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

January 2023

This Month's Capital Snapshot Deck Includes

- An overview of what Congress will look like in 2023, including (1) schedules and calendars; (2) party leadership in both chambers; and (3) Member counts by party.
- A recap of the FY 2023 omnibus appropriations package and the FY 2023 National Defense Authorization Act (NDAA).
- An overview of the outlook and priorities for 2023 across many areas of public policy.
- A look at some of the current events, factors, and developments that could impact the 2023 political and legislative landscape.

The 118th Congress



2023 House Calendar

- Expected House Majority Leader Steve Scalise (R-LA) recently released the calendar for the 1st Session of the 118th Congress.
- Under this calendar, the House is expected to be in session for a total of 117 days in 2023.
- The House is expected to take the traditional congressional August recess.
- The House is currently scheduled to adjourn for the year on December 14, 2023.

STEVE SCALISE
MAJORITY LEADER

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House Calendar // 118th Congress // First Session

2023 Senate Calendar

- Senate Leadership recently released the calendar for the 1st Session of the 118th Congress.
- Under this calendar, the Senate is expected to be in session for a total of 154 days in 2023.
- The Senate [convened](#) on January 3, 2023. Senators were sworn in and the chamber adopted procedural resolutions. The Senate will not convene again until January 23, 2023.

DICK DURBIN
Majority Whip

JOHN THUNE
Republican Whip

UNITED STATES SENATE
118th Congress, 1st Session
2023

TENTATIVE SCHEDULE

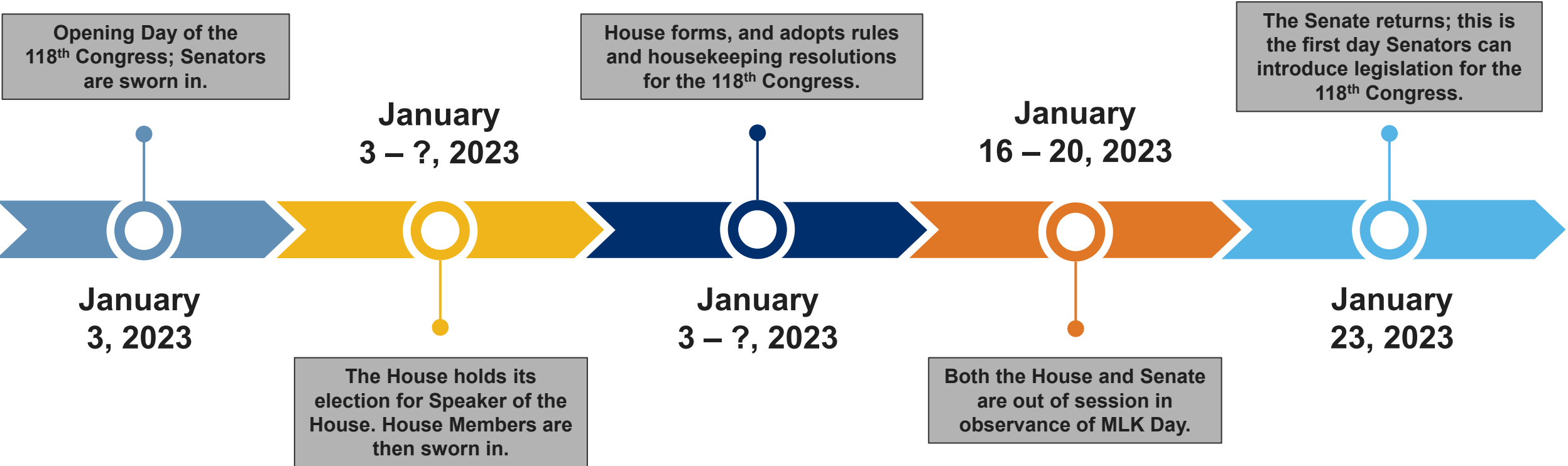
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<small>SENATE CONVENES JANUARY 3, 2023</small>																				
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Red dates = Senate not in session

