Breckinridge CAPITAL ADVISORS

PERSPECTIVES

UPDATE: MUNI CREDIT AND THE NOVEMBER 2020 ELECTIONS

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Municipal credit quality has deteriorated less than expected since the COVID-19 pandemic began. A combination of loose fiscal and monetary policy, and improved adaptation to COVID-19, has contributed to modest credit stabilization in some corners of the market. More fiscal stimulus and a continued improvement in virus-management is necessary to maintain the market's nascent credit recovery and avoid an acceleration in ratings downgrades.

Against this backdrop, the results of the November 2020 elections are important for credit and valuations. A Democratic "sweep" is the most market-supportive outcome, as significant federal aid and higher tax rates become likely. Divided government characterizes other likely outcomes; in these scenarios the odds of substantial federal aid and higher tax rates decline. At least two state ballot initiatives are meaningful for investors in Illinois and California. Gubernatorial and state legislative races are generally less material to the market this cycle.

MUNICIPAL CREDIT QUALITY RELATIVE TO EARLY-IN-THE-PANDEMIC ASSESSMENTS

At the outset of the pandemic, municipal market observers anticipated severe state and local budget deficits and declines in revenue. In April, *The Center for Budget and Policy Priorities (CBBP)* estimated FY21-22 budget shortfalls of $540 billion.[1] *Moody's Investors Service* anticipated state tax revenue declines of 15 percent compared to FY19, and knowledgeable muni market strategists anticipated some defaults, even for traditionally "safe safe-sector" municipal bonds.[2]

As Figure 1 illustrates, initial estimates have proven a bit too pessimistic. The CBBP now estimates FY21-22 deficits of $445 billion.[3] *Moody's Investors Service* expects state tax revenue to decline by 11 percent relative to FY19, with much of the declines concentrated in several high income-tax states.[4] There have been 60 municipal bond defaults through 3Q20; this is the highest total in seven years but lower than through each of the first nine months in 2010, 2011, or 2012.[5] The estimates below are consistent with those of other forecasters whose near-term deficit and revenue estimates are also less severe than originally conceived in early Spring.[6]

FIGURE 1: EARLY PROJECTIONS FOR STATE BUDGET DEFICITS AND REVENUE DECLINES HAVE PROVEN TOO PESSIMISTIC

	Apr-20	Jul-20	Sep-20
Center for Budget and Policy Priorities (state deficits, FY 21-22)	(540)	(445)	
Moody's Investors Service (decline in state tax revenue compared to FY 19)	-15%		-11%

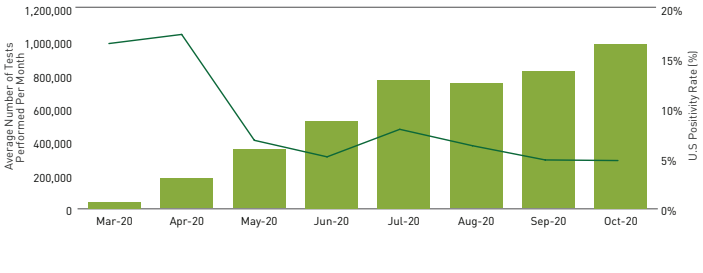
Source: CBPP, Moody's Investors Service, and Breckinridge Capital Advisors, Inc September 2020.

A combination of factors has contributed to the less dire outlook. First, fiscal stimulus provided under the CARES Act has been effective. CARES Act-related transfer payments (including enhanced unemployment benefits and $1,200 payments to eligible individuals) averaged 8 percent of U.S. personal income between April and August 2020. These payments likely flowed through to higher-than-expected sales and income tax collections.[7] Helpfully, the Treasury Department liberally interpreted restrictions on CARES Act aid for state and local governments in our opinion.[8]

Second, monetary policy has been extremely loose. The Fed's Municipal Liquidity Facility (MLF) has made loans to only two borrowers (Illinois and the New York MTA), but the facility's presence has sturdied investor sentiment.[9] More importantly, low interest rates have likely enabled some borrowers to refinance maturing obligations to avoid credit mishaps.[10] Low rates also have spurred a significant amount of debt refinancing. Refundings comprised 44 percent of issuance from March to August 2020 compared to 36 percent over the same time frame in 2019.[11]

