NOTEWORTHY
Celebrate the 4th of July

Enjoy your 4th of July holiday and travel safely!

The Weekly Political Report will not be published next week, but will resume the week of July 9.

The Government Relations Team

Congress in Recess
The U.S. House and Senate will be on 4th of July recess all of next week.

Supreme Court Sends North Carolina Gerrymandering Case Back to Lower Court
The Supreme Court sent back to a lower court a decision that Republicans in North Carolina had gerrymandered the state's Congressional districts to give their party an unfair advantage.

The lower court will need to decide whether the plaintiffs in the case had the proper legal standing to bring the case.

The Supreme Court recently considered the question of partisan gerrymandering in cases from Wisconsin and Maryland. But the justices did not rule on the merits of the issue.

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FEDERAL

Supreme Court Justice Anthony Kennedy Announces Plans for Retirement
Supreme Court Justice Anthony Kennedy, 81, has been the court's most important member for more than a decade. The Californian, chosen by President Ronald Reagan in 1988, has cast the deciding vote on the court's controversial Citizens United campaign finance decision, the constitutional right to same-sex marriage, and the continued viability of affirmative action.

Washington could be in for a battle over Justice Kennedy's replacement. It will be the first time since Justice Clarence Thomas replaced Thurgood Marshall, more than 25 years ago, that a new justice could radically change the direction of the court. Justices added to the court since then have replaced justices of the same basic ideology.

Justice Kennedy's retirement is effective July 31.

White House Calls for Re-Org
On June 21, the White House Office of Management and Budget (OMB), released a sweeping plan that would reorganize and restructure various federal agencies, including Health and Human Services (HHS) and the
Food and Drug Administration (FDA.)

OMB said the proposal is in response to an executive order that President Trump signed in March of 2017 that directed OMB to develop a plan to redesign the federal government for greater efficiency. OMB said it created the plan with input from federal agency heads and the general public, which had submitted more than 100,000 comments on how the administration could reorganize the federal government.

The plan would move all federal public assistance programs, including the federal Supplemental Nutrition Assistance Program (SNAP), which the U.S. Department of Agriculture (USDA) currently oversees under HHS. The plan also proposes renaming HHS, as the Department of Health and Public Welfare (HPW). Under the renamed department (HPW), a new Council on Public Assistance (CPA) would be formed, which would oversee federal safety-net programs, including public assistance programs such as SNAP and Medicaid. CPA would have the authority to implement uniform work requirements on individuals enrolled in federal safety-net programs.

It is unknown how it will be received in Congress on either side of the aisle, particularly from Congressional Committees that could lose some authority under the proposed reorganization. OMB Deputy Director Margaret Weichert said the Trump administration plans to work with lawmakers throughout the summer to get Congress to approve provisions in the plan that require legislative action, such as the proposed changes to HHS. However, she added, the administration can implement some of the proposed changes without Congress' approval.

House Passes Opioid Package, HR 6, and Sends to Senate

The House of Representatives voted 396-14 to approve bipartisan legislation (HR 6) that will serve as a Senate vehicle for many of the House-passed bills to combat the opioid crisis.

The bipartisan Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (HR 6), of which many provisions were supported by the hospital industry, would: expand the use of telehealth services for substance use disorder; guide improved care for infants with neonatal abstinence syndrome; increase the types and capacity of providers offering medication-assisted treatment; cover screening for opioid use disorder as part of the Welcome to Medicare physical examination; allow former foster children to keep Medicaid coverage until age 26 when they move across state lines; and, require states to automatically restore Medicaid coverage to young people post-incarceration.

The White House has expressed support for the bills. The House bills have been passed to the Senate, which is expected to consider opioid legislation as early as mid-July.

CMS Unveils Initiatives to Strengthen Medicaid Program Integrity

This week, the Centers for Medicare and Medicaid Services (CMS) unveiled new initiatives designed to "improve Medicaid program integrity through greater transparency and accountability, strengthened data, and innovative and robust analytic tools," said CMS Administrator Seema Verma.

