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Capital Snapshot

June 2024

This Month's Capital Snapshot Deck Includes:

- An overview of the upcoming congressional schedule, including key dates in June 2024
- A run-through of notable congressional developments, including the failed Motion to Vacate vote against Speaker Mike Johnson (R-LA), Sen. Joe Manchin's decision to register as an independent, and the status of House seat vacancies and upcoming related special elections
- An update 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 June 2024

June 2024 House Calendar

- There are 11 total legislative days scheduled in the House for June 2024.
 - There are eight legislative days remaining in the month of June.
- The House will be in recess during the week of June 17 in observance of the Juneteenth holiday (June 19).
- Currently, there are 53 legislative days scheduled in the House for the remainder of 2024.

STEVE SCALISE
MAJORITY LEADER

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

House Calendar | 118th Congress | Second Session

June 2024 Senate Calendar

- There are 13 total legislative days scheduled in the Senate for June 2024.
 - There are eight legislative days remaining in the month of June.
- The Senate will be in recess during the week of June 24, which will be the first week of the chamber's two-week 4th of July recess.
- The Senate will also be in recess on Wednesday, June 19, in observance of the Juneteenth holiday.
- Currently, there are 61 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						
	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						
	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						
	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

Former President Trump Convicted on Felony Counts

- On May 30, following a trial in New York state court, a jury found former President Donald Trump guilty on 34 felony counts of falsifying business records to conceal \$130,000 paid to adult film star Stormy Daniels to ensure her silence about an encounter between them.
- With the guilty verdicts, former President Trump became the first former U.S. president to be convicted of a felony and the second person to campaign for president as a convicted felon.
- The presiding judge, Judge Juan Merchan, has announced that sentencing is scheduled for July 11.
- Former President Trump and his legal team have indicated that they will appeal the verdicts.



Former President Donald Trump (R)

Update on the Motion to Vacate Filed Against Speaker Johnson

- On March 22, Rep. Marjorie Taylor Greene (R-GA) filed a motion to oust House Speaker Mike Johnson (R-LA). If the motion is agreed to, Speaker Johnson would be removed from the speakership.
- When filing the motion, Rep. Greene did not ask for it to be “privileged,” meaning the House was not required to immediately bring it up for a vote.
- Soon after filing the motion, the Congresswoman argued “the current Speaker has shown he cannot stand up to the Democrats” and also stated the “House Republican Majority needs leadership that will stand up for America.”
- In the weeks after Rep. Greene filed the motion, Reps. Thomas Massie (R-KY) and Paul Gosar (R-AZ) also announced their support for removing Speaker Johnson from his post.



Rep. Marjorie Taylor Greene (R-GA)

Motion to Vacate Against Speaker Johnson Is Tabled

- On May 1, while speaking at a [press conference](#) outside the Capitol, Rep. Greene [announced](#) she will call for a vote to vacate the Chair the following week, arguing that Speaker Johnson is “the Uniparty Speaker” and is “exactly what is wrong with the Republican establishment.”
 - She contended that calling this vote will allow the American people to “see who stands with the Uniparty and who stands with the people.”
- On May 8, after a couple of meetings with Speaker Johnson earlier that week, Rep. Green formally introduced her Motion to Vacate resolution ([H.Res. 1209](#)) and forced a vote on the resolution by making it a privileged matter.
- Shortly after Rep. Greene forced a vote on the Motion to Vacate, House Majority Leader Steve Scalise (R-LA) made a motion to table the resolution. The House then voted by a significant margin, [359-43](#) to table the measure. This ended Rep. Greene’s effort to remove Speaker Johnson from office.
 - Eleven Republicans voted against tabling the motion: Reps. Greene; Massie; Gosar; Andy Biggs (R-AZ); Eric Burlison (R-MO); Elijah Crane (R-AZ); Warren Davidson (R-OH); Alex Mooney (R-WV); Barry Moore (R-AL); Chip Roy (R-TX); and Victoria Spartz (R-IN).
 - Thirty-two Democrats voted against tabling the motion, and seven additional Democrats voted “Present.”
- After the vote, Speaker Johnson stated, “Hopefully, this is the end of the personality politics and the frivolous character assassination that has defined the 118th Congress. It's regrettable. It's not who we are as Americans, and we're better than this. We need to get beyond it.”



Speaker Mike Johnson (R-LA)

Senator Joe Manchin Registers as an Independent

- On May 31, Senator Joe Manchin (I-WV) [announced](#) he registered as an independent at the West Virginia State Capitol.
- Shortly after registering as “no party affiliation,” Sen. Manchin stated, “Throughout my days in elected office, I have always been proud of my commitment to common sense, bipartisanship, and my desire to bring people together. It’s who I am. It’s who I will always be. I have never seen America through a partisan lens.”
- Sen. Manchin continued by commenting, “However, since becoming a United States Senator in 2010, I have seen both the Democrat and Republican parties leave West Virginia and our country behind for partisan extremism while jeopardizing our democracy. Today, our national politics are broken and neither party is willing to compromise to find common ground. To stay true to myself and remain committed to put country before party, I have decided to register as an independent with no party affiliation and continue to fight for America’s sensible majority.”
- Shortly after Sen. Manchin’s announcement, a spokesperson for the Senator confirmed that he will continue to caucus with the Democrats, which will allow him to keep his committee assignments through the Senate Democrats; this includes his chairmanship of the Senate Energy and Natural Resources Committee.



Sen. Joe Manchin (I-WV), as he is registering as an independent at the West Virginia Secretary of State's office.

State of the House – House Republicans Win a Special Election

- On May 21, the state of California held a special election for its 20th congressional district, which includes parts of Bakersfield, Tulare, Visalia, and Clovis, and a small portion of Fresno. CA-20 is the most conservative congressional district in California.
- The seat was vacant after former Rep. Kevin McCarthy (R-CA) resigned effective December 31, 2023. State Assemblyman Vince Fong (R-CA) emerged victorious in the special election by a comfortable margin of 60.6% to 39.4%.
 - Mr. Fong defeated another Republican, Tulare County Sheriff Mike Boudreaux, in the CA-20 special election.
 - Before becoming an assemblyman in 2016, Mr. Fong served as the district director for then-Rep. Kevin McCarthy (R-CA).
- Rep. Fong was sworn in as the congressman for CA-20 on the evening of June 3. Now that he has been sworn in, the House currently stands at 218 Republicans and 213 Democrats, with four vacancies.
 - This slightly increases House Republicans' majority from a one-vote margin to a *two-vote* margin; Speaker Mike Johnson can only afford to lose two votes on any party-line measure.
- Shortly after Rep. Fong was sworn into office, Speaker Johnson stated, “Rep. Fong's conservative record in the California State Assembly and his wealth of previous experience as a congressional staffer will be an asset to our conference, and we are eager to begin working with him.”



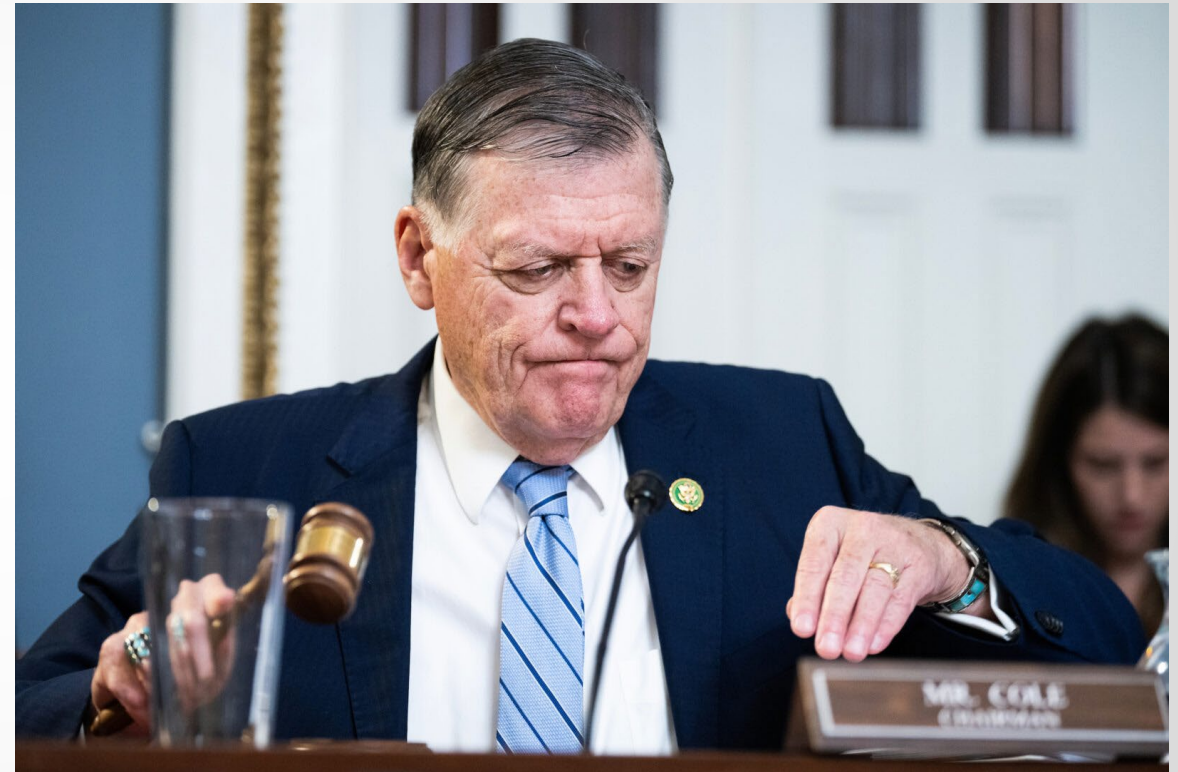
Newly-elected Rep.
Vince Fong (R-CA-20)