Finally, low rates have kept real estate prices on an upward trend. Home prices were up 6% in July on a year-over-year basis.[12]

FIGURE 2: TESTING CAPACITY HAS IMPROVED WHILE POSITIVITY RATES HAVE DECLINED– SO FAR

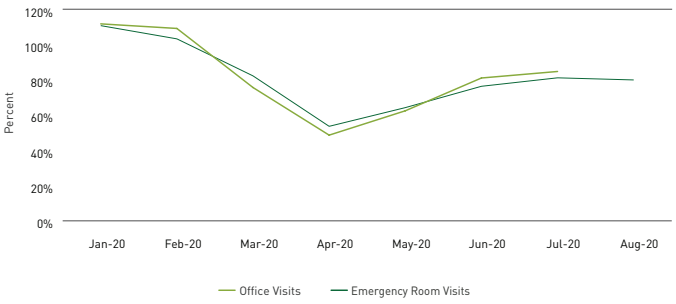


Source: The Covid Tracking Project and Breckinridge Capital Advisors, Inc. (October 2020).

Third, management of, and adaptation to, the virus has improved. More improvements are needed, but the U.S. has averaged almost one million COVID-19 tests per day in October, compared to roughly half that amount in June (See Figure 2). Eighty-five percent of U.S. adults are now wearing masks routinely, up from 65 percent in June.[13] Nationally, positivity rates are down from Spring levels notwithstanding a recent rise. Employees disrupted by the pandemic are proving unusually flexible. Applications for "high-propensity" businesses (those likely to grow payrolls) are up more than expected given the 8 percent decline in private sector employment since February.[14]

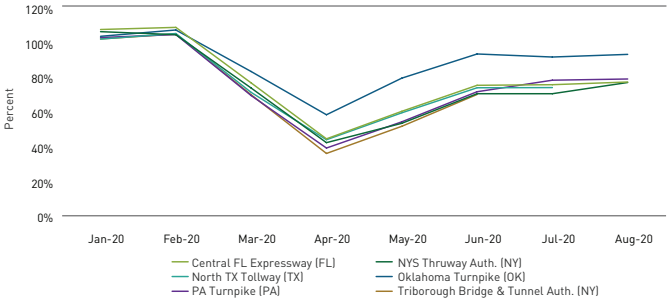
In the municipal space, adaptation is most apparent in some of the revenue sectors. Improved preparedness and greater public comfort with in-person visits has led to a meaningful increase in patient visits for hospital systems (See Figure 3). Toll road traffic is also normalizing at a reasonable baseline; the car outcompetes public transportation as a social-distancing option, and freight demand has risen to meet the growth in e-commerce orders (See Figure 4).

FIGURE 3: OFFICE AND ER VISITS ARE UP BUT STABILIZING AT A LOWER BASELINE



Source: Strata Decision Technology, National Patient and Procedure Volume Tracker, and Breckinridge Capital Advisors, Inc. (September 2020).

FIGURE 4: TOLL ROAD VOLUMES ARE ALSO IMPROVED BUT STABILIZING AT LOWER LEVELS



Source: : Covid-19-specific and traditional disclosure documents from each toll system, and Breckinridge Capital Advisors, Inc. (September 2020).

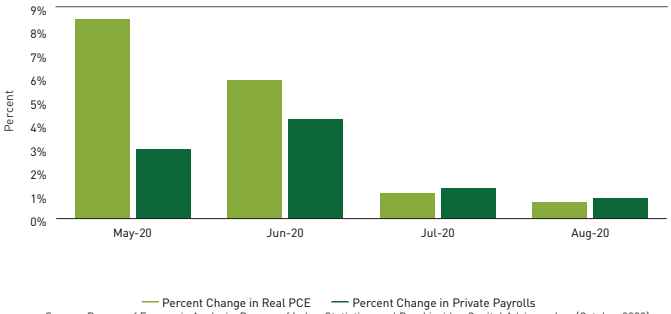
State and local issuers also have been proactive about managing cash. Only 17 states drew down reserves to balance FY20 operations (which ended on June 30th in most states).[15] It is highly likely that more states will draw down reserves to balance FY21 and FY22 budgets, but the data suggests that, so far, public officials have been reasonably cautious about spending down hastily.