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

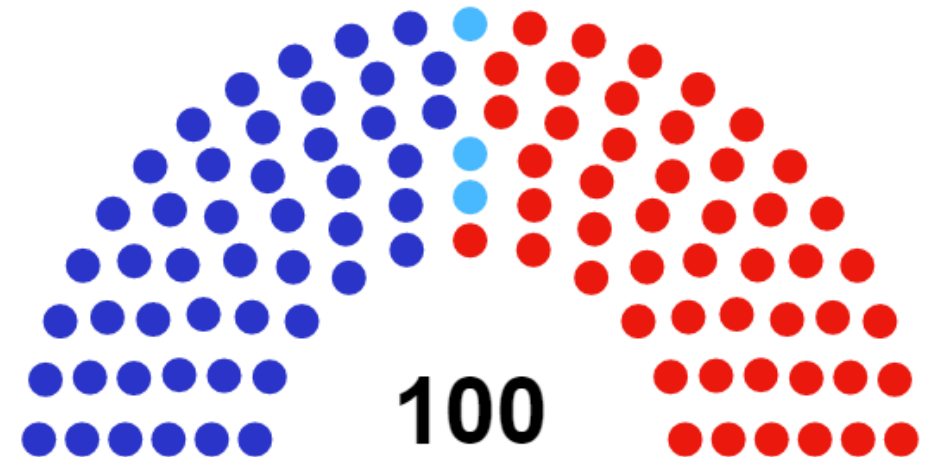
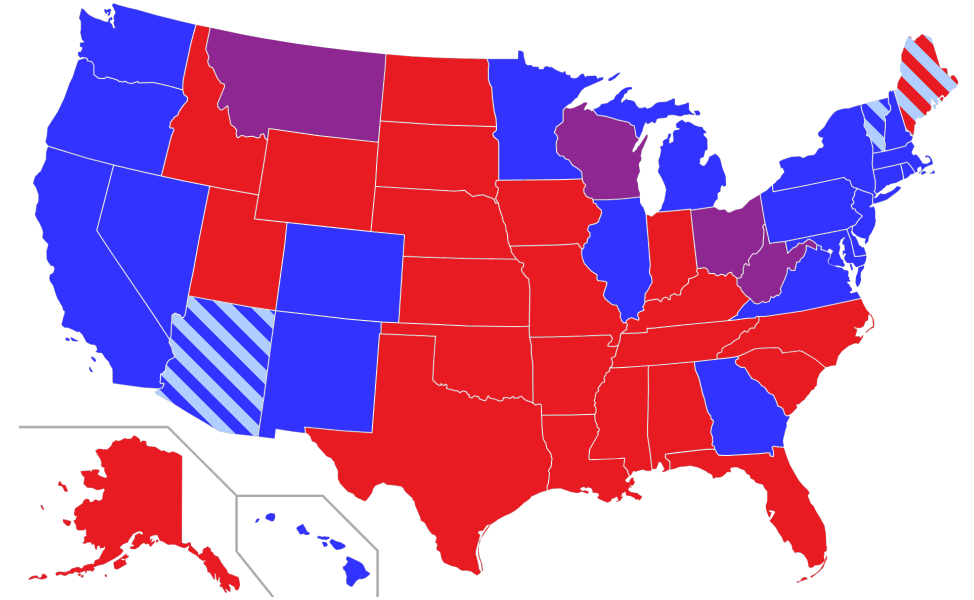
GPO: 2022-49-898(100)

Congressional Schedule January 2023



Current Senate – 118th Congress

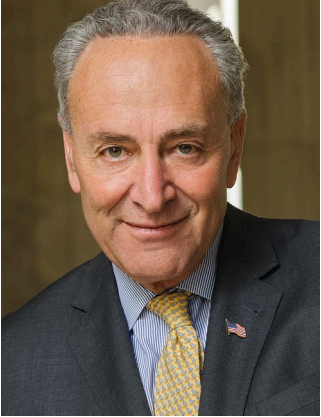
- Democrats have 51-49 majority, including 3 independent Senators.
 - December 2022 – Sen. Kyrsten Sinema (I-AZ) switched from Democrat to independent.
 - Every incumbent Senator who ran for re-election in the 2022 midterms won their race – this is the first time this has occurred in decades.
- Vice President Kamala Harris, who is also the Senate President, can cast a tie-breaking vote if the final vote on any legislation or nominee is tied at 50-50.
- Sen. Patty Murray (D-WA) has replaced the retired former Sen. Patrick Leahy (D-VT) as the President Pro Tempore of the Senate. She is the first female President Pro Tem in history.



Source: Parliament Diagram Tool

Senate Leadership in the 118th Congress

Democrats



Majority Leader Chuck Schumer (D-NY)



Majority Whip Dick Durbin (D-IL)



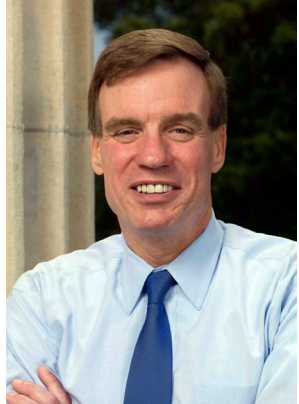
Chair of DPCC Debbie Stabenow (D-MI)



Democratic Steering Committee Chair Amy Klobuchar (D-MN)

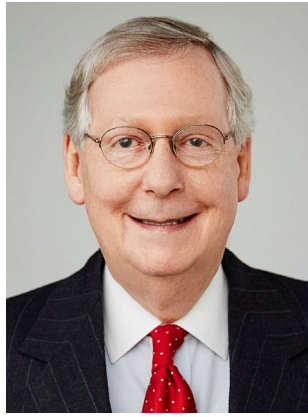


Caucus Vice Chair Elizabeth Warren (D-MA)

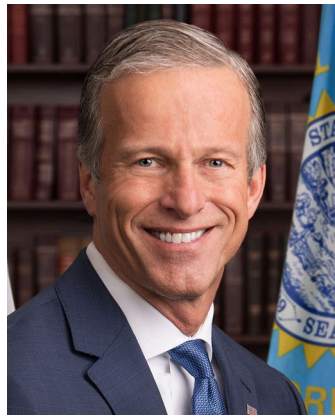


Caucus Vice Chair Mark Warner (D-VA)