Status of House Vacancies and Relevant Upcoming Special Elections

- The House currently has four vacancies. The current party breakdown in the House is **218 Republicans** and **213 Democrats**.
 - Rep. Bill Johnson (R-OH-6) resigned effective January 21, 2024 to become the new president of Youngstown State University.
 - The primary for the special election occurred on March 19, 2024, and the special general election will take place on June 11, 2024. The Republican candidate will be State Senator Michael Rulli (R-OH) and the Democratic candidate will be Michael Kripchak (D-OH).
 - This seat is “Safe R,” so after this special election, the House will then very likely stand at **219 Rs** and **213 Ds**, still a *two-vote* Republican majority.
 - Rep. Ken Buck (R-CO-4) resigned effective March 22, 2024.
 - There was no primary for this seat; instead, each party’s nominee was selected by a committee of party leaders and elected officials in the 4th congressional district. The Republican nominee is Greg Lopez, the former mayor of Parker, Colo., and the Democratic nominee is Trisha Calvarese.
 - This seat is “Safe R,” so after this special election (to be held on June 25, 2024), the House will then very likely stand at **220 Rs** and **213 Ds**, a *three-vote* Republican majority.
 - There will **not** be a special election for 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 8th 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.

FY25 Appropriations – House

- On May 16, Chairman Tom Cole [announced](#) an ambitious FY25 markup schedule, which aims to have all 12 appropriations bills marked up and approved by subcommittees and the full committee by mid-July.
- According to the proposed schedule, the committee will markup each of the 12 appropriations bills in their respective subcommittee in May and June, in addition to holding six full committee markups over that period. The last six bills are slated for full committee markup the week of July 8.
- The House began floor consideration of its first FY25 funding bill, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act (MilConVA) ([H.R. 8580](#)), during the week of June 3.
 - The House passed its MilConVA bill in a largely partisan vote of [209-197](#) on June 5. Just four Democrats joined nearly all voting Republicans in voting to pass the bill. Notably, 25 lawmakers did not record a vote.
- The bulk of the House's appropriations bills are slated for floor action in July.



House Appropriations Committee Chairman Tom Cole (R-OK)

FY25 Appropriations – House

- On May 23, the House Appropriations Committee [approved](#) subcommittee funding levels – known as 302(b) allocations – for the 12 FY25 spending bills, totaling roughly US\$1.6 trillion:
 - Agriculture, Rural Development, Food and Drug Administration (Agriculture-FDA) – US\$25.9 billion
 - Commerce, Justice, Science, and Related Agencies (CJS) – US\$78.3 billion
 - Defense – US\$833 billion
 - Energy and Water Development – US\$59.2 billion
 - Financial Services and General Government (FSGG) – US\$23.6 billion
 - Homeland Security – US\$64.8 billion
 - Interior, Environment, and Related Agencies (Interior) – US\$37.7 billion
 - Labor, Health and Human Services, Education (LHHS) – US\$186.6 billion
 - Legislative Branch (Leg Branch) – US\$7.1 billion
 - Military Construction, Veterans Affairs, and Related Agencies (MilConVA) – US\$147.5 billion
 - State, Foreign Operations and Related Programs (SFOPS) – US\$51.7 billion
 - Transportation, Housing and Urban Development and Related Agencies (THUD) – US\$90.4 billion



FY25 Appropriations – Senate

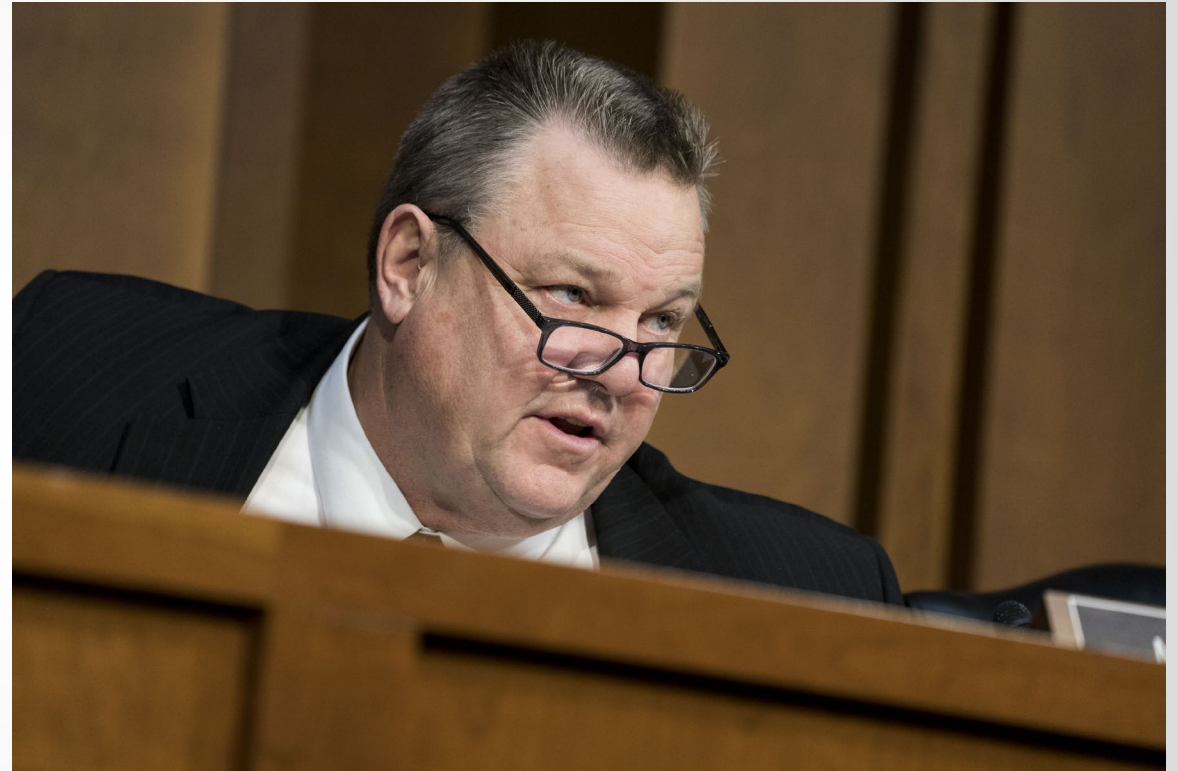


Senate Appropriations Committee Chair Patty Murray (D-WA)

- The Senate Appropriations Committee has not released its markup schedule or 302(b) allocations. Historically, the House has kept to an earlier appropriations timeline.
- Senate Appropriations Committee Vice Chair Susan Collins (R-ME) recently said she has been working with Chair Patty Murray (D-WA) on the 302(b) allocations, in addition to discussing the defense topline numbers.
- Like last year, Chairwoman Murray intends for the Senate Appropriations Committee to hold markups for all 12 FY25 bills. The committee approved all 12 FY24 bills in a full committee vote last cycle for the first time in five years.

FY25 Appropriations – Senate

- One of the main sticking points between the House and Senate will be a potential increase in spending above the spending caps set under the Fiscal Responsibility Act (FRA).
- Senate Republicans have 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 threats, with some Democrats expressing similar concerns.
- Senate Defense Appropriations Subcommittee Chairman Jon Tester (D-MT) argued in a recent hearing a “[defense budget] cap that doesn’t even keep up with inflation is unreasonable and unrealistic.”
- Chairwoman Murray has maintained Democrats will insist that any budget increases to defense spending must be matched by increases in non-defense spending.



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

National Defense Authorization Act (NDAA)

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.

On May 22, the House Armed Services Committee held its markup of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (H.R. 8070). The bill received overwhelmingly bipartisan support and was reported favorably by a 53-1 vote.

Key Dates: The House plans to consider the FY25 NDAA on the floor the week of June 10. Over 1,200 amendments have been filed with the House Rules Committee, which will set up a lengthy floor debate on numerous contentious policy matters.

The Senate Armed Services Committee (SASC) will conduct its respective NDAA markup during the week of June 10. During the markups, committee members will consider hundreds of amendments during the “closed” door markup. SASC will publicly release their amended bill following committee passage.

One of the major debates to watch will be whether the Senate bill raises the topline for defense spending above last year's debt-ceiling law. The effort is being led by SASC Ranking Member Roger Wicker (R-MS).

On the Horizon: The Senate has not announced the timeline for NDAA floor consideration. However, the conferencing process will likely get underway informally at a staff-level during the August recess, with a final passage likely occurring during the lame duck session.



Tax Update

- This month, Ways and Means subcommittee on tax held a field hearing in Erie, PA, focused on the importance of opportunity zones.
 - The committee also announced the tax teams will accept written comments via an online portal, which are due Tuesday, October 15. The committee seeks comments from interested persons and companies.
- The Congressional Budget Office updated its [revenue estimate](#) for the Tax Cuts and Jobs Act to over US\$4.6 trillion, increasing pressure to offset tax cuts.
 - Potential offsets could include raising the corporate rate, reducing the tax-exempt status of certain organizations, imposing tariffs and border fees, and eliminating Inflation Reduction Act investment incentives, among others.
- Implementation of the Pillar Two global minimum tax continues around the world, with the EU threatening to sue member nations that have not implemented the agreement by the end of June.