MORE FISCAL STIMULUS IS NEEDED

More fiscal support is likely necessary to maintain the recovery. A vaccine is increasingly likely to be distributed in the U.S. between 1Q and 4Q -2021, but there is a high degree of uncertainty around that timeline.[16] Until then, the expiration of summer stimulus, public exhaustion with social distancing, and cooler, virus-friendly temperatures increase the risk of diminished economic activity.

Notably, consumption and payroll growth have slowed meaningfully since the economy's sharp bounce-back in May (See Figure 5). While testing capacity has improved, only 11 states test in sufficient amounts to mitigate the spread of COVID-19.[17] Some states are now experiencing COVID-19 outbreaks that may require a partial re-closing of the economy. Wisconsin's positivity rate was 21 percent in early October. Iowa's was 18 percent.[18]

FIGURE 5: THE ECONOMY APPEARS TO BE LOSING MOMENTUM



Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Breckinridge Capital Advisors, Inc. (October 2020).

For munis, additional federal aid would reduce fiscal pressure. As Figure 6 illustrates, state and local issuers have significantly reduced their payrolls. Service cuts of this sort are beneficial to credit quality in the near-term. However, maintaining these cuts indefinitely will prove challenging. State and local staffing levels never fully recovered from the Great Financial Crisis (GFC).

FIGURE 6: STATE AND LOCAL EMPLOYMENT PER PERSON NEVER FULLY RECOVERED FROM THE GREAT RECESSION

Source: St. Louis Fed (FRED), Bureau of Labor Statistics, and Breckinridge Capital Advisors, Inc. (October 2020).

Mass transportation issuers would unquestionably benefit from increased federal aid. Airport and subway system traffic remains well below pre-COVID-19 levels and may take years to fully recover from the pandemic (See Figure 7). A resurgence of the virus this winter would likely inhibit a further uptick in traffic.

FIGURE 7: MASS TRANSPORTATION ISSUERS LIKELY HAVE A LONGER, VACCINE-DEPENDENT ROAD TO RECOVERY

Source: Transportation Safety Administration, New York Metropolitan Transportation Authority, and Breckinridge Capital Advisors, Inc. (October 2020).

MUNICIPAL BOND RATINGS ARE LIKELY TO MIGRATE LOWER

We find that ratings downgrades are likely regardless of the federal response. Through the first half of 2020, *Moody's Investors Service* and *Standard & Poor's* downgraded only 1.3 percent of the public finance issuers they rate.[19] *Moody's* retains a negative outlook on all public finance sectors except utilities (water, sewer, and electric) and community colleges. *Standard & Poor's* has moved all public finance sectors to negative.[20]

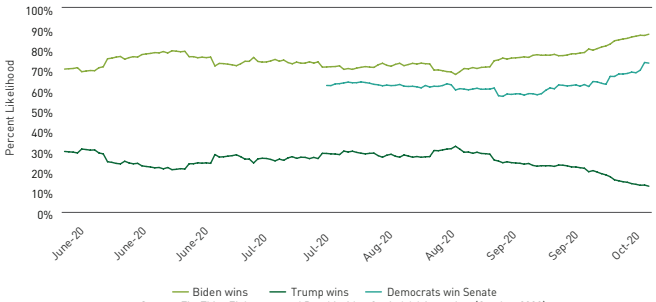
Standard & Poor's municipal ratings may skew meaningfully more negative this cycle than in the last. Municipal downgrades exceeded upgrades at *Standard & Poor's* in only three quarters between 4Q -2007 and 4Q -2015.[21] From 2008 to 2013, the agency twice revised certain public finance rating criteria. This had the effect of raising published ratings even while municipal credit quality was deteriorating.[22] Similar criteria changes are unlikely this time around.

Fortunately for investors, municipal ratings and credit fundamentals entered the pandemic on strong footing (see: *COVID-19 and Muni Credit: Essential Service Municipals are More Resilient than Appreciated*). For context, 48 percent of *Standard & Poor's* investment-grade public finance ratings are presently AA-minus or-higher. Forty-four percent (44 percent) are in the A category, and only 6 percent are BBB.[23] Even in the absence of additional federal support, essential service municipal issuers are likely to manage through the pandemic with few defaults.

