



Congressman Mark DeSaulnier

JANUARY 19, 2019





SPECIAL EDITION: THE TRUMP SHUTDOWN

Shutdown over the Border Wall

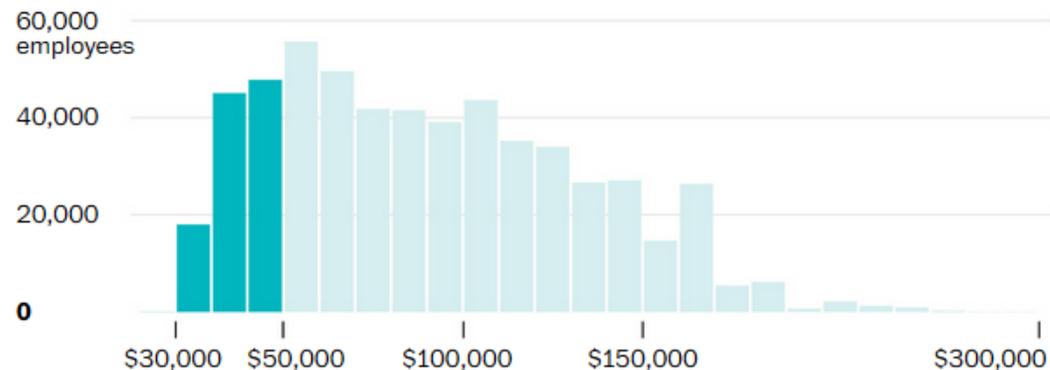
- ▶ Border funding given in 2017, but unspent.....\$1.6 billion
- ▶ Trump's initial demand for 2018.....\$1.6 billion
- ▶ Republican Senate-passed funding (2018).....\$1.6 billion
- Republican pundits say \$1.6 billion isn't enough-----
- ▶ Trump's new demand.....\$5.7 billion
- ▶ House-passed funding (2018).....\$5.7 billion
- ▶ House Democrats proposal.....\$1.3 billion

The Shutdown: The Impact

- ▶ Trump's Council of Economic Advisers doubled its projections on how much economic growth is lost due to this shutdown.
- ▶ **800,000 workers** have been furloughed, including **37,000 in California**.
- ▶ The typical federal worker has **missed \$5,000 in pay** so far.
 - ▶ That is a total of \$200 million in unpaid wages each workday.

Salaries of affected federal workers vary widely

Nearly **14 percent** of federal employees affected by the shutdown make less than \$50,000 a year.



Efforts to End Shutdown

- ▶ Since Democrats have taken the majority in the House of Representatives, I have voted **9** times to end the shutdown.
- 1. **January 3** – Helped pass a package of six appropriations bills that have all previously either passed the Senate with unanimous or overwhelming bipartisan support.
- 2. **January 3** – Helped pass legislation to fund the Department of Homeland Security through February 8 – giving the president and Congressional leadership time to negotiate a compromise on border security while reopening our government.
- 3. **January 9** – Helped pass legislation to fund the Department of Treasury and the Internal Revenue Service.
- 4. **January 10** – Helped pass legislation to fund the Department of Agriculture and the Food and Drug Administration.
- 5. **January 10** – Helped pass legislation to fund the Departments of Transportation, the Department of Housing and Urban Development and other key agencies.
- 6. **January 11** – Helped pass legislation to fund the Environmental Protection Agency and the Department of Interior.
- 7. **January 15** – Voted to end the shutdown and fund the government through February 1.
- 8. **January 16** – Voted to fund disaster recovery efforts and to fund the government through February 8.
- 9. **January 17** – Voted to end the shutdown and fund the government through February 28.

Efforts to End the Shutdown (cont'd)

Throughout the shutdown, governments and companies have stepped forward to help federal workers who are impacted.

- ▶ Sent a letter to credit unions, banks, and mortgage lenders recognizing credit unions for offering interest-free loans to furloughed federal workers, in the hopes that other financial institutions will follow suit.
- ▶ Sent a letter to Governor Newsom offering to partner and applauding his efforts to extend unemployment insurance to affected federal workers.
- ▶ Sent a letter to Secretary DeVos encouraging her to support student loan borrowers impacted by the shutdown.
- ▶ Cosponsored a bill to require the Treasury Department to offer interest- and fee-free loans to impacted federal employees.
- ▶ Sent a letter to the CEO of Sallie Mae urging him to proactively help federal employees impacted by the shutdown.