Ways and Means Committee leadership attends a field hearing in Erie, PA



Congressional Budget Office Director Phillip Swagel

Financial Services Update

Crypto Watch

- On May 22, the House [passed](#) the Financial Innovation and Technology for the 21st Century Act ([H.R. 4763](#)) with a bipartisan vote of 279 to 136. The vote included near unanimous support from Republicans and 71 Democrats voting in favor. The House's passage passes the baton to the Senate, where odds remain low for decisive action. The House Financial Services Committee may still [legislate](#) on tokenization of real-world assets.
- On May 16, a dozen Democrats, including Senate Majority Leader Schumer, joined 48 Senate Republicans in [voting](#) to repeal the controversial Securities and Exchange Commission (SEC) crypto policy known as Accounting Bulletin 121. However, the simple majority vote of 60-38 did not make it veto-proof and President Biden [vetoed](#) the effort to overturn the policy, despite a [plea](#) from bicameral lawmakers.
- One possible legislative pathway to move crypto legislation in the remaining days of the 118th Congress could be through the Farm Bill reauthorization.



Senate Majority Leader
Chuck Schumer (D-NY)

FDIC Succession

- Senate Banking Committee Chair Brown called for a leadership overhaul at the Federal Deposit Insurance Corporation (FDIC) following a [234-page report](#) released last month detailing pervasive sexual harassment, discrimination, and bullying at the agency.
- Chair Brown stopped short of explicitly calling for FDIC Chair Martin Gruenberg to resign, but [stated](#) "there must be fundamental changes ... Those changes begin with new leadership." He called on President Biden to immediately nominate a new FDIC chair.



Chair Sherrod
Brown (D-OH)



FDIC Chair Martin
Gruenberg

Artificial Intelligence Update

- This month, Senate Majority Leader Chuck Schumer (D-NY) published the Senate AI Working Group's [Bipartisan Roadmap for Artificial Intelligence Policy](#).
- The roadmap identifies areas of bipartisan consensus developed during the Senate's nine AI Insight Forums, which convened experts across the AI field to discuss emerging policy issues.
- While the roadmap identifies potential areas for future legislation, it generally avoids endorsing specific legislative proposals (with some exceptions), choosing instead to outline areas for future legislative debate.
- Also this month, the Senate Rules Committee advanced three pieces of legislation ([S. 3897](#); [S. 2770](#); and [S. 3875](#)) from Sen. Amy Klobuchar (D-MN) to regulate the use of deepfake content in elections. House Minority Leader Mitch McConnell (R-KY) immediately [opposed](#) S. 2770; and S. 3875, limiting its chances for passage on the Senate floor.



Senate Majority Leader Chuck Schumer (D-NY)



Sen. Amy Klobuchar (D-MN)

Data Privacy Update

- Following the release of the draft American Privacy Rights Act ([APRA](#)) in April, Senate Commerce Committee Chair Maria Cantwell (D-WA) and House Energy & Commerce Chair Cathy McMorris Rodgers (R-WA) have continued to engage stakeholders and hold hearings on the draft legislation.
 - The bipartisan, bicameral bill would establish a national privacy standard and would preempt nearly all existing state privacy laws.
 - The bill also provides a private right of action allowing consumers to file lawsuits against companies that violate their privacy rights, which has been met with pushback from many large tech companies and data holders.
- On May 23, the House Energy and Commerce Subcommittee on Innovation, Data, and Commerce held a [markup](#) of APRA, advancing the draft bill in a voice vote.
 - The [updated version](#) of the draft bill unveiled ahead of the markup includes additional protections for children's data privacy and adds standards for privacy by design in the legislation.
 - The Energy and Commerce Committee is likely to hold a full committee markup of APRA in June, potentially as early as June 12, with many amendments expected to be offered. The Senate Commerce Committee has not scheduled a markup for the draft bill.



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

Education: Congressional Oversight

- Campus Protests and Antisemitism

- On May 15, the House Judiciary Committee held a [hearing](#) titled “Antisemitism on College Campuses.” Witnesses included students from Harvard and the University of Pennsylvania, as well as the CEO of the National Jewish Advocacy Center and the Washington Director of the Nexus Leadership Project.
- On May 23, the House Education and the Workforce Committee held another [hearing](#) on campus antisemitism, featuring leaders from Northwestern University, UCLA, Rutgers University, and The Phi Beta Kappa Society. In Chairwoman Virginia Foxx’s (R-NC) opening statement, [she said](#) “Those who are in charge of universities who negotiate with pro-terror protestors are not doing their jobs.”
- On June 3, six different House Committee Chairs sent [letters](#) to 10 university leaders regarding the “Congress-wide investigation into the rise of antisemitism on college campuses,” include reviewing the use of federal funds at each university.

- Student Loans

- Several congressional Democrats and advocates recently called on the Department of Education (DOE) to end MOHELA’s student loan servicing contract. They are supporting recently introduced legislation, by Rep. Sara Jacobs (D-CA) and Sen. Ron Wyden (D-OR), to improve federal performance standards and increase responsibility over student loan servicers.



University Presidents at the House Education and Workforce Committee Hearing

Education: Department Updates

- Free Application for Federal Student Aid (FAFSA) Rollout
 - In early May, the DOE launched a program called [“Better FAFSA”](#) to assist institutions and relevant entities in completing the new FAFSA process, but the Government Accountability Office (GAO) is currently investigating the DOE's efforts. Republican education leaders in Congress called for the review and are upset with DOE delays in responding. They have requested Secretary Cardona send GAO requested documents to their committees, as well, by June 7.
- New Deadline for Loan Consolidation
 - Following a March 2022 [GAO report](#) highlighting issues with Income-Driven Repayment plans payment counts, the DOE extended a deadline for borrowers to consolidate student loans to qualify for one-time account adjustments. The new deadline for borrowers is now June 30. Under Secretary James Kvaal said the extension will “ensure borrowers get credit for every month they’ve rightfully earned toward forgiveness.”
- Potential Regulatory Action Ahead
 - This summer, the DOE plans to release several draft regulations, including student debt relief hardship provisions and program integrity and institutional quality-related rules. The DOE is expected to work to finalize these rules prior to November 1, in order for them to be effective by the 2025-2026 school year.

House Healthcare Updates

- The House has shifted away from pharmacy benefit manager (PBM) policy as the window for advancing legislation is closing. Committees hosted markups for bills on telehealth access, healthcare consolidation, and the 340B Program as Members prepare for a lame duck push.
- On May 8, the House Ways and Means Committee held a [markup](#) of six healthcare bills related to telehealth and rural health provisions, where all bills were favorably forwarded.
 - One of the bills considered was a package of extensions for Medicare flexibilities for telehealth coverage through 2030. This legislative package contains PBM reforms as offsets, which would prohibit PBMs and their affiliates from deriving income for covered Part D drugs based on a manufacturer's price for the drug (often called “delinking”).
- On May 15, the House Committee on Oversight & Accountability held a [markup](#) to consider nine bills, including [H.R. 8333](#), an amended version of the BIOSECURE Act.
 - This version of the bill limits the scope to apply only to procurement contracts and would grandfather previously negotiated contracts until 2032. The bill was favorably forwarded by the committee 40-1.
 - Rep. Brad Wenstrup (R-OH) has filed an [amendment](#) with the provisions of the bill to the NDAA for when it is considered before the House floor in June. He also filed a narrower version which would only apply to DOD and generics.
- On May 16, the House Energy and Commerce Health Subcommittee held a [markup](#) of 21 bills, where all bills were favorably advanced.
 - Like the Ways & Means markup, there was significant attention on legislative proposals to extend telehealth flexibilities under Medicare to 2030.



House Ways & Means Chair Jason Smith (R-MO)

House Healthcare Updates



Rep. Larry Bucshon (R-IN)

- On May 22, the House Energy and Commerce Health Subcommittee held a [hearing](#) titled, “Check Up: Examining FDA Regulation of Drugs, Biologics, and Devices,” where Food & Drug Administration (FDA) officials Dr. Patrizia Cavazzoni, Dr. Peter Marks, and Dr. Jeffrey Shuren testified.
 - Democrats urged for increased FDA funding as the solution to many of the agency's problems, pointing to President Biden's US\$7.2 billion FDA funding request for FY25. Republicans raised concerns with policies thought to inhibit innovation or create burdensome hurdles for drug sponsors and patients.
- On May 23, the House Budget Committee held a [hearing](#) titled, “Breaking Up Health Care Monopolies: Examining the Budgetary Effects of Health Care Consolidation.”
 - Members on both sides of the aisle criticized hospital consolidation and the vertical integration of insurance companies and PBMs.
- On May 23, the House Ways & Means Health Subcommittee held a [hearing](#) titled, “The Collapse of Private Practice: Examining the Challenges Facing Independent Medicine.”
 - The hearing aimed to identify the financial and regulatory burdens facing independent physicians and their effects on consolidation and patient care.
- On May 28, Reps. Larry Bucshon (R-IN), Diana Harshbarger (R-TN), and Buddy Carter (R-GA) [introduced](#) the 340B ACCESS Act ([H.R. 8574](#)), legislation to reform the 340B Drug Pricing Program.
 - The bill would establish new requirements for covered entities and codify new definitions of 340B patients and contract pharmacies. The Energy and Commerce Subcommittee on Oversight & Investigations held a [hearing](#) on the 340B Program on June 4, signaling interest in advancing reform.

