



MEMORANDUM

November 9, 2018

To: Interested Parties
From: The Center for American Progress
Re: Legislative Priorities for the People's House in Early 2019

On Tuesday, the American people sent an unmistakable message to Washington: It is time for government to work for all Americans. The problem in Washington is not that our government isn't working; it is that it currently works for only a privileged few. Instead of our government serving the public, political corruption ensures that it primarily serves the wealthy and the well-connected, and whomever donates the most or has the greatest access makes the rules and controls the policy results. That's why prescription drug prices are too high, wages are too low, and the American dream feels more elusive than ever. Fundamental to restoring an economy that works for everyone—whether you are black, brown, or white—is rooting out the corruption and cronyism in our political system. Neither political party has been immune to the systemic incentives that give undue influence to wealthy and powerful individuals and corporations that overpower election financing.

The U.S. House of Representatives must therefore begin its work in early 2019 by pushing through major reforms to the whole political system, embracing difficult but consequential reforms such as banning lobbyist fundraising. Alongside those reforms must come a progressive legislative agenda that can further restore faith in government and deliver real progress for American families. This agenda should make meaningful change in policy areas core to the life and livelihoods of working families: raising wages, lowering health care and prescription drug costs, and restoring basic American values to how we protect the most vulnerable among us. House Democrats should be willing to work with President Donald Trump in areas such as infrastructure and lowering prescription drug prices, where he has thus far promised action but failed to deliver, but only for ambitious solutions and not industry-driven bait-and-switch proposals. Although outside the scope of this memo on early-2019 priorities, we believe the House majority must also methodically work to lay the groundwork for future bold action to enshrine health care as a right for all, to make college affordable, to address the clear and present danger of climate change, and to pass comprehensive immigration reform so that these solutions are ready for a future president who will sign them into law.

Fighting corruption and restoring democracy

Trust in government is at record lows because an overwhelming majority of Americans believe that the system benefits politicians and their well-connected donors, rather than advancing an agenda that protects the rights of the people who they represent. A Democratic-led House of Representatives must begin its work by

getting the people's House in order and passing robust democracy and anti-corruption reforms that limit the corrosive effect of money in politics, improve ethics laws, hold politicians accountable, and expand voting rights. It is critical that House leaders do things that feel hard; if they simply take the easy road or repurpose modest policies from the past, they will not be responding to the frustrations and needs expressed by the American people on Tuesday. The following are some key measures that they should prioritize.

Ban lobbyist fundraising

The corrosive role of money in politics is perhaps best illustrated in the fundraising activities of lobbyists. To curry favor and gain access in the policymaking process, not only do lobbyists make their own large political contributions to elected officials, but they also solicit other well-connected donors to raise significant funds for elected officials or candidates. Under current law, there are limits on how much money individuals can contribute directly to candidates, but lobbyists can subvert these limits by asking clients, business partners, friends, and even corporate PACs to donate to a particular candidate, increasing their clout in the day-to-day business of trying to influence legislation and other official acts. The vocal embrace of this practice by Mick Mulvaney—President Trump's director of both the Office of Management and Budget and the Consumer Financial Protection Bureau—perfectly illustrates in a single quote the problem and scope of the solution needed to address it: “We had a hierarchy in my office in Congress. If you're a lobbyist who never gave us money, I didn't talk to you. If you're a lobbyist who gave us money, I might talk to you.”

We urge the House of Representatives to set a clear rule: Lobbyists may either influence policy or raise money, but they may no longer do both. First and foremost, reforms must include an immediate ban on lobbyists fundraising large-dollar donations beyond any contributions they may make up to their individual limit (currently \$2,700 per candidate per election cycle). This ban must be broadly defined, including a prohibition on hosting or underwriting events where funds are raised; transmitting or delivering contributions from others; or doing any large-dollar solicitation or facilitation of fundraising for any candidate or political party. Lobbyists should also be banned from fundraising for nonprofits or other organizations tied to lawmakers. Because some would-be lobbyists attempt to avoid registering as lobbyists using lax definitions under federal law, the ban should apply to any agent of a lobbyist and any employee of a lobbying firm. To improve accountability, candidates should be banned from knowingly accepting the proceeds of lobbyist fundraising.

