

## **Good News on the Horizon – Political and Economic Prospects for a New Administration**

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We are moving closer to a new White House administration and we have two FDA approved vaccines that have been produced and released for distribution. The Democrats now have control of the House, Senate and White House, with a slim majority in Congress.

### Headwinds

The headwinds including problems with state level distribution of the vaccine; the spread of a more contagious strain of Covid predominating Covid cases in the UK; and the SolarWinds Cyber Security Breach.

Of those three, the one that gives us most pause is the SolarWinds Cyber Attack, which won't likely be well understood in scope or nature until the Biden Administration takes office given the limited information provided so far to Congress and perhaps his team. As part of the hack, The Energy Department, the National Nuclear Security Administration, Commerce, Treasury, Homeland Security and Justice were compromised as well as 18,000 companies. The incoming Biden Administration will most certainly reinstitute the Cybersecurity Czar and office dismantled by the Trump Administration, to assess the nature and scale of the compromise and to clean-up and rebuild against a future attack. The risk of any number of cyber attacks related to the operations of these agencies and departments and/or use of internal information for extortion by foreign adversaries remain worrisome alongside other "unknown, unknowns", related to this breach.

### Tailwinds

The tailwinds to the start of the year and Biden presidency include, \$908m in long awaited pandemic relief was passed, with needed support for many.

Significantly the two remaining Senate seats in Georgia have flipped blue which opens the door to Democrats passing major structural economic relief and stimulus; funding for vaccine distribution (right now on the shoulders of states); funding for schools to reopen safely; a robust Green New Deal; lots of good policies on childcare, family assistance, education and even poverty and housing at the Federal level with Heather Boushey, a New School PhD and Jared Bernstein an economist for labor in top economic posts among other real progressives. The Covid death toll and loss of life will cause continual productivity issues; as well as structural damage to small businesses and restaurants, hospitality, travel, leisure and entertainment; evictions; and women dropping out of the labor force to care for their families. Luckily, his economic team are exactly the right people to address these issues and have worked on them their whole careers including Janet Yellen who has looked at the financial and moral implications of the lack of economic mobility in this country due to systemic inequality.

With a new Senate majority leader, the Democrats can now schedule Senate votes and end McConnell's gridlock of governmental functioning and legislating. Chuck Schumer can bring to the floor votes on H.R. 1 which has a slate of Democracy Reforms; a revamped bill along the lines of Adam Schiff's Protecting Our Democracy Act (H.R. 8363), which provides checks and balances to executive power and abuses; and the John Lewis Voting Rights Advancement Act, etc. He can schedule the calendar and get all of Biden's confirmations and appointments through, which only needs 50 votes plus Kamala Harris' vote to pass.

Joe Manchin, a Democratic Senator of West Virginia is the largest impediment to legislating the Biden platform and other Democratic priorities and has already said he would not approve \$2000 direct payments to households. He asserted he wanted jobs programs instead. Organizing constituents in West Virginia and whipping up votes using public pressure campaigns of constituents, according to Faiz Shakir, Former Bernie Sanders Campaign Manager, will be key to getting a number of progressive priorities passed.

With just 50 votes needed and limited debate allowed in Budget Reconciliation, this vehicle will be the way most of the funds and priorities of the Dems will be enacted in the first two years of the Biden Administration. This is how Trump was able to pass the 2017 Tax bill, on his second budget reconciliation bill, after the first one which pushed for ACA repeal, but was lost by one vote against it by John McCain. Dems will have an opportunity to do Budget Reconciliation twice in 2021, as the last one for 2020 was punted to this year.

#### **In Budget Reconciliation what spending priorities can be funded?**

- Housing
- Health Care (Maybe Medicare expansion (lowering the age of enrollment, making enrollment automatic for those unemployed during the pandemic (Jayapal's proposal), increasing what is covered by Medicare including Covid tests, treatment and hospital stays, etc.)
- Education
- Student Debt Relief
- College Tuition Coverage
- Climate Infrastructure Spending
- Covid Needs (for vaccine distribution, schools reopening, etc.)
- Food Assistance
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Additionally, the Senate can move to pass structural changes to advance democratic and a functional government reforms including Filibuster Reform and Judicial Appointments and Reforms.

#### **Pairs Well with Executive Orders**

These actions will likely all occur alongside a suite of Executive Orders which will be occurring from the first day Biden is in office. Biden has promised to rejoin the Paris climate agreement; rejoin the World Health Organization; to ban fossil fuel production on federal lands; restore Deferred Action for Childhood Arrivals; end the so-called Muslim ban; reverse Trump's rollback of 100 public health and environmental rules that the Obama administration had in place; institute [new ethics guidelines at the White House](#), and he has pledged to sign an executive order the first day in office saying that no member of his administration could influence any Justice Department investigations. It is likely the

administration will get immediately to work to reopening talks on the Iran Nuclear Agreement, JCPOA  
Other priorities for Executive Orders might be setting a Federal floor for contracts at \$15 minimum wages and perhaps eviction moratoriums, or other legislative priorities that do not pass through Congressional action.

A new day is on the horizon. Advocacy, pressuring corporations, financial support for progressive causes and the work of organizing will and must continue as we turn the page on the Trump years. We celebrate this time of hope with you all and encourage you to recommit to making the country and world a better place, as we all continue to fight for a better day for us all. We know many of you played a role in these victories and we are proud to call you clients and friends. As we look to the future, we say, Adelante, Onward and Forward!