Senate Healthcare Updates

- Senators continued to focus on drug price issues while utilizing oversight powers during a legislatively unproductive congress. We can expect the Senate to turn to hot-button issues like drug pricing and reproductive health as the election cycle heats up.
- On May 17, Sens. Roger Marshall (R-KS), Ben Ray Lujan (D-NM), Sheldon Whitehouse (D-RI), and Roger Wicker (R-MS) introduced the Electronic Prior Authorization for Prescription Drugs Act ([S. 4349](#)).
 - The bill would streamline an electronic process for patients to receive prescription drugs under their health insurance's prior authorization policy. The bill joins a series of other proposal this congress looking to limit the practice of prior authorization.
- On May 21, the Senate Judiciary Committee held a [hearing](#) titled, “Ensuring Affordable and Accessible Medications: Examining Competition in the Prescription Drug Market.”
 - During the hearing, Senators discussed alleged anticompetitive practices within the biopharmaceutical industry and concerns around monopoly power and vertical integration among PBMs.
- On May 23, the Senate Health, Education, Labor, & Pensions (HELP) Committee held a hearing to consider a nomination and seven health-related bills (S. 3679, S. 3765, S. 4351, S. 3775, S. 4325, S. 3757, and S. 4045).
 - Legislation considered included the Dr. Lorna Breen Health Care Provider Reauthorization Act and the BOLD Infrastructure for Alzheimer’s Reauthorization Act. The committee favorably advanced all seven bills with near or total unanimity on each vote.



Senate HELP Ranking Member Bill Cassidy (R-LA) (left) and Chair Bernie Sanders (I-VT) (right)

The Biden Administration – Health Updates



Federal Trade Commission Chair Lina Khan (left) and Assistant Attorney General for the Antitrust Division Jonathan Kanter (right)

- The Biden administration has continued rolling out new policies and regulatory changes in the final year of this term. They have begun taking a sharper focus on competition and intellectual property in healthcare.
- On May 8, Environmental Protection Agency, the Food and Drug Administration, and the Department of Agriculture released a [joint regulatory plan](#) to update, streamline, and clarify their regulations and oversight mechanisms for products of biotechnology.
- On May 9, the Department of Justice (DOJ) [announced](#) the formation of the Antitrust Division's Task Force on Health Care Monopolies and Collusion (HCMC).
 - The HCMC will guide the DOJ's antitrust approach in healthcare, including policy advocacy, investigations and, where warranted, civil and criminal enforcement in healthcare markets.
- On May 9, the U.S. Patent and Trademark Office issued a [notice of proposed rulemaking](#) to add a new requirement for terminal disclaimers filed to obviate nonstatutory double patenting, a proposal intended to address “patent thickets” by manufacturing companies.
 - Congress and Senate Democrats in particular have also begun scrutinizing patent thickets through greater discussion in hearings and new legislation.
- On May 15, the Centers for Medicare & Medicaid Services (CMS) provided [an update](#) on a proposed rule regarding the Medicaid Drug Rebate Program.
 - The update stated that CMS will not finalize the provisions which would “stack” discounts, rebates, and other arrangements to adjust the best price of a drug.

Energy and Environment Updates – Administrative Actions



John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation

- High-integrity voluntary carbon credit markets. On May 28, the White House released a [joint policy statement](#) introducing “voluntary principles that U.S. market participants should embrace as they engage in these [carbon credit] markets,” a component of the president’s climate agenda to leverage private capital in federal decarbonization efforts.
 - In particular, the statement emphasized that any such carbon credits — and the activities that generate them — should meet credible atmospheric integrity standards and represent real decarbonization.
- Clean energy tax guidance. On May 29, the Department of the Treasury [published proposed guidance](#) governing the Inflation Reduction Act’s (IRA, [P.L. 117-169](#)) “technology-neutral” Clean Electricity Production and Clean Electricity Investment tax credits.

Energy and Environment Updates – FERC Adopts Orders on Transmission Planning and Cost-Allocation, Permitting



FERC Chairman Willie Phillips

- In a special meeting on May 13, the Federal Energy Regulatory Commission (FERC) adopted two final rules:
 - [Order No. 1920](#): This rule adopts new frameworks for transmission providers to conduct long-term planning for regional transmission and allocate costs for building them. Republican Commissioner Mark Christie voted against the proposal, issuing a lengthy [dissent](#) arguing FERC does not have the authority to “enact a sweeping policy agenda that Congress never passed.”
 - [Order No. 1977](#): This rule, which was unanimously adopted by the commission, sets FERC procedures for issuing siting permits for electricity transmission projects in National Interest Electric Corridors where states have denied or not acted on a permitting application. This rule prohibits FERC from acting on a permit until one year after a developer has filed it with a state.

Energy and Environment Updates – NIETC Designation

- On May 8, Department of Energy’s (DOE) Grid Deployment Office announced a preliminary list of 10 proposed National Interest Electric Transmission Corridors (NIETCs) across the United States to facilitate transmission projects in high-priority areas.
 - The NIETC designation enables DOE participation in public-private partnerships under the US\$2.5 billion Transmission Facilitation Program, established by the Infrastructure Investment and Jobs Act (P.L. 117-58). Transmission projects in NIETCs can access direct loans under the IRA's US\$2 billion Transmission Facility Financing program.
 - A NIETC designation also allows the FERC to issue siting permits for electricity transmission projects where states have denied or not acted on a permitting application, also referred to as “backstop” siting authority.



Map of potential National Interest Electric Transmission Corridors

Energy and Environment Updates – Congressional Developments



Senator Ted Cruz (R-TX)

- On May 7, the House passed in a 212-195 vote the Hands Off Our Home Appliances Act ([H.R. 6192](#)), which would require the Department of Energy to prove that a proposed standard would not result in additional consumer cost and is technologically and commercially feasible before revoking or amending energy conservation standards.
 - The bill is unlikely to be taken up in the Senate, and the White House issued a Statement of Administration Policy ([SAP](#)) indicating it “strongly opposes” the bill. DOE has issued a wide array of energy and water conservation standards for appliances, including most recently for residential water heaters, lightbulbs, and washers and dryers.
- On May 21, the Senate approved a joint resolution ([S.J. Res. 58](#)) led by Sen. Ted Cruz (R-TX) to repeal DOE new energy efficiency standards for home gas furnaces under the Congressional Review Act.
 - Three Senate Democrats, Sens. Manchin, Sherrod Brown (D-OH), and Bob Casey (D-PA), joined Senate Republicans in supporting the measure. The Biden administration has already vowed to [veto](#) the measure should it pass the House of Representatives.

Energy and Environment Updates – Alleged Collusion by U.S. Oil Companies

- On May 2, the Federal Trade Commission [alleged](#) that the former CEO of Pioneer Natural Resources “attempted to collude with the representatives of the Organization of Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas.”
- In response, Democrats on the House Committee on Energy and Commerce launched an [investigation](#) into alleged collusion among seven U.S. oil companies – BP America, Chevron, Devon Energy, Hess, Shell USA, Exxon Mobil Corporation, and Occidental Petroleum.
- Senate Majority Leader Chuck Schumer (D-NY) and 22 Democratic Senators called on the Department of Justice to investigate the case. “These reports are alarming and lend credence to the fear that corporate avarice is keeping prices artificially high,” the senators wrote in a [letter](#) to Attorney General Merrick Garland.



Senate Majority Leader Chuck Schumer (D-NY)