Shutdown Resources

- ▶ Below are the kinds of organizations that have been extending a helping hand to federal workers during the shutdown:
 - ▶ Credit unions
 - ▶ Mortgage lenders
 - ▶ Food banks
 - ▶ Child care facilities
 - ▶ Labor unions
 - ▶ Banks
 - ▶ Charitable organizations
 - ▶ State of California

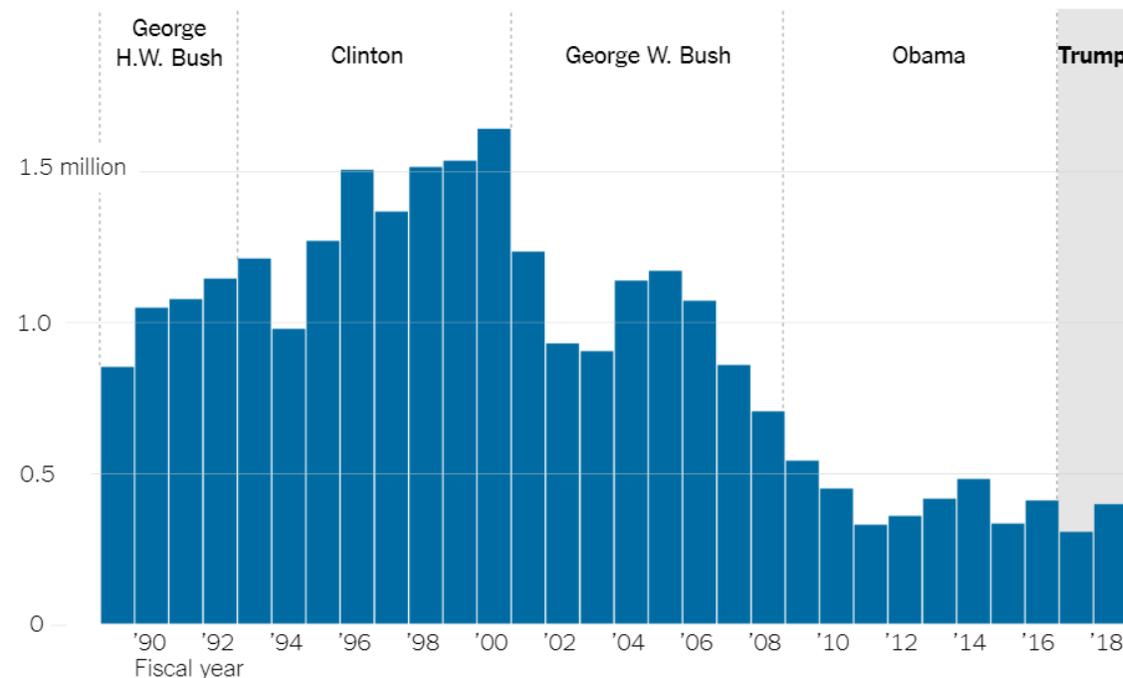
The 1,954 Mile Long Elephant in the Room: The Border Wall

- ▶ 650 miles of previously existing physical barriers, surveillance tools, towers, cameras, motion detectors, thermal imaging sensors, stadium lighting, ground sensors, and drones
- ▶ An internal Department of Homeland Security study estimated the border wall would cost nearly **\$22 billion in up-front construction costs** alone.
 - ▶ Other independent and congressional studies have estimates **up to \$40 or even \$70 billion**

False “Crisis” Narrative

Illegal border crossings have been declining for nearly two decades. In 2017, border-crossing apprehensions were at their lowest point since 1971.