Recent years have seen an increase in Medicaid spending driven by several factors, including expansion, from $456 billion in 2013 to an estimated $576 billion in 2016. The program’s federal share grew from $263 billion to an estimated $363 billion during that same period.

The new initiatives includes:

- Emphasize program integrity in audits of state claims for federal match funds and medical loss ratios (MLRs).
- Conduct new audits of state beneficiary eligibility determinations.
- Optimize state-provided claims and provider data.

To learn more click here.
House Rejects Immigration Bill
House Republicans' legislative attempt to find consensus within their own party on the divisive issue of immigration, failed on the floor this week when the House overwhelmingly rejected the so-called compromise bill, 121-301.

Several different bills are expected to be introduced in the House, and competing efforts are also underway in the Senate.

Bills to Reauthorize PAHPA, CHGME and Other Programs Advance in House
The House Energy and Commerce Health Subcommittee has advanced legislation to reauthorize the Pandemic and All-Hazards Preparedness Act, Children's Hospitals Graduate Medical Education Program, and federal workforce development programs for nurses and health professionals.

The Pandemic and All-Hazards Preparedness Reauthorization Act, as amended, would authorize $264.6 million in annual funding for the Hospital Preparedness Program (HPP), down from $374.7 million currently. The subcommittee did not adopt proposed changes to: increase the HPP funding level to at least $515 million; explicitly permit academic medical centers and metropolitan and regional hospital associations to compete for HPP partnership awards; and formally keep the HPP and Public Health Emergency Preparedness Programs separate under their respective agencies. However, the amended bill does include changes to the Public Health Emergency Fund's financing and uses.

The Children's Hospital GME Support Reauthorization Act (H.R. 5385) would reauthorize the CHGME program through 2023 at $325 million a year, a $10 million increase over last year's funding allocation and the amount specified in the fiscal year 2019 House appropriations bill.

The Title VIII Nursing Workforce Reauthorization Act (H.R. 959), would reauthorize nursing workforce development programs that support recruitment, retention, and advanced education through FY 2022.

The Educating Medical Professionals and Optimizing Workforce Efficiency Readiness Act (H.R. 3728) would reauthorize health professions workforce programs that support loan repayment and provider training experiences in primary care, dentistry, rural, and underserved areas.

The Committee also approved the Palliative Care and Hospice Education and Training Act (H.R. 1676), which directs the Department of Health and Human Services to award grants to enhance health professionals training in palliative care.

STATE
California
Ballot Initiative to Repeal Increase in Taxes Approved for November Ballot
California voters will decide this fall whether to overturn a recent increase to state gasoline and diesel taxes after an initiative qualified for the ballot. The tax initiative, which was led by Governor Jerry Brown (D), who argued the revenue was needed for highway repairs, is expected to raise more than $5 billion per year. If approved, the ballot initiative would not only undo the fuel tax increases and vehicle registration fees, but also prohibit the Legislature from passing any future increase without a statewide vote.

Colorado
Primary Election Results
Governor
Governor John Hickenlooper (D) is term limited this year, leaving this seat open.

In the Democratic Primary, Jared Polis received 45 percent of the votes, with his closest challenger, Carey Kennedy pulling in 25 percent.
On the Republican side, state Treasurer, Walker Stapleton, hauled in 48 percent of the votes over his closest competitor, Victor Mitchell, who received 30 percent of the votes.

Jared Polis will face-off with Walker Stapleton in the fall general election. The candidates have vastly different health care platforms, with Polis signaling support for a Medicare for All proposal and Stapleton noting that he would consider dismantling the Colorado health insurance marketplace and moving to a managed Medicaid model.

U.S. District 1
Incumbent U. S. Representative Diana DeGette (D) received 71 percent of the votes in her district, making her the victor in the Democrat Primary.

Casper Stockham (R) ran unopposed in the Republican Primary and will challenge Representative DeGette in the November election.

