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# Capital Snapshot

July 2024

# This Month's Capital Snapshot Deck Includes:

- An overview of the upcoming congressional schedule, including key dates in July 2024
- A run-through of notable political, judicial, and congressional developments, including the status of House seat vacancies and related special elections, as well as Supreme Court rulings in the cases of *Loper Bright Enterprises v. Raimondo*, *Corner Post v. Board of Governors of the Federal Reserve System*, and *Trump v. United States*
- Updates on developments, outlook, and priorities for key policy and legislative areas
- An outlook on the current Congress and the state of play for the 2024 congressional and presidential elections
- A look at current trends and factors that could impact the 2024 political and legislative landscape

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# Congressional Schedule for July 2024



# July 2024 House Calendar

- There are 11 total legislative days scheduled in the House for July 2024.
  - There are seven legislative days remaining in the month of June.
- The House will be in recess during the week of July 15 for the Republican National Convention.
- Currently, there are 41 legislative days scheduled in the House for the remainder of 2024.

**STEVE SCALISE**  
MAJORITY LEADER

JANUARY	FEBRUARY	MARCH
1 2 3 4 5 6	1 2 3	1 2
7 8 <b>9 10 11 12</b> 13	4 <b>5 6 7</b> 8 9 10	3 4 <b>5 6 7 8</b> 9
14 15 <b>16 17 18 19</b> 20	11 12 <b>13 14 15 16</b> 17	10 <b>11 12 13</b> 14 15 16
21 22 23 24 25 26 27	18 19 20 21 22 23 24	17 18 <b>19 20 21 22</b> 23
28 <b>29 30 31</b>	25 26 27 <b>28 29</b>	24 25 26 27 28 29 30 31
APRIL	MAY	JUNE
1 2 3 4 5 6	1 2 3 4	1
7 8 <b>9 10 11 12</b> 13	5 <b>6 7 8 9</b> 10 11	2 <b>3 4 5 6</b> 7 8
14 <b>15 16 17 18</b> 19 20	12 13 <b>14 15 16 17</b> 18	9 10 <b>11 12 13 14</b> 15
21 22 23 24 25 26 27	19 20 <b>21 22 23 24</b> 25	16 17 18 19 20 21 22
28 <b>29 30</b>	26 27 28 29 30 31	23 24 <b>25 26 27 28</b> 29 30
JULY	AUGUST	SEPTEMBER
1 2 3 4 5 6	1 2 3	1 2 3 4 5 6 7
7 <b>8 9 10 11</b> 12 13	4 5 6 7 8 9 10	8 <b>9 10 11 12</b> 13 14
14 15 16 17 18 19 20	11 12 13 14 15 16 17	15 16 <b>17 18 19 20</b> 21
21 <b>22 23 24 25</b> 26 27	18 19 20 21 22 23 24	22 <b>23 24 25 26 27</b> 28
28 <b>29 30 31</b>	25 26 27 28 29 30 31	29 30
OCTOBER	NOVEMBER	DECEMBER
1 2 3 4 5	1 2	1 2 <b>3 4 5 6</b> 7
6 7 8 9 10 11 12	3 4 5 6 7 8 9	8 <b>9 10 11 12</b> 13 14
13 14 15 16 17 18 19	10 11 <b>12 13 14 15</b> 16	15 <b>16 17 18 19</b> 20 21
20 21 22 23 24 25 26	17 <b>18 19 20 21</b> 22 23	22 23 24 25 26 27 28
27 28 29 30 31	24 25 26 27 28 29 30	29 30 31

House Calendar | 118th Congress | Second Session

# July 2024 Senate Calendar

- There are 12 total legislative days scheduled in the Senate for July 2024.
  - There are seven legislative days remaining in the month of June.
- The Senate will be in recess during the week of July 15 for the Republican National Convention.
- Currently, there are 48 legislative days scheduled in the Senate for the remainder of 2024.

**UNITED STATES SENATE**  
*118th Congress, 2nd Session*

**2024**

**TENTATIVE SCHEDULE**

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3							1	2
7	8	9	10	11	12	13	4	5	6	7	8	9	10	3	4	5	6	7	8	9
14	15	16	17	18	19	20	11	12	13	14	15	16	17	10	11	12	13	14	15	16
21	22	23	24	25	26	27	18	19	20	21	22	23	24	17	18	19	20	21	22	23
28	29	30	31	25	26	27	28	29	24	25	26	27	28	29	30					
<small>SENATE CONVENES JANUARY 8, 2024</small>													31							
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6			1	2	3	4							1	
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30	26	27	28	29	30	31	23	24	25	26	27	28	29					
													30							
JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	1	2	3	4	5	6	7	
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31	25	26	27	28	29	30	31	29	30								
OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5					1	2	1	2	3	4	5	6	7		
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31	24	25	26	27	28	29	30	29	30	31						

Red dates = Senate not in session

2ND SESSION CONVENES—JANUARY 8, 2024  
TARGET ADJOURNMENT—DECEMBER 20, 2024

# Legislative, Political, and Policy Updates and Overviews



# The Supreme Court Overturns the “Chevron Doctrine”

- On June 28, 2024, Chief Justice of the United States John Roberts issued a 6-3 [opinion](#) in the case of *Loper Bright Enterprises, et al. v. Raimondo, Secretary of Commerce, et al.*
- The Court’s decision held that the Administrative Procedure Act (APA) requires courts to exercise their independent judgment in deciding whether an agency has acted within its statutory authority, and courts may not defer to an agency interpretation of the law simply because a statute is ambiguous.
  - Chief Justice Roberts contended in his majority opinion that the APA requires courts to “decide all relevant questions of law, that the Chevron deference had improperly transferred judicial power to executive agencies, and that the Chevron deference caused unpredictability due to changing agency interpretations of the law between administrations.
- This ruling overturned the long-standing “Chevron judicial doctrine,” also known as the “Chevron deference,” which was a 40-year doctrine that required federal judges to defer to federal agencies’ “reasonable” interpretations of “ambiguous” federal laws.
- This ruling could have far-reaching and significant impacts on the role and function of federal agencies, especially their regulatory authority and power. The federal judiciary will now have more power to impose their interpretations of various laws and strike down related federal regulations.
- The Court’s Justices were divided along ideological lines, with all six conservative Justices signing onto the majority opinion, and all three liberal Justices dissenting. In her dissenting opinion, Justice Elena Kagan wrote, “it is now ‘the courts (rather than the agency)’ that will wield power when Congress has left an area of interpretive discretion. A rule of judicial humility gives way to a rule of judicial hubris.”
  - Justice Kagan argued that agencies have relevant and germane expertise that courts lack, and that the Chevron deference reflected congressional intent for agencies to resolve ambiguities. She also further contended that the Court’s majority decision will cause massive disruption to settled law and expectations.



# Supreme Court Rules on Statute of Limitations for Judicial Review of Federal Agency Rulemaking

- On July 1, 2024, the Supreme Court issued a 6-3 [opinion](#) in the case of *Corner Post, Inc. v. Board of Governors of the Federal Reserve System*.
- In its ruling, the Supreme Court held that an Administrative Procedure Act (APA) claim pertaining to the six-year statute of limitations pursuant to 28 U.S.C. § 2401(a) does not accrue until the plaintiff is injured by final agency action.
- Justice Amy Coney Barrett wrote the majority opinion, with the Court's other conservative jurists, Chief Justice Roberts, and Justices Thomas, Alito, Gorsuch, and Kavanaugh, joining the majority opinion.
- The Court's three liberal justices, Justices Jackson, Sotomayor, and Kagan, filed a dissenting opinion. Justice Jackson, who authored the minority opinion, contended that "the meaning of accrue for the purpose of a statute of limitations is determined by the particular 'right of action' at issue," and in the context of facial administrative law challenges, "the limitations period begins not when a plaintiff is injured, but when a rule is finalized."
- This Court decision, and the Court's overruling of the *Chevron* deference in *Loper Bright Enterprises v. Raimondo*, will have impactful and significant implications on the federal agency rulemaking process, and implementation of such rules.

# Supreme Court Rules on Presidential Immunity

- On July 1, 2024, the Supreme Court issued a 6-3 [opinion](#) in the case of *Trump v. United States* in which the Court ruled that former President Donald Trump has absolute immunity for acts he committed as president within his core constitutional authority.
- The main question that the Court considered during this case is whether a former president enjoys presidential immunity from criminal prosecution for conduct alleged to involve official acts during his tenure in office.
- This case extends from an ongoing federal trial regarding former President Trump's alleged participation in attempts to overturn the 2020 presidential election; this includes his alleged involvement in the January 6, 2021 Capitol attack.
- In its ruling, the Court held that, under the constitutional structure of separated powers, the nature of presidential power entitles a former president to absolute immunity from criminal prosecution for actions within his conclusive and preclusive constitutional authority. And he is entitled to at least presumptive immunity from prosecution for all his "official acts." The Court also ruled that there is no immunity for "unofficial acts."
- The Court was divided along ideological lines, with all six conservative Justices joining Chief Justice Roberts' majority opinion, and all three liberal Justices dissenting.
- In her dissenting opinion, Justice Sotomayor argued the Court's decision "makes a mockery of the principle, foundational to our Constitution and system of Government, that no man is above the law." She also argued that, in the future, if presidents misuse official power for personal gain, "the criminal law that the rest of us must abide will not provide a backstop."
- As a result of the Supreme Court's ruling, the judge for former President Trump's case in New York state court, in which Mr. Trump was found guilty on 34 counts, has delayed Trump's sentencing until September 18. It was originally scheduled for July 11. The ruling also could potentially impact the federal government's ability to move forward with the federal cases involving the former president.