Total number of arrests for illegally crossing the Mexican border



Source: U.S. Customs and Border Protection

Democrats Support Immigration Reform

Democrats continue to support **strong, smart, effective border security solutions**, including:

- ▶ New drug, weapons & contraband scanning technology at official ports of entry;
- ▶ Advanced technology to detect unauthorized crossings: cameras, sensors, and radar to spot moving people and objects;
- ▶ More customs personnel: filling the more than 3,000 vacancies for customs officers;
- ▶ Expanded port of entry infrastructure: building up our port of entry infrastructure to improve security and better facilitate trade and travel, ending the long delays for visitors and commercial shipments that cost our country billions in economic activity and thousands of jobs.

What is Trump Trying to Distract From?

- ▶ Deaths of children in federal custody at the border
- ▶ Proposal to withdraw from NATO
- ▶ Mueller investigation
- ▶ News of concealing meetings with Putin
- ▶ Revolving door of Senior Staff
- ▶ Democrats taking Majority in House
- ▶ Conflicts of interest

IN OTHER NEWS

Republican Tax Bill (2017)

- ▶ Last major tax reform: 1986
- ▶ The amount of credits, loopholes, and deductions has increased by 44 percent, from \$844 billion (2013 dollars), to over \$1.2 trillion (2013 dollars)
- ▶ **Adds \$1.8 trillion to debt** over 10 years (CBO)
- ▶ **83% of the tax cuts go to the wealthiest 1%** (Tax Policy Center)
- ▶ Raises taxes on **86 million middle class families**
- ▶ \$1.3 trillion (permanent) tax break for corporations
- ▶ Massive tax rate cut from **35% to 21% for corporations**
- ▶ **Repeal of the “individual mandate”**
 - ▶ Will result in 13 million people losing health coverage
 - ▶ Without the individual mandate, premiums estimated to increase by 10% per year

Trump-GOP Tax Plan in 2019: Who Benefits and How Much (in billions)