U.S. District 4
Incumbent U. S. Representative Ken Buck (R) was uncontested in the Republican Primary and will meet Karen McCormick (who managed to receive 65 percent of the votes in the Democratic Primary) in the fall general election.

U.S. District 6
Incumbent U. S. Representative Mike Coffman (R) was uncontested in the Republican Primary and will face Jason Crow, the winner of the Democratic Primary with 66 percent of the votes.

U.S. District 7
Incumbent U. S. Representative Ed Perlmutter (D) was uncontested in the Democratic Primary and will face Mark Barrington (R) who was also unopposed in the Republican Primary in the fall election.

Kansas
State Supreme Court Orders Schools Remain Open with Inflation Adjustment
The Kansas Supreme Court says lawmakers are close to satisfying its mandate to adequately and equitably fund public schools, giving the Legislature another one-year reprieve to fix its new plan. By keeping schools open, the court avoids a showdown with lawmakers weeks away from a primary election while making clear it will retain jurisdiction to ensure the plan is fully funded.

Although justices said the plan remains unconstitutional, they endorsed an effort to restore per-pupil spending levels the court accepted more than a decade earlier. Lawmakers this year passed legislation that will phase in $522 million over five years, adding to an increase of more than $300 million from a year ago.

At the end of five years, the plan calls for spending to increase yearly in correlation to a rolling three-year average of the consumer price index. But the court said lawmakers failed to calculate inflation for the most recent and upcoming school years. They also failed to account for inflation during the five-year rollout. However, the court said, the new plan resolves problems with how money is distributed among schools.

This lawsuit was filed in 2010 after the state began making cuts to education funding while navigating an economic downturn. After enacting severe tax cuts that proved to be a disaster for the state budget, lawmakers attempted rewriting its education formula through block grants in 2015. Faced with intensifying judicial scrutiny, lawmakers boosted funding last year. In November, the high court issued its mandate and promised it would no longer be complicit in denying children the education they were owed.

In Monday’s ruling, the court recognized work by lawmakers to designate funding for at-risk students, early childhood education, special education, and mentor teachers.

Louisiana
Special Session - Bill Passed
Senators gave final passage (33-6 vote) on June 24, to a sales tax renewal bill that will raise $463 million for the budget that starts in July. The bill
was sent to Governor John Bel Edwards (D), who was eagerly waiting to sign it into law, though it was less than he was hoping for.

Ultimately, this is how the budget was balanced:

**Improved Forecast**
Mainly, due to the federal tax overhaul, the once $1 Billion shortfall dropped to $648 million in April, reducing the amount needed by $346 million.

**Tax Break Reduction**
In a second special session that began in mid-May, lawmakers failed to broker a final deal, but the House and Senate raised some money toward the budget gap. They agreed to a measure that scales back an individual income tax break that Louisiana allows for taxes paid to other states. The reduced tax break will stay in place through mid-2023. It will raise approximately $34 million for the upcoming budget.

The revenue decreases to nearly $13 million the following four years, because lawmakers added a tax break for Louisiana's working poor families into the bill for future years. Some Democrats, particularly members of the Legislative Black Caucus, withheld their support for sales taxes until they successfully expanded the tax break program for the working poor, called the Earned Income Tax Credit. The $21 million annual tax break expansion begins in 2019.

**Oil Spill Money**
Lawmakers agreed to divert $46 million in oil spill recovery money from state savings accounts for spending, instead on general operating expenses. Louisiana is expected to receive similar annual payments for 15 years from BP PLC as compensation for economic damages from the massive 2010 oil spill. The payments are separate from billions in recovery money designated for coastal restoration.

**Sales Tax Renewal**
In the latest special session, lawmakers agreed to renew 0.45 percent of an expiring 1 percent sales tax. The state sales tax rate will fall from 5 percent to 4.45 percent on July 1, and stay there until mid-2025. It had been scheduled to fall to 4 percent, without the sales tax renewal. Several sales tax breaks for people and companies, including an exemption from sales taxes on business utilities, also will be scaled back during the period.