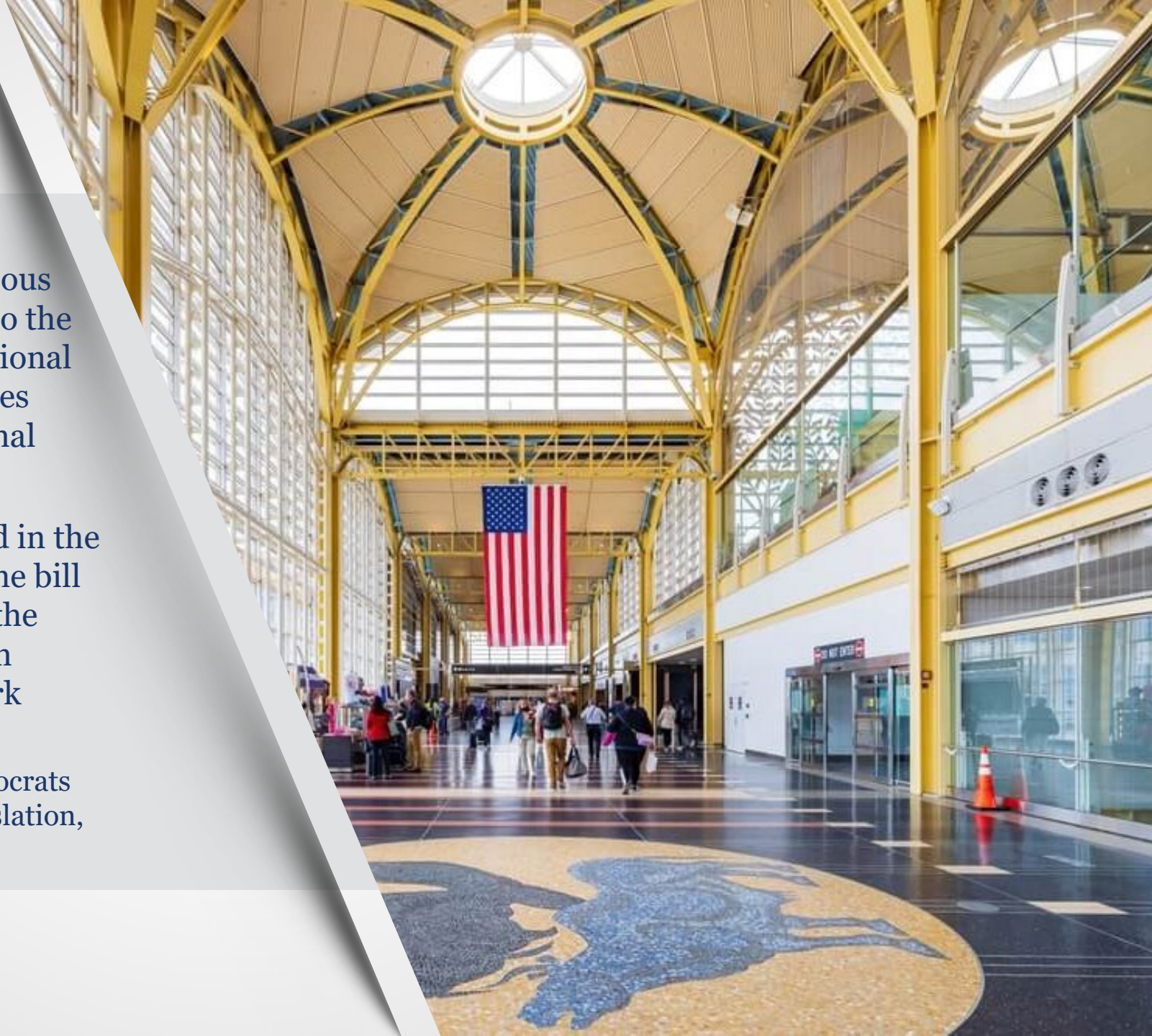
FAA Reauthorization Update



- Ahead of the May 10 deadline, on May 9, the Senate passed the FAA Reauthorization Act of 2024 ([Senate Amendment to H.R. 3935](#)) to reauthorize Federal Aviation Administration (FAA) funding and activities in an [88-4](#) vote.
- A short while later, the Senate also passed a short-term, one-week extension that allowed the House to resume its consideration of the reauthorization package this week without a lapse in funding.
- The reauthorization bill will fund the FAA at US\$105 billion through 2028, and includes measures aimed at overhauling aircraft certification and improving aviation safety.
- The House then passed the Senate Amendment to H.R. 3935 on May 15 in a strong bipartisan vote of [387-26](#). Most of the seven Democratic "Nay" votes came from Members from Virginia. President Biden (D) then [signed](#) the FAA reauthorization package into law on May 16.

FAA Reauthorization Update

- Negotiations on the measure stretched throughout the week on several contentious amendments, including one pertaining to the “perimeter rule,” which added five additional departure slots for flights over 1,250 miles from Ronald Reagan Washington National Airport in Arlington, Virginia.
- The amendment was ultimately included in the final FAA bill. The four “Nay” votes on the bill in the Senate came from Senators from the Washington, D.C. area: Sens. Ben Cardin (D-MD), Chris Van Hollen (D-MD), Mark Warner (D-VA), and Tim Kaine (D-VA).
 - Additionally, while only seven House Democrats voted against final passage of the FAA legislation, five of the seven were from Virginia.



2024 Farm Bill Status Update

- On May 17, House Agriculture Committee Chairman GT Thompson (R-PA) [released](#) a [discussion draft](#) of the Farm, Food, and National Security Act of 2024 ([H.R. 8467](#)), which is the House Republicans' 2024 “Farm Bill.”
- The bill proposes to freeze Supplemental Nutrition Assistance Program (SNAP) benefits, with the exception of some inflation-related increases, which Democrats generally oppose. There are also other key, strong disagreements between both parties related to changes to environmental and conservation programs.
- The House Agriculture Committee then marked up the US\$1.5 trillion, five-year farm reauthorization bill on May 23 during a 10.5-hour [business meeting](#).
- The bill was favorably forwarded by the committee: all committee Republicans voted in favor of advancing the bill, while just four of the committee's 24 Democrats voted to advance the bill: Reps. Yadira Caraveo (D-CO), Don Davis (D-NC), Eric Sorensen (D-IL), and Sanford Bishop (D-GA).



2024 Farm Bill Status Update

- Following committee passage of the bill, Chairman Thompson released a [statement](#) in which he said, “I heard my Democratic colleagues loud and clear at markup, that there is a whole lot of common ground, and a few sticking points that can be resolved through conversation and negotiation.”
- The chairman added, “I implore Senator Stabenow to invite Ranking Member Boozman and Senate Republicans to the table, just as I have consistently done with House Democrats.”
- However, Ranking Member David Scott (D-GA) struck a different tone after the markup, [arguing](#) that, “for over a year, Democrats have engaged with the chairman, striving for a genuinely bipartisan farm bill that meets the needs of our farmers and the families they feed. This partisan farm bill fails that test by pitting farmers against the families they feed.” He also criticized the chairman's bill for making “the largest cut to SNAP in nearly 30 years,” and contended that the chairman’s process was “not a genuine bipartisan process.”



House Agriculture
Committee Chairman GT
Thompson (R-PA)

2024 Farm Bill Status Update

- Additionally, Senate Agriculture, Nutrition, and Forestry Committee Chairwoman Debbie Stabenow (D-MI) released her own [statement](#) shortly after the House committee's markup, commenting that, “despite areas of common ground, it is now clear that key parts of the House bill split the Farm Bill coalition in a way that makes it impossible to achieve the votes to become law.” She added, “my door remains open, and I am ready to find a successful way forward.”
- On the other hand, Ranking Member John Boozman (R-AR) [stated](#), “I commend Chairman GT Thompson and his team for putting in the hard work to draft a farm bill that embraces bipartisan priorities and ushering it through committee approval.” He asserted that the House bill, “incorporates stakeholder input in a manner that mirrors much of what Senate Republicans are seeking to accomplish with our framework.”
- There has been little Farm Bill-related activity in the Senate since Chairwoman Stabenow [unveiled](#) summaries of her draft 2024 Farm Bill, the Rural Prosperity and Food Security Act, on May 1.
- Ranking Member Boozman recently [indicated](#) that Senate Agriculture Committee Republicans will release the framework of their version of the farm bill “in the coming weeks.”
- 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)

California Update

2024-2025 Budget Deficit

- The large deficit facing California dominates policy and politics.
- May 15 – Governor Newsom released the “May Revise”
 - The budget for this coming year is US\$288.1 billion.
 - The actual shortfall remains uncertain, but the governor’s budget has it at US\$44.9 billion.
 - Early legislative action took immediate steps to reduce it by pulling back one-time funding and shifting dollars.
 - Remaining shortfall is estimated to be approximately US\$27.6 billion.
- June 15 – The deadline for the legislature to pass a budget bill for the upcoming fiscal year. The budget bill must be balanced, as required by the state Constitution.
 - A framework will first be released.
 - Many “budget trailer bills” will continue to finalize the budget.

Legislative Analyst Office (LAO)

- The Legislative Analyst Office provides analysis and nonpartisan advice on fiscal and policy issues to the California legislature.
- The LAO has four areas of concern for the legislature:
 1. How to address prior-year funding for schools and community colleges with prior declines.
 2. Ongoing spending reductions of US\$8 billion within a few years, will involve trade-offs and, in some cases, reductions to core service levels.
 3. Some proposals need more scrutiny: For example, the suspension of net operating loss (NOL) deductions and unallocated state operations reductions.
 4. LAO’s revenue forecast is less so there is risk using the May Revise’s projection.

Legislative Session

- **June 27:** Last day for a legislative measure to qualify for the Nov. 5 General Election ballot
- **July 3:** Last day for policy committees to meet and report bills
- **July 3:** Summer Recess Begins
- **Aug. 5:** Legislature Reconvenes from Summer Recess
- **Aug. 16:** Last day for fiscal committees to meet and report bills
- **Aug. 19-31:** Floor Session
- **Aug. 31:** Last day for each chamber to pass bills and Final Recess ending two-year session



Significant 2024 Legislative Session

Bills Held

- SB 903 (Skinner - D) would have prohibited distributing, selling, or offering for sale in the state a product intentionally containing PFAS unless the use of PFAS is currently unavoidable.
- SB 1012 (Wiener - D) would have created a regulatory framework for the use of psychedelics in therapy.
- AB 1811 (Alvarez - D) would have allowed lawful permanent residents to be jurors between 2026 and 2031. Currently, only U.S. citizens can serve on juries.
- AB 1999 (Irwin - D) would have revoked the California Public Utilities Commission (CPUC) to adopt fixed charges to collect from ratepayers the fixed costs of providing electrical service to residential customers.
- AB 2200 (Kalra - D) would have established the framework for universal healthcare.