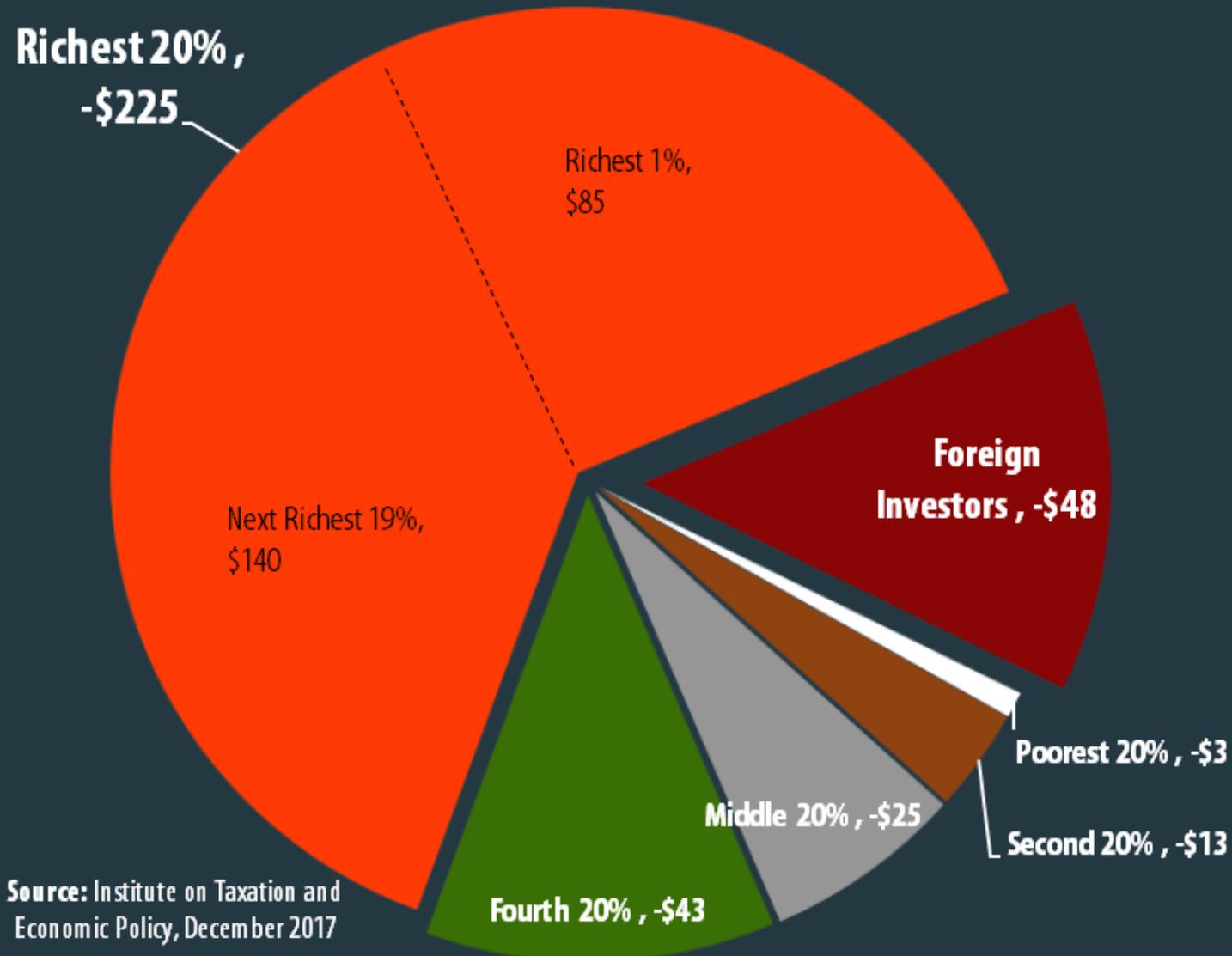
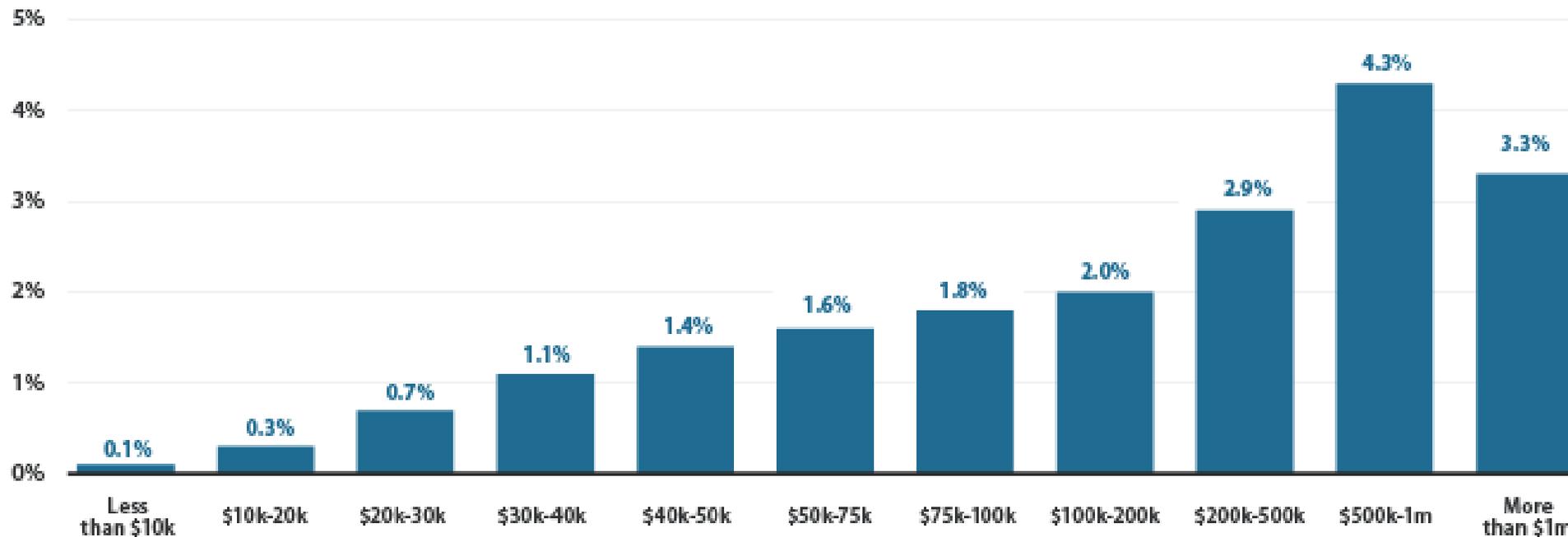