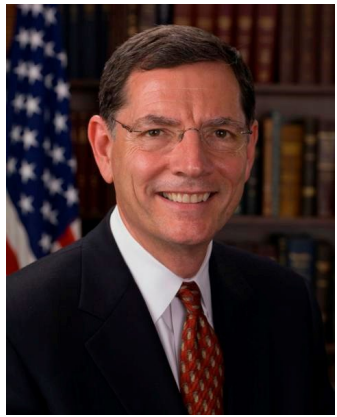
Republicans



Minority Leader Mitch McConnell (R-KY)



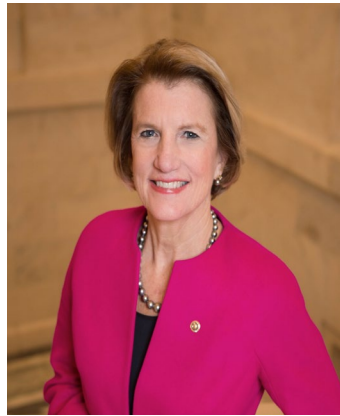
Minority Whip John Thune (R-SD)



Conference Chair John Barrasso (R-WY)



Policy Committee Chair Joni Ernst (R-IA)



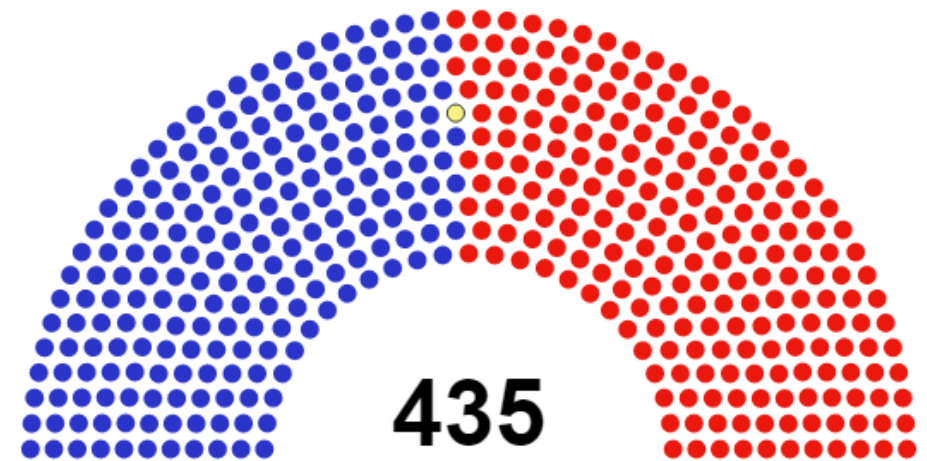
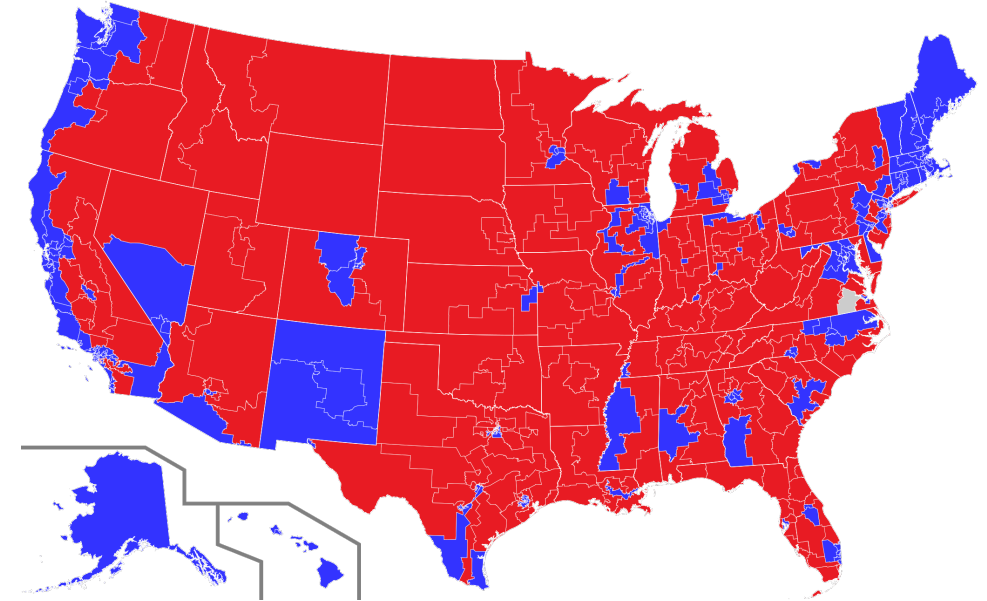
Conference Vice Chair Shelley Moore Capito (R-WV)



NRSC Chairman Steve Daines (R-MT)

Current House – 118th Congress

- Republicans hold a four-seat majority (222-212), with one open seat.
- The 2022 Republican midterm victory is an exact mirror image of the Democrats' 222-213 victory in the 2020 election.
- There is currently one vacant seat in the House in the 118th Congress.
 - Rep. Donald McEachin (D-VA-4) passed away on November 28, 2022.
 - A special election will take place on February 21, 2023.
 - The VA-4 seat is rated as “Safe D.”



Source: Parliament Diagram Tool

House Republican Leadership Developments

- In November, the House Republican Conference voted for Rep. Kevin McCarthy (R-CA) to be the GOP nominee for Speaker of the House by a vote of 188-31.
- As of the morning of Friday, January 6, 2023, Rep. McCarthy has failed to win the vote for House Speaker on eleven consecutive ballots.
- Approximately 20 conservative House Republicans are refusing to vote for Rep. McCarthy as they negotiate a package of rules changes and concessions that can only be offered at the start of a new Congress.