End committee conflicts of interest

Policymaking is also distorted and democracy undermined when lawmakers raise money from interests under the jurisdiction of their committees. Many members of Congress raise large amounts of political contributions from the interests they regulate, creating a substantial conflict of interest and misaligned incentives for elected representatives. To rebuild public trust in its leadership, the new Congress should enact a law making it illegal for members of Congress to accept campaign contributions from entities that fall within the jurisdiction of committees on which they serve. For example, if a member sits on the Financial Services Committee, he or she should be prohibited from receiving contributions from big banks. Reasonable exemptions could be included, such as for contributions less than \$200, for individuals registered to vote in a member's district, and for small businesses and local unions. As an interim measure, the House should adopt a new rule barring any member from being assigned to a committee until they voluntarily reject contributions from any entity that may have business before that committee. This bold

reform would reduce opportunities for political corruption and industry capture and allow members to refocus their attention on constituents' policy priorities.

Demand accountability for elected leaders

Our nation's founders also understood that our democracy requires that all our citizens—and especially our elected leaders—must play by the same rules and be held accountable under a fair and impartial system of justice. For this reason, Americans deserve to know if candidates for president, vice president, or Congress have paid their fair share of taxes and that if an elected leader may have broken the law, that the U.S. Department of Justice (DOJ) will fairly and impartially investigate these allegations free from political influence. To this end, we strongly urge Congress to pass a law requiring all candidates for federal office, beginning in 2020, to disclose their tax returns. It is similarly critical that Congress pass legislation requiring independent judicial review of any firing of a special counsel appointed by the DOJ, thereby preserving their independence from an elected leader seeking to improperly stifle an inquiry into their own (or their friend's or family's) affairs.

Expand voting protections and enfranchisement

Voter suppression is yet another way for politicians and political parties to avoid accountability to their constituents, opting to marginalize their votes rather than be responsive to their demands. To respond to flagrant examples of state disenfranchisement of voters in the 2018 elections, as has been seen in states such as Georgia and Florida, Congress should quickly move forward on the broad suite of pro-democracy reforms in congressional Democrats' "Better Deal for Our Democracy" package. This includes but is not limited to implementation of national automatic voter registration (AVR) for federal elections; voting-rights restoration for those formerly involved in the criminal justice system; passage of the Voting Rights Advancement Act (VRAA); comprehensive redistricting reform; a robust small-donor campaign finance program; and further steps to protect the security of our election infrastructure. In light of ongoing Russian attempts to disrupt our democratic process, we encourage the new Congress to swiftly pass a sweeping election security bill to strengthen the integrity of our elections at the state and federal level and to strengthen U.S. sanctions on Russia.

Lowering health care costs

Health care—and the assault on the Affordable Care Act (ACA) and Medicaid—was a defining issue of the 2018 midterm elections. And while voters spoke out against those efforts to undermine health care, they also made clear they want additional steps to help American families afford the care they deserve.

While the ACA expanded coverage to 20 million Americans, in 2017 there were still 28 million people in the United States who did not have health insurance coverage. Beyond the millions of Americans who lack access to health insurance, millions more Americans struggle to afford the insurance they do have or the prescription drugs they require. This is unconscionable; health care—including comprehensive reproductive care—is a right. Bold ideas such as CAP's "Medicare Extra For All" would guarantee health care for all Americans but require further work to develop before they can be considered by Congress. Until then, there

is an urgent need to resist the Trump administration and its allies' undermining of the ACA and Medicaid and to rein in skyrocketing prescription drug prices that even President Trump has promised to address but has failed to do.