FIGURE 1

Tax bill's distributional impact is skewed toward higher earners

Percent change in after-tax income by income level under Tax Cuts and Jobs Act, 2018*



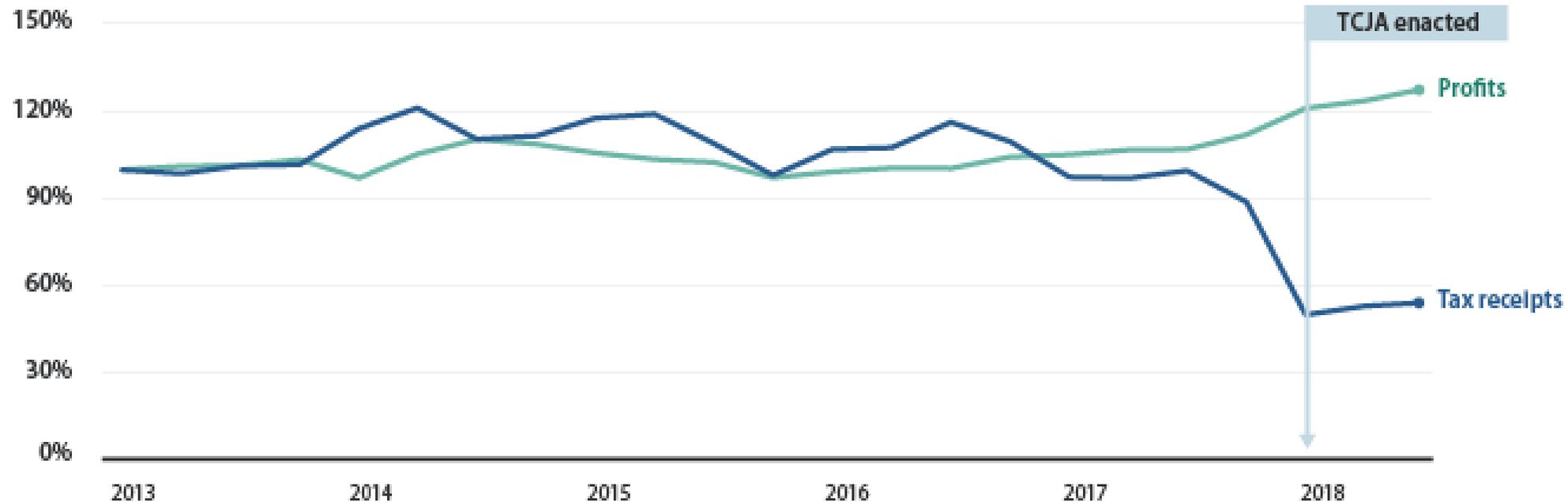
Source: Tax Policy Center, "T17-0313 - Conference Agreement: The Tax Cuts and Jobs Act; Baseline: Current Law; Distribution of Federal Tax Change by Expanded Cash Income Level, 2018," available at <http://www.taxpolicycenter.org/model-estimates/conference-agreement-tax-cuts-and-jobs-act-dec-2017/t17-0313-conference-agreement> (last accessed December 2018).

*Correction, January 3, 2018: This figure has been updated to accurately reflect the information in the PDF.

FIGURE 4

Corporations are paying less in taxes as profits soar

Change in corporate income tax receipts and after-tax corporate profits since January 2013



Note: Most changes related to the passage of the TCJA went into effect on January 1, 2018.

Sources: CAP calculation based on data from Federal Reserve Bank of St. Louis, "Federal government current tax receipts: Taxes on corporate income," available at <https://fred.stlouisfed.org/series/B075RC1Q027SBEA> (last accessed December 2018); Federal Reserve Bank of St. Louis, "Corporate Profits After Tax with Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj)," available at <https://fred.stlouisfed.org/series/CPATAX> (last accessed December 2018)