Potential House Leadership in the 118th Congress

Democrats



Minority Leader
Hakeem Jeffries (D-NY)



Minority Whip
Katherine Clark (D-MA)



Caucus Chairman
Pete Aguilar (D-CA)



Assistant Leader
Jim Clyburn (D-SC)



Caucus Vice Chairman
Ted Lieu (D-CA)



DCCC Chair
Suzan DelBene (D-WA)

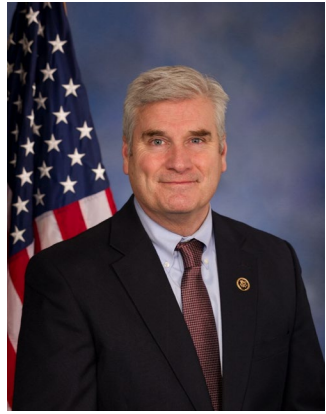
Republicans



Speaker
Kevin McCarthy (R-CA)



Majority Leader
Steve Scalise (R-LA)



Majority Whip
Tom Emmer (R-MN)



Conference Chair
Elise Stefanik (R-NY)



Conference Vice Chair
Mike Johnson (R-LA)



Conference Secretary
Lisa McClain (R-MI)

The Select Committee to Investigate the January 6th Attack on the US Capitol

- The Committee's final meeting was December 19. Committee members voted to refer their findings to the Department of Justice (DOJ) and recommended former President Donald Trump be charged with:
 - Obstruction of an official proceeding;
 - Conspiracy to defraud the United States;
 - Conspiracy to make a false statement; and
 - Conspiracy to defraud the US by assisting, aiding or comforting those involved in an insurrection.
- The Committee also referred John Eastman, a former lawyer for President Trump, for similar charges.
- Members also voted to refer the following members of Congress to the House Ethics Committee for failing to comply with subpoenas:
 - Rep. Kevin McCarthy (R-CA)
 - Rep. Jim Jordan (R-OH)
 - Rep. Scott Perry (R-PA)
 - Rep. Andy Biggs (R-AZ)



Reps. Bennie Thompson (D-MS), Liz Cheney (R-WY) and Adam Kinzinger (R-IL) during a committee hearing.

The Select Committee to Investigate the January 6th Attack on the U.S. Capitol



Jack Smith, Special Counsel

- The Select Committee concluded its investigation by releasing its [final report](#) on December 22, as required by [H.Res.503](#).
- The Committee's report comes just one month after US Attorney General Merrick Garland selected Jack Smith, a war crimes prosecutor, to serve as special counsel to oversee two DOJ investigations into Trump.
- It is unclear if the members of Congress referred to the House Ethics Committee will face consequences during the 118th Congress, as Republicans will control the Ethics Committee and are also planning to end the January 6th Committee.
- House Republicans are not planning on taking any action related to the Jan. 6th Committee, except as related to the physical security of the Capitol.

Fiscal Year 2023 Government Funding: A Timeline

July 20, 2022: The House passes ([220-207](#)) [H.R. 8294](#), a six-bill appropriations package to fund the federal government during Fiscal Year (FY) 2023. The package does not pass the Senate.

September 30, 2022: Congress passes the Continuing Appropriations and Ukraine Supplemental Appropriations Act of 2023 ([P.L. 117-180](#)), a continuing resolution (CR) extending FY 2022 government funding levels through December 16, 2022.

October 1, 2022: FY 2023 begins.

December 15, 2022: Congress passes the Further Continuing Appropriations and Extensions Act of 2023 ([P.L. 117-229](#)), another CR extending FY 2022 government funding levels through December 23, 2022.

December 23, 2022: Congress passes the Fiscal Year 2023 Omnibus Appropriations bill ([H.R. 2617](#)), a \$1.66 trillion spending package that will fund the federal government through September 30, 2023.

Fiscal Year 2023 Government Funding: What's in the Omnibus?

- December 29, 2022 – President Joe Biden signed the omnibus after it passed the Senate 68-29 and the House 225-201.
- The omnibus appropriations package for FY 2023 [includes](#) approximately \$1.66 trillion in total federal spending for the remainder of FY 2023, which runs until September 30, 2023.
- The package [includes](#) \$772.5 billion for non-defense discretionary programs (including \$118.7 billion for VA medical care) and \$858 billion in defense funding.
- It also includes \$44.9 billion in emergency assistance to Ukraine and \$40.6 billion for nationwide natural disaster and extreme weather recovery efforts.



Fiscal Year 2023 Government Funding: What's in the Omnibus?