Reduce prescription drug prices

Companies today have nearly unfettered freedom to set drug prices in our country based on their own bottom line, not how well the drug works. A recent report found that the cost of the 20 most-prescribed drugs under Medicare Part D have risen 10 times faster than inflation over the past five years. The dangers of this dysfunctional market are ubiquitous: For example, the price of Daraprim, which treats parasitic infections, was raised from \$13.50 to \$750 per pill overnight while the price for EpiPens shot up by more than \$500 despite having been on the market for years. Families should not have to choose between medicine and rent to satisfy the greed of pharmaceutical executives who seem to believe, as expressed by the CEO of Nostrum Laboratories, "it is a moral requirement to make money when you can ... [and] to sell the product for the highest price."

The House of Representatives should show leadership by quickly passing strong legislation to curb prescription drug prices—a task that President Trump has promised to act on but for which he has failed to deliver serious and comprehensive solutions. That legislation should empower both Medicare and other payers to negotiate drug prices with manufacturers so all Americans, including those under 65, can benefit. Under our proposed approach, as outlined in "Negotiation Plus: A Framework for Value-Based Drug Pricing Negotiation," negotiations would be informed by an independent expert review of a drug's comparative effectiveness (i.e., the benefit a particular drug provides and the real innovation it delivers to patients compared with existing therapies). Should a drug manufacturer refuse to negotiate prices to within a range recommended by independent experts, payers could opt to use binding third-party arbitration to determine the price. This legislation, or follow-up legislation, could also include a variety of other tools to lower drug prices, including:

- Categorize new drugs by their comparative effectiveness and provide star ratings of these results and the drug's price in labeling and marketing.
- Reform Medicare payment for physician-administered drugs.
- Reinstate Medicaid rebates for drugs dispensed to dual eligible enrollees and varying Medicaid drug rebates based on their comparative effectiveness.
- Shorten the period of exclusivity for biosimilars to seven years and implement other policies to lower costs of biologics.
- Impose penalties, such as rolling back tax benefits, on drug companies that raise prices faster than inflation.
- Prohibit drug companies from being able to claim tax subsidies for what they spend on drug advertisements.
- Allow importation of drugs from Canada and Europe.

Strengthen and protect the Affordable Care Act

Since the ACA passed nearly a decade ago, the Trump administration and congressional Republicans have made it their singular mission to take away the health care that the ACA finally made affordable for millions

of Americans. They have taken repeated votes to repeal the law, removed the individual mandate, expanded the availability of short-term junk plans, and ended cost-sharing reduction (CSR) payments to insurers.

As progressives and Congress continue to work to develop proposals that fully realize the promise of universal health care, the House of Representatives should immediately enact a package designed to reverse these efforts and improve the affordability of health care as a bridge to more significant reforms. The legislation must restore funding for and expand CSRs that reduce the cost of health coverage and expand tax credits that directly subsidize families' payments. It must also provide resources to states to lower the costs of providing care to the most expensive enrollees, as some states such as Alaska and Maine already do. New carrots could also be offered to insurers to entice them to enter markets where there are either no or only a single insurer. Furthermore, new restrictions should be put in place to ensure that the executive branch fulfills its constitutional responsibility to take care in faithfully executing the ACA instead of sabotaging it, such as reversing the administration's rules on short-term plans and state innovation waivers.

The House of Representatives should also enact legislation to protect patients from surprise medical bills. First, it should prohibit providers (including ambulance companies) from charging patients in these situations more than what they would owe in-network. Second, it should cap the total bill at a level tied to Medicare rates.

Raising wages

Wages in America have not become stagnant by accident: There has been a systemic effort to restructure the economy and the rules that underpin it to benefit the wealthy at the expense of workers. Corporate executives have treated labor as a cost to minimize, not an engine of growth, and have sought at every turn to fight wage hikes and to undermine workers' ability to come together to negotiate for higher wages and better working conditions. As they have for decades, conservatives falsely argued in last year's tax debate that cutting taxes for the wealthy and big corporations would "trickle down" to higher wages for everyone else, but predictably the evidence clearly has not borne that out. Meanwhile, everyday families are being left behind as wage gains have largely been offset by inflation. Additionally, women—and especially women of color—are shouldering a significant portion of their families' financial responsibilities but are being paid much less than men for their work.