ELECTION OUTLOOK

There are three likely federal election outcomes: (a) a Democratic sweep, (b) Trump wins alongside a Democratic House and Republican Senate, and (c) Biden wins, alongside a Democratic House and a Republican Senate.[24] Ballot initiatives in California and Illinois are also worth investors' attention.

FIGURE 8: ODDS OF A DEMOCRATIC "SWEEP" INCREASED IN OCTOBER



Source: FiveThirtyEight.com, and Breckinridge Capital Advisors, Inc. (October 2020).

As Figure 8 illustrates, the odds of a Democratic sweep have been rising. In our view, the president is clearly behind, but his chances may be a bit better than data indicates. The prevalence of voting-by-mail in the 2020 election may result in a higher-than-normal ballot-rejection rate.[25] Also, the president likely retains incumbency-related advantages if the race is close, vote-tallying is meaningfully delayed, or the result is contested.[26] Under each scenario, federal stimulus is likely, although direct aid for municipal issuers would be largest in a Democratic sweep. Tax and infrastructure policy distinguish the scenarios.

Scenario #1 (50%): Democratic sweep; Biden wins and Democrats retake the Senate.

In this outcome, municipal credit fundamentals are likely to improve alongside valuations. A Democratic sweep makes it more likely that a version of the HEROES Act becomes law in January or February. That legislation included Pandemic Unemployment Assistance of $600/week, direct payments to individuals of up to $1,200, and over $900 billion in direct federal aid for state and local issuers.[27] Two struggling sectors, mass transit and private higher education, would likely benefit meaningfully relative to under other scenarios; the HEROES Act includes aid for both, while Republican proposals have been less supportive.

The HEROES Act also makes changes to the MLF that could prove helpful to some struggling issuers. Changes include extending the MLF's expiration date to December 31, 2021, extending the maximum maturity date on MLF loans to ten years, and allowing the MLF to make loans to issuers even if private markets are willing to lend at reasonable rates.[28]

FIGURE 9: POTENTIAL ELECTION OUTCOMES

Scenario	Dem Sweep	Status Quo	Biden + R Senate
LIKELIHOOD	50%	30%	15%
President	Biden	Trump	Biden
House	D	D	D
Senate	D	R	R
ISSUE AREA			
Stimulus	Large	Modest	Large
• More PPP	Y	Y	Y
• Individual Aid (Payments, Higher UC)	Y	Y	Y
• State And Local Aid	Y	N	A Bit
Tax Policy			
• Rates	Up	No Change	No Change
• Muni Exemption	Capped At 28%?*	No Change	No Change
• Salt Deduction Cap	Removed	No Change	No Change
• BABs	Likely	No	Maybe
Infrastructure Spending	Up, $2T "Green" Plan	Up, Modestly + Privatization	Up, Modestly

1 We have excluded a scenario in which in the election is contested. In our view, the outcome of such a "tie" is highly uncertain. Congress would likely have more difficulty enacting a stimulus bill and spreads would likely widen for corporates. The path for municipal spreads is less clear. They might tighten on extreme lack of issuance or widen on higher uncertainty.
2 Biden's tax plan includes capping the value of deductions at a 28% rate. The plan is silent regarding the muni exemption, but the Obama administration proposed capping the muni interest exclusion at 28% in its last several budgets.
Table was compiled by Breckinridge Capital Advisors, Inc based on data from FiveThirtyEight.com, Cook Political Report, Sabato's Crystal Ball, Tax Foundation, HEROES Act, HEALS Act and Bond Buyer.

Tax rates would likely rise in a Democratic sweep, pressuring prices upwards. Vice President Biden has a variety of tax increases, including restoring the top marginal personal income tax rate to 39.6 percent from 37 percent, imposing limits on deductions, raising capital gains and dividend rates to the 39.6 percent level for high-income earners, raising payroll taxes on those with wages in excess of $400,000 per year, increasing corporate tax rates to 28 percent from 21 percent, and increasing the base and rate for the estate tax.[29] The vice president has also proposed a cut in the form of removing the $10,000 cap on the state and local tax deduction, but his tax-increase proposals would likely more-than-offset that change. Only a subset of these policies is likely to survive the legislative process, but plainly, there is an upward bias for tax rates in this scenario.

