



Greetings!

During the month of February, Lobbyit met with the office of Congressman GT Thompson to discuss CTE legislation and potential briefing opportunities with the Congressional CTE Caucus.



Stakeholder Activity

Healthcare

Speaker Ryan and the House on Friday the 24th canceled the scheduled vote on the Republican bill to repeal and replace the Affordable Care Act (ACA), causing a rupture in the relationship between President Trump and Speaker Ryan. Moderate republicans and conservatives banded together to vacate the hopes of passing the divisive healthcare package.

GOP leaders indicated that the new republican health care bill is off the table until the end of the year. "The President is moving on, and unless he changes his mind, we're moving on," said Ways and Means Committee Chairman Kevin Brady (R-Texas).

Thus, legislators will go back home on recess to their constituents without a concrete plan about the repeal and replace of the ACA.

However, our sources indicate that the House will make another run at health care reform in the coming months. On April 6th, the House Rules Committee voted to add an insurance stabilization fund to its ACA repeal bill, making a minor adjustment to legislation that had been hindered for two weeks amid deep Republican squabbling. The panel approved an amendment that sets aside \$15 billion through 2026 to reimburse health plans for their most expensive customers' medical bills, in an attempt to lower premiums across the individual health insurance market. Starting this month, insurers will soon have to decide whether to stick with Obamacare in 2018 after the stunning collapse of the GOP's repeal bill.

On March 29th, Senators Lamar Alexander and Bob Corker, unveiled legislation that would give individuals in counties with no insurance options in the individual marketplace the ability to use subsidies provided under the health law for any state-approved plan, regardless of whether the insurance was offered through the marketplace.

The House ECC plans to write two major bills by early fall - one renewing the FDA's authority to collect industry user fees and another reauthorizing the Children's Health Insurance Program.

Labor

The Trump Administration promised to make regulatory reform an integral part of its agenda, especially easing the burdens on American businesses. The Appropriations: Labor-HHS-Education FY 2018 budget proposal calls for \$9.6 billion in funding for the labor department, a \$2.5 billion reduction from the 2017 levels. The cuts are part of a larger plan to increase military spending and would focus the Labor Department on the highest priority functions.

The Trump Administration has nominated Alexander Acosta to fill the position of Labor Secretary, after the withdraw of Andrew Puzder. The Senate Health, Education, Labor and Pensions Committee advanced Acosta to a full Senate confirmation vote. At the HELP Committee hearing about Acosta's nomination, late in March, Acosta did not express an opinion on many issues, however, he came the closest to expressing an opinion on the subject of overtime pay. Alexander Acosta is expected to be confirmed after Congress returns from recess at the end of the month.

Last year, the Obama administration issued a final rule that doubled (to \$47,476) the salary threshold under which virtually all workers are guaranteed time-and-a-half pay if they work more than 40 hours in a given week. A federal judge enjoined the rule, preventing it from taking effect. The Obama administration appealed that decision, but the Trump administration is not expected to continue the appeal.

Noting that the overtime rule "hasn't been updated since 2004," Acosta seemed to suggest he'd favor some increase in the salary threshold. But he also said he had "serious questions" about the Labor secretary's authority to increase the threshold as high as \$47,476. That "goes beyond a cost of living adjustment," he said, and suggested an inflation-adjusted threshold would be about \$33,000.

Tax

After the Republican Health Care Bill to replace Obamacare recently flopped, the focus of the Trump Administration and leadership in Congress turn to the focus of tax reform. Ways and Means Chairman Kevin Brady informed committee Democrats that tax reform hearings would be as soon as later in April or early May. Brady recently noted that the upcoming hearing will focus on border adjustability, which would essentially tax imports but not exports.

Chairman Brady's message included that tax breaks for charitable donations, municipal bond interests and mortgage interest were safe, though having fewer taxpayers itemize would certainly affect how frequently some of those are used.