# State of the House – House Republicans Add a Member to Their Ranks

- On June 11, 2024, current Ohio State Senator Michael Rulli (R-OH) emerged victorious in the special election for Ohio’s 6<sup>th</sup> congressional district by a [tally](#) of 54.6% to 45.3%, defeating Democratic nominee Michael Kripchak.
- The special election was held to fill the seat left vacant by former Rep. Bill Johnson (R-OH), who resigned from Congress this past January to become the President of Youngstown State University.
- The 6th district is a very Republican-leaning district, as former President Donald Trump won this seat by about 30 percentage points in 2020, though Mr. Rulli won the seat by just 9.4 percentage points.
- Rep. Rulli was officially [sworn into office](#) by Speaker Mike Johnson (R-LA) on June 25, 2024. After Rep. Rulli was sworn in, the size of the House Republican Conference increased from 218 to 219, with the House party breakdown being 219 Republicans and 213 Democrats, with three vacancies.
  - This was still just a two-vote majority for House Republicans, however.
- Shortly after Rep. Rulli was sworn into office, Speaker Johnson [stated](#), “Michael has a strong, conservative background and a long record of dedicated public service, and he will immediately become an asset to our Conference. We are glad to have him join the team.”



Newly-elected Rep.  
Michael Rulli (R-OH-06)



# State of the House – House Republicans Win Colorado Special Election

- On June 25, 2024, Greg Lopez won the special election for Colorado’s 4<sup>th</sup> congressional district by comfortable final [tally](#) of 58.3% to 34.5% over Democrat challenger Trisha Calvarese.
- The special election was held to fill the seat left vacant by former Rep. Ken Buck (R-CO), who resigned from Congress in March. The 4<sup>th</sup> district, which covers the eastern part of Colorado, is the most Republican-leaning district in the state of Colorado, as former President Donald Trump won this seat by about 18 points in 2020.
- Rep. Lopez was previously the mayor of Parker, Colorado, and was the former director of the Colorado office of the U.S. Small Business Administration during the Trump administration.
- Rep. Lopez only ran for the special election to replace former Rep. Buck and fill his seat for the remainder of the term, through the end of 2024.
- Rep. Lauren Boebert (R-CO), who currently represents Colorado’s 3<sup>rd</sup> congressional district, on the other side of the state, switched districts to run in the primary for the 4<sup>th</sup> district; she won the GOP primary for the 4<sup>th</sup> district on June 25, 2024.
- Rep. Lopez was officially [sworn into office](#) on July 8, 2024. After Rep. Lopez was sworn in, the size of the House Republican Conference has now increased from 219 to 220, with the House party breakdown being 220 Republicans and 213 Democrats, with two vacancies.
  - This is now a three-vote majority for the Republicans, as Republicans can lose three votes on a party-line bill and still pass the bill (217-216).
- Shortly after Rep. Lopez was sworn into office, Speaker Johnson [stated](#), “Greg’s service in the military, tenure in the Small Business Administration, and leadership as Mayor of the town of Parker have served the people of Colorado well.... House Republicans are eager to begin working with him.”



Rep. Greg Lopez  
(R-CO-04)



# Status of House Vacancies and Relevant Upcoming Special Elections

- The House currently has two vacancies. The current party breakdown in the House is **220 Republicans** and **213 Democrats**.
  - There will **not** be a special election for former-Rep. Mike Gallagher's (R-WI-8) seat. His resignation occurred at a point in which Wisconsin law stipulates that the seat be filled in the November general election. Thus, the seat for Wisconsin's 8<sup>th</sup> district will not be filled until January 3, 2025.
  - The late Rep. Donald Payne, Jr. (D-NJ-10) passed away on April 24, 2024.
    - The primary for the special election for this seat will take place on July 16, 2024, and the special general election will take place on September 18, 2024.
    - This seat is the most Democratic district in New Jersey, and is thus "Safe D," so after this special election, the House will then very likely stand at **220 Rs** and **214 Ds**, back down to a *two-vote* Republican majority from the current three-vote majority.



# FY25 Appropriations – House

- The House Appropriations Committee adhered closely to Chairman Tom Cole’s (R-OK) ambitious appropriations [schedule](#), passing the remaining six Fiscal Year (FY) 2025 bills in full committee markups the week of July 8, 2024.
- House Republican leaders also succeeded in passing four of the 12 FY25 appropriations bills on the floor, in largely party-line votes:
  - Defense ([H.R. 8774](#)), passed 217-198
  - Homeland Security ([H.R. 8752](#)), 212-203
  - Military Construction-Veterans Affairs ([H.R. 8580](#)), 209-197
  - State-Foreign Operations ([H.R. 8771](#)), 212-200
- However, the Legislative Branch appropriations bill ([H.R. 8772](#)) *failed* on the House floor on July 11, 2024 in a [205-213](#) vote.
- While House Republicans have been able to make some progress towards their goal of passing all 12 FY25 appropriations bills by the August recess, the schedule leaves little room for error – especially after the failed Legislative Branch bill vote – as Republican leaders will need to hold floor votes on eight bills during the weeks of July 22 and July 29, 2024.



House Appropriations Committee Chair Tom Cole (R-OK)



# FY25 Appropriations – House CPF Requests



House Oversight Committee Chair James Comer (R-KY)

- With all House FY25 appropriations bills released, totals for Community Project Funding (CPF) requests reached just over US\$8 billion across 4,830 individual earmarks.
  - The funding total is a 9% increase over what was included in the initial FY24 appropriations bills.
- Senior Republican lawmakers, House Appropriations Cardinals, and vulnerable Republican incumbents were among those receiving the most in earmarks.
- Rep. James Comer (R-KY) received the most in CPF request funds for his district (US\$241.3 million), largely due to a US\$218 million set-aside for an Army Corps of Engineers infrastructure project expanding the Kentucky Lock.
- Consistent with the FY24 cycle, Republicans received the most earmarked funds in the proposed bills – 49 Republicans received more in earmarks for their district than Rep. Don Beyer (D-VA), a Democrat, receiving the most amount of total funding in earmarks (US\$30.7 million).

# FY25 Appropriations – Senate



Senate Appropriations Committee Chair Patty Murray (D-WA)

- Senate Appropriations Chair Patty Murray (D-WA) distributed topline funding allocations (302(b)s) for the remaining FY25 bills to subcommittee chairs after prolonged negotiations stalled.
- While Chair Murray and Vice Chair Susan Collins (R-ME) negotiated bipartisan totals during the FY24 cycle, the two leaders were unable to reach an agreement on bipartisan totals due to disagreements on how to approach Fiscal Responsibility Act (FRA) spending caps.
- Having received topline numbers a few weeks early, Chair Murray convened a [markup](#) on July 11, 2024 for three of the appropriations bills: Agriculture-FDA, Legislative Branch, and Military Construction-VA. At this markup, the committee also considered the chair's [302\(b\) subcommittee allocations](#).
- The three bills that were considered during this markup were all favorably reported in unanimous, bipartisan 27-0 votes.



# FY 5 Appropriations – Senate



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

- Chair Murray’s 302(b) subcommittee allocations are as follows:
  - **Agriculture-FDA:** US\$27.1 billion
  - **Commerce, Justice, Science:** US\$69.2 billion
  - **Defense:** US\$830.9 billion
  - **Energy and Water Development:** US\$61.5 billion
  - **Financial Services and General Government:** US\$21.2 billion
  - **Homeland Security:** US\$60.5 billion
  - **Interior, Environment:** US\$37.6 billion
  - **Labor, Health and Human Services, and Education (L-HHS):** US\$198.6 billion
  - **Legislative Branch:** US\$7 billion
  - **Military Construction and Veterans Affairs (MilCon-VA):** US\$148.9 billion
  - **State, Foreign Operations:** US\$55.7 billion
  - **Transportation, Housing, and Urban Development (T-HUD):** US\$87.7 billion
- Of note, while the three bills that were considered at the markup were all advanced unanimously, the vote to agree to the chair’s proposed 302(b) topline subcommittee allocations was a party-line vote of 15-12, with all Republicans opposing these proposed allocations.

