

Tuesday, October 23, 2018

Session Three

Title: **Washington Update**

Presented by: **John Colbert**, Capitol Hill Partners



**WASHINGTON UPDATE - THE MIDTERM ELECTIONS
AND THEIR IMPACT ON ADULT EDUCATION
JOHN COLBERT, ESQ.**

AREAS OF DISCUSSION

- FY 18 and 19 funding and beyond
 - Looking ahead – the direction of Congress and the Administration
 - What happens legislatively if Dems win the House?
 - Elections Outlook
-

**HOW DID EDUCATION AND WORKFORCE
PROGRAMS AVOID FY 18 CUTS?**

FY18 FUNDING AGREEMENT

Bipartisan funding agreement

13% overall funding Increase

Increased defense funding:

- \$80 billion more in FY 18
- \$85 billion more in FY19

Increased funding domestic funding:

- \$63 billion more in FY 18
- \$68 billion more in FY 19

FY 18 FUNDING

With this additional overall funding:

- Congress restores
 - \$9 billion in cuts proposed by the Administration to the Department of Education
 - \$12 billion in proposed cuts to HHS
 - Adult Education receives \$35 million increase

FY 19 FUNDING

FY 19 funding

- Second (and final) year of fiscal agreement expanding domestic funding by 13%
- Agreement was huge help in protecting funding for education and workforce programs in FY 18.

What has happened this year?

FY 19 appropriations process

- Last month the Labor-HHS-Education Appropriations bill was completed
- First time on time Labor-HHS bill in 22 years

Why?

- Second year of two year budget agreement - top line funding already in place
- Senate committed to bipartisan process

FY 19 House Labor-HHS bill

- No overall funding increase above FY 18
- Party line vote in Committee - no floor action

***Advice from House Chairman Tom Cole

FY 19 House Labor-HHS bill

Department of Education

- Adult Education level funded
- Pell Grants level funded
- CTE +102 million

FY 19 House Labor-HHS bill

DOL funding

- ETA cut by \$216 million
- WIOA Title I programs level funded
- Apprenticeships +5 million

Senate Appropriations

- **Richard Shelby** (R-AL) – new full Committee Chair
- Commitment to bipartisanship
- Passed Senate Labor-HHS bill on the floor – the first time in over a decade
- Moved Labor-HHS in combination with DOD bill – top priority for passage before September 30th.

FY 19 Senate Labor-HHS bill

\$2 billion overall increase above FY18

- Provided a \$25 million increase for Adult Education
- \$100 increase for Pell Grant
- Level funded CTE
- Maintained WIOA Title I funding at current levels
- Increased Apprenticeship state grants by \$15 million

FY 19 Labor-HHS Appropriations bill

House-Senate Conference agreement

Department of Education - \$581 million increase

Department of Health and Human Services - \$2.3 billion increase

- \$2 billion increase for NIH

FY 19 Labor-HHS Appropriations bill

House-Senate Conference agreement

Department of Education

- Increased WIOA Title II adult education by \$25 million
- Increased Pell Grant by \$100

FY 19 Labor-HHS Appropriations bill

House-Senate Conference agreement

Department of Labor

- Maintained WIOA Title I funding at current levels
- Increased Apprenticeship state grants by \$15 million

Upcoming challenge – FY 20 and beyond

- Two year **budget agreement** expiring at conclusion of FY 19

Unless there is a new budget agreement:

- **FY 20 – 9.3%** below FY 19 overall domestic funding
- **FY 21 – 7.1%** below FY 19 overall domestic funding
- **Unknown** - How will new Congress address this shortfall – particularly if House and Senate governed by different parties?