The discussions around the Hill about tax reform will center around lowering the rates for middle-class families and restructuring the corporate tax system.

The Trump Administration has proclaimed that tax reform will be done within the year, a repeal of its previous statements claiming that it should be done before August recess. However, experts say not to be surprised if tax reform trickles into 2018.

However, with the failure of the GOP to repeal and replace the ACA, the threat of sabotaging their tax reform is in question. The GOP was counting on wiping out nearly \$1 trillion in ACA taxes to help finance the sweeping tax cuts they had planned for their next legislative act. Now it is uncertain where that money will derive from. The speculation is that Republicans will settle for just tax cuts rather than upending reform.

Also, at the present, all signs point to President Trump settling on David Kautter as his nominee for Treasury assistant secretary for tax policy.

Meeting with the office of Congressman GT Thompson

During the month of March, LobbyIt sat down with the office of GT Thompson to discuss Perkins reauthorization and the future for Career and Technical Education (CTE) this Congress.

Congressman GT Thompson has been a longstanding champion for CTE, and his office is very eager to see legislation move this Congress. Congressman Thompson also serves as the Co-Chair of the CTE Caucus, as well as sitting on the House Education and Workforce Committee, Subcommittee on Early Childhood, Elementary, and Secondary Education. At the end of February, the Committee held a full hearing that specifically touched upon CTE legislation. During our conversation, his education staffer indicated that when legislation is ripe for introduction, Congressman Thompson would likely take the lead after the CTE hearing.

Additionally, LobbyIt proposed that the CTE Caucus host a briefing that highlights skilled-trades industries, such as (woodworking - carpentry - mechanics, electrical). His office was very interested and supportive of this idea. This type of briefing would allow different trade associations, such as AMI, to come up to Capitol Hill and not only showcase their skills, but clearly communicate the need to pass CTE legislation that will close the job gap and provide resources for employee training. Congressman Thompson's office agreed that sometime in the late summer would be a good time to host such a briefing, and was eager to incorporate various industries across the spectrum. In the meantime, LobbyIt will be coordinating with his office, as well as Congressman Langevin's office, who serves as the other Co-Chair of the CTE caucus.

Lastly, LobbyIt covered a hearing hosted by the Senate Committee on Commerce, Science, and Transportation. The purpose of the hearing was to address closing the skills gap through technical training in order to provide a more competitive workforce. A more in depth summary has been provided in a separate document. Moving forward, LobbyIt will be touching base on the Senate side with Senators Casey and Enzi, who will be taking the lead for CTE in the chamber.

Legislative/Regulatory Activity

H.R. 419 - Promote Workforce Development for the Advancement of Manufacturers Act of 2017

Representative Brenda L. Lawrence (D-MI) introduced the Promote Workforce Development for the Advancement of Manufacturers Act of 2017 on January 10, 2017. On January 10, 2017, the bill was referred to the House Committee on Ways and Means. The bill does not yet have any cosponsors.

This bill amends the Internal Revenue Code to allow manufacturing employers located in the United States to receive a business-related tax credit for the manufacturing training expenses of their employees. The definition of "manufacturing training expenses" includes related course work, certification testing, and essential skill acquisition.

S.85 - Restoring Access to Medication Act of 2017

Senator Pat Roberts (R-KS) introduced the Restoring Access to Medication Act of 2017 on January 10, 2017. On January 10, 2017, the bill was read twice and referred to the Committee on Finance. Senators Heidi Heitkamp (D-ND) and Johnny Isakson (R-GA) are currently cosponsors to the bill.

This bill repeals provisions of the Internal Revenue code that were added by the Patient Protection and Affordable Care Act that limit payments for medications from health and medical savings accounts and health flexible spending arrangements to only prescription drugs or insulin. This allows distributions from such accounts for over-the-counter drugs.