# FY25 Appropriations – Senate

- On July 8, 2024, the Senate Appropriations Committee addressed calls to increase spending beyond the limits set under the FRA in a bipartisan deal struck by Chair Murray and Vice Chair Collins to add US\$34.5 billion in emergency funding to the FY25 totals.
- Of the US\$34.5 billion, nearly US\$21 billion will fund increases in defense spending while the remaining US\$13.5 billion will be spread among non-defense programs.
- Senate Republicans and some Democrats, including Senate Defense Appropriations Subcommittee Chairman Jon Tester (D-MT), had called for an increase in defense spending beyond the 1% increase under the FRA, arguing the increase is inadequate to keep up with inflation and global national security issues.
- Chair Murray and other Democrats insisted additional defense spending must be matched by increases in non-defense spending.



Senate Defense Appropriations Subcommittee Chairman Jon Tester (D-MT)

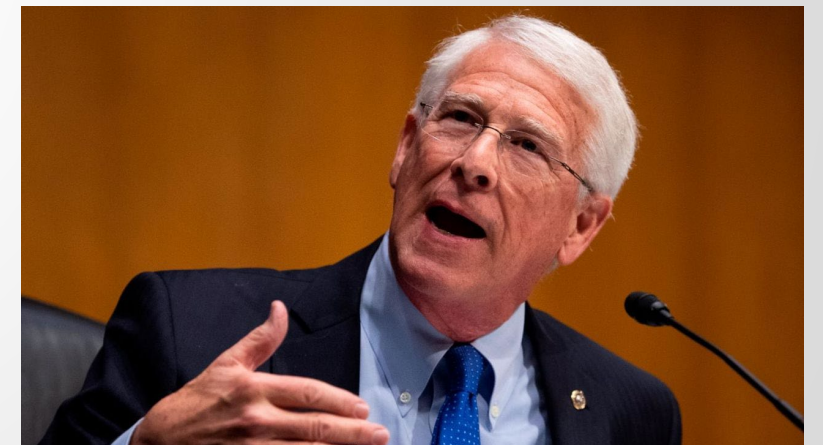


# NDAA Update

- On July 8, 2024, the Senate Armed Services Committee (SASC) released the text of the FY25 National Defense Authorization Act (NDAA) (S. 4638), following their markups in mid-June. The bill passed out of committee by a vote of 22-3.
- The bill authorizes US\$919.9 billion in topline defense spending, a US\$25 billion increase over the funding level requested by the Biden Administration and above the House-passed NDAA.
- The topline increase was opposed by Chair Jack Reed (D-RI), who ultimately voted against the legislation at the committee level.
- The bill contains several controversial policy provisions including restrictions on diversity programs, transgender health care services at DOD facilities, and bars the resettlement of Gaza or West Bank refugees in the U.S.
- The NDAA will move to the Senate floor for consideration, where Senators may propose amendments to the legislation. A timeline for floor consideration of the NDAA has not been announced.
- Differences between the House and Senate bills will be ironed out during the conference process, which is set to begin following Senate bill passage.



SASC Chair Jack Reed (D-RI)



SASC Ranking Member Roger Wicker (R-MI)

# Tax Update

- This month, Senate Finance Committee Democrats began the process of outlining negotiating priorities for the 2025 “Superbowl of Tax” with a closed-door strategy meeting.
  - Following the meeting, Chair Ron Wyden (D-OR) indicated he will work to develop a “revenue menu” of tax policy proposals ahead of the 2025 expiration of the Tax Cuts and Jobs Act. Wyden also suggested Senate Democrats will prioritize revenue-neutral tax proposals that avoid increasing taxes on individuals making under \$400,000 annually.
  - Chair Wyden also suggested Finance Committee Democrats are unlikely to form tax teams like the groups organized by the Ways and Means Committee Republicans.
- In the House, Ways and Means Committee Chair Jason Smith (R-MO) penned an [op-ed](#) endorsing the Trump administration’s plan to eliminate income taxes on tipped wages, describing the proposal as “common sense pro-worker policy.”
- Also this month, the Supreme Court upheld the constitutionality of a mandatory repatriation tax on undistributed income in the case of *Moore vs. U.S.*



Senate Finance Committee Chair Ron Wyden (D-OR)



U.S. Supreme Court



# Data Privacy Update

- The future of the American Privacy Right Act (APRA) is increasingly uncertain this month, after Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-WA) cancelled a June 27, 2024 [markup](#) of the legislation at the last minute following opposition from House Republican leadership.
- The committee was scheduled to mark up the [updated APRA text](#), which retained the private right of action provisions opposed by Republican leadership, but it made several other changes that drew scrutiny from stakeholders on both sides of the aisle, including:
  - Removing key civil rights provisions from the bill
  - Eliminating the bill’s algorithmic accountability provisions
  - Limiting the Federal Trade Commission’s proposed rule governing commercial surveillance, among others
- House Republican leadership has indicated it will not bring the legislation to a floor vote in its current form, but it is unclear what changes can be made to appease the GOP leadership and maintain support from the bill’s bipartisan champions.
- The Senate Commerce Committee also is discussing the topic of federal privacy legislation, including holding a hearing on July 11, 2024 about privacy and artificial intelligence, but it has not announced plans to mark up APRA.



Senate Commerce Committee  
Chair Maria Cantwell (D-WA)  
and House Energy & Commerce  
Chair Cathy McMorris Rodgers  
(R-WA)

# Energy and Environment Updates – Congressional Action

- On June 18, 2024, the Senate approved (88-2) a legislative package ([S. 870](#)) that included the Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy (ADVANCE) Act ([S.1111](#)), a bipartisan effort to streamline the process to bring nuclear energy production facilities online.
- The legislation makes updates to the Nuclear Regulatory Commission regulatory process and streamlines permitting for smaller, advanced nuclear reactor technologies, such as small modular reactors.
- President Biden signed the bill on July 9, 2024.





# Energy and Environment Updates – House Holds DOE Budget Hearing



Deputy Secretary David Turk

- On June 26, 2024, the House Science, Space and Technology Committee held a [hearing](#) to review the FY25 budget request for the Department of Energy (DOE), particularly DOE’s research, development, and demonstration programs. DOE Deputy Secretary David Turk appeared as the hearing’s sole witness.
- Noting the growth of DOE programs due to the Inflation Reduction Act (IRA), Committee Chair Frank Lucas (R-OK) raised concerns over “growth in bureaucracy and the potential for waste, fraud, and abuse” stemming from the laws’ implementation.
- Turk said DOE is on track to obligate or announce US\$46.6 billion of the roughly US\$100 billion provided by the IRA to DOE this year and defended the department’s work to vet investments.
- Ranking Member Zoe Lofgren (D-CA) defended DOE’s research and development work to keep the United States ahead of its competitors, especially in areas such as fusion energy.



# Energy and Environment Updates – FERC Commissioners Approved

- David Rosner, Lindsay See, and Judy Chang were approved by the Senate in bipartisan votes in June to be commissioners of the Federal Energy Regulatory Commission (FERC), ensuring a quorum on the five-member commission for the next few years.
- The trio will fill the two vacant seats on the five-seat commission and replace FERC Commissioner Allison Clements, whose term expired.
- See, the Republican nominee, was confirmed in an 83-12 vote, while Democratic nominees Rosner and Chang were approved 68-26 and 63-33, respectively.
- Chang was considered the most progressive of the nominees, but in the end her confirmation was supported by Senate Energy and Natural Resources Committee Chair Joe Manchin (I-WV) and Ranking Member John Barrasso (R-WY).



FERC Commissioners Judy Chang, David Rosner, and Lindsay See

# Energy and Environment Updates – FERC Transmission Rule Challenged



FERC Commissioner Mark Christie

- In an official [statement](#) published June 28, 2024, FERC Commissioner Mark Christie argued that the Supreme Court’s *Loper Bright Enterprises v. Raimondo* overruling Chevron deference means that FERC’s recent regional transmission planning and cost allocation rule ([Order No. 1920](#)) is unlikely to survive judicial scrutiny.
- In a responding [statement](#), Chair Willie Phillips defended the legality of the rule, arguing that FERC’s authority “to regulate regional transmission planning and cost allocation has long been recognized by bipartisan majorities of the Commission” and courts, a fact unchanged by the *Loper Bright* decision.
- State agencies, including the Wyoming Public Service Commission, the Montana Public Service Commission, the National Association of Regulatory Utility Commissioners, and others, have also filed legal challenges of FERC’s Order No. 1920

# Education Update



House Appropriations Committee Chairman Tom Cole (R-OK), Rep. Gregory Meeks (D-NY), and Rep. Michael McCaul (R-TX)

- On July 10, 2024, the House Appropriations Committee passed its FY25 Labor, Health and Human Services, Education, and Related Agencies (LHHS) spending [bill](#) out of committee.
- The draft bill included US\$72 billion in discretionary funding for the Department of Education, a 13% decrease from current funding levels.
- The bill also included several partisan policy riders that Democrats strongly oppose, such as restrictions on the department's efforts to implement certain regulations, including:
  - Title IX rules
  - Student loan income-based repayment and income-driven repayment programs
  - Borrower defense to repayment
  - 90/10 rule
  - Financial value transparency and gainful employment
- The Senate has yet to announce its markup schedule for the FY25 LHHS bill, but plans to vote on FY25 top-line allocations (302(b)s) this month.



