds for community health centers, the Teaching Health Center Graduate Medical Education Program (THCGME), and the Special Diabetes Program, as well as healthcare workforce shortages and the Organ Procurement and Transplantation Network (OPTN).
 - During the hearing, Chairwoman Cathy McMorris Rodgers (D-WA) discussed how the healthcare workforce shortage is hurting access to primary care for many Americans and highlighted the value of workforce training and apprenticeships in bringing more workers into the healthcare professional pipeline.



Healthcare Updates – House Ways & Means (W&M) Committee



House Ways and Means Oversight Subcommittee
Chairman David Schweikert (R-AZ)

- On April 26, the House W&M Oversight Subcommittee held a [legislative hearing](#) on “Tax-Exempt Hospitals and the Community Benefit Standard.” Oversight Subcommittee Chairman David Schweikert (R-AZ) and Ranking Member Bill Pascrell (D-NJ) intended the hearing to be a fact-finding mission, not a ‘political witch-hunt.’
 - Several members expressed concern about the significant federal, state, and local funding allocated to tax-exempt hospitals and the ineffectiveness of Schedule H (Form 990), which nonprofit hospitals use to provide information on their charity care and community benefit activities. Members also discussed nonprofit hospitals’ contribution to abuses in the 340B program and CEO compensation, which Rep. Greg Murphy (R-NC) called “absurd.”
- That same day, Rep. Victoria Spartz (R-IN) introduced the *Holding Nonprofit Hospitals Accountable Act* ([H.R. 2859](#)). The bill would establish new community benefit standards for tax-exempt hospital organizations.
- On May 3, the committee announced that its Health Subcommittee will hold a [hearing](#) on May 10 to assess policies that impact medical innovation and patient access to therapies.

Tax Update

- House Republicans are crafting a legislative proposal to extend lapsed provisions of the Tax Cuts and Jobs Act and make other changes, set to be released in May or June. The proposal is likely to include:
 - An extension of full expensing and bonus depreciation
 - A repeal of research and development amortization requirements
 - A repeal of the 30% limit on business interest deductions
 - An increase in the 1099K reporting threshold from \$600 to \$20,000
 - A legislative response to the Pillar Two global minimum tax deal
 - Provisions applying last-in, first-out (LIFO) accounting treatment to certain liquidations of motor vehicle inventory



House Ways & Means Committee
Chairman Jason Smith (R-MO)

Financial Services Update

- The House Financial Services Committee held a [hearing](#) April 19th to consider changes to bipartisan stablecoin [legislation](#) proposed in the 117th Congress. Committee Democrats suggested they have been left out of Republican negotiations surrounding the bill, with Ranking Member Maxine Waters (D-CA) urging the committee to “start from scratch”.
- The committee also [conducted](#) oversight of the Securities and Exchange Commission (SEC), where Republican members criticized Chair Gary Gensler’s advancement of ESG-related disclosure rules and held a [hearing](#) to mark up a bipartisan package of capital formation bills.
- The Senate Banking Committee focused on housing issues, with Ranking Member Tim Scott [releasing](#) a discussion draft of a sweeping housing bill entitled the ROAD to Housing Act ahead of a [hearing](#) that featured bipartisan consensus on the need for housing reform.
- The [Federal Reserve](#), [FDIC](#), [NYDFS](#), and [GAO](#) released reports on the collapse of Silicon Valley and Signature Banks on April 28, inviting further congressional oversight.
 - Proposals to claw back executive compensation continue to [gain bipartisan traction](#) as support for increasing the deposit insurance limit [has diminished](#).