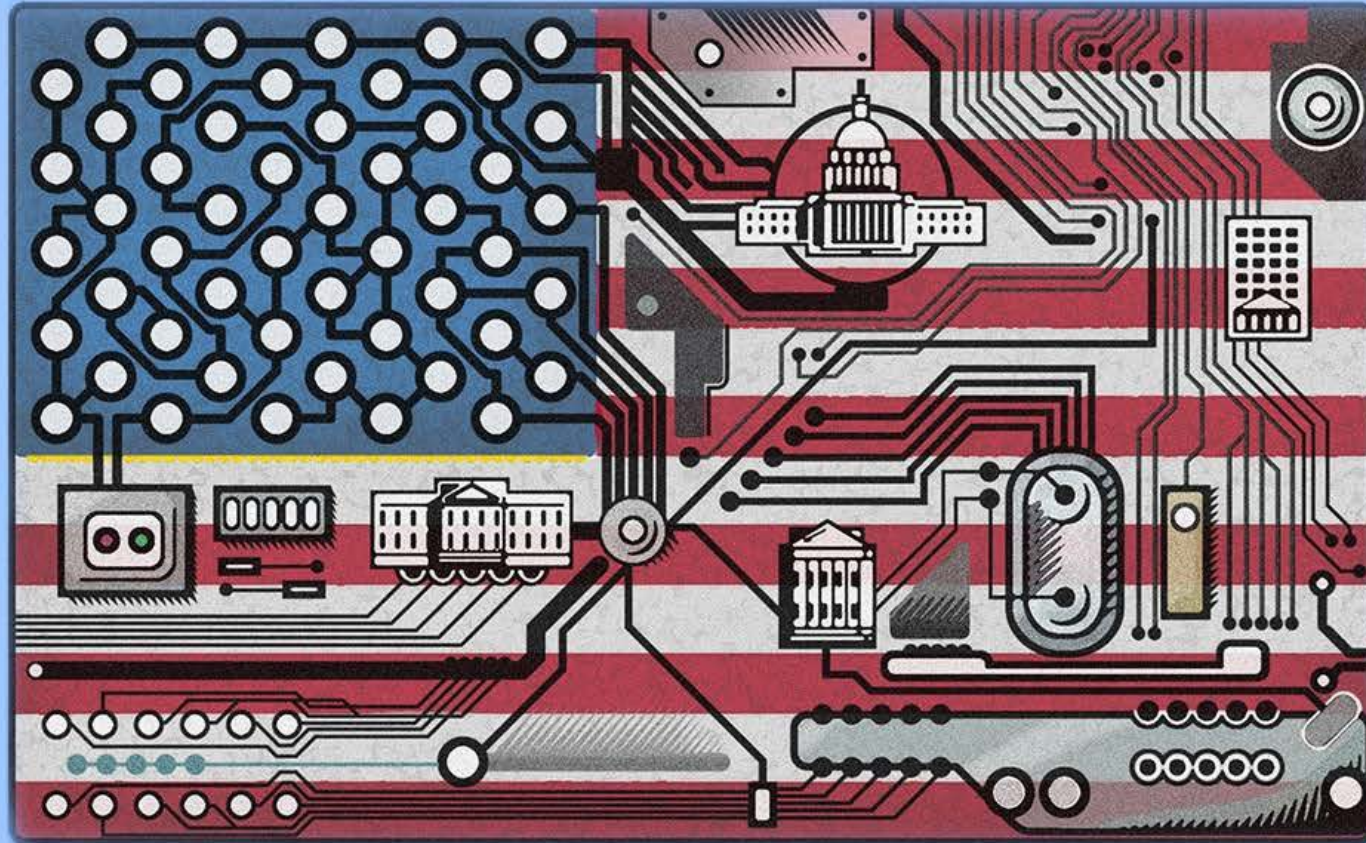
Upcoming challenges – FY 20 and beyond

Overall goal

- **Sustainability** - building long term support for adult education among policymakers regardless of the party in power.

Challenges for us:

- Protecting our funding in an environment where significant cuts



THE ROAD FORWARD FOR FEDERAL WORKFORCE POLICY

KEY THEMES IN WASHINGTON FOR EDUCATION AND WORKFORCE POLICY

- **Education in preparation for work**
- Provide employers with skilled workers
- More job openings than workers – effort to have all available workers enter employment
- Enhanced work based learning opportunities
- Support for evidenced based approaches
- Work in exchange for benefits



TRUMP ADMINISTRATION PRIORITIES



THE ROAD AHEAD - WHITE HOUSE AND THE WORKFORCE

White House – “Pledge to the American Worker”