# Education – Congressional Activity

- On June 12, 2024, the Senate Health, Education, Labor and Pensions (HELP) Committee held a [hearing](#) on the need to reauthorize and expand the Workforce Innovation and Opportunity Act (WIOA), a federal program that assists job seekers with employment, training, and support services.
  - Committee leaders agreed there is a need to reauthorize WIOA given changes in the workforce market since the 2014 reauthorization, but Congress’ limited time to legislate this year means a final bipartisan WIOA bill this Congress may be out of reach.
  - The House passed its WIOA reauthorization, A Stronger Workforce for America Act ([H.R. 6655](#)), by wide bipartisan margins of 378-26 in April.
- House Republicans continue to conduct oversight related to antisemitism on college campuses, including:
  - House Ways and Means Committee passage of the University Accountability Act ([H.R. 8914](#)) that would levy financial penalties against universities if they violate a student’s civil rights under Title VI of the Civil Rights Act
  - A June 13, 2024 Ways & Means Committee [hearing](#) featuring discussion on the potential revocation of universities’ tax-exempt statuses if they do not enforce antisemitism policies on their campuses
  - A June 26, 2024 House Education and the Workforce Subcommittee [hearing](#) on combatting workplace antisemitism in postsecondary education
  - A July 9, 2024 House Education and the Workforce Subcommittee [hearing](#) on antisemitism in unions



Senate HELP Committee Chairman Bernie Sanders (I-VT)

# Education – Department Updates

- On July 5, 2024, the Office of Information and Regulatory Affairs (OIRA) updated its [Unified Agenda](#), which included plans from the Department of Education to issue the following rules in the coming months:
  - Program Integrity and Institutional Quality: Distance Education, Return of Title IV, HEA Funds, and Cash Management (proposed rules due in July 2024)
  - Program Integrity and Institutional Quality: State Authorization, Accreditation, and Federal TRIO Programs (proposed rules due in November 2024)
  - Student Debt Relief Hardship (proposed rule due in September 2024)
  - Student Debt Relief (final rule due in October 2024)
  - Public Service Loan Forgiveness (PSLF) – Employer Eligibility (final rule due in May 2025)
  - Third-Party Servicers (proposed rule due in June 2025)
- On June 14, 2024, the Department of Education [announced](#) Jeremy Singer, current President of College Board, will serve in a new position titled “FAFSA Executive Advisor” in the Office of Federal Student Aid (FSA). He will play a key role in overseeing the rollout of the 2025-26 FAFSA.
- The Office of Civil Rights announced resolutions for the complaints against the [University of Michigan](#), the [City University of New York](#), and [Lafayette College](#) to ensure these institutions comply with Title VI of the Civil Rights Act of 1964.
- On June 20, 2024, the department announced a [Request for Information \(RFI\)](#) to understand operational approaches to expanding the Public Service Loan Forgiveness program to early childhood educators. Stakeholder comments are due July 22, 2024 to inform the process to finalize a rule by May 2025, as noted above.



Secretary of Education Miguel Cardona



# Health Care Updates – Congressional Overview

- In June, Congress deliberated on several health policy issues to make the most of the limited time they have to conduct legislative business prior to the upcoming election. Post-election, members will likely work to include their health priorities in any end-of-year packages.
- The FY25 appropriations process continues in the House as the lower chamber aims to pass all 12 funding bills before the August recess. On June 27, 2024, the House Appropriations Committee’s Labor, Health and Human Services, Education, and Related Agencies (L-HHS) Subcommittee held a [markup](#) of the [subcommittee mark](#) of the FY25 L-HHS Act.
  - The L-HHS Subcommittee [advanced](#) their FY25 spending bill along party lines by a voice vote, with Democrats expressing opposition to an array of partisan provisions.
- On July 10, 2024, the full House Appropriations Committee held a [markup](#), which includes consideration of the L-HHS appropriations bill and the Agriculture-FDA appropriations bill.
  - The committee reported the FY25 L-HHS appropriations bill favorably to the House by a party-line vote of 31-25, and reported the FY25 Ag-FDA appropriations bill favorably to the House by a party-line vote of 29-26.
- Notably, a version of the *BIOSECURE Act* was ultimately excluded from the House’s National Defense Appropriations Act (NDAA, [H.R. 8070](#)), which passed the House on June 14, 2024. *BIOSECURE Act* provisions were also excluded from the Senate’s NDAA package released in early July.



Speaker of the House Mike Johnson (R-LA)



# House Health Care Updates



House E&C Health Subcommittee Chair Brett Guthrie (R-KY) (left), E&C Committee Chair Cathy McMorris Rodgers (R-WA) (center), and E&C Oversight Subcommittee Chair Morgan Griffith (R-VA) (right)

- On June 4, 2024, the House Energy & Commerce (E&C) Oversight Subcommittee held a [hearing](#) on the 340B Drug Pricing Program.
  - During the hearing, members on both sides of the aisle acknowledged the importance of transparency in the 340B program, but there were major disagreements over the specifics of potential program reforms.
  - While House members have introduced several pieces of legislation aimed at improving the 340B program, including the [SUSTAIN 340B Act](#) and the 340B ACCESS Act ([H.R. 8574](#)), a lack of bipartisan, bicameral consensus makes it unlikely that any proposal becomes law this congress.
- On June 13, 2024, the House E&C Health Subcommittee held a [hearing](#) titled, “Checking-In on CMMI: Assessing the Transition to Value-Based Care.”
  - During the hearing, Republicans largely focused on the lack of health care cost savings the Center for Medicare and Medicaid Innovation (CMMI) has achieved since its inception, while Democrats pointed to CMMI’s positive impacts on quality care and health care equity.
- On June 25, 2024, House E&C Committee Chair Cathy McMorris Rodgers (R-WA), Health Subcommittee Chair Brett Guthrie (R-KY), and Oversight Subcommittee Chair Morgan Griffith (R-VA) [sent a letter](#) to Food and Drug Administration (FDA) Commissioner Robert Califf regarding FDA’s foreign drug inspection program.
  - The letter raises concerns regarding alleged variation in the inspection outcomes across facilities in China and India and possible foreign interference with inspections.
- On June 27, 2024, the House Ways & Means Committee held a [markup](#) to consider four health-related bills. All bills were favorably forwarded by the committee.
  - Notably, an amended version of the Treat and Reduce Obesity Act of 2023 ([H.R.4818](#)), which would expand Medicare coverage to anti-obesity medications, advanced by a 36-4 vote.

# Senate Health Care Updates

- On June 4, 2024, the Senate Health, Education, Labor, and Pensions (HELP) Committee held a [hearing](#) titled, “The Assault on Women’s Freedoms: How Abortion Bans Have Created a Health Care Nightmare Across America.”
  - The hearing elevated the issue of abortion access and growing disparities around OB-GYN practices across the country amidst the upcoming election.
- On June 12, 2024, a bipartisan group of lawmakers [reintroduced](#) the Improving Seniors’ Timely Access to Care Act, legislation intended to reform the prior authorization process under Medicare Advantage (MA).
  - The bill would establish an electronic prior authorization process for MA plans beginning in 2027 and provide additional transparency for MA prior authorization practices.
  - The Congressional Budget Office has projected the updated bill would have no cost, increasing its chances of inclusion in any end-of-year package. The bill was previously estimated to cost US\$16 billion to enact.
- On June 20, 2024, Senators Bob Casey (D-PA) and Markwayne Mullin (R-OK) [introduced](#) the “Creating Hope Reauthorization Act” to extend the current Food & Drug Administration (FDA) pediatric rare disease priority review voucher (PRV) program.
  - The legislation extends the program through September 30, 2030.
- On June 26, 2024, Senate Finance Committee Chairman Ron Wyden (D-OR) [sent a letter](#) to the Centers for Medicare & Medicaid Services (CMS) expressing concern over enforcement and oversight of Medicare Part D program requirements for pharmacy benefit managers (PBMs).
  - Chair Wyden raised concerns that PBMs were not complying with direct and indirect remuneration (DIR) fees, which many local pharmacies rely upon for their business.