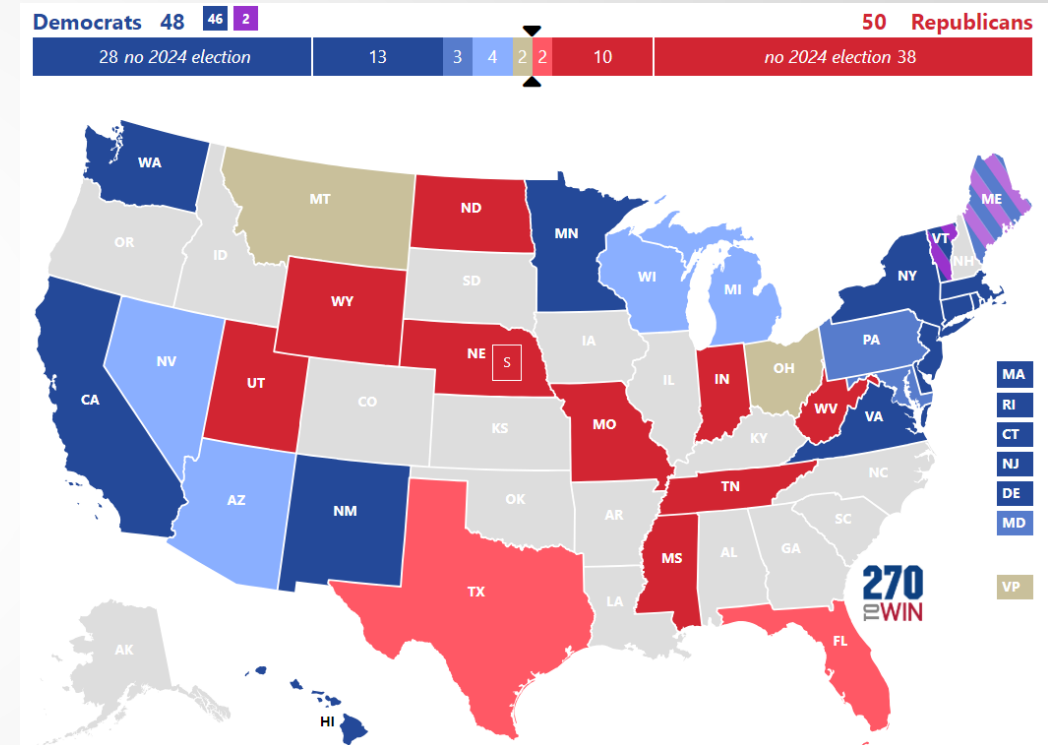
Moving Bills

- SB 1116 (Portantino - D) would make striking workers eligible for unemployment benefits.
- AB 2584 (Lee - D) prohibits business entities that own more than 1,000 single-family residential properties from purchasing any additional single-family properties and leasing them out.
- AB 2286 (Aguiar-Curry - D) would require a driver be in an autonomous vehicle weighing over 10,000 pounds when it's driven on public roads.
- AB 3129 (Wood - D) provides the state Attorney General preapproval power to a change of control or an acquisition between a private equity (PE) group or hedge fund and a healthcare facility or provider group to ensure these transactions are in the public interest.
- SB 1047 (Wiener - D) enacts the Safe and Secure Innovation for Frontier Artificial Intelligence Models Act; under this bill developers of AI models must implement safeguards and policies to prevent hazards and threats to public safety with Attorney General enforcement.

State of Play of the 2024 Elections

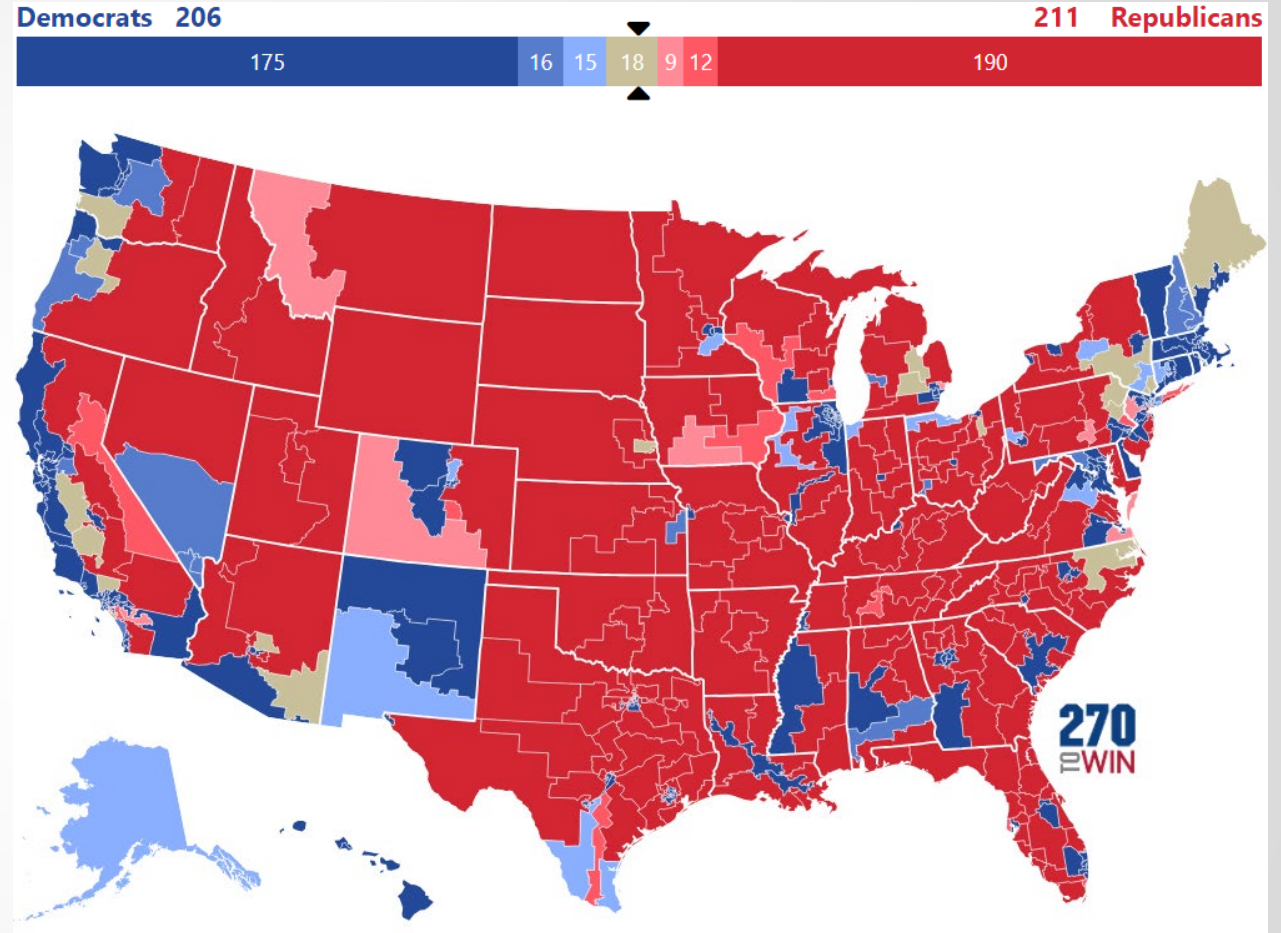
Senate 2024 Outlook

- 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.
- 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 119th Congress in January 2025.



House 2024 Outlook

- Republicans currently have a two-vote majority of 218-213.
- For the 2024 elections, 190 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 6th congressional district; Democrats will likely win this district.



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

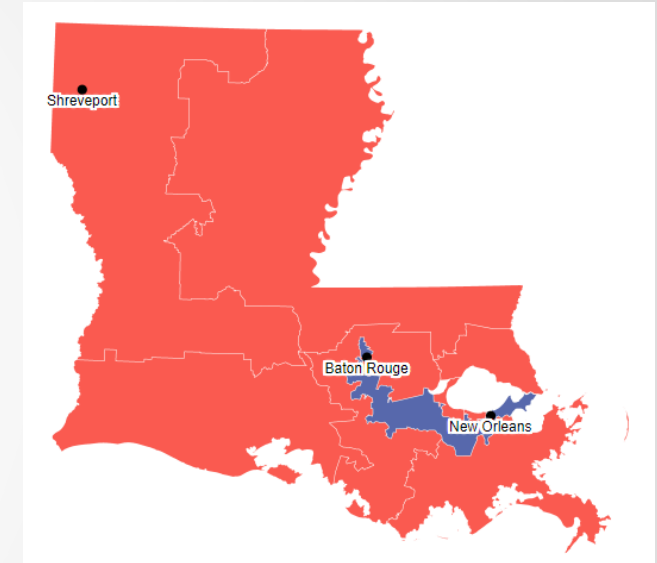
Republicans		
TOSS-UP (9)	LEANS REPUBLICAN (9)	LIKELY REPUBLICAN (12)
Juan Ciscomani (AZ-6)	Ken Calvert (CA-41)	Kevin Kiley (CA-3)
David Schweikert (AZ-1)	Michelle Steel (CA-45)	Young Kim (CA-40)
John Duarte (CA-13)	CO-3 Open (Boebert)	CO-5 Open (Lamborn)
Mike Garcia (CA-27)	Zach Nunn (IA-3)	Anna Paulina Luna (FL-13)
David Valadao (CA-22)	John James (MI-10)	María Elvira Salazar (FL-27)
Don Bacon (NE-2)	Ryan Zinke (MT-1)	M. Miller-Meeks (IA-1)
Mike Lawler (NY-17)	Tom Kean Jr. (NJ-7)	Nick LaLota (NY-1)
Marc Molinaro (NY-19)	Scott Perry (PA-10)	Brian Fitzpatrick (PA-1)
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)