- **110 employers** have committed to hiring or retraining 4.3 million workers over the next five years.
- Spearheaded by **Ivanka Trump** - next step in the president's economic agenda, building on deregulation and tax cuts.
- Signed Executive Order to coordinate federal workforce strategies

WH – Pledge to the American Worker

- **Executive Order** – establishes:
- ✓ **National Council for the American Worker** – interagency federal task force tasked with developing national workforce strategies for the President.
- ✓ Working with public and private sector to address skills gap and needs of demand driven industries
- ✓ **American Workforce Policy Advisory Board** – 25 national private sector leaders. Advisory body for the National Council. Applications due to Commerce Department by October 1st
- **Report due in January** – lead staffer Rosemary Lahasky



THE ROAD AHEAD – ADMINISTRATION - WORK REQUIREMENTS

- Administration and Hill Republicans believe they have a winning issue – polling strongly supports work in exchange for program benefits
- Work requirement an emerging trend in red states
- Democrats in opposition

WORK REQUIREMENTS: STATE MEDICAID WAIVER REQUESTS

Leading regulatory issue in debate over work in exchange for benefits

- Work requirements for able bodied recipients.
- Four waivers approved - KY, IN, AR, and NH
- Federal court rejected KY's waiver – work is not core component of Medicaid program
- KY plan now being rewritten

Pending state waivers Arizona, Kansas, Maine, Mississippi, Ohio, South Dakota, Utah, and Wisconsin

ISSUES TO WATCH: STATE MEDICAID WAIVERS WITH WORK REQUIREMENTS

- Different approaches in the states for who is “able bodied”
- Several state workforce agencies leading effort to train place Medicaid recipients in many of states with waivers.



THE ROAD AHEAD – ADMINISTRATION – CTE IMPLEMENTATION

- Enacted this summer
- More closely aligns vocational education and WIOA programming
- Increased work based learning opportunities.
- Focus on demand occupations and career pathways
- Utilizes WIOA performance measures
- CTE state plan may be combined with WIOA plan
- No regulations will be offered
- ED will provide guidance



EDUCATION AND WORKFORCE RELATED PRIORITIES IN CONGRESS



THE ROAD AHEAD - APPRENTICESHIPS

Outlook – area of potential consensus between the parties

- Multiple hearings this year – great interest in expanding work based learning

Challenge - Registered Apprenticeships v. business led apprenticeship programs

- Adequate funding for scaling



THE ROAD AHEAD FOR TANF

Outlook – uncertain for the coming year

- House Republicans passed party line TANF reauthorization through Committee
- Bipartisanship on most policy reforms – fractured because no new TANF funding
- No movement in Senate – new Finance Committee Chair next year

ISSUES TO WATCH: TANF REAUTHORIZATION

- House bill – the “JOBS Act” - framed as workforce legislation
- Reinforces purpose of TANF funding is to transition participants to work
- All able bodied beneficiaries required to work, or be engaged in education and training

ISSUES TO WATCH: TANF REAUTHORIZATION

- More flexibility for states in programmatic design
- Holistic approach to services
- Allows up to 50% of a state's TANF allocation transferred to:
 - WOIA
 - Child Care and Development Fund,
 - Child Welfare (up to 10%)
- Many of these program elements will return if Republicans maintain control of the House or a bipartisan bill is crafted

A photograph of a paved road stretching into the distance, flanked by dry, hilly terrain. The years 2018, 2019, and 2020 are painted in large white numbers on the road surface, with a yellow dashed line running through the center. The road appears to lead towards a horizon under a bright sky.

THE ROAD AHEAD – FARM BILL AND SNAP WORK REQUIREMENTS

Outlook - actively being negotiated in Conference

- At the forefront on the debate over work requirements in social service reauthorizations.

ISSUES TO WATCH: FARM BILL (INCLUDES SNAP)

House bill – passed by only one vote on House floor

Why?

- **New work requirement** - able bodied beneficiaries required to work, or be engaged in education and training.
- Provides \$1 billion in new funding for training.
- **Highly partisan issue** – Democrats opposed bill due to work requirements.