Tax Bill: California Impacts

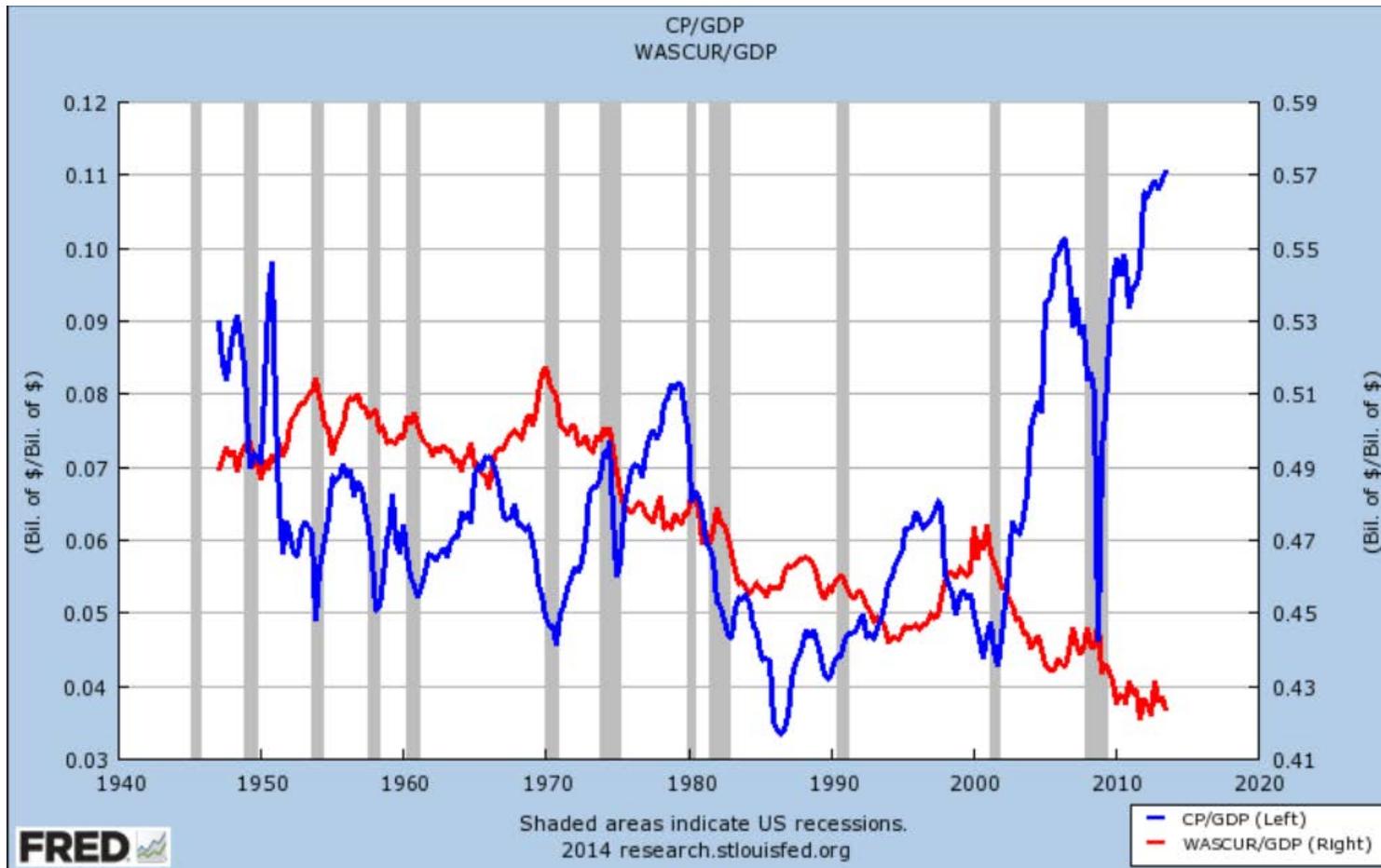
- ▶ Mortgage Interest Deduction – currently capped on debt of \$1,000,000; new law reduces cap to \$750,000
- ▶ Home Equity Loan Interest Deduction Eliminated
- ▶ State and Local Tax Deductions – limited to \$10,000
 - ▶ Average deduction in 2015 in our district: **\$18,672**, with **44% of households claiming the deduction**
 - ▶ Pressure on states and local governments to cut taxes and cut back on services