- Funding for major legislative priorities: \$58.7 billion for programs authorized by the Infrastructure Investment and Jobs Act; \$1.8 billion to implement the CHIPS and Science Act of 2022; and \$5 billion for the Cost of War Toxic Exposures Fund to implement the PACT Act.
- Investments in healthcare and research: \$47.5 billion for the National Institutes of Health; \$9.2 billion for the Centers for Disease Control and Prevention; \$1.5 billion for ARPA-H; and \$950 million for the Biomedical Advanced Research and Development Authority.
- Support for nutrition programs: a \$13.4 billion increase in funding for the Supplemental Nutrition Assistance Program; \$28.5 billion for Child Nutrition Programs; and \$6 billion for the Special Supplemental Nutrition Program for Women, Infants and Children.
- Support for housing assistance: \$3.6 billion for Homeless Assistance Grants; \$2 billion for the Rural Housing Service; \$1.5 billion for the HOME Investment Partnerships Program; \$1.435 billion for the Housing for the Elderly and Housing for Persons with Disabilities program; and new incremental Section 8 Housing Choice Vouchers to support over 11,700 additional low-income households.
- Investments in education: An increase in the maximum Pell Grant award to \$7,395; \$18.387 billion for Title I-A grants; and \$1.2 billion for TRIO to support more than 800,000 low-income first-generation students.
- Support for childcare: \$7.67 billion in investments in the Child Care and Development Block Grant; and nearly \$12 billion in investments for Head Start.

Policy Inclusions in the FY 2023 Omnibus Appropriations Package

- The Electoral Count Reform and Presidential Transition Improvement Act of 2022 ([S. 4573](#)), which includes reforms to the process of casting and counting electoral votes for presidential elections.
- Various “policy riders” which contain authorizing legislation, including FDA riders pertaining to clinical trial diversity, accelerated approval, medical devices, cosmetics reform, and infant formula.
- A ban on the Chinese-owned app TikTok on government devices and new incentives for retirement savings.
- Eight Senate amendments, including:
 - Allowing state and local governments to use COVID-19 relief funds provided under the American Rescue Plan Act for infrastructure projects.
 - Adding the Pregnant Workers Fairness Act.
 - Establishing a World Trade Center Health Program Supplemental Fund.



FY 2023 Appropriations and Earmarks

- The FY 2023 omnibus appropriations package includes the highest-ever level for domestic spending — \$800 billion, or a 9.3 percent increase from FY 2022, and 7,234 earmarks totaling \$15.3 billion.
- The pathway to passage of the FY 2023 package was fraught with partisan negotiations and short-term continuing resolutions, perhaps a foreshadowing of what can be expected in the 118th Congress with a narrow Republican majority in the House and Democratic-led Senate.

FY 2023 Earmarks by Chamber and Party		
Chamber/Type	# of Earmarks	Total Funding
House Bipartisan	183 earmarks	\$424,694,749
House Democrats	3,010 earmarks	\$4,780,412,590
House Republicans	931 earmarks	\$2,348,653,064
Bicameral Bipartisan	55 earmarks	\$220,254,196
Bicameral Democrats	165 earmarks	\$394,204,188
Bicameral Republicans	28 earmarks	\$168,244,000
Senate Bipartisan	195 earmarks	\$347,192,000
Senate Democrats	2,000 earmarks	\$3,452,422,000
Senate Republicans	667 earmarks	\$3,192,245,000

FY 2024 Appropriations and Earmarks Outlook

- A divided Congress with small majorities in both chambers will challenge the annual appropriations process, but could also be an opportunity for bipartisanship.
- Democrats and a majority of Republicans support earmarking. In the first two years, earmarks have provided over \$25 billion across 12,209 local projects.
- Earmarks increased from 4,975 earmarks totaling \$9.7 billion in FY 2022 to 7,234 earmarks totaling \$15.3 billion in FY 2023.
- House Republicans voted in November to continue allowing for the practice of earmarking under their new majority.



For the first time in history, the Appropriations Committee leaders will all be women: Reps. Kay Granger (R-TX) and Rosa DeLauro (D-CT) will lead the House Appropriations Committee and Sens. Patty Murray (D-WA) and Susan Collins (R-ME) will lead the Senate Appropriations Committee.

FY 2023 National Defense Authorization Act (NDAA) Overview

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” annual bill in Congress.

FY23 NDAA Overview: On December 15, 2022, Congress passed the FY23 NDAA with bipartisan votes in both chambers. The final bill authorized \$857B for DoD, a \$45 billion increase over the President’s request, matching the Senate number. The bill also:

- Repealed the COVID-19 vaccine requirement for all servicemembers.
- Prohibited the US government from contracting with companies that rely on certain Chinese chipmakers. This provision has a five-year phase-in period.
- Prohibited President Biden’s efforts to cancel the sea-launched cruise missile.

On the Horizon: After the FY24 President’s Budget Request is released in March, the House and the Senate Armed Services Committees will begin drafting the committee drafts of the FY24 NDAA. The two defense committees will also hold the annual hearings on the budget request for each of the different service branches and components.



Tax Outlook for 2023

- House Republicans Vern Buchanan (R-FL), Jason Smith (R-MO) and Adrian Smith (R-NE) are competing to be Chairman of the House Ways and Means Committee.
- Regardless of who wins the gavel, oversight of the IRS and its new budget authority under the Inflation Reduction Act (IRA) will be a major focus for the committee.
- Democratic control of the Senate ensures that Ron Wyden (D-OR) will continue as Chairman of the Finance Committee.
- The Senate Finance Committee will continue its efforts to oversee international tax practices of multinational firms, particularly the [pharmaceutical industry](#), protect the policies enacted under the IRA, and advance progressive tax policies such as Chairman Wyden’s “mark-to-market” taxation of market gains.