ISSUES TO WATCH: SAFETY-NET SNAP

Senate bill

- Passed on Senate floor this summer
- Bipartisan effort
- No work requirements
- President Trump – supports work requirements
- However, insiders tell us that Senate does not have votes to pass the bill if work requirements included

Outlook - Unclear if sides can come to agreement in lame
Duck session



THE ROAD AHEAD FOR THE HIGHER EDUCATION ACT

Outlook – uncertain, multiyear effort likely

- House Education and Workforce Committee passed PROSPER Act on party lines
- No House floor action
- Senate – bipartisan efforts failed
- However, both chambers recognize that higher ed in preparation for work – closer workforce ties



**HOW WOULD CONGRESS CHANGE
IF DEMOCRATS GAIN CONTROL
OF THE HOUSE?**

HOUSE DEMOCRATIC MAJORITY?

CAMPAIGN TRAIL

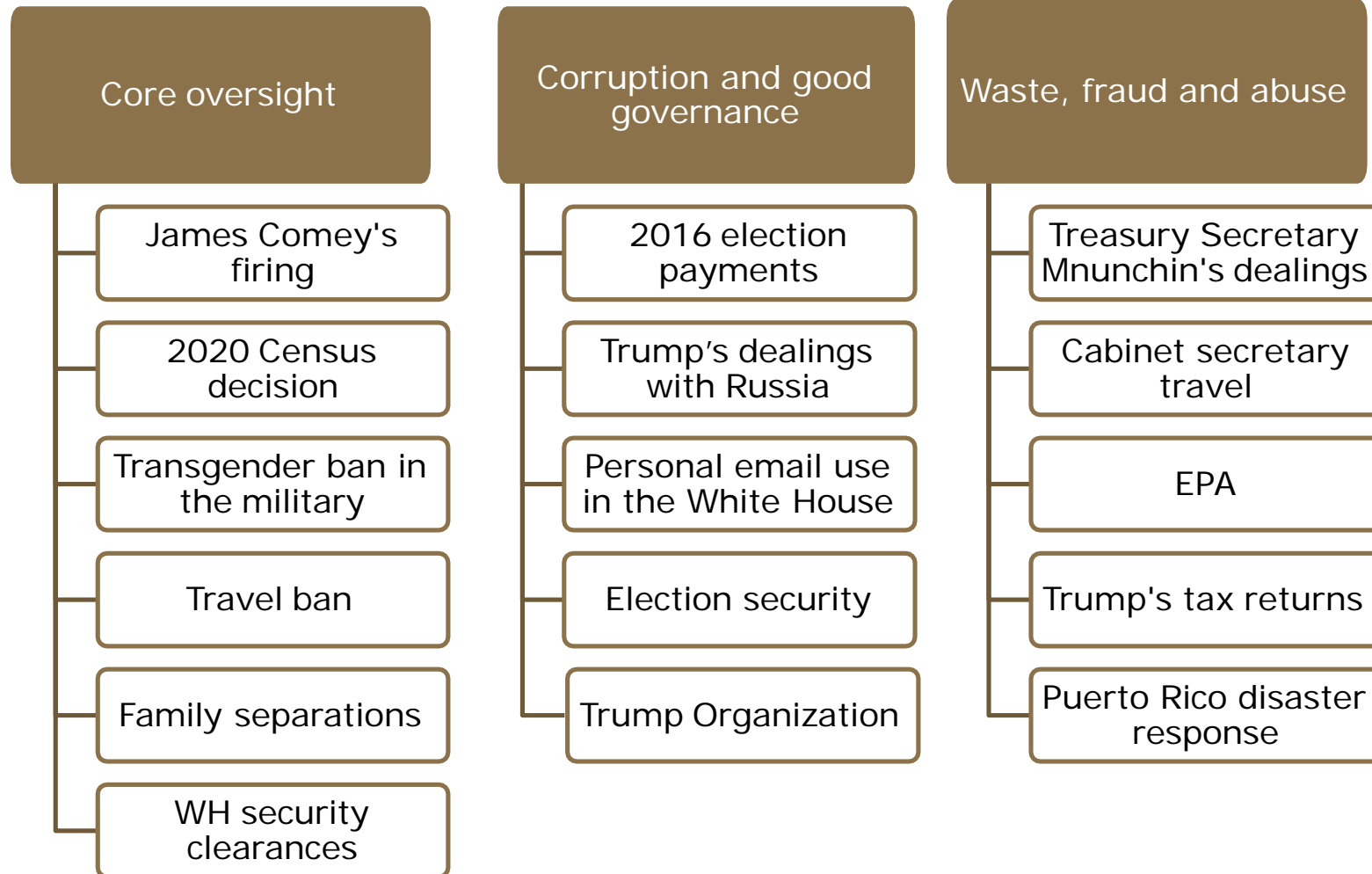
- House Democrats platform:
 - Checks and balances
 - Health care
 - End corruption
- Democrats campaign chair – “Don’t mention Trump”