Sen. Jeff Merkley (D-OR) (left), Sen. Finance Committee Chair Ron Wyden (D-OR) (center), and Sen. HELP Committee Chair Bernie Sanders (I-VT) (right)



# The Biden Administration – Health Updates



FDA Commissioner Dr. Robert Califf

- On June 10, 2024, the FDA [launched](#) the Emerging Drug Safety Technology Program (EDSTP) in the Center for Drug Evaluation and Research (CDER), which intends to focus on the use of artificial intelligence and other emerging technologies, and how these technologies best be used across the drug product lifecycle.
- On June 20, 2024, the FDA [released](#) draft guidance titled, “Considerations for Demonstrating Interchangeability with a Reference Product: Update.”
  - This draft guidance describes considerations regarding a switching study or studies intended to support a demonstration that a biological product is interchangeable with a reference product.
- On June 26, 2024, the FDA [issued](#) draft guidance titled, “Diversity Action Plans to Improve Enrollment of Participants from Underrepresented Populations in Clinical Studies.”
  - This draft guidance is intended to assist medical product sponsors in submitting Diversity Action Plans to support certain clinical studies.
- On June 26, 2024, CMS [announced a list](#) of 64 drugs with a coinsurance reduction for the quarter July 1, 2024-September 30, 2024.
  - The drugs will have a lowered Part B coinsurance rate as the manufacturer of each drug raised prices faster than the rate of inflation, a provision created by the Inflation Reduction Act.
- On June 28, 2024, the FDA [noticed draft guidance](#) titled, “Essential Drug Delivery Outputs for Devices Intended to Deliver Drugs and Biological Products.”
  - The guidance describes FDA’s recommendations related to the device design outputs that are essential for establishing and assessing drug delivery performance.
- On June 28, 2024, the United States Supreme Court [issued a ruling](#) by a vote of 6-3 that overturned the Chevron deference, stripping power from federal agencies to interpret the law and enforce regulations.
  - The implications of the ruling require clearer legislative intent behind regulatory authorities from Congress and will threaten many existing regulations in the health care space.



# 2024 Farm Bill Status Update

- On June 11, 2024, Senate Agriculture, Nutrition, and Forestry Committee Ranking Member John Boozman (R-AR) [released](#) the Senate Republicans' Farm Bill [framework](#). The Ranking Member argued that the Senate GOP's framework modernizes the farm safety net, facilitates the expansion of access to overseas markets, fosters breakthroughs in agricultural research, and grows rural communities.
  - Ranking Member Boozman also contended that this framework “exhibits a shared common ground with our Democrat counterparts on several key priorities and offers a path forward in the places where we differ.”
- Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI) responded to the Senate GOP framework by stating that, “unfortunately, the framework follows the same flawed approach as Chairman Thompson’s proposal in the House and splits the broad Farm Bill coalition. It makes significant cuts to the family safety net that millions of Americans rely on and walks away from the progress we have made to address the climate crisis. Similar to the House, the framework also appears to propose spending far in excess of available funding.”
- Chairwoman Stabenow [unveiled](#) summaries of Senate Democrats’ draft 2024 Farm Bill, the “Rural Prosperity and Food Security Act,” back on May 1, 2024.
- Republicans on the House Agriculture Committee favorably forwarded their version of the Farm Bill, the “Farm, Food, and National Security Act of 2024” ([H.R. 8467](#)), largely along party lines at a [business meeting](#) on May 23, 2024.
- Of note, the 2018 Farm Bill expired last year, but Congress passed a temporary extension of the authorities in the Farm Bill through September 30, 2024.



Senate Agriculture  
Committee Chairwoman  
Debbie Stabenow (D-MI)



Senate Agriculture  
Committee Ranking Member  
John Boozman (R-AR)

# California Budget Deal

- Signed on June 29, 2024, the US\$297.9 billion budget balances the budget for 2024-25 and 2025-26.
- It includes large cuts to state government operations (US\$3.7 billion), prisons (US\$750 million), affordable housing programs (US\$1.1 billion), and health care workforce development (US\$746 million).
- The budget also relies on reserves, delayed spending, and pauses some business tax credits to close the deficit.
- Additional budget trailer bills on topics from energy and environment to health and human services are under consideration and may be taken up in August.



# Qualified California Ballot Initiatives for 2024

- **Prop 2:** US\$10 billion education finance bond
  - US\$8.5 billion for K-12 schools
  - US\$1.5 billion for community colleges
- **Prop 3:** Removes 2008 Prop 8 marriage language that says marriage is between a man and woman from state law.
- **Prop 4:** US\$10 billion climate Bond
  - US\$3.8 billion for drinking water and groundwater
  - US\$1.5 billion for wildfire and forest programs
  - US\$1.2 billion for sea level rise
- **Prop 5:** Lowers voter approval requirements for local housing and infrastructure bonds
- **Prop 6:** Limits forced labor in state prisons
- **Prop 32:** Raises state minimum wage to \$18
- **Prop 33:** Allows local governments to impose rent controls
- **Prop 34:** Requires certain health providers to use nearly all revenue from a federal prescription drug program on patient care
- **Prop 35:** Makes a tax on managed health care insurance plans permanent.
  - Would raise more money for Medi-Cal
  - Blocks use of funds to avoid cuts in other programs
- **Prop 36:** Increases penalties for theft and drug trafficking.
  - Would also partly rollback Proposition 47 from 2014



# Governor Newsom Signs Private Attorneys General Act (PAGA) Reform

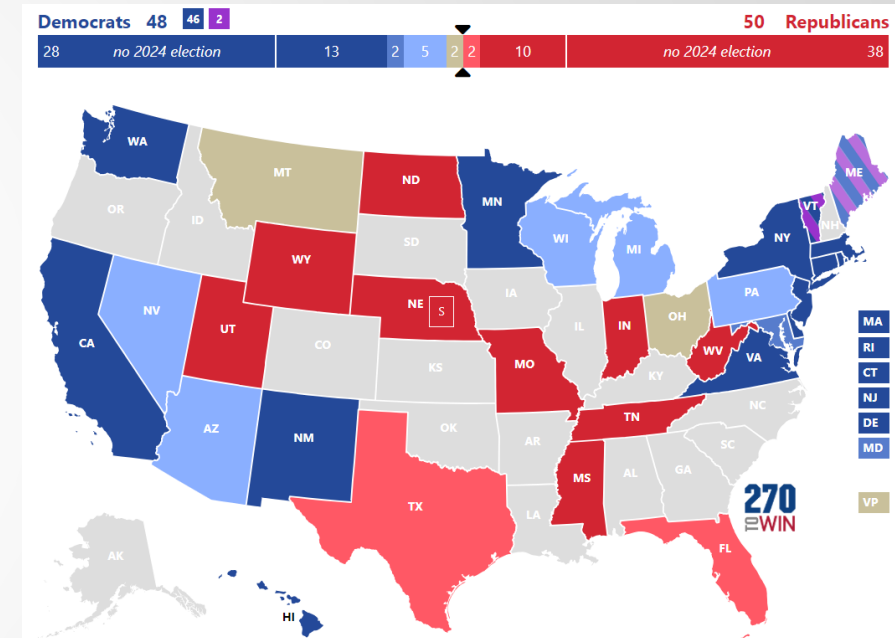
- Governor Newsom has signed into law new legislation that reforms PAGA, which allows employees to sue employers on the state's behalf.
- The reform package is the result of negotiations between business and labor interests.
- The new law:
  - Increases penalties on employers who “maliciously, fraudulently or oppressively” violate labor laws
  - Increases the share of financial penalties that goes to employees from 25% to 35%.
  - Allows courts to limit the scope of lawsuits brought against employers under PAGA and enables employers to rectify issues before a lawsuit goes forward.
  - Caps penalties on employers that quickly take steps to remedy issues.
  - Requires employees to personally experience the violation in order to bring a PAGA claim; an employee will not have standing to sue on behalf of others.
- As a result of this deal, a ballot measure to reform PAGA will be removed from the November 2024 ballot.



