

Fall Legislative Schedule 2017: Indian Summer or Early Winter

*CLA's National Association Conference
September 14*

*Presenter:
Jim Clarke, CAE
Senior Vice President of Public Policy
ASAE*

Today's Agenda

- Our Summer of Discontent
- An Action-Packed September
- Other Priorities
- 2017 Advocacy Priority Survey
- ASAE Advocacy Update
- An Eye on the Supreme Court
- A Look Ahead to Midterm Elections
- Q&A

Our Summer of Discontent

- Despite a Republican-majority House and Senate, Congress is widely perceived to be spinning its wheels.
- The Republican plan to replace, or at least repeal, Obamacare has hit its latest – and potentially final – roadblock.
- Escalating tension between Capitol Hill and the White House is threatening the GOP's legislative agenda.
- In addition to criticizing GOP leaders for failing to pass health care bill, Trump has threatened a government shutdown if he doesn't get border wall funding in the next spending bill.
- Congressional approval rating is roughly 16%. Trump's approval rating is 33%.

An Action-Packed September

“Must-Pass” legislation includes:

- Disaster relief assistance for Texas after Hurricane Harvey
- Short-term CR to prevent a government shutdown Oct. 1
- “Clean” bill to raise the debt ceiling
- FAA reauthorization (set to expire Sept. 30)
- CHIP funding (set to expire Sept. 30)

Other Priorities

- FY18 Budget Resolution (including budget reconciliation instructions to be used for tax reform)
- National Defense Authorization Act
- Tax Reform
- Infrastructure

ASAE's 2017 Advocacy Priority Survey

Topic	Average % Allocation		
	2017	2016	2015
Tax code reform (e.g. redefinition of tax-exemption, etc.)	16.6%	12.5%	14.7%
Policies impacting government employee conference attendance*	12.2%	11.7%	14.8%
Department of Labor overtime rule changes	12.1%	22.4%	--
Social and economic impacts of discriminatory state legislation (example such as HB 2 in North Carolina)	10.2%	--	--
Nonprofit political activity	9.0%	8.2%	8.2%
Nonprofit financial disclosure (e.g. Form 990, etc.)	8.5%	9.1%	11.0%
Nonprofit governance, including executive compensation	6.8%	7.2%	8.9%
Campaign finance reform	6.2%	5.7%	6.5%
Lobbying reform	6.0%	4.6%	5.5%
Internet and wireless issues (e.g. net neutrality, online advertising, etc.)	5.6%	6.8%	7.6%
Cadillac tax	4.1%	7.1%	15.6%
Deficit spending and balanced budget strategies (including PILOTs)	2.8%	4.7%	7.3%

ASAE Advocacy Update

- DOL Overtime Rule
- Tax Reform
- Travel Issues
- State Discriminatory Legislation

DOL Overtime Rule

- Comments on possible changes to the overtime rule are due to the Department of Labor by Sept. 25.
- Labor Secretary Alexander Acosta is not in favor of doubling the salary threshold (as proposed by the Obama administration) but has suggested that the current minimum salary level of \$23,660 should be updated.
- ASAE's comments focus on how potential changes to overtime eligibility would impact associations and other nonprofit employers.
- ASAE has suggested that an inflation-adjusted minimum salary level of \$30,830 would be an appropriate threshold for overtime eligibility moving forward.
- ASAE's comments (as well as model comments for other nonprofits) are available.

Tax Reform

- The last significant overhaul of the tax code was achieved in 1986. While there is broad agreement that the current tax system is broken, there are dramatic differences about what a simpler, fairer tax code should look like.
- The White House recently said it does not plan to release its own version of a tax reform plan, leaving the specifics to the tax-writing committees.
- The “Big Six” hasn’t disclosed specifics, other than no border adjustment tax.
- ASAE watches tax reform closely for any proposals to expand the Unrelated Business Income Tax statute by taxing different revenue-generating activities of associations.
- Royalty income and certain qualified sponsorship payments have been targets in the past.

