

The First 120 Days of the 117th Congress: How to Make the Most of Them

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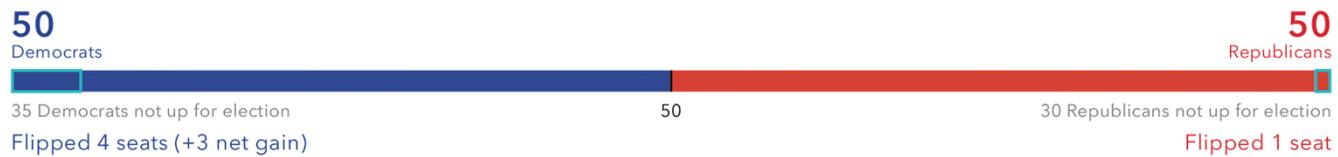
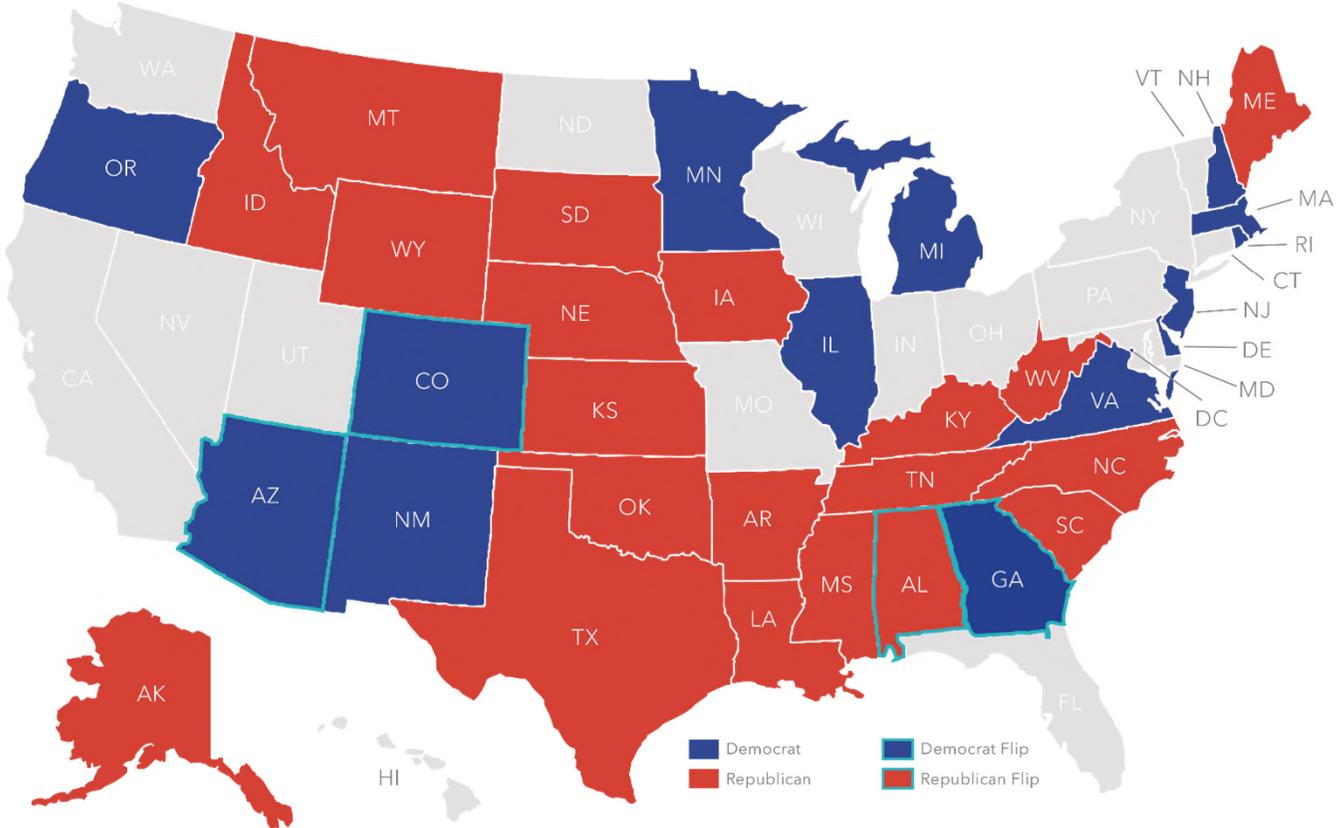
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The 2020 Election – The U.S. Senate: Decided

- Republicans were able to flip Alabama and hold Montana and Iowa.
- Democrats flipped Arizona, Colorado, and Georgia.



Implications of the Georgia Runoff Elections

- The impact of the Georgia races significantly alters the trajectory of the Biden administration's first 120 days and the interaction with the 117th Congress from yesterday's conventional wisdom.
- Democratic control of the Senate potentially impacts the following issues in the near term:
 - Nominations
 - Budget reconciliation
 - Taxes
 - Filibuster
 - COVID-19 response and stimulus
 - Congressional Review Act

Nominations

- President-elect Biden will no longer need to negotiate with Republican Senate Leader Mitch McConnell to place his nominations for administration positions on the Senate calendar for a vote.
 - This allows President-elect Biden a wider range of nominees to pull from.
- We do not expect any previously announced nomination to be pulled back. We do expect, however, that a premium on centrists who enjoy Republican support will no longer be a key factor in a decision.
- It remains unlikely that a Democratic senator would be pulled out of the Senate to serve in the Biden administration, as this could tip the balance of power back to Republicans.

Filibuster Reform

- Although Senate Democrats will face considerable pressure from progressives to eliminate or reform the filibuster, a 50-50 Senate makes it unlikely they will be able to do so.
- Democratic Senators Manchin, Sinema, Tester, and Feinstein have expressed opposition to such a move.
- Additionally, newly elected Senators Mark Kelly (D-AZ) and Raphael Warnock (D-GA) face reelection in swing states in 2022, which could influence their stance on filibuster reform.

Reconciliation

- The budget reconciliation process allows a mechanism to pass certain legislation with only a simple majority in the Senate (as opposed to the usual 60-vote threshold to avoid a filibuster).
- Democrats will have both the FY 21 and FY 22 budgets at their disposal to pass reconciliation measures. Budget rules limit what can be included in a reconciliation measure.
- Generally speaking, it must be related to revenue (taxes), spending, or the debt limit. Extraneous provisions simply setting policies or creating new programs would not be allowed.

COVID-19 Response and Stimulus

- On March 14, the enhanced unemployment insurance benefit that was extended at the end of the year will run out. This provides an opportunity to pass a new measure.
- The incoming Biden administration has made it clear that they are focused on the vaccine rollout, opening up schools, and further stimulus checks. That, taken in combination with issues left unresolved in December, could add up to a significant amount of money being spent.
- Some of the issues that were unresolved or are otherwise seen as being in play are:
 - State and local money
 - \$2,000 stimulus checks
 - Money to open schools
 - UI extension
- In addition, more money for vaccine distribution could come into play, should there continue to be a lag in distribution.



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