HOUSE DEMOCRATIC MAJORITY?

If Democrats regain the majority:

- Pelosi – “targeted oversight”
 - Almost every Congressional Committee has an Oversight Subcommittee
 - Will place each federal agency and the White House under the microscope
 - Investigations have dramatic impact on daily workings of federal agencies, particularly when already understaffed

POTENTIAL INVESTIGATIONS BY DEMOCRATS



HOUSE DEMOCRATIC MAJORITY?

If Democrats regain the majority:

- **Top three overall legislative items:**
 - Health care – preexisting conditions
-- “Medicare for all”
 - Infrastructure
 - End corruption -- ethics, campaign finance, and lobby reform

HOUSE DEMOCRATIC MAJORITY?

If Democrats regain the majority –

- **Minority Whip Hoyer – top education and workforce related items**
 - **Apprenticeships** – bipartisan?
 - **Skills** – greater access to education and training
 - Expanding Pell
 - Dual enrollment programming
 - Stackable credentials
 - Pell for Prisoners

HOUSE DEMOCRATIC MAJORITY?

Higher Education reauthorization – “Aim Higher” Act –

Democrats response to the Republican led PROSPER Act

- Focus on affordability
- Greater investment in federal student aid
- Wraparound services for students to enhance on time graduation
- Accountability for institutions - completion and workforce participation rates.
- Cracks down on low performing for profits

WHAT DOES THIS MEAN FOR KEY CONGRESSIONAL COMMITTEES

House Ed and Workforce

Chair – Virginia Foxx (R-NC)

Ranking Member – Bobby Scott (D-VA)

House Labor-HHS Appropriations

Chair – Tom Cole (R-OK)

Ranking Member – Rosa DeLauro (D-CT)

———— 2018 ————

MIDTERM
ELECTIONS



CAPITOL HILL
PARTNERS

2018 ELECTIONS – TWO WEEKS AWAY

Midterms are difficult on the President's party

Since the Civil War, the president's party has lost:

- House seats in **92%** of midterms

Over the past 100 years the president's party has lost:

- **Senate** seats in **73%** of midterms
- **Governors** seats in **93%** of midterms
- **State legislative** seats in **90%** of midterms

2018 ELECTIONS – TWO WEEKS AWAY

Turnout for both parties is crucial

- Midterms - 40% less voters than in Presidential election years

Generic vote - Democrats have generic lead of 7.2%

Right track/Wrong track – minus 13%

Views of both parties underwater – minus 11%

2018 ELECTIONS – PRESIDENTIAL APPROVAL

LAST EIGHT MIDTERM ELECTIONS

- **When the President's approval rating was 56 percent or higher.**
 - Incumbent party **losses were minimal.**
- **When the President's approval rating stood at 46 percent or lower.**
 - **Seven-seat average net loss** in the Senate, and **40 seats in the House.**

MIDTERMS: PRESIDENT'S APPROVAL RATING MATTERS

Democrats need 23 seats to take control of the House

- **President Trump's approval rating is currently 43%** - similar to last two wave elections 2006 and 2010.
- **2010** – Obama 45% - lost 63 House seats and 2 Senate seats
- **2006** – G.W. Bush 39% - lost 31 House and 6 Senate

2018 ELECTIONS – PRESIDENTIAL APPROVAL – LARGEST DIVIDE BETWEEN PARTIES EVER

- 85% of Republicans
- 36% of independents
- 8% of Democrats.