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

Total seats rated Safe Republican: 190
Total seats rated Safe, Likely, or Leans R: 211

The U.S. Supreme Court Upholds Louisiana's New Congressional Map

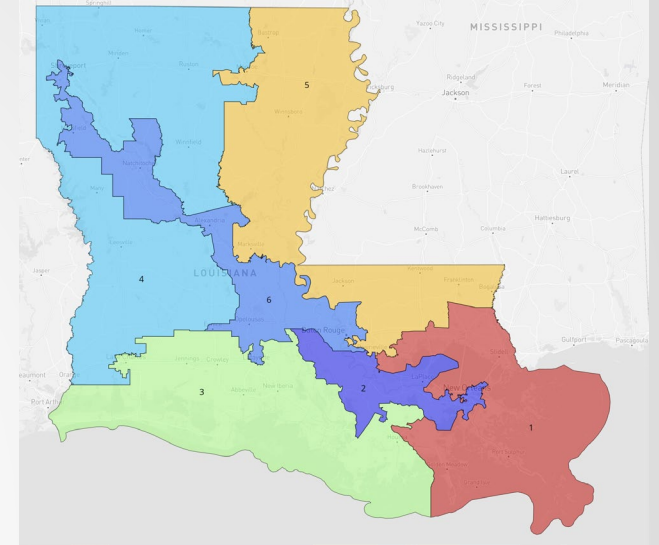
- On January 22, Louisiana Governor Jeff Landry (R) signed a new congressional map for the state into law. The map was to be in effect for the 2024 election.
- The new map had created a second majority-Black district, complying with a previous U.S. federal court order. This new district, the 6th district, would extend from Baton Rouge up to Shreveport in the northwestern part of the state. The district would have also included Alexandria and parts of Lafayette. This district would have likely flipped to the Democrats in November.
- However, on April 30, in a [2-1 decision](#) for the case known as [Callais v. Landry](#), a three-judge court panel with the U.S. District Court for the Western District of Louisiana ruled that this new congressional map violated the Constitution because it “has violated the Equal Protection Clause of the Fourteenth Amendment by enacting racially gerrymandered districts.”
 - The two judges who wrote the majority opinion were both appointees of former President Donald Trump, while the dissenting judge was an appointee of former President Bill Clinton.



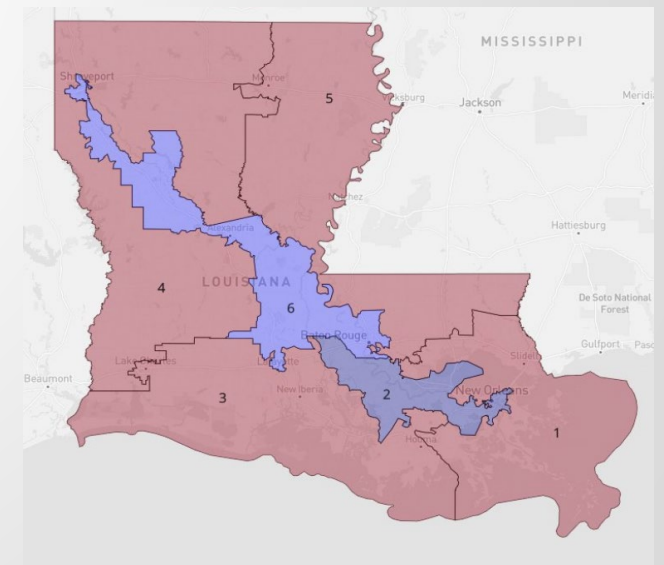
Old Louisiana Map (currently in use for the 118th Congress, but will not be used moving forward)

The U.S. Supreme Court Upholds Louisiana's New Congressional Map

- As part of its ruling, the court ordered all sides in the case to meet on May 6 to discuss what map will be used for this year's congressional elections in Louisiana. This meeting was set to include discussions about creating a court-drawn remedial congressional map.
- Louisiana Secretary of State Nancy Landry, who is the state's top election official, has said the state's congressional map must be finalized by May 15 in order to be used for this year's congressional races.
- Louisiana Attorney General Liz Murrill said in a [statement](#) that the old map that was used in 2022 should be used in the upcoming 2024 elections. The 2022 map was previously struck down by a federal court for violating the Voting Rights Act.
- A coalition of Black voters and the NAACP Legal Defense Fund then filed an [appeal](#) asking the U.S. Supreme Court to review the district court ruling. The authors of the appeal argue the court did not follow proper procedures.
- On May 15, the U.S. Supreme Court [granted a stay](#) of the U.S. District Court's ruling that had invalidated the state's new map, thus restoring the state's new map and restoring the new second majority-Black district (the 6th district) for the 2024 election.
- However, the Supreme Court's decision appears to be limited to just the current 2024 election, meaning there is a chance the map could be redrawn for the 2026 election. It is relatively likely that the Supreme Court will hear the *Callais v. Landry* constitutional challenge case during next year's term. The case has significant implications related to the Voting Rights Act.

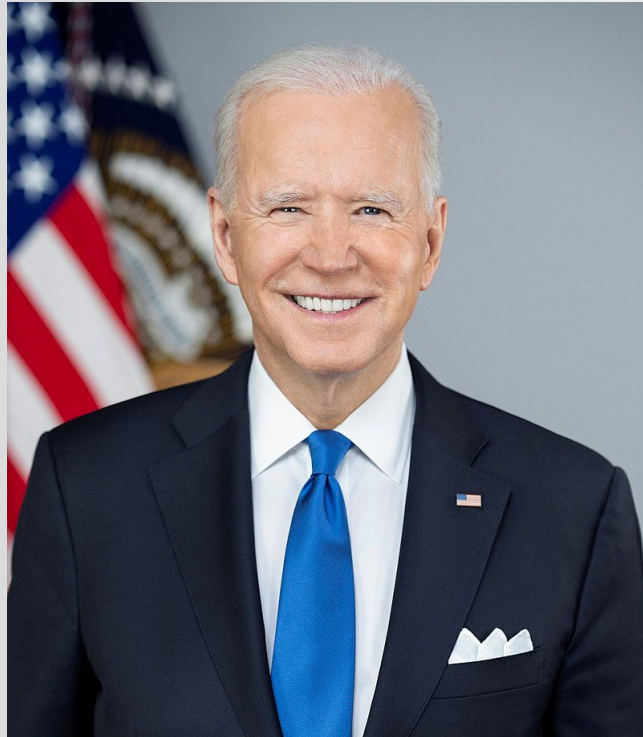


New Louisiana Map



Sources: NPR, Democracy Docket, and U.S. Federal Court filings

2024 United States Presidential Election



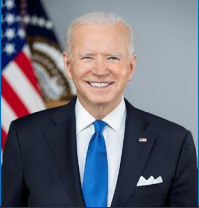


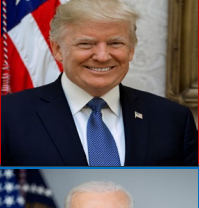

President Joe Biden (D)

- President Joe Biden (D) and former President Donald Trump (R) have both clinched a majority of their party's convention delegates, making both men the respective presidential nominees of their respective parties.
- The Republican National Convention will take place in Milwaukee, Wis. from July 15-18, 2024.
- The Democratic National Convention will take place in Chicago, Ill. from August 19-22, 2024.
- 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 very close contest that is nearly even and within the margin of error.



Former President Donald Trump (R)

Chances of the Four Likeliest 2024 Election Outcomes

President	House	Senate	Current Forecast
	R	D	Current Situation
	D	R	45%
	D	R	35%
	R	R	18%
	D	D	2%

- 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 June.
- Control of the House is a toss-up. Democrats can retake the majority by flipping seats in California and New York Republicans won in 2020 and 2022. Redistricting reduced the number of competitive House seats to 30-50. Absent a presidential candidate with electoral coattails, we forecast a House majority of under 10 seats for the winning party.
- Democrats have eight 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 June, 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.

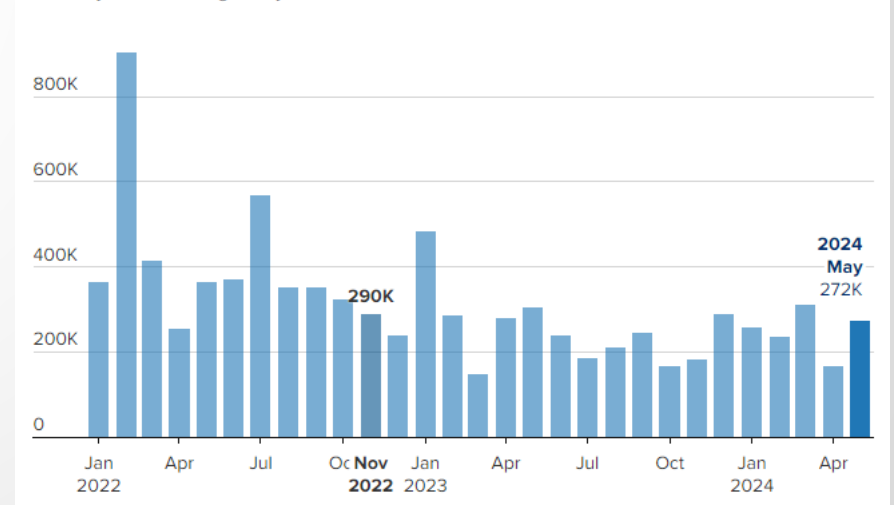
Factors That Could Impact the 2024 Political Landscape

May 2024 Jobs Report

- On June 7, the U.S. Department of Labor's Bureau of Labor Statistics [announced](#) (1) total nonfarm payroll employment increased by 272,000 in May 2024 and that (2) the unemployment rate slightly rose to 4%.
 - Economists had expected an increase of about 190,000 for the month, so the jobs report came in significantly above expectations.
 - The March 2024 number was revised down by -5,000, from +315,000 to +310,000, while the April 2024 number was revised down by 10,000, from +175,000 to +165,000.
 - However, this is the first time since January 2022 that the unemployment rate is at 4%. The unemployment rate had been below 4% for 27 consecutive months.
- Healthcare was the leading industry, with a net gain of 68,000 new jobs. Other leading industries included government, with 43,000 jobs, leisure and hospitality, with 42,000 jobs, professional, scientific, and technical services, with 32,000 jobs, social assistance, with 15,000 jobs, and retail, with 13,000 jobs.
- Average hourly earnings for all employees increased by 14 cents, or 0.4%, to \$34.91. Over the last 12 months, average hourly earnings have increased by 4.1%.
 - Economists had expected a monthly increase of 0.3% and an annual increase of 3.9%, so earnings were slightly above economists' forecasts.
- The employment report for June 2024 will be [released](#) on July 5, 2024.

