Lobbyit’s Post Election Update

_Election 2020: What Happens Now?_

Americans have voted. The outcome of this election is significant for many reasons. First, a historic number of Americans voted this year in person and by mail, nearly 150 million in total. Second, each candidate received more votes from their respective parties than ever before further underscoring the energy and enthusiasm for the moment. Third, President-Elect Joe Biden will become the 6th candidate to unseat a sitting U.S. President in the last 127 years. Americans tend give Presidents their 8 years in office and the apparent about-face will dramatically alter a number of policy fights in our nation’s capital.

In this document, we will provide a brief outline of the policy and legislative issues to keep an eye on as organizations look ahead to 2021 and determine policy priorities and advocacy strategies. Additionally, I will be checking with each of you to schedule an advocacy strategy discussion over the coming weeks as we look ahead to a busy 2021.
Post-Election Policy Preview

Unfortunately, the balance of power in the Senate remains undetermined, though it is highly likely that the GOP will win at least one of the Georgia Senate seats and retain control. With that in mind, the focus will shift to what policies do the White House and the Democratic House work in tandem to reach compromise deals with Senate Republican? Additionally, what will a Biden Administration do with the power of the Executive Branch?

As a caveat, beyond compromise with the Republican side of the aisle, the only hope that President-elect Biden has for large substantive changes is if the Democrats manage to win both senate seats in Georgia and are able to find agreement on reconciliation language that would enable them to make major stimulus, tax, and health care changes through simple majority votes.

State of the stimulus

Despite negotiations that have lasted for months, Democrats and Republicans have not been able to come to an agreement on how much additional assistance to provide to the economy through a 4th major response package. The Trump Administration had led these negotiations until the election but now it is taking a step back and the lead negotiator for the Republicans will be Leader McConnell.

At this point, the assumption is that the House Democrats will start from their current ~$2T position and Leader McConnell will start from the $500B position that the Senate unsuccessfully attempted to pass in the month before the election. However, there is no clarity at this point that this will be the case. While Speaker Pelosi has made it clear that her position on the size and scope needed for the next stimulus package, Leader McConnell has not made it clear whether he will start with a new, higher number than $500B or if he will stick to that proposal. Our team is working hard to ascertain where the Leader is on this and will provide you with updates once we have done so.

The incoming Administration is urging both sides to strike a deal and had begun to step up its efforts, though for now the bulk of its focus remains on the transition process. Depending on the state of the economy and the virus over the next several weeks, their stance may change.

Tax policy

Regardless of the outcome in Georgia, President-Elect Biden will have to temper his plans for drastic tax policy. There will likely be opportunity for some modifications on the margins but big sweeping changes to the tax code will not be feasible due to a smaller majority in the House and a nearly evenly divided Senate.

What may see changes is funding for the IRS and much-needed technology improvements which Members on both sides of the aisle have been calling for. Enforcement and audit priorities will likely be tweaked under the incoming Administration as well. Also, depending on how intensely
the President-Elect focuses on this topic, there might be room for some give and take that results in slightly increased taxes for high net worth individuals or large companies while lowering taxes on families or providing bipartisan tax credits.

**COVID policy**

President-Elect Biden has stated that getting COVID under control is his number one objective and during the transition this has been his first public rollout with the announcement of his Coronavirus Task Force. Currently the Task Force has no meaningful impact but its establishment this early in the process ensures that it is at the front of the line in January to take steps to implement the incoming Administration’s COVID plan. Based on the plans released on the transition website, the COVID strategy will center around increasing access to testing at testing sites and at home, while also increasing processing capacity to lower the wait time for results.

**Healthcare policy**

This is another area where the President-Elect will need to temper his expectations due to the likelihood that the Senate will remain in Republican control. The incoming Administration will have a lot of control over the management of the ACA marketplaces and polices surrounding that but it is unlikely that improvements or legislative changes to the healthcare law will occur while the Senate remains closely divided.

**Congressional Timeline**

Next week, some of the key congressional committee leadership positions will be determined in both chambers. Today, the Senate Republicans and Democrats picked their leadership with little fanfare or fuss. House Democrats and Republicans are picking their leaders next week and though there will be some grumbling on the Democratic side, it is not expected that there will be major changes at the top. Our prediction last week still holds that the most meaningful changes will occur at the Committee level.

We continue to watch the race for leading the House Appropriations Committee, House Agriculture Committee, and House Foreign Relations Committee. The biggest committee race we are monitoring is for the Chair of the powerful Appropriations Committee. In the Senate we are monitoring the elections which will have an impact but generally speaking the biggest changes will likely occur within the Senate Finance Committee, Senate Judiciary Committee, Senate Health, Education, Labor, and Pensions Committee, Senate Energy & Natural Resources Committee, Senate Environment & Public Works Committee.

**Conclusion**

As committee assignments are finalized, we will follow-up with more detailed 2021 outlook and strategy projections based on the leadership’s priorities in each relevant committee of jurisdiction.