UPDATE ON THE NEW CONGRESS AND ADMINISTRATION AND WHAT LIES AHEAD

Tuesday, June 20, 2 p.m. EDT
FREE CSG eCademy Webinar
• Moderator: Mark Strand, President, Congressional Institute
• Panelist: Professor Donald F. Kettl, University of Maryland’s School of Public Policy
• Panelist: Jeremy Deutsch, Chief of Staff, House Republican Conference
Professor Donald F. Kettl

University of Maryland’s School of Public Policy
Issues bubbling on the stove

• Health reform
  – How will federal support for Medicaid change?

• Infrastructure
  – What is “infrastructure”? And who will benefit?
  – What will be the balance of lending v. spending programs?
  – How much direct investment will happen when?
    • $5 billion budgeted for FY 2018, $200 billion in next 10 years
  – How will cuts elsewhere in budget affect the infrastructure plan?
    • Dept. of Transportation: 13% cut in discretionary spending

• Tax reform
  – How will tax reform affect state/local revenues, with proposal to eliminate most tax deductions except home ownership, charitable deductions?
  – How will the tax reform plan (reducing deductions) square with the infrastructure plan (built on tax credits)?
Federal grants have leveled off

Federal Grants (as percentage of federal outlays)

Source: OMB, Special Analyses, FY 2018
Federal grants: a tale of two eras

Grants as percentage of state and local expenditures

- **Rise of block grants**
- **Rise of Medicaid**

Graph showing the increase in federal grants as a percentage of state and local expenditures from 1960 to 2010, with notable rises in 1980 and 2010.
Medicaid dominates federal aid

Federal Grants (constant 2009 dollars)

Payments for individuals increased 32x

Grants for physical capital increased 3x

Grants for health now amount to 61% of total
Fiscal stress will continue long into the future

Prime driver: health care—Medicaid, employee benefits

Source: GAO–17–213
Aging population will drive policy

Source: https://agingstats.gov/docs/LatestReport/Older-Americans-2016-Key-Indicators-of-WellBeing.pdf
Jeremy Deutsch

Chief of Staff
House Republican Conference
115th: Productive Congress

LAWS SIGNED TO DATE

H.W. Bush: 35
Clinton: 33
Bush: 15
Obama: 24
Trump: 37

Average: 28.8
115th: Productive Congress

HOUSE PASSED BILLS TO DATE

H.W. BUSH | 41
CLINTON | 60
BUSH | 67
OBAMA | 131
TRUMP | 158

AVG 91.4

DATA PROVIDED BY QUORUM
What are the goals?

• Republicans:
  – Less federal government, more state and local
  – deference to Congress over agencies
  – Repealing federal intervention

• Democrats
  – More federal government, less state and local
  – Deference to agencies over Congress
  – Protecting Obama legacy items
Notable 115th Accomplishments

• 2017 Funding bill
  – Increased military spending
  – IRS/EPA and other agency reforms
  – Fights opioid epidemic

• House passage of Health Care Reform
  – Coverage for pre-existing conditions
  – Coverage for 26 and younger
  – Repeal of individual mandates

• Congressional Review Act legislation

• Chief Justice Gorsuch

• House passage of Dodd-Frank repeal
Congressional Review Act

• Passed 1996; allows Congress to veto agencies rulemaking

• When Congress disapproves a rule, agency cannot make new rules on the same subject

• Only used once in 2001 until 2017

• Used 14 times this year:
  – Education, drug testing, wildlife, securities, energy production, telecommunications
Obstacles to Success

• Divided Majority Party

• Partisan Politics
  – Both parties have different definition of success.
  – Both parties unwillingness to find “common ground” solutions.
  – Preference for failure over compromise: which is more important: your opponent failing or your success?
      • Health care solutions, tax reform, infrastructure spending
Questions?

Please submit them in the question box of the GoToWebinar taskbar.