In contrast, progressives have an agenda that puts workers first and will directly raise the wages of millions of Americans. Congress can take quick action to raise the minimum wage, re-empower workers to join or form unions, create new good jobs by rebuilding our nation's infrastructure, advance equal pay with the Paycheck Fairness Act, create a national paid leave program, and ensure affordable child care. These actions would represent a down payment toward broader steps to unrig the economy, create good jobs, spread opportunity, and re-empower workers so that all Americans can have the opportunity to share in the prosperity that they help to create. The Center for American Progress published a vision for many elements of this longer-term effort in its "Blueprint for the 21st Century," which outlines national investments and labor market reforms that pair people in need of work with the work in need of doing in communities across the country—and in ways that raise wages and improve job quality.

Rebuild our nation's infrastructure

Infrastructure serves as the very backbone of our economy, but corporate tax cuts for the wealthy have robbed our communities of the investment and jobs we need to build for the future. The American Society of Civil Engineers estimates a \$2 trillion shortfall in the next decade between the infrastructure needed across sectors and the projected expenditures by government. As one of its first acts, the House of Representatives should immediately pass a \$1 trillion infrastructure package that will create good jobs, raise wages, prepare for a changing planet, and serve as a foundation for a competitive and prosperous economy for decades to come. This investment—which must decrease climate pollution—should be targeted to those communities facing the greatest need as well as redress past harms caused by projects that created barriers to opportunity and concentrated pollution on vulnerable communities. Additionally, the bill should be forward-looking in scope, repairing and building not just roads, bridges, and water projects, but also child care facilities, schools, and the clean energy infrastructure that will be needed to support electric vehicle, solar, and wind deployment at a scale that will set us on the path to address the threat to Americans' lives and property posed by climate change. The devastation wrought by hurricanes Katrina, Harvey, Maria, and Michael, and the wildfires in California, for example, should make it clear that our infrastructure must be rebuilt to be resilient to climate change, including sea-level rise, flooding, wildfire, and extreme heat. These investments and others can be paid for by undoing the tax cuts for the wealthy and corporations implemented in last year's tax bill, alongside other measures that would make our tax code fairer.

Raise the minimum wage and restore overtime protections

A significant decline in the inflation-adjusted federal minimum wage is a significant factor in the erosion of real wages for working-class Americans. Since the last time the federal minimum wage was raised in 2009, full-time minimum-wage workers have lost nearly \$2,370 a year in real terms. The House should quickly pass the Raise the Wage Act to raise the minimum wage to \$15 over seven years; index it to increases in the median wage in the future; phase out the tipped minimum wage that is particularly harmful to women's wages; and end the subminimum wage for individuals with disabilities. Similar erosion has occurred to overtime protections, which now only guarantee those earning less than \$23,660 annually get extra pay for extra work. Along with raising the minimum wage, the House should pass the Restoring Overtime Pay Act to restore U.S. Department of Labor regulations that extend protections to those making less than \$47,476 a year and that ensure workers receive a fair day's pay for a hard day's work.

End so-called right-to-work laws and other barriers to organizing

In August, voters in Missouri overwhelmingly rejected a right-to-work law passed by its state legislature. These so-called right-to-work laws—which create a perverse incentive for workers not to join a union, as they can receive all the benefits of membership without paying the cost of negotiating those benefits—have been championed by corporations and the wealthy because they starve unions of the resources they need to bargain for increased wages and benefits. As a consequence of coordinated political and legal attacks, union membership rates have fallen dramatically from the mid-1960s to just 10 percent today, weakening workers' ability to negotiate higher wages. Significant reforms will be needed to re-empower workers, such as moving toward sectoral bargaining and expanding the use of wage boards and limiting the use of noncompete agreements and forced arbitration. More urgently, as it works to advance the Workplace Action for a Growing Economy (WAGE) Act to increase penalties for labor violations, Congress must also preempt any state right-

to-work law, allow majority sign-up, and grant public workers the right to organize and bargain collectively in states that do not afford these rights so that workers can once again join together to make their voices heard.