# State of Play of the 2024 Elections

# Senate 2024 Outlook

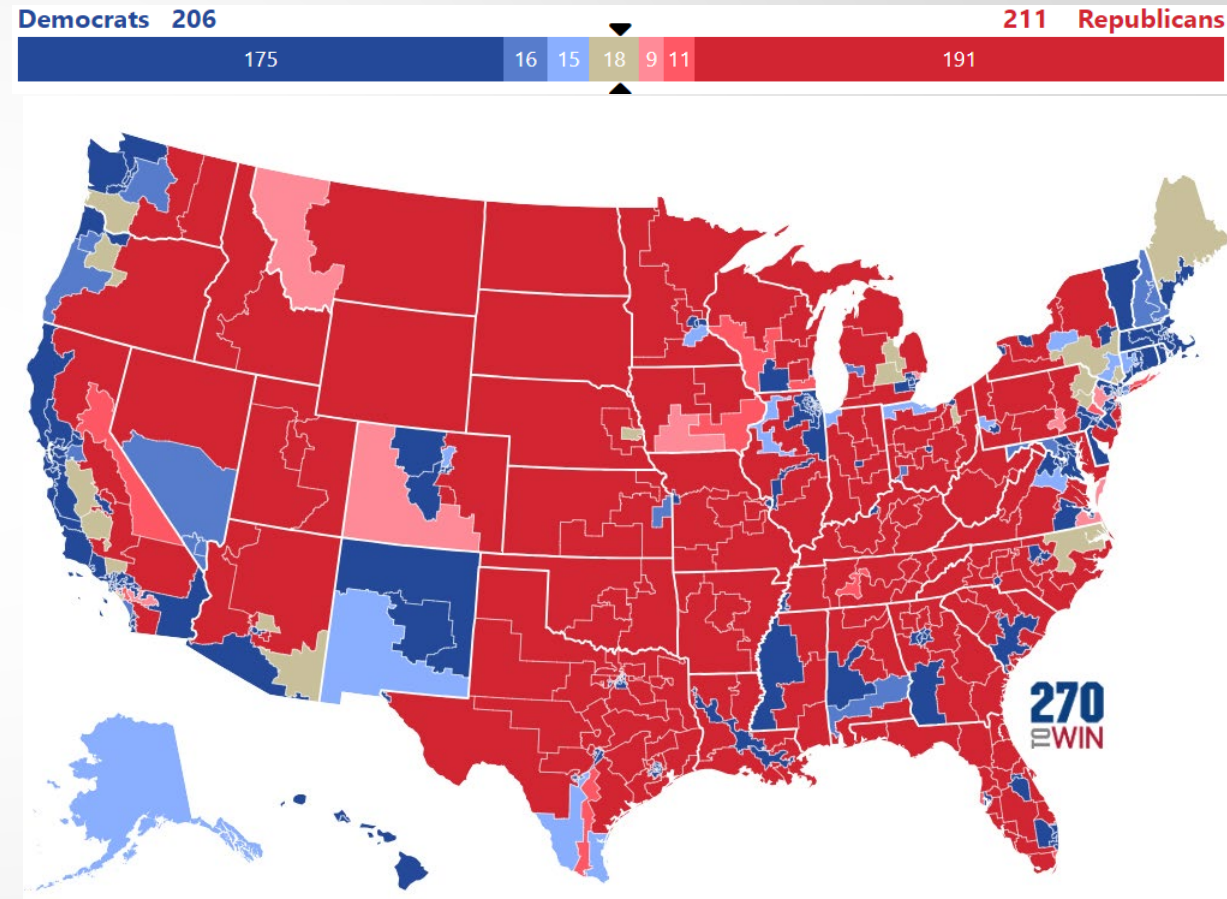
- Democrats, with their narrow 51-49 majority, have a difficult Senate map for 2024.
- Three Democratic incumbents are from states which former President Trump won in both 2016 and 2020 (Montana, Ohio, and West Virginia).
  - Sen. Joe Manchin’s (I-WV) retirement, coupled with West Virginia Governor Jim Justice (R-WV) winning the Republican nomination for the election for this Senate seat, all but guarantees that the Republicans will pick up this Senate seat in November 2024.
- Democrats will also be defending seats in other competitive states, such as Arizona, Nevada, Michigan, Pennsylvania, and Wisconsin. However, of note, Senate Democratic candidates in these states are largely polling ahead of President Biden, meaning Senate Democrats could potentially win these states even if President Biden loses them.
- Republicans hold 38 seats that are not up for election in 2024; of the just 11 Republican seats up for election, nine seats are “Safe R,” and two seats are “Likely 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 and a couple key retirements, Republicans are currently favored to win back the chamber in November 2024 for the start of the 119<sup>th</sup> Congress in January 2025.





# House 2024 Outlook

- Republicans currently have a two-vote majority of 219-213.
- For the 2024 elections, 191 seats are currently projected as “Safe R,” while 211 seats are rated as Safe, Likely, or Leans R.
  - On the other hand, for 2024, 175 seats are rated as “Safe D,” while 206 seats are rated as Safe, Likely, or Leans D.
  - If all 435 House seats are full, then 218 seats are needed for a majority.
- Last year, North Carolina Republicans gerrymandered their congressional map, which will net Republicans three, and possibly four, new seats in November 2024.
- Meanwhile, New York Democrats finalized and passed a new congressional map for 2024 in late-February. The map will likely net Democrats just one to two new seats, but other seats that could have been made bluer will still be “Toss-Ups” in November.
- The Supreme Court recently upheld Louisiana's new congressional map for the 2024 cycle, which adds a new majority-Black district, the 6<sup>th</sup> congressional district; Democrats will likely win this district.
- Control for the House in the 2024 elections is currently considered to be a “Toss-up.”



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

Democrats		
TOSS-UP (9)	LEANS DEMOCRATIC (15)	LIKELY DEMOCRATIC (16)
CA-47 Open (Porter)	Mary Peltola (AK-AL)	AL-2 Open (Moore)
Jared Golden (ME-2)	Yadira Caraveo (CO-8)	Josh Harder (CA-9)
MI-7 Open (Slotkin)	Jahana Hayes (CT-5)	Mike Levin (CA-49)
MI-8 Open (Kildee)	Frank Mrvan (IN-1)	Sharice Davids (KS-3)
Don Davis (NC-1)	Eric Sorensen (IL-17)	MD-6 Open (Trone)
Emilia Sykes (OH-13)	Angie Craig (MN-2)	Hillary Scholten (MI-3)
Matt Cartwright (PA-8)	Gabe Vasquez (NM-2)	NH-2 Open (Kuster)
Susan Wild (PA-7)	Anthony D'Esposito (NY-4)	Chris Pappas (NH-1)
M. Gluesenkamp Perez (WA-3)	Pat Ryan (NY-18)	Susie Lee (NV-3)
	Brandon Williams (NY-22)	Steven Horsford (NV-4)
	Marcy Kaptur (OH-9)	Dina Titus (NV-1)
	Chris Deluzio (PA-17)	Tom Suozzi (NY-3)
	Henry Cuellar (TX-28)	Greg Landsman (OH-1)
	Vicente Gonzalez (TX-34)	Val Hoyle (OR-4)
	VA-7 Open (Spanberger)	Andrea Salinas (OR-6)
		Kim Schrier (WA-8)

SAFE DEMOCRATIC FLIP (1)
Garret Graves (LA-6)

**Total seats rated Safe Democratic: 175**  
**Total seats rated Safe, Likely, or Leans D: 206**

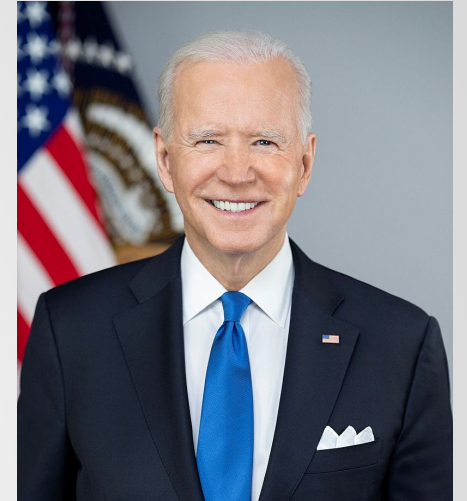
Republicans		
TOSS-UP (9)	LEANS REPUBLICAN (9)	LIKELY REPUBLICAN (11)
Juan Ciscomani (AZ-6)	Ken Calvert (CA-41)	Kevin Kiley (CA-3)
David Schweikert (AZ-1)	Michelle Steel (CA-45)	Young Kim (CA-40)
John Duarte (CA-13)	CO-3 Open (Boebert)	Anna Paulina Luna (FL-13)
Mike Garcia (CA-27)	Zach Nunn (IA-3)	María Elvira Salazar (FL-27)
David Valadao (CA-22)	John James (MI-10)	M. Miller-Meeks (IA-1)
Don Bacon (NE-2)	Ryan Zinke (MT-1)	Nick LaLota (NY-1)
Mike Lawler (NY-17)	Tom Kean Jr. (NJ-7)	Brian Fitzpatrick (PA-1)
Marc Molinaro (NY-19)	Scott Perry (PA-10)	Andy Ogles (TN-5)
L. Chavez-DeRemer (OR-5)	Jen Kiggans (VA-2)	Monica De La Cruz (TX-15)
		Bryan Steil (WI-1)
		Derrick Van Orden (WI-3)

SAFE REPUBLICAN FLIPS (3)
NC-14 Open (Jackson)
NC-6 Open (Manning)
NC-13 Open (Nickel)

**Total seats rated Safe Republican: 191**  
**Total seats rated Safe, Likely, or Leans R: 211**

# 2024 United States Presidential Election

- The Republican National Convention will take place in Milwaukee, Wis. from July 15-18, 2024, and the Democratic National Convention will take place in Chicago, Ill. from August 19-22, 2024.
- Assuming both President Joe Biden (D) and former President Donald Trump (R) are re-nominated as their respective party's nominees, this will mark the seventh presidential rematch in American history, and the first since 1956.
- If President Biden wins, it would be the third time in which the winner was the same both times.
- If former President Trump wins, it would be the fifth time in which the winner was different in the rematch, and he would become the second president to serve non-consecutive terms, the first being Grover Cleveland.
- Polls currently show a close contest, though after the June 27, 2024 presidential debate, former President Trump has opened up a small but notable lead over President Biden.
- In just the last few weeks, both the University of Virginia [Center for Politics](#) and the [Cook Political Report](#) have made several Electoral College ratings changes, all in favor of Republicans and former President Trump.
- In the last week, a handful of congressional Democrats have asked President Biden to end his campaign to allow for a new nominee to be chosen. President Biden has maintained that he plans to stay in the presidential race.
- On July 15, 2024, former President Trump announced that Sen. J.D. Vance (R-OH) will be his Vice Presidential running mate in the 2024 election. Sen. Vance is currently in his first term as Ohio's junior U.S. Senator.