The municipal tax-exemption, itself, might also be curtailed if Democrats retake the presidency and Senate. Biden's tax proposals include capping the value of most deductions at a 28 percent rate. Whether this deduction cap includes municipal interest is unclear, but many Biden advisors are veterans of the Obama administration. Obama-era budgets routinely proposed capping the municipal interest exclusion at a 28 percent rate.

Tax-exempt supply might also be constrained in a Democratic sweep, which would further pressure prices upward. In July, the Democratic House passed the Moving Forward Act which reauthorized advanced refundings (a refinancing mechanism barred under 2017's Tax Cuts and Jobs Act) and the Build America Bonds (BABs) program, a taxable bond program which expired in 2011. Restoration of advance refundings would likely increase tax-exempt supply, but the reintroduction of BABs would likely more-than-offset such an increase.

Finally, infrastructure policy would likely have a decidedly "green" bent in a Democratic sweep scenario. Vice President Biden has proposed a $2 trillion infrastructure plan that focuses on grid electrification and carbon emissions.[30] The degree to which such a plan materializes is unclear, but new forms of state and local grant aid are possible.

Scenario #2 (30%): Status quo; Trump wins, Republicans hold the Senate and Democrats hold the House.

In this outcome, municipal credit fundamentals are likely to improve on meaningful stimulus spending but less direct support for state and local issuers. Tax rates are unlikely to rise and infrastructure spending is more likely to take on a private flavor.

The Trump administration has shown strong willingness to enact a stimulus package since early October.[31] If Trump wins re-election, a post-election spending package seems likely.

Senate Republicans who are currently less comfortable with a large spending package would likely acquiesce to a second-term president's wishes. However, a stimulus proposal in this scenario would likely include far less state and local aid than the more than $900 billion in the HEROES Act. The Republican Senate's HEALS and DIRA bills contained less direct support for states and local governments.[32]

Tax policy in a second Trump term is unlikely to change significantly. President Trump has made no formal proposals to reduce taxes but has floated the idea of middle-class and capital gains tax cuts.[33] Divided government makes both proposals unlikely. Also, a Republican Senate would be less likely to reauthorize advance refundings or remove the $10,000 cap on state and local tax deduction.

Infrastructure spending would likely increase in a second Trump term. Although few details have been provided, the Trump administration has proposed spending $1 trillion over ten years which would be a meaningful increase over current amounts.[34] The president has also proposed streamlining the environmental permitting process and incentives for private infrastructure investment, in the past, which could increase private investment.

Scenario #3 (20%): Biden wins, Republicans hold the Senate and Democrats hold the House.

In this result, municipal credit fundamentals are likely to improve on meaningful stimulus, as in the second scenario. There might be marginally more direct support for state and local issuers as the executive branch would have more sway over negotiations.

Tax policy changes would likely be modest. Republican control of the Senate would likely limit the size and scope of any tax increases. Policymakers might reintroduce advance refundings or the BABs program, but the odds of passage also would be lower.

Infrastructure spending would be biased upwards given the size of Vice President Biden's "green" plan, but here, too, the likelihood of a large package might be blunted by an austerity-minded Republican Senate.

STATE-LEVEL ELECTIONS

Ballot initiatives in California and Illinois could prove important to long-term credit fundamentals in both states. In California, passage of Proposition 15 would likely be a credit positive for many local general obligation bond issuers. The initiative would mandate reassessment of high-end commercial properties every three years rather than when they are sold, as under current law.[35] Increased tax revenue would be redistributed to school districts and local governments. There is a risk that higher taxes exacerbate the outflow of California residents and businesses to other states, but this is likely a long-term issue.

In Illinois, residents will decide whether to amend the state constitution to enact a graduated income tax. Illinois' constitution presently permits only a flat income tax. If approved, the amendment would trigger enactment of a state law passed in 2019 that creates a graduated income tax code with a top rate of 7.99 percent on joint income (e.g., married couples) of $1 million or more. This top rate would apply to the first dollar of income, not just income in excess of $1 million.[36] Passage of the amendment would lessen Illinois' near-term cashflow issues. However, it would not solve Illinois' long-term pension challenges or the fiscal challenges of major downstream issuers like the City of Chicago or Chicago Public Schools.[37] If the amendment is rejected, Illinois' credit rating could fall to below-investment-grade, a first for a U.S. State.