Clockwise from upper left: Reps. Vern Buchanan (R-FL), Jason Smith (R-MO), and Adrian Smith (R-NE)

Tax Outlook for 2023

- Negotiations will begin in earnest regarding extensions of the 23 significant Tax Cuts and Jobs Act-era provisions set to expire in 2025. These include the Section 199A passthrough income deduction, caps on the state and local tax (SALT) deduction and reduced corporate and individual tax rates.
 - Newly elected Republicans in the Northeast might complicate Republican efforts in the House to preserve the SALT caps.
- On the international front, as the OECD's Pillar Two 15% global minimum corporate tax is increasingly adopted—with the EU, Canada, UK, Australia, Japan, Singapore and other nations beginning to adopt rules pursuant to the agreement—US lawmakers will face increasing pressure to conform the US tax system to the international agreement.
 - While there is bipartisan and bicameral skepticism of the agreement, US firms will face increasing taxes overseas, and Treasury will argue those revenues should rightfully be collected by the US.



Clockwise from upper left: Sen. Ron Wyden (D-OR), Chairman of Senate Finance, and Sen. Mike Crapo (R-ID), Ranking Member of Finance

Trade Outlook for 2023

- Trade policy will remain complex during 2023, as core Biden Administration policy initiatives take greater substance:
 - Negotiating rounds have begun with respect to the Indo-Pacific Economic Framework and agreement texts are under development;
 - The US has embarked on an effort to establish a similarly structured agreement to encompass the Americas;
 - The US-EU discussions on green steel and aluminum may shift into a broader agreement relating to trade in carbon-intensive goods to accommodate the EU's recently enacted carbon border adjustment; and
 - Congressional committees of jurisdiction are claiming authority over the trade negotiation process despite the process breaking from traditional market access tariff reduction structures.



Top image: Katherine Tai, U.S. Trade Representative
Bottom image: Gina Raimondo, Commerce Secretary

Energy Outlook for 2023

- The highly productive 117th Congress provided the Biden Administration with significant financial and regulatory authority to carry out a range of energy policies:
 - The Treasury Department will finalize regulations implementing billions in tax incentives for clean energy, hydrogen, carbon capture and storage, and related programs; and
 - The Department of Energy will continue its work under the Infrastructure Investment and Jobs Act on a range of energy related programs, including critical minerals development, battery programs, loans and financing for clean energy deployment, and cutting-edge research and development.
- The Biden Administration will also finalize a range of rules relating to clean air and water, the deployment of offshore wind, and fuel standards, all with significant industry effects.



Top image: Janet Yellen, Treasury Secretary
Bottom image: Jennifer Granholm, Energy Secretary

Healthcare Policy Outlook: 118th Congress

Senate Democrats

- Medicare & Medicaid Expansion
- Insulin Pricing & Patient Access
- Supporting Inflation Reduction Act (IRA) Drug Pricing Implementation
- Drug Importation
- Continuation of Senate Finance's Investigation in Pharmaceutical Tax Practices

Bipartisan Potential

- Step Therapy / Prior Authorization
- NIH, PAHPA, CHGME, and other Long-term Reauthorizations
- Mental Health & Telehealth Investments
- Infant Formula Oversight
- CURES 2.0

House Republicans

- Oversight of Biden Administration, especially HHS, CDC, and NIH
- COVID-19 Origin Investigations
- Opposing IRA Drug Pricing Implementation
- Innovation and Transparency Improvements for Pharmacy Benefit Managers (PBMs) and Healthcare Providers (HCPs)

Healthcare Committee Leadership: 118th Congress

Senate

House

Finance

HELP

Energy & Commerce

Ways & Means



Chairman
Ron Wyden
(D-OR)

Ranking
Member
Mike Crapo
(R-ID)

Chairman
Bernie
Sanders
(I-VT)

Ranking
Member
Bill
Cassidy
(R-LA)

Chairwoman
Cathy McMorris
Rodgers
(R-WA)

Ranking
Member
Frank Pallone
(D-NJ)

Rep. Vern Buchanan (R-FL)
OR
Rep. Adrian Smith (R-NE)
OR
Rep. Jason Smith (R-MO)

Ranking
Member
Richard Neal
(D-MA)

**W&M Chair will likely be elected after House Republicans elect their leader on Jan. 3.*

Financial Services 2023 Outlook



Data Privacy

There is Republican concern by how technology companies amass and use their information; Congress will likely seek legislation to safeguard consumers' data privacy. This has the potential to be bipartisan.



Capital Formation (e.g., JOBS Act)

Committees of jurisdiction may package bipartisan bills to promote capital formation into a single bill, as retiring Sen. Pat Toomey (R-PA) [emulated](#) with the JOBS Act 4.0.



Stablecoins

HFSC chairman, Patrick McHenry (R-NC) will likely first advance stablecoin legislation as it provides the most bipartisan opportunity to bring service providers into the federal regulatory fold to simultaneously protect consumers and support industry innovation.



Illicit Finance and Bank Mergers

Congress may pursue review of the framework for evaluating bank mergers and bank compliance with the Community Reinvestment Act.

It is possible Congress will pass some form of the Establishing New Authorities for Businesses Laundering and Enabling Risks to Security (ENABLERS) Act to expand AML requirements to non-banks.