Related Bills: H.R.394 - Restoring Access to Medication Act of 2017

H.R. 25 - Fair Tax Act of 2017

Representative Bob Woodall (R-GA) introduced the Fair Tax Act of 2017 on January 3, 2017. On January 3, 2017, the bill was referred to the House Committee on Ways and Means. The bill currently has 35 cosponsors.

This bill proposes a national sales tax on the use or consumption in the United States of taxable property or services in lieu of the current income and corporate income tax, employment and self-employment taxes, and estate and gift taxes. The rate of the sales tax will be 23% in 2019 with adjustments to the rate in subsequent years. There are exemptions from the tax for used and intangible property or services purchased for business, export, or investment purposes, and for state government functions.

Under the bill, family members who are lawful U.S. residents receive a monthly sales tax rebate (Family Consumption Allowance) based upon criteria related to family size and poverty guidelines.

The states have the responsibility of administering, collecting, and remitting the sales tax to the treasury.

Tax revenues are to be allocated among:

- (1) the general revenue;
- (2) the old-age and survivors insurance trust fund;
- (3) the disability and insurance trust fund;
- (4) the hospital insurance trust fund; and
- (5) the federal supplementary medical insurance trust fund.

No funding is authorized for the Internal Revenue Service after FY2021.

The bill terminates the national sales tax if the Sixteenth Amendment (authorizing income tax) is not repealed within 7 years after the enactment of this bill.

Related Bills: S.18 - Fair Tax Act of 2017

S.18 - Fair Tax Act of 2017

Senator Jerry Moran (R-KS) introduced the Fair Tax Act of 2017 on January 3, 2017. On January 3, 2017, the bill was read twice and referred to the Senate Committee on Finance. The bill currently has four cosponsors.

This bill proposes a national sales tax on the use or consumption in the United States of taxable property or services in lieu of the current income and corporate income tax, employment and self-employment taxes, and estate and gift taxes. The rate of the sales tax will be 23% in 2019 with adjustments to the rate in subsequent years. There are exemptions from the tax for used and intangible property or services purchased for business, export, or investment purposes, and for state government functions.

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Related Bills: H.R. 25 - FairTax Act of 2017

H.R.933 - Employee Empowerment Act

Representative Keith Ellison (D-MN) introduced the Employee Empowerment Act on February 7th, 2017. On February 7th, 2017 it was referred to the Committee on Education and Workforce and the Committee on the Judiciary. On March 9th, 2017 it was referred to the Subcommittee on the Constitution and Civil Justice. Representative John Lewis (D-GA) cosponsors the bill.

This bill strengthens the current protections available under the National Labor Relations Act by providing a private right of action for certain violations of such Act. It allows employees to bring civil action in a district court for the unfair labor practices.

H.R.958 - Wasteful EPA Protections Elimination Act

Representative Sam Johnson (R-TX) introduced the Wasteful EPA Protections Elimination Act on February 7th, 2017. On February 7th, 2017 the bill was referred to the Committee on Energy and Commerce, the Committee on Transportation and Infrastructure, the Committee on Agriculture, and the Committee on Science, Space and Technology. On February 8th, 2017 the bill was referred to the Subcommittee on Water, Resources and Environment. The bill currently has no cosponsors.

This bill terminates all existing grant programs of the EPA, its National Clean Diesel Campaign, and its environmental justice programs. The EPA may not establish new grant programs. Federal funds may not be used by the EPA:

- (1) to implement any ozone standard after this bill's enactment;
- (2) to regulate greenhouse gas emissions from mobile sources, or from fossil fuel-fired electric utility generating units;
- (3) for the Greenhouse Gas Reporting Program, Climate Resilience Fund, Climate Resilience Evaluation Awareness Tool, Green Infrastructure Program, Climate Ready Water Utilities Initiative; or
- (4) for climate research at the EPA's office of Research or Development.

The EPA must:

- (1) discontinue operation and maintenance of its field offices and activities carried out through those offices; and
- (2) dispose of or lease any underutilized property.

Until next month,

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