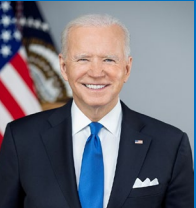

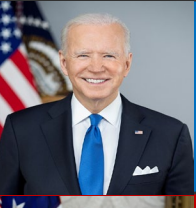
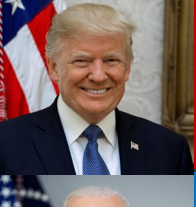

President Joe Biden (D)



Former President Donald Trump (R)



# Chances of the Four Likeliest 2024 Election Outcomes

President	House	Senate	Current Forecast
	<b>R</b>	<b>D</b>	Current Situation
	<b>D</b>	<b>R</b>	50%
	<b>D</b>	<b>R</b>	30%
	<b>R</b>	<b>R</b>	19%
	<b>D</b>	<b>D</b>	1%

- The presidential race will come down to just seven states – Arizona, Georgia, Michigan, North Carolina, Nevada, and Pennsylvania – and Donald Trump leads in most of those as of early July.
- Control of the House is a toss-up. Democrats can retake the majority by flipping seats in California and New York that Republicans won in 2020 and 2022. Redistricting reduced the number of competitive House seats to 30-45. Absent a presidential candidate with electoral coattails, we forecast a House majority of under 10 seats for the winning party.
- Democrats have six seats at risk in the Senate in states that Donald Trump won in 2016 or 2020, so that makes Republicans the favorite to win control of the chamber in November. As of July, several Democratic incumbents in battleground states were polling ahead of President Biden in those same states, giving Senate Democrats some hope they may retain control after this election.

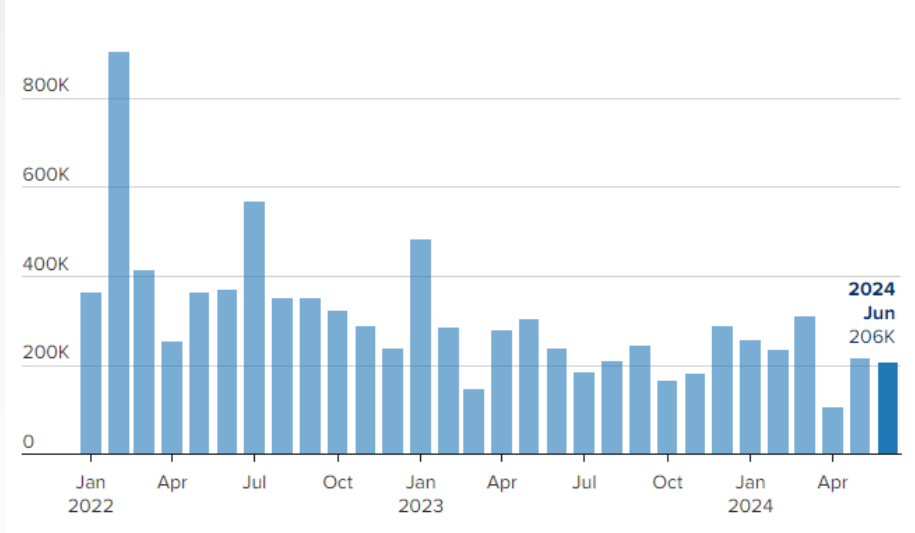
# Factors That Could Impact the 2024 Political Landscape

# June 2024 Jobs Report

- On July 5, 2024, the U.S. Department of Labor's Bureau of Labor Statistics [announced](#) (1) total nonfarm payroll employment increased by 206,000 in June 2024 and that (2) the unemployment rate slightly rose to 4.1%.
  - Economists had expected an increase of about 200,000 for the month, so the jobs report came in slightly above expectations.
  - The April 2024 number was revised down by -57,000, from +165,000 to +108,000, while the May 2024 number was revised down by -54,000, from +272,000 to +218,000.
  - May and June are the first time since January 2022 that the unemployment rate is at or above 4%. The unemployment rate had been below 4% for 27 consecutive months before May.
  - The unemployment rate of 4.1% is tied for the highest level since October 2021.
- Government was the leading industry, with a net gain of 70,000 new jobs. Other leading industries included health care, with 49,000 jobs, social assistance, with 34,000 jobs, and construction, with 27,000 jobs.
- Some sectors, however, saw declines, including professional and business services (-17,000), and retail (-9,000).
- Average hourly earnings for all employees increased by 0.3%. Over the last 12 months, average hourly earnings have increased by 3.9%.
- The employment report for July 2024 will be [released](#) on August 2, 2024.

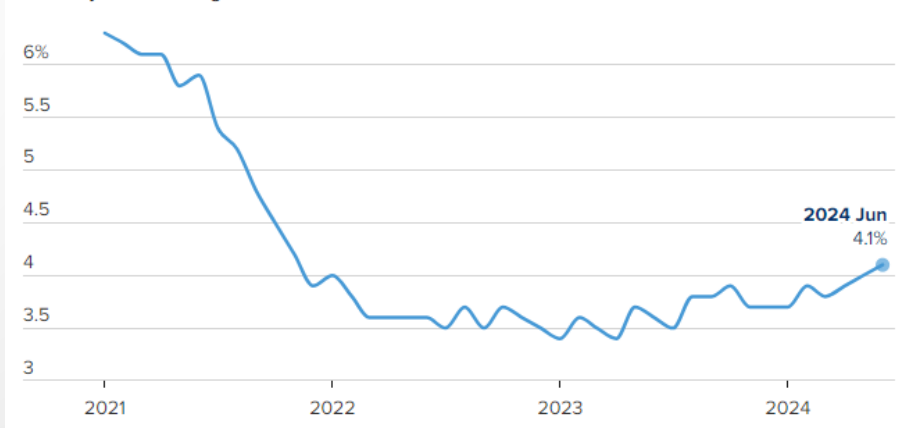
Monthly job creation in the U.S.

January 2022 through June 2024



U.S. unemployment rate

January 2021 through June 2024

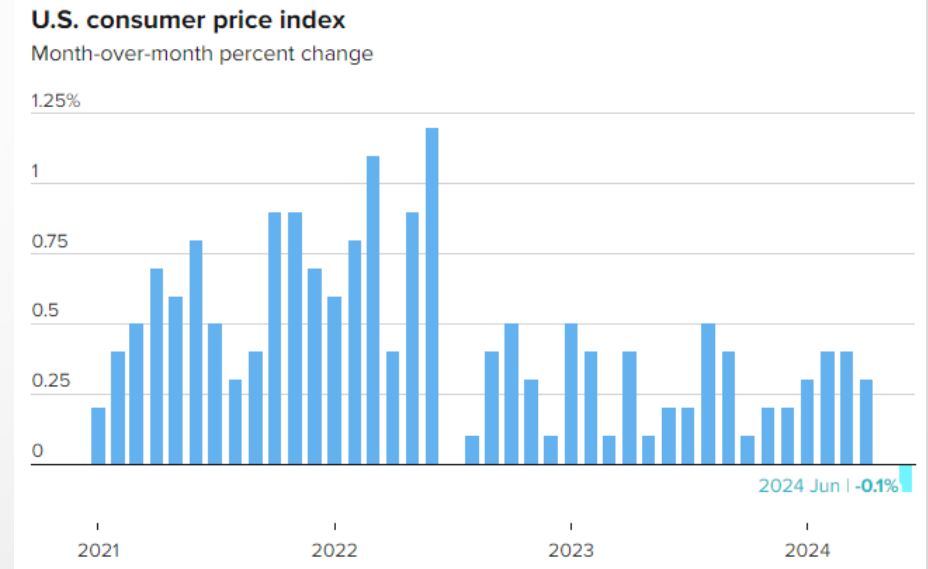
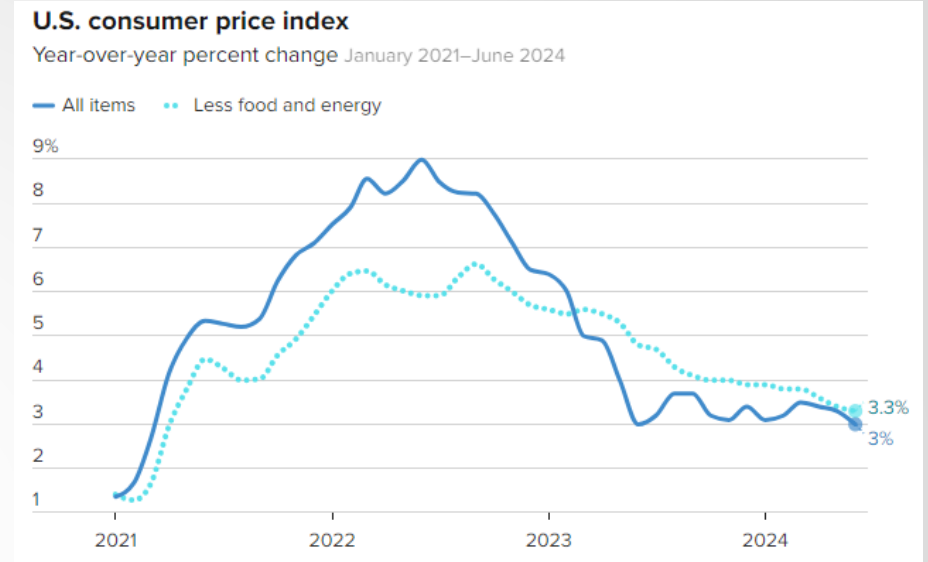