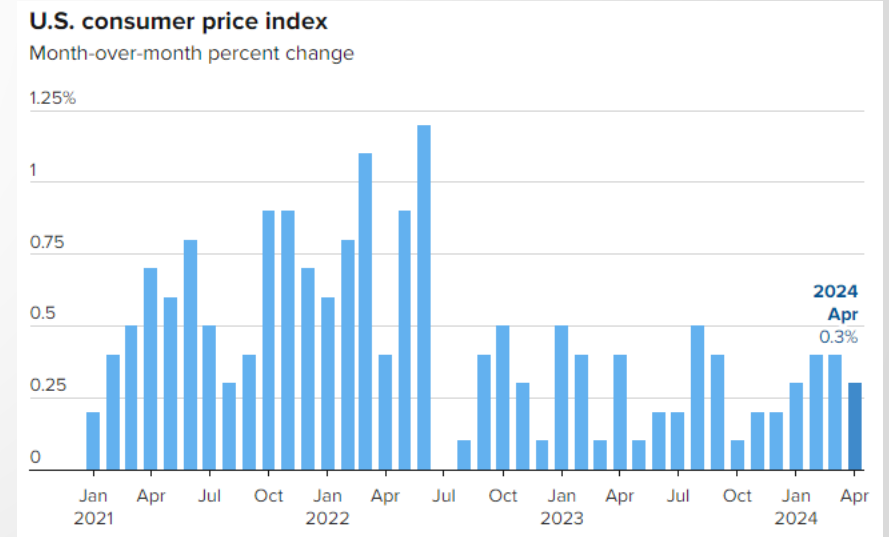


Monthly job creation in the U.S.
January 2022 through May 2024



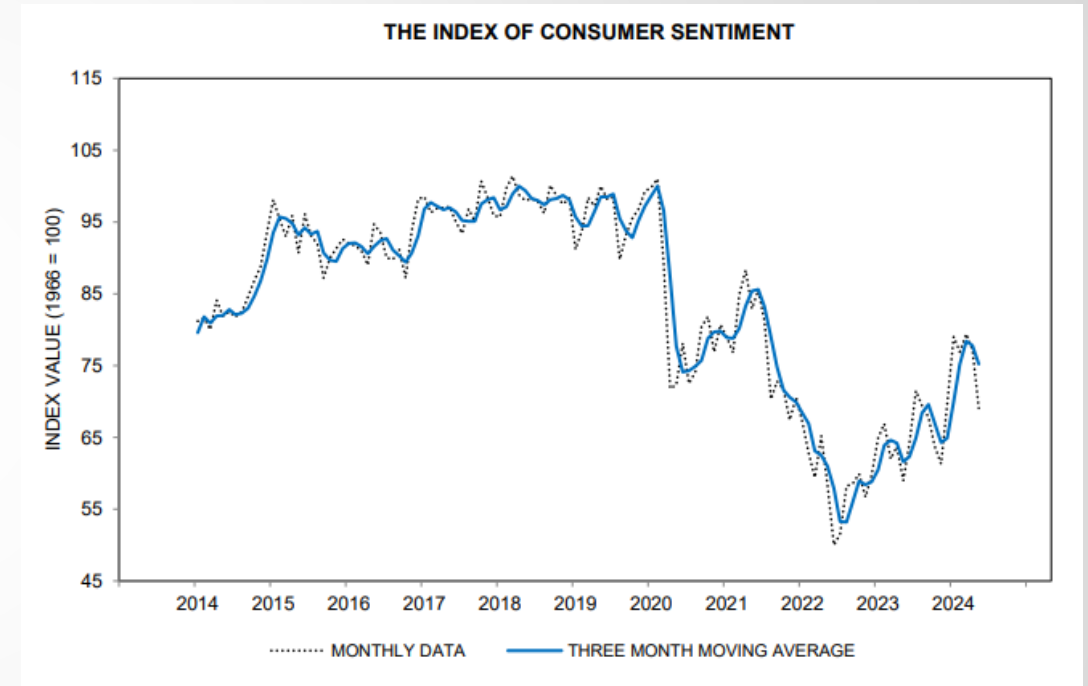
April 2024 Inflation Report

- On May 15, the U.S. Bureau of Labor Statistics [announced](#) the Consumer Price Index (CPI) increased by 0.3% in April 2024 on a seasonally adjusted basis.
 - This monthly increase was slightly higher than economists’ estimates, which projected a 0.4% increase.
 - This CPI figure was a slight decrease from the March 2024 reading (0.4%).
- The Bureau of Labor Statistics also reported that the CPI increased by 3.4% from April 2023.
 - This was in line with economists’ forecasts.
 - This CPI annual gain was slightly lower than March's 3.5%.
- “Core CPI,” which excludes food and energy prices, rose by 0.3% in April 2024 and 3.6% on an annual basis from April 2023.
 - Both of these figures were in line with economists’ projections, and were slightly lower than the figures from March.
 - The core 12-month inflation reading was the lowest since April 2021, and the monthly increase was the smallest since December.
 - Shelter and housing costs increased by 0.4% for the month and by 5.5% on an annual basis, both of which are considered to be high by the Federal Reserve.
- While the annual inflation rate (3.4%) is lower than its peak in summer 2022 (9%), the Federal Reserve aims for a 2% annual inflation rate over the long term.
- The CPI report for May 2024 will be [released](#) on June 12, 2024.



Consumer Sentiment Report

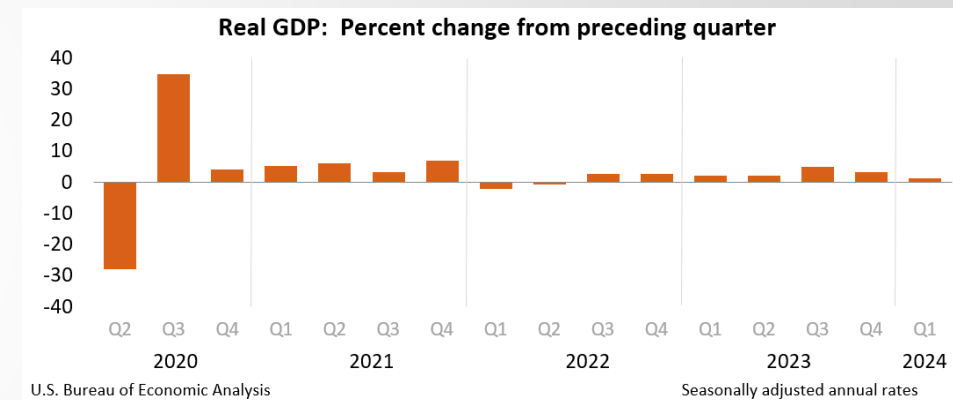
- Consumer sentiment for May fell to 69.1, which is a 10.5% decrease from April (77.2).
 - However, this is an annual increase of 17.1% from May 2023 (59.0).
 - This ends a streak of consumer sentiment being above 76 for each of the first four months of 2024.
 - The December 2023 reading was 69.7; the 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
 - 91.3 among Democrats
 - 62.5 among Independents
 - 53.0 among Republicans
- Year-ahead inflation expectations slightly increased from 3.2% in April to 3.3% in May. This is still, however, a notable decrease from 4.5% in November 2023.
 - Long-run inflation expectations held steady at 3.0% for the second consecutive month. 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 May 30, the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) [released](#) its second 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 +1.3% in Q1 2024.
 - On April 25, 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.
 - Economists had expected an increase of 2.4% in Q1, so the Q1 2024 GDP report fell short of estimates.
 - In Q4 2023, real GDP increased by 3.4%.
- When compared to Q4 2023, the deceleration in real GDP in Q1 2024 was primarily due to deceleration in consumer spending, exports, and state and local government spending, as well as a decrease in federal government spending.
 - Imports, however, accelerated during Q1 2024.
- Consumer spending [increased](#) by just 2% during the quarter, which was down from a 3.3% rise in Q4 2023, and was below the 3% projection from economists.
- The personal consumption expenditures price index, which is a key inflation variable for the Federal Reserve, increased at a 3.3% 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 15.4% in Q1 2024, the largest increase since Q4 2020.



Thank you



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