The bill, by Baton Rouge Republican, Paula Davis, was sent to the Governor's desk on June 24.

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**Mississippi**

**Primary Runoff Election Results**

**U.S. Senate**
In the Democratic Primary, David Baria and Howard Sherman were the top vote getters; however, neither candidate received 50 percent of the votes which is required to be declared a winner. In the runoff election this week, Baria received 59 percent of the votes, sending him to the fall general election to challenge Republican Senator Roger Wicker.

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**South Carolina**

**Republican Primary Runoff Results**

**Governor**
Governor Henry McMaster and John Warren were thrown into a run-off when neither candidate received 50 percent of the votes in the Republican Primary. Governor McMaster became the victor in the runoff election, receiving 54 percent of the votes. McMaster's took the position last year when then Governor Nikki Haley joined the Trump Administration. He is seeking his first full term as Governor.

The Governor will now face James Smith (D) the winner of the Democratic Primary in the fall general election.

**U. S. House District 4**
State Legislator Lee Bright lost the runoff to another state Legislator, William Timmons, in the race to replace retiring Representative Trey Gowdy, the Chairman of the House Oversight Committee.
**Texas**

**Former State Senator Sentenced to 12 Years**

Federal prosecutors had asked U.S. District Court Judge David Ezra to sentence former Texas State Senator Carlos Uresti to a term between 17 ½ and 22 years; however, Uresti was sentenced Tuesday, June 26, to 12 years in federal prison for his role in investor fraud and money laundering. He was additionally ordered to pay $6.3 million in restitution to his defrauded investors and faces probation on each felony count upon his release. Uresti has expressed an intent to appeal his conviction.

Following his February conviction, Uresti surrendered his law license, and he resigned from the state Senate June 21, after more than 20 years in office.

Uresti remains free on bond until the completion of his next federal trial, which begins in October.

**SCOTUS Ruling on Texas Political Maps**

The Supreme Court of the United States (SCOTUS) issued a ruling June 25, upholding 10 of 11 contested legislative district maps, which challengers claimed intentionally undermined the voting potential of Hispanic and black voters. The 5-4 majority opinion stated that challengers had "plainly insufficient" evidence to prove that the 2013 Texas Legislature acted in bad faith when creating the district boundaries.

The one exception to the ruling was State House District 90, a Fort Worth-area district currently held by Democratic state Representative, Ramon Romero. This district was deemed to be an impermissible racial gerrymander, because legislators illegally used race as the deciding factor in developing the boundaries.

The SCOTUS ruling ends a seven year battle for those who have been contesting the Republican-controlled Legislature's district boundaries since 2011, keeping intact all district boundaries but one, through the end of 2020.

**Utah**

**Primary Election Results**

**U. S. Senate**

Senator Orrin Hatch (R) is retiring at the end of his term, leaving the Senate seat open. Mitt Romney was the winner of the Republican Primary with 72 percent of the votes over Mike Kennedy's 28 percent.

In the Democratic Primary, Jenny Wilson was uncontested, and will challenge Romney in the fall general election.

**U. S. District 1**

Incumbent U.S. Representative Rob Bishop (R) was uncontested in the Republican Primary.

Lee Castillo won the Democratic Primary with 57 percent of the votes over Kurt Weiland, who garnered 44 percent of the votes.

Castillo will face Representative Bishop in the fall general election.

**U. S. District 2**

Incumbent U.S. Representative Chris Stewart (R) was uncontested in the Republican Primary, and will face Shireen Ghorbani, the uncontested Democrat in the Primary in the fall election.

**U. S. District 3**

Incumbent U.S. Representative John Curtis (R) defeated his challenger Christopher Herrod, 74 to 26, in the Republican Primary.

James Singer was unopposed in the Democratic Primary, and will go on to face Representative Curtis in the November election.

**U. S. District 4**

Incumbent U.S. Representative Mia Love (R) was uncontested in the Republican Primary and will face Ben McAdams (D), who was also uncontested in the Democratic Primary, in the fall election.