Sources: U.S. Bureau of Labor Statistics, Dept. of Labor; CNBC



# June 2024 Inflation Report

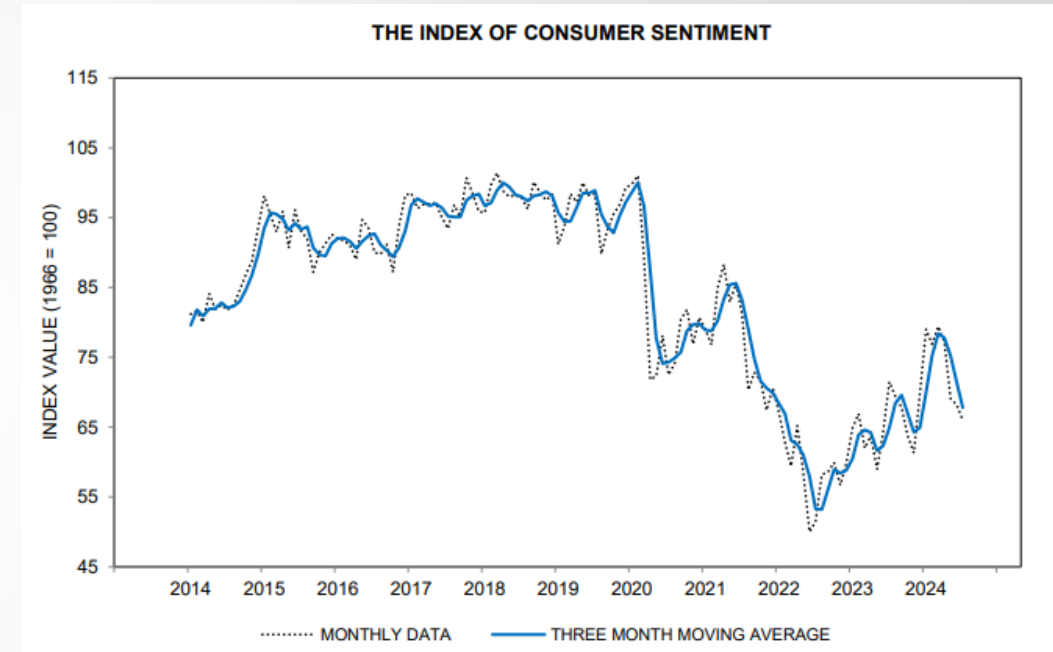
- On July 11, 2024, the U.S. Bureau of Labor Statistics [announced](#) the Consumer Price Index (CPI) *declined* by -0.1% in June 2024 on a seasonally adjusted basis.
  - This CPI reading was slightly lower than economists' estimates, which projected a 0.1% increase.
  - This CPI figure was a slight decrease from the May 2024 reading (0.0%), and a notable decrease from the April 2024 reading (0.3%).
- The Bureau of Labor Statistics also reported that the CPI increased by 3.0% from June 2023.
  - This was 0.1% below economists' expectations.
  - This 3.0% CPI annual gain was slightly lower than May's 3.3%, and is the lowest level in over three years.
- “Core CPI,” which excludes food and energy prices, rose by 0.1% in June 2024 and 3.3% on an annual basis from June 2023.
  - Economists had projected that these figures would be 0.2% and 3.4%, respectively.
  - Shelter and housing costs increased by 0.2% for the month. House costs have been one of the biggest driving factors of inflation, and make up about one-third of the weighting in the CPI.
- While the annual inflation rate (3.0%) 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 July 2024 will be [released](#) on August 14, 2024.



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

# Consumer Sentiment Report

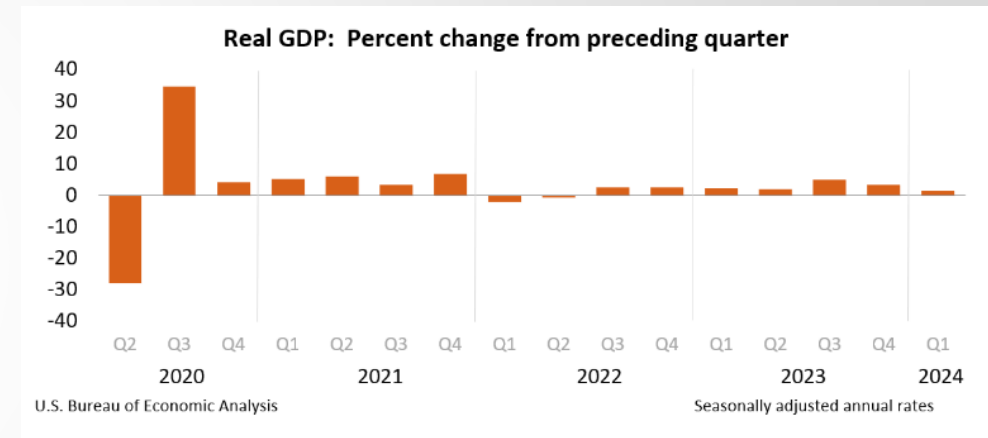
- Consumer sentiment for July fell to 66.0, which is a 3.2% decrease from June (68.2).
  - This is an annual increase of 7.7% from July 2023 (71.5).
  - The July, June, and May consumer sentiment levels ended a streak of consumer sentiment being above 76 for each of the first four months of 2024.
    - The December 2023 reading was 69.7; the January 2024 reading was 79.0; the February reading was 76.9; the March reading was 79.4; and April's reading is 77.2. This followed a November reading of just 61.3.
- The Index of Consumer Sentiment varies by political party
  - 82.5 among Democrats
  - 59.0 among Independents
  - 50.5 among Republicans
- However, year-ahead inflation expectations slightly decreased from 3.3% in May to 3.0% in June to 2.9% in July.
  - Long-run inflation expectations came in at 2.9% after being at 3.0% for the prior three consecutive months. In 2018 and 2019, the long-run expectations were in the 2.2-2.6% range.



Source: University of Michigan Surveys of Consumers

# Q1 2024 GDP Report

- On June 27, 2024, the U.S. 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 2024. The BEA reported that real GDP increased at an annual rate of +1.4% in Q1 2024.
  - On April 25, 2024, the U.S. BEA had [announced](#) in its advance estimate that GDP increased at an annualized rate of 1.6% in the first quarter of 2024.
  - On May 30, 2024, the U.S. BEA had [announced](#) in its second estimate that GDP increased at an annualized rate of 1.3% in Q1 2024.
  - Economists had expected an increase of 2.4% in Q1, so the Q1 2024 GDP report fell short of estimates.
  - In Q4 2024, real GDP increased by 3.4%.
- The slight upward revision from the second estimate is due to a downward revision to imports, and upward revisions to nonresidential fixed investment and government spending.
- Compared to Q4 2023, the deceleration in real GDP was largely due to decelerations in consumer spending, exports, state and local government spending, and federal government spending.
- The personal consumption expenditures price index, which is a key inflation variable for the Federal Reserve, increased at a 3.4% annualized pace for Q1 2024. This was the biggest gain in a year, and is higher than the 1.8% figure from Q4 2023.
- The personal savings rate slightly slowed in Q1 2024 to 3.8%, down from 4% in Q4 2023.
- Of note, residential fixed investment increased by 16.0% in Q1 2024, the largest increase since Q4 2020.



Sources: U.S. Bureau of Economic Analysis, Dept. of Commerce; CNBC



**Thank you**

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