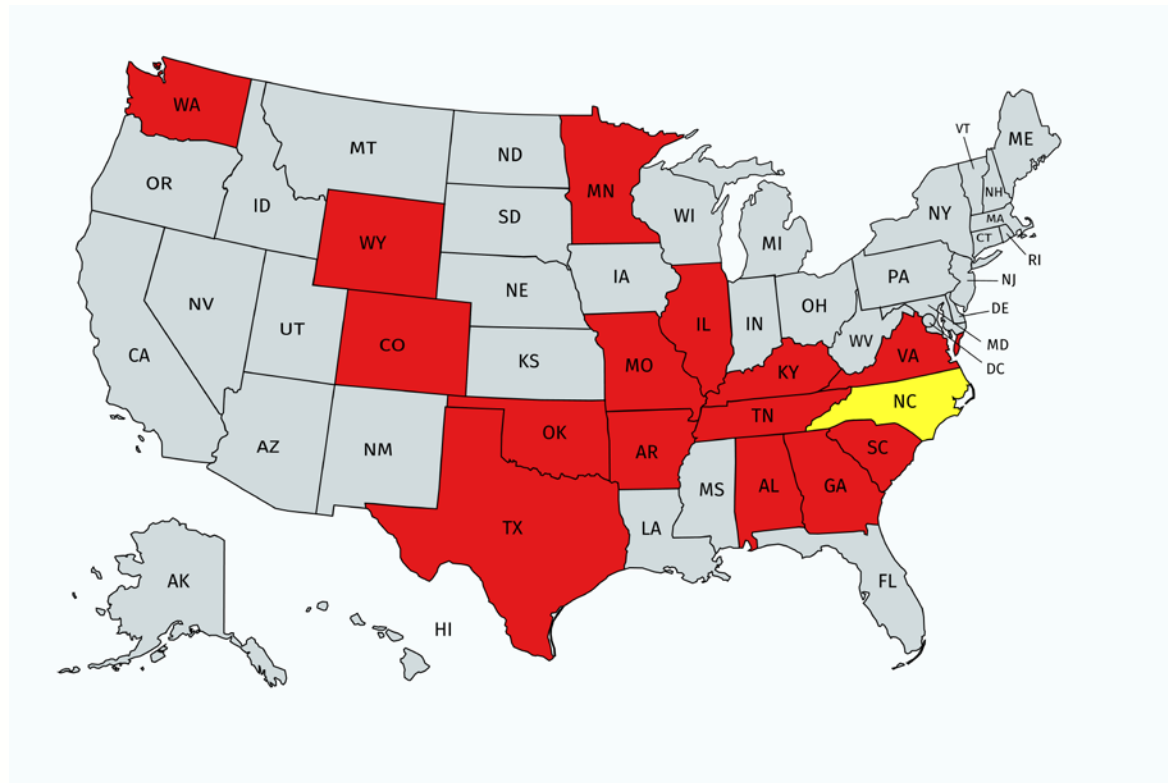
Travel Issues

- ASAE is concerned that policies like the travel ban, in addition to “extreme vetting” policies adopted by U.S. officials to scrutinize applicants for visas to travel to the U.S., are already having a negative impact on inbound travel to attend U.S.-based conferences and events.
- In July, ASAE joined the U.S. Travel Association and other travel and tourism stakeholders in urging the White House to reconsider eliminating a State Department policy that ensures that 80 percent of visa applicants are interviewed within three weeks of submitting a visa application.

State Discriminatory Legislation

- ASAE continues to fight legislation at the state level that we view to be discriminatory toward the LGBTQ community. This year, ASAE devoted considerable time and resources to combat controversial anti-LGBTQ legislation in Texas.
- Along with CVBs and the Keep Texas Open for Business coalition, ASAE opposed several versions of the “bathroom bill” that would have preempted existing anti-discrimination ordinances put in place by cities like Austin, Dallas, Fort Worth and San Antonio to protect the LGBTQ community.
- The Texas legislature’s special session ended in August without passage of any bathroom bill.
- The legislation appears to be dead for now, as the Texas legislature convenes every two years.

States dealing with discriminatory legislation



An Eye on the Supreme Court

Partisan Gerrymandering

- When its next term begins in October, the Supreme Court will consider whether gerrymandered election maps favoring one political party over another violate the Constitution.
- The court accepted a case from Wisconsin, where a divided panel of judges last year ruled that a redistricting plan pushed through by the state's Republican leadership violates the First Amendment and equal rights protections.
- After granting the case, the court voted 5-4 to stay the lower court's decision, which had required that new state legislative districts be drawn this fall.

An Eye on the Supreme Court

Travel ban

- The court will also consider the merits of the challenge to the Trump administration's travel ban in the fall.
- The court decided in June to allow the Trump administration's ban on travelers from six mostly Muslim countries to take effect, except in cases where foreign nationals have a "bona fide relationship" with a person or entity in the U.S.
- In July, the court clarified that the administration must allow broader exemptions to the travel ban order for extended family members such as grandparents, aunts and uncles.

A Look Ahead to Midterm Elections

- The Cook Political Report reminds us that the president's party has lost seats in the House in 35 out of 38 midterm elections since the end of the Civil War.
- Since 1913, the president's party has lost Senate seats in 19 out of 26 midterm elections.
- However, the Senate map is awful for Democrats, with 25 Democratic or Independent seats facing an election in 2018.
- Democrats face Senate elections in 10 states that Trump won, 5 of which he won by 19 or more points.
- Only one Senate Republican faces reelection in a state that Clinton won in 2016 – Sen. Dean Heller of Nevada.
- The House map is also tilted in favor of Republicans, partly due to gerrymandering and partly due to geography. Democrats need a net gain of 24 seats to take the House.

Q&A

Speaker Contact Info:

Jim Clarke, CAE

Sr Vice President of Public Policy, ASAE

Tel: 202-626-2703

jclarke@asaecenter.org