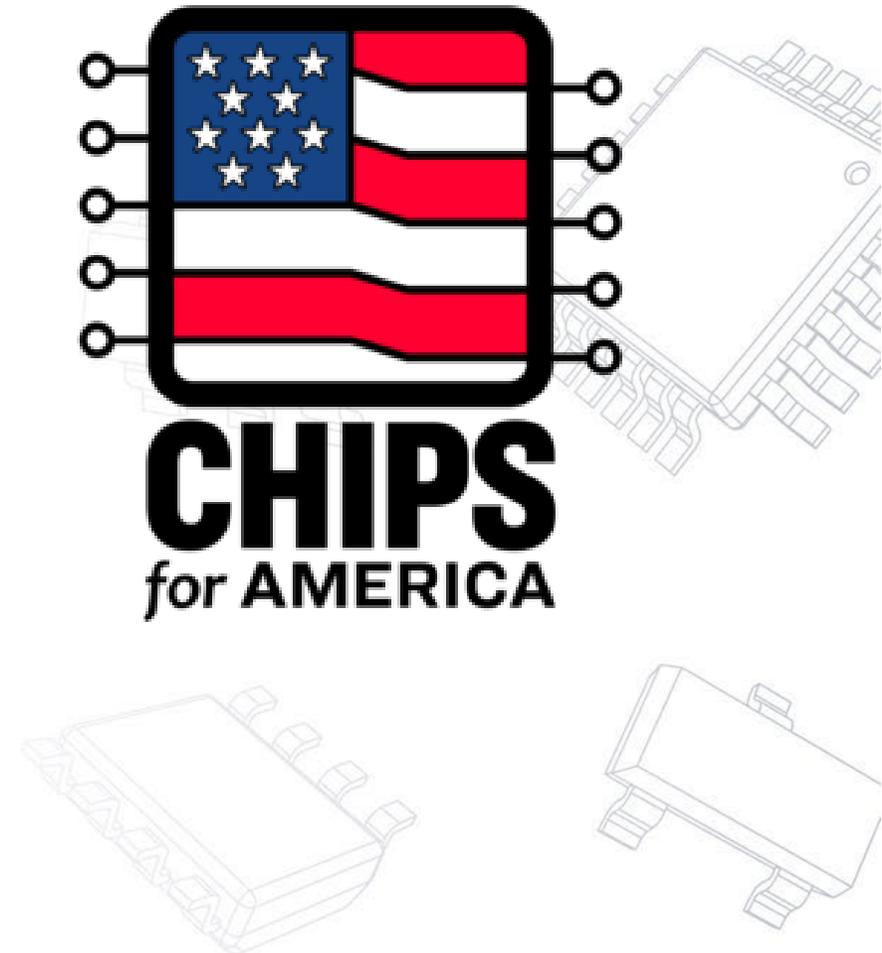
House Financial Services Committee
Chair Patrick McHenry (R-NC)



Senate Banking Committee
Chair Sherrod Brown (D-OH)

CHIPS Act Update

- The Commerce Department received more than 200 statements of interest from companies that intend to file CHIPS incentive applications. Of those 200 statements of interest, roughly half were for the current notice of funding opportunity.
- In late April, Commerce Secretary Gina Raimondo outlined the Department's vision for the National Semiconductor Technology Center (NSTC) in a [paper](#) and a [fact sheet](#).
- According to the paper, the NSTC has three goals:
 - Extend America's leadership in semiconductor technology
 - Reduce the time and cost of moving from design idea to commercialization
 - Build and sustain a semiconductor workforce development ecosystem
- The Commerce Department also issued a [call for nominations](#) to form a selection committee that will select the board or trustees that will form a nonprofit that will serve as the operator for the NSTC.
- The Commerce Department will establish the NSTC consortium later this year.



Trade Update



Treasury Secretary
Janet Yellen



U.S. National Security Advisor
Jake Sullivan

- On April 20, Secretary Yellen gave a [speech](#) on U.S. economic policy with respect to China, calling for a “constructive” and “healthy” economic relationship between the United States and China.
 - Secretary Yellen stressed the importance of securing American national security interests and protecting human rights, but argued the United States welcomes economic competition from China, provided China plays by international rules.
 - Secretary Yellen also stressed the United States does not seek to decouple its economy from China and provided a rationale for having a commercial relationship with China.
- On April 25, National Security Advisor Jake Sullivan delivered an [address](#) on renewing American economic leadership.
 - Sullivan said the administration intends to use “modern trade agreements” to build diversified and resilient supply chains, mobilize investment for green energy projects, enhance protections for labor and the environment, ensure trust in digital infrastructure, and create jobs.
 - But he noted there “is still work to be done bringing tariff levels down in many other countries.”

California: Budget Update

- State revenues have fallen short of projections for several consecutive months.
- The governor’s proposed budget, released in January, projected a US\$22.5 billion dollar shortfall – that number almost certainly is now higher.
- There are three likely options for addressing the deficit:
 1. Cut spending on programs – including housing, infrastructure, and climate.
 2. Draw on the state’s “rainy day” fund.
 3. Raise the corporate tax rate on high-earning firms (from 8.84% to 10.99% on income over US\$1.5M).
- The governor has already expressed opposition to the third option; many legislators are reticent to cut spending or draw on the state’s “rainy day” fund.
- All eyes will be on the governor’s May Revision budget, which is expected to be released no later than May 15.
- The May Revision will reveal how the governor intends to respond to the deficit.



California: Key Legislative Updates

- Several important bills have progressed through the legislative process and are expected to be considered on the floor of the Senate and Assembly in the coming weeks:
 - **SB 253** – requires businesses with total annual revenues in excess of US\$1B and that do business in California to publicly disclose, annually, greenhouse gas scope 1-3 emissions.
 - **AB 496** – prohibits manufacturing or selling cosmetics with specified intentionally added ingredients, including some PFAS. *(Already passed the Assembly and now heading to the Senate.)*
 - **SB 234** – requires colleges, universities, and public schools, as well as stadiums, concert venues, and amusement parks, to stock doses of naloxone, the generic form of the opioid overdose reversal drug Narcan.
 - **SB 28** – places a school maintenance and repair bond on the March 2024 ballot.
 - **SB 98** – funds schools based on enrollment, not attendance.
 - **SB 308** – creates a negative emissions credit market – and requires certain emitting entities to purchase such credits.



Thank you



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