US Likely to Reach Debt Ceiling in 2023

- The United States imposes a statutory limit on the size of the national debt, known as the “debt ceiling.” This limit is presently set at \$31.385 trillion. Experts estimate the US will reach this statutory threshold sometime in 2023.
 - At that point, Congress must increase the debt ceiling or the US would default on its debt.
 - Once the debt ceiling is reached, Treasury will have some ability to avoid exceeding the threshold through use of “extraordinary measures” for several months.
- Republicans suggest they will use the need to raise the debt ceiling as a negotiating tool. Both House GOP Leader Kevin McCarthy and Senate Republican Whip John Thune (S-SD) have indicated the debt ceiling could be used to secure budget and spending cuts.



Top image: President Biden
Bottom image: Senator John Thune (R-SD)

Biden's Student Loan Forgiveness Plan



- The Supreme will hear two challenges to President Biden's student loan forgiveness plan, with oral arguments set for February 28, 2023. An opinion is expected by the end of June.
- House Republicans have targeted the debt relief plan as an area of congressional oversight in 118th Congress.
- Also potentially on deck for oversight:
 - the Administration's continued extensions of the student loan payment moratorium; and
 - a forthcoming Education Department rule establishing a new, more generous income-driven repayment (IDR) plan.

Student Loan Payment Moratorium Extended Again

- In response to legal challenges to the President's one-time student debt relief plan, the Biden Administration [announced](#) November 22, 2022 the eighth extension of the federal student loan payment and interest moratorium.
- Payments will resume 60 days after the Education Department is permitted to implement the student debt relief plan or when the litigation is resolved. If the litigation is not resolved and borrowers have not received forgiveness by June 30, 2023, payments will resume 60 days after that date (i.e., August 30, 2023).



President Biden providing remarks at the White House.

Additional Education Policy Issues for 2023

House

- **Oversight.** House Republicans are likely to focus on the following topics next year:
 - Impacts of COVID-19 on K-12 education, including learning loss, school closures, school mask mandates and child vaccine mandates;
 - Use of COVID-19 relief funding by states, K-12 school districts and institutions of higher education; and
 - Investigation of the Biden Administration’s encouragement of Critical Race Theory (CRT) and “woke educational doctrines.”
- **Leadership.** Much of the agenda will be determined by whoever is selected to lead the House Education and Labor Committee.
 - The Steering Committee will vote in January to determine whether current Ranking Member, Virginia Foxx (R-NC), or Rep. Tim Walberg (R-MI) will serve as Chair.
 - If Rep. Foxx wins the Chair position, she has pledged to introduce a bill to reauthorize the Higher Education Act in the first couple months of the 118th Congress.



Current House Education and Labor Republican Leader,
Rep. Virginia Foxx (R-NC)

Additional Education Policy Issues for 2023

Senate

- **Leadership.** Sens. Bernie Sanders (I-VT) and Bill Cassidy (R-LA) are the Chairman and Ranking Member of the Health, Education, Labor and Pensions Committee, respectively.
 - Neither Senator has previewed his education agenda for next Congress, and both offices are in the process of staffing up.
 - Their previous priorities are likely to remain at the forefront, including Sen. Sanders' free college proposal and Sen. Cassidy's College Transparency Act (H.R. 2030/S. 839).



Incoming Senate HELP Committee Chair,
Sen. Bernie Sanders (I-VT)

FAA Reauthorization

- The House Transportation and Infrastructure Committee and the Senate Commerce Committee will consider the reauthorization of the Federal Aviation Administration (FAA), which expires September 30, 2023.
- The FAA Reauthorization Act of 2018 (P.L. 115-254) was signed into law on October 5, 2018. It extends the FAA's funding and authorities through FY 2023. The legislation was the first significant multi-year reauthorization since the FAA Modernization and Reform Act of 2012 and the first five-year reauthorization since 1982.
- Rather than routinely passing multi-year reauthorizations, Congress often passes short-term extensions of current law until the committees of jurisdiction conclude their work and a bill is successfully signed into law.



FAA Reauthorization

House Transportation & Infrastructure Committee Leadership



Rep. Sam Graves (R-MO),
Chair



Rep. Rick Larsen (D-WA),
Ranking Member



Rep. Garret Graves (R-LA),
Subcommittee Chair

Senate Commerce, Science and Transportation Committee Leadership



Sen. Maria Cantwell (D-WA),
Chair



Sen. Ted Cruz (R-TX),
Ranking Member



Sen. Kyrsten Sinema (I-AZ),
Subcommittee Chair

Oversight & Investigations

- **Republican-Controlled US House of Representatives Priorities:**
 - **Fraud/Waste/Abuse:** House Republicans will closely “monitor” the distribution and use of CHIPS grants. Another major point of concern is use of American Rescue Plan funding such as PPP loans.
 - **Biden Administration:** House Republicans have regained the ability to conduct oversight and investigate the federal/executive branch. We can anticipate both former and current Biden Administration officials being brought before Congress.
 - **Border Security/Immigration:** House Republicans will focus on the US/Mexico border with an emphasis on failed border security and immigration policies. The initial focus will be on Secretary of Homeland Security Alejandro Mayorkas.