Make child care affordable for all Americans

Child care is one of the most significant expenses for working families, in many cases exceeding the cost of housing or college tuition. Many parents are unable to find or afford the kind of care that every child deserves, often being forced to choose between leaving the workforce or taking the cheapest option available and risking their children's well-being. Congress could end this impossible choice and help increase labor force participation by passing the Child Care for Working Families Act, which would guarantee child care assistance to low-income and middle-class families and limit child care payments to 7 percent of a family's income, the government's definition of affordable child care. This legislation would create an estimated 700,000 new jobs, and 76 percent of child care workers would get a raise. Parental employment, especially among mothers and those from low-income families, would also go up by an estimated 1.6 million.

Create a national paid leave program

The lack of federal work-family policies in the United States makes our country an outlier among advanced economies. Every day, workers across the country are forced to choose between keeping their jobs and recovering from their own illness or providing care to a loved one. Only 16 percent of private sector workers have access to paid family leave, resulting in more than \$20 billion in lost wages. This policy failure depresses labor force participation, holds back economic growth, exacerbates gender inequities, and has negative impacts on families' well-being. Congress should pass the Family and Medical Insurance Leave (FAMILY) Act to make comprehensive paid family and medical leave available to the more than 100 million working people without access to it at their workplace. The legislation would create a strong, inclusive insurance program providing family leave, personal medical leave, and parental leave for up to 12 weeks and replace two-thirds of workers' wages during that leave—the minimum level for ensuring a family's economic stability.

Raise teacher pay

This year, teacher walkouts and strikes in seven states brought widespread attention to chronic disinvestment in public education over the past decade. Despite their critical role in preparing and shaping our children for the future, teacher salaries have been stagnant for the past 20 years, decreasing by \$30 per week when adjusted for inflation from 1996 to 2015. This means teachers are now earning 23 percent less each week than other college graduates. Teacher compensation in high-need schools and districts is particularly problematic, and studies demonstrate that there is a link between teacher pay and student outcomes. The new Congress can help reverse these trends by investing more in schools and teachers, including by passing legislation outlined by CAP to create a permanent \$10,000 refundable federal Teacher Tax Credit for teachers in high-need schools.

Restoring American values

Over the past two years, the Trump administration has waged a vigorous public war to divide Americans against each other and to separate our families. Through policy and rhetoric, the administration has created an unsubtle policy of two separate Americas: one where the wealthiest get richer and another where low-in-

come people, people of color, and immigrants have their rights eroded. But our democratic experiment will only continue to succeed if all Americans—regardless of their race, color, religion, sex, sexual orientation, gender identity, age, disability status, or country of origin—are granted the same basic rights, dignity, and respect. Nearly 80 years ago, President Franklin Delano Roosevelt enumerated four freedoms that should be afforded every American: freedom of speech, freedom of worship, freedom from want, and freedom from fear. While the list of actions needed to enshrine these rights is long and includes restoring democratic values in our foreign policy abroad, we focus here on the last of these fears in the context of a presidency intent on stoking fear. As such, we urge Congress to act on four issues in particular that demand swift action to preserve the norms and values integral to our nation.