Inequality

INCOME INEQUALITY IN THE UNITED STATES, 1910-2010



Wage vs. Profit Share of GDP





IN CONGRESS

Change in the House

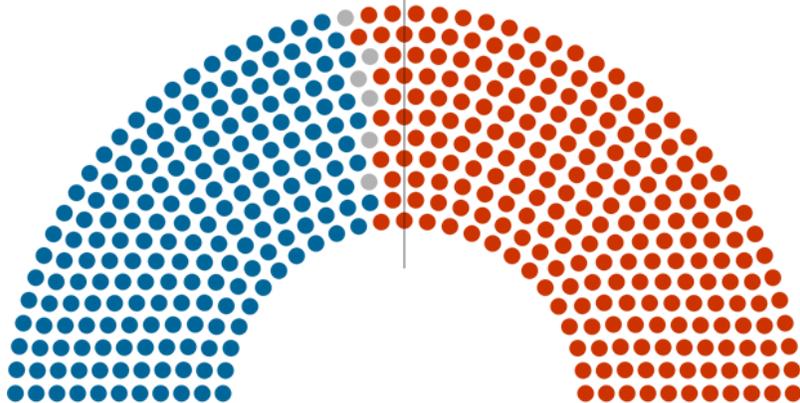
115TH CONGRESS

2017-2018

218 seats for majority

193

235



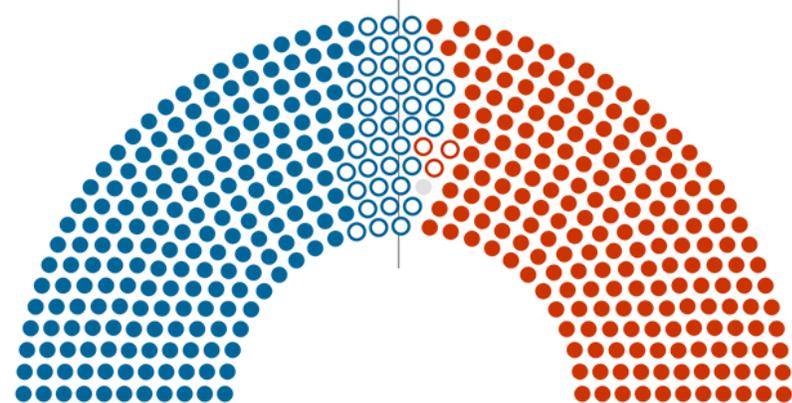
116TH CONGRESS

2019-2020

218 seats for majority

234

200



○ Seats flipped R to D (39) ○ Seats flipped D to R (3)

Congressional Actions

21 initiatives enacted into law, including efforts to:

- ▶ Expand John Muir National Historic Site
- ▶ Rename Post Office in Richmond
- ▶ Empower pharmacists to fight the opioid crisis

16 legislative efforts passed the House and Committee including efforts to:

- ▶ Better fund affordable housing and research on doctor-patient communication
- ▶ Ensure that no regulation rollbacks harm public health

Caucuses & Initiatives:

- ▶ **Future of Work Wages and Labor**
- ▶ **Bipartisan Cancer Survivors Caucus**, *Founder & Co-Chair*
- ▶ **Urban Regional Studies Caucus**, *Founder*

Committees

- ▶ Education & Labor
 - ▶ Ensure that Americans' needs are addressed so that students and workers may move forward in a changing school system and a competitive global economy.
- ▶ Transportation & Infrastructure
 - ▶ Maintain and improve the transportation and infrastructure in our country to best ensure the efficient flow of people, goods, and ideas.
- ▶ Oversight & Reform (requested)
 - ▶ Main investigative committee in the U.S. House of Representatives.

Contact Our Office

Walnut Creek

3100 Oak Road
Suite 110
Walnut Creek, CA
(925) 933-2660

Richmond

440 Civic Center Plaza
Second Floor
Richmond, CA
(510) 620-1000

Washington, DC

503 Cannon HOB
Washington, DC
(202) 225-2095



Facebook: /RepMarkDeSaulnier



Instagram: @RepDeSaulnier



Twitter: @RepDeSaulnier



Website: desaulnier.house.gov