Oversight & Investigations

- **Republican House Priorities:**

- **Environment, Social and Governance (ESG) Practices:** House Republicans will scrutinize the ESG practices of large corporations because they think the practices threaten the spirit of the First Amendment and represent a dereliction of corporations' fiduciary duty to shareholders.
- **Cryptocurrency:** Congressional Republicans and Democrats have expressed alarm at the implosion of the cryptocurrency exchange FTX, especially given the harm suffered by consumers.
- **Data Privacy:** Given the technological advancements made by China and the attempts by the Russian government to influence American politics through social media, data privacy is a top bipartisan focus.
- **Content Moderation:** Republicans worry that social media corporations engage in content moderation to silence conservative perspectives. We expect House Republicans to require social media platforms to respond to these allegations.



Democratic Senate Priorities for Oversight & Investigations

- **Trump Family Matters:** As the House focuses on Hunter Biden, the Senate may renew its interest in Jared Kushner's business dealings and President Trump's taxes.
- **Health:** Senate Democrats will continue to investigate the pharmaceutical industry on issues like taxes, health care and drug pricing.
- **Climate Engagement:** Focus on corporate carbon footprints and compliance with pending SEC climate disclosure rules. They are also considering investigating the role of the fossil fuel industry in relation to climate change.
- **Cryptocurrency:** Bipartisan interest in the financial fallout of the FTX implosion and scrutinizing the surviving cryptocurrency ecosystem.
- **Corporate Mergers:** Question corporate mergers and encourage the FTC and DOJ to intervene in those mergers that present possible antitrust violations.
- **Consumer Protection:** Probe allegations of corporate consumer abuses, especially in the financial services context, and see if corporate profits are contributing to high rates of inflation.



California: Key Topics for 2023

- **Projected Budget Deficit for 2023/2024: \$24 billion**
 - Lawmakers say they will maintain spending on social programs; Governor's proposed budget (to be released in January) will likely be informed by the projected deficit.
 - State has \$23 billion in rainy day reserves, but final receipts could see the deficit increase should a recession hit.
- **Oil and Gas**
 - Penalty for Excess Profits: Governor Newsom called a special legislative session in December to discuss gas prices; the legislature will consider a bill to impose a penalty on producers that earn profits above a threshold to be established.
 - Ballot Measure to Rescind Setback Law: Industry advocates are working to qualify a ballot measure (for the 2024 ballot) that would rescind a new law prohibiting oil and gas production within one km of inhabited locations (residences, schools, hospitals, businesses, etc.)
 - Gas Tax Repeal: Republican legislators are expected to introduce a bill to repeal the state's gas tax – a measure unlikely to pass.



California: Key Topics for 2023

- **Homelessness and Housing**
 - Homelessness remains a top issue, with 30% of the nation's homeless residing in California.
 - Implementation of the Governor's Community Assistance, Recovery and Empowerment (CARE) Act which aims to deliver mental health and substance use disorder services to the unhoused population will be a focus.
- **Response to Fentanyl Overdoses**
 - Several bills already introduced to address overdose and substance abuse – including safe injection sites and overdose treatment availability, among others.
- **Energy Transition**
 - Latest Scoping Plan: California Air Resources Board approved the 2022 scoping plan outlining the state's roadmap to reduce greenhouse gas emissions and transition to clean/renewable energy.
 - Offshore Wind: California Energy Commission working on a draft permitting roadmap and strategic plan for developing offshore wind.



California: Key Topics for 2023

- **Environment**

- Carbon Management: Renewed interest in carbon capture technologies and projects as they are seen as needed to achieve greenhouse gas reduction targets.
- Drought: In December 2022, the Metropolitan Water District of Southern California declared a regional drought emergency for Southern California to prepare for the fourth consecutive dry year.
- Wildfire: While 2022 was a milder year compared to recent years, the legislature will continue to focus on preventative measures, wildfire liability and availability of insurance in wildfire areas.

- **Education**

- Focus on pathways to educate the workforce in green jobs and the technology sector.
- Continuing to build out universal transitional kindergarten.



California: Key Topics for 2023

- **Healthcare**

- Governor announced the COVID-19 State of Emergency will end on February 28, 2023, but Cal/OSHA Standards Board will continue California's COVID-19 regulation until December 2024 with some tweaks.
- Implementation of the new Office of Health Care Affordability (OHCA) and its role in healthcare will begin.
- Rollout of other important efforts continue:
 - 1) Manufacturing insulin: state's effort to partner with the private sector on production of insulin will continue and
 - 2) CalAIM implementation across the state, which is designed to transform Medi-Cal to offer more equitable, coordinated and person-centered care.



Current Events and Factors That Impact the 2023 Political Landscape



2023 Off-Year Elections

- Special election on February 21, 2023 to fill the seat for Virginia's 4th district, vacated by the December death of Rep. Donald McEachin (D-VA).
 - The two candidates will be State Senator Jennifer McClellan (D-VA) and pastor and US Navy veteran Leon Benjamin (R-VA).
 - This seat is rated as "Safe D."
- There will be three gubernatorial elections on November 7, 2023:
 - Kentucky (Democratic incumbent)
 - Mississippi (Republican incumbent)
 - Louisiana (term-limited Democratic incumbent)
- Louisiana, Mississippi, New Jersey and Virginia will hold statehouse elections.



Thank you



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