CONCLUSION

To date, essential service municipal issuers have managed through the COVID-19 pandemic better-than-expected. Loose fiscal and monetary policy alongside better management of the virus has helped limit the worse-case outcomes. However, additional federal stimulus, state and local austerity measures, and continued management of the virus is likely necessary to maintain credit fundamentals or slow their deterioration. Municipal ratings are likely to have a downward bias for the next several quarters.

The 2020 election cycle is, therefore, likely to impact the muni market. In the most probable outcome, a Democratic sweep, meaningful direct federal aid is likely, as well as tax hikes. This combination bodes well both for credit and for valuations. In other scenarios, federal support is likely to be less robust. Breckinridge remains very comfortable with our credit exposure given our high-grade bias and long-standing bottom-up approach to credit. We anticipate a challenging, but manageable, next several months.

FOOTNOTES:

1. *Center for Budget and Policy Priorities,* "New CBO Projections Suggest Even Bigger State Shortfalls," April 29, 2020. Available at: *https://www.cbpp.org/blog/new-cbo-projections-suggest-even-bigger-state-shortfalls*.
2. *Moody's Investors Service,* "Revenue recovery from coronavirus hit will lag GDP revival, prolonging budget woes," April 24, 2020; Municipal Market Advisors, Default Trends report, May 20, 2020: "A rise in safe sector impairments is likely ahead, but poor municipal issuer disclosure practices and tardy financial reporting are reasonably slowing things down."
3. *Center for Budget and Policy Priorities,* "States Continue to Face Large Shortfalls Due to COVID-19 effects," July 7, 2020.
4. *Moody's Investors Service,* "Handful of states will bear brunt of coronavirus-induced tax revenue decline," September 25, 2020.
5. *Municipal Market Advisors,* Default Trends report, September 30, 2020.
6. Including the Tax Policy Center, the Tax Foundation, and estimates from the National Conference of State Legislatures *Tax Foundation,* Jared Walczak, "State Forecasts Indicate $121 billion 2-year Tax Revenue Losses compared to FY 2019," July 15, 2020. Available at: *https://taxfoundation.org/state-revenue-forecasts-state-tax-revenue-loss-2020#_ftn8*.
7. Breckinridge analysis of Bureau of Economic Analysis data. See "Effects of Selected Pandemic Response Programs on Personal Income." Available at: h*ttps://www.bea.gov/data/income-saving/personal-income*. See also: Commonwealth Magazine, "Surprise! July state tax revenues increase, August 10, 2020. Available at: *https://commonwealthmagazine.org/state-government/surprise-july-state-tax-revenues-increase/*.
8. See "Coronavirus Relief Fund Frequently Asked Questions (last updated 9/2/20), available at: *https://home.treasury.gov/policy-issues/cares/state-and-local-governments*. Note that state and local governments may use CRF monies to subsidize private hospitals, enroll laid-off workers in government-subsidized health plans, or even to reduce livestock supply-chain disruptions, so long as the government can show some connection to the COVID-19 public health emergency. In our view, Treasury is implementing CRF statutory guidance, liberally.
9. Periodic Report: Update on Outstanding Lending Facilities Authorized by the Board under Section 13(3) of the Federal Reserve Act, October 8, 2020. Available at: *https://www.federalreserve.gov/monetarypolicy/muni.htm*.
10. *Municipal Market Advisors,* Default Trends report, September 30, 2020.
11. Breckinridge analysis of SIFMA municipal issuance data.
12. Federal Housing Finance Agency and Breckinridge Capital Advisors, Inc.
13. *Pew Research Center,* "More Americans say they are regularly wearing masks in stores and other businesses," August 27, 2020. Available at: *https://www.pewresearch.org/fact-tank/2020/08/27/more-americans-say-they-are-regularly-wearing-masks-in-stores-and-other-businesses/*
14. Bureau of Labor Statistics data, February 2020 through September 2020. *Economist,* "The number of new businesses in America is booming," October 10, 2020. Available at: *https://www.economist.com/united-states/2020/10/10/the-number-of-new-businesses-in-america-is-booming*