Pass the Dream Act and provide permanent protections for those with TPS

Perhaps nowhere has the politics of division been more directly manifest than in the administration's racist policies on immigration. The earliest versions of its Muslim ban and proposed modifications to our visa programs discriminated against predominantly Muslim, Arab, and black populations, not to mention against refugees as a whole. Former Attorney General Jeff Sessions' memorandum establishing a so-called zero-tolerance policy has led to thousands of children being separated from their parents. The administration has also repeatedly held hostage broadly supported relief for Dreamers—who have lived in America for most of their lives—in order to promote racist and extreme immigration policies. Additionally, the administration recently petitioned the Supreme Court to bypass appellate court review to end DACA as quickly as possible. Congress must immediately exert its moral leadership by extending a pathway to citizenship for Dreamers, their families, and those who have been living here for years under temporary protected status (TPS). In doing so, it would help to reset a debate that has fanned the dangerous flames of white nationalism and would create the potential for bipartisan negotiations over comprehensive immigration reform with a successor to President Trump who could be a credible negotiating partner.

Pass comprehensive criminal justice reform

Former Attorney General Sessions doubled down on the failed “tough-on-crime” approach to law enforcement that is falsely premised on an imaginary national crime wave, that perpetuates deeply discriminatory enforcement, and that rips apart families and communities leaving long-lasting impacts on children. Violent crime remains near historic lows—declining in 2017 across most categories of violent crimes—yet Sessions and President Trump repeatedly cite a nonexistent crime wave and “American carnage” overtaking the nation as a justification to continue the same mass incarceration policies which disproportionately affect black men and other people of color. Prison reform would help those who are incarcerated prepare for life in their communities after serving their sentences, but its impact is limited without meaningful changes to sentencing laws to make them more just and proportional to the offense committed. The bipartisan leadership of the Senate Judiciary Committee has expressed its strong commitment to both prison and sentencing reform, and quick passage of a comprehensive bill by the House can lead to a long-overdue bipartisan victory for justice.

Pass the Equality Act

President Trump's effort to divide the nation extends to his memorandum banning transgender Americans from serving in U.S. armed forces; regulatory efforts to define transgender Americans out of existence and

push harmful religious exemptions; attempting to limit same-sex couples' ability to foster and adopt youth; and more generally use the color of law to openly discriminate against the LGBTQ population. Recent CAP data show that 1 in 4 LGBTQ people has experienced discrimination on the basis of their sexual orientation and gender identity. The House of Representatives must reaffirm our nation's commitment to equal rights and opportunities for all by passing the Equality Act, legislation that provides vital and overdue protections from discrimination for LGBTQ people in all aspects of their lives, including housing, employment, public accommodations, credit, and education. The legislation also fixes holes in our civil rights laws by ensuring comprehensive protections on the basis of sex and makes it so that our laws bar discrimination wherever it exists, including in retail stores and transportation services. By passing this bill, the House can take a big step toward ensuring no one in this country has to fear for their safety or livelihood simply by going to school or work or by participating in civic life.

Pass gun violence prevention measures

Finally, no American should live in fear of being the victim of gun violence. In 2016 alone, 38,658 people were killed by guns in incidents that involved homicides, suicides, and accidental shootings, and tens of thousands more are injured each year. Communities of color and women are particularly at risk; African Americans account for 56 percent of all gun homicide victims, and more than half of women murdered by an intimate partner were killed with a gun. Yet a substantial gap allows private individuals who sell guns at gun shows, online, or anywhere else to skip background checks. An overwhelming majority of Americans support reinstating an assault weapons ban and requiring universal background checks for all gun purchases. While these steps alone will not end this nation's epidemic of gun violence, they can be the catalyst for meaningful change and save lives.

Conclusion

As new leadership prepares for the 116th Congress with a mandate for change, they will be confronted with a long list of competing priorities. In navigating these interests, they cannot conduct business as usual. Government must again work for all Americans, not just a privileged few. Americans want meaningful change that can only occur if their struggles and needs are put first and if structural reforms are put in place to amplify their voices democratically in our halls of power. At a time when some would choose to foment division, a new Democratic majority has the opportunity to unify this country and its electorate to advance the shared interests of all working families, regardless of race or creed. The bold changes we outline here represent a down payment that will be clearly felt by ordinary Americans and serve as a promise of further action—reigniting faith in government from an electorate too long silenced and ignored.