15. Pew, "COVID-19 Prompts States to Start Tapping Financial Reserves," October 13, 2020. Available at: *https://www.pewtrusts.org/en/research-and-analysis/articles/2020/10/13/covid-19-prompts-states-to-start-tapping-financial-reserves*
16. *McKinsey & Company,* "When will the COVID-19 pandemic end?" September 21, 2020.
17. "Mitigating" spread generally refers to slowing the virus' transmission. Currently, no states test enough to "suppress" spread, which is defined as zero additional cases each day. See Brown School of Public Health: *https://globalepidemics.org/july-6-2020-state-testing-targets/*. See also, *New York Times,* "Is your state doing enough coronavirus testing?" Updated 10/12/20. Available at: *https://www.nytimes.com/interactive/2020/us/coronavirus-testing.html*.
18. Ibid.
19. Breckinridge analysis of Moody's and S&P upgrades versus downgrades trends.
20. *Moody's Investors Service*, Public Finance Sector Outlooks; *Standard & Poor's,* "All U.S. Public Finance Sector Outlooks are Now Negative," April 1, 2020.
21. In 2Q -2011, 3Q -2011, and 2Q -2012. Breckinridge analysis of *Standard & Poor's* public finance upgrades and downgrades through June 30, 2020.
22. S&P's criteria changes had the effect of "recalibrating" its public finance ratings. Although S&P would likely dispute this characterization, the agency's public finance ratings generally went up over a period of quarters alongside Moody's ratings. "Recalibration" refers to the effort at Moody's to rate municipals on par with other types of bonds (e.g., corporate bonds, mortgage-backed securities, sovereign bonds). Prior to the GFC, municipal ratings were relatively low given the historic default rate for the asset class. Moody's recalibrated its ratings "up" in an across-the-board change, and subsequently, downgraded many for *credit* reasons. In contrast, S&P "recalibrated" its ratings via a change in criteria. This allowed it to migrate ratings up, over-time. To the uninitiated, S&P's rating adjustments appear to reflect credit improvement, even though they really reflect changes in criteria and methodology.
23. Breckinridge analysis of *Standard & Poor's* public finance upgrades and downgrades through June 30, 2020.
24. A Republican House is a highly unlikely outcome. See: *FiveThirtyEight.com* 2020 federal election forecasts and Cook Political Report, as of 10/15/20.
25. *FiveThirtyEight,* "Why Rejected Ballots Could be a Big Problem in 2020," October 13, 2020. Available at: *https://fivethirtyeight.com/features/why-rejected-ballots-could-be-a-big-problem-in-2020/*.
26. Barton Gellman, "The Election that Could Break America," *The Atlantic,* November 2020 issue. Note that Breckinridge is less concerned than Mr. Gellman that the 2020 election results in extreme political dysfunction and chaos. We believe the odds of such an outcome are relatively low but, acknowledge they are meaningfully above zero given high levels of political polarization.
27. Walczak, *Tax Foundation,* "How the HEROES Act Would Allocate State and Local Aid for Coronavirus Relief," May 2020.
28. Sec. 110801 of HEROES Act.
29. Deloitte analysis of Biden and Trump tax plans, September 9, 2020.
30. *https://joebiden.com/infrastructure/*
31. Davidson, Duehren, Wall Street Journal, "White House Agrees to Democrats' National Coronavirus-Testing Strategy," October 15, 2020.
32. HEALS = Health, Economic Assistance, Liability Protection, and Schools Act; DIRA = Delivering Immediate Relief to America's Families, Schools and Small Businesses Act.
33. Deloitte analysis of Biden and Trump tax plans, September 9, 2020.
34. O'Toole, *CATO Institute,* "Trump's $1 Trillion Infrastructure Plan," June 25, 2020.
35. Ballot language available from California Secretary of State's office at: *https://voterguide.sos.ca.gov/propositions/15/*.
36. SB 687. Available at: *https://www.ilga.gov/legislation/fulltext.asp?DocName=&SessionId=108&GA=101&DocTypeId=SB&DocNum=687&GAID=15&LegID=116624&SpecSess=&Session=*
37. *Moody's Investors Service,* Issuer-in-depth, State of Illinois, October 1, 2020.