2018 ELECTIONS – PRESIDENTIAL APPROVAL RATINGS – INTENSITY MATTERS

Gallup measured **intensity** of voters opinion of the President

- Those who approved, ratio of **strong to moderate** was **2-to-1**.
- Those who disapproved, ratio of **strong to moderate** was **3-to1**.

2018 ELECTIONS – “REAL SWING VOTERS” - WARNING SIGN FOR REPUBLICANS

Those who disapprove of both parties lean Democrat– (D+14)

- 18% of electorate
- Tilted to Trump in 2016
- **Today**, 68% disapprove of Trump
- 63% are enthusiastic about midterms v. 55% of all voters

OPEN QUESTION – WILL FIGHT TO CONFIRM JUSTICE KAVANAUGH CONTINUE TO ENERGIZE REPUBLICANS?

- Enthusiasm gap between parties has narrowed over confirmation vote
- Can Republicans continue this momentum?



HOUSE OF REPRESENTATIVES RACES

HOUSE OF REPRESENTATIVES

14 COMPETITIVE DEMOCRATIC SEATS

95 COMPETITIVE REPUBLICAN SEATS

Cook Political Report ratings

COMPETITIVE 2018 HOUSE RACES

Democrat held seat
Republican held seat

(8 Dem, 4 GOP) (2 Dem, 12 GOP)

AZ-1 O'Halleran
CA-7 Bera
CA-16 Costa
FL-7 Murphy
MN-7 Peterson
NH-1 Shea-Porter*
NJ-5 Gottheimer
PA-8 Cartwright
PA-17 Rothfus/Lamb
NJ-2 LoBiondo*
PA-5 VACANT-Meehan
PA-6 Costello*

**Likely
Democrat**

NV-3 Rosen*
NV-4 Kihuen*
AZ-2 McSally*
CA-49 Issa*
CO-6 Coffman
IA-1 Blum
IL-6 Roskam
KS-3 Yoder
MI-11 Trott*
MN-2 Lewis
MN-3 Paulsen
NJ-11 Frelinghuysen*
PA-7 VACANT-Dent
VA-10 Comstock

**Lean
Democrat**

(2 Dem, 29 GOP)

MN-1 Walz*
MN-8 Nolan*
CA-10 Denham
CA-25 Knight
CA-39 Royce*
CA-45 Walters
CA-48 Rohrabacher
FL-26 Curbelo
FL-27 Ros-Lehtinen*
IA-3 Young
IL-12 Bost
IL-14 Hultgren
KS-2 Jenkins*
KY-6 Barr
ME-2 Poliquin
MI-8 Bishop
NC-9 Pittenger*
NC-13 Budd
NJ-3 MacArthur
NJ-7 Lance
NM-2 Pearce*
NY-19 Faso
NY-22 Tenney
OH-1 Chabot
PA-1 Fitzpatrick
TX-7 Culberson
TX-32 Sessions
UT-4 Love
VA-2 Taylor
VA-7 Brat
WA-8 Reichert*

Toss Ups

(24 GOP) (1 Dem, 26 GOP)

AR-2 Hill
CA-50 Hunter
FL-15 Ross*
FL-16 Buchanan
GA-6 Handel
GA-7 Woodall
IL-13 Davis
MO-2 Wagner
MT-AL Gianforte
NC-2 Holding
NE-2 Bacon
NY-24 Katko
NY-27 Collins
OH-12 VACANT (Tiberi)
PA-10 Perry
PA-16 Kelly
SC-1 Sanford*
TX-23 Hurd
TX-31 Carter
VA-5 Garrett*
WA-3 Beutler
WA-5 McMorris Rodgers
WI-1 Ryan*
WV-3 Jenkins*

Lean Republican Likely Republican

PA-14 OPEN (Lamb)
AK-AL Young
AZ-6 Schweikert
CA-4 McClintock
CA-21 Valadao
CO-3 Tipton
FL-6 DeSantis*
FL-18 Mast
FL-25 Diaz-Balart
IA-04 King
IN-2 Walorski
MI-1 Bergman
MI-3 Amash
MI-6 Upton
MI-7 Walberg
NC-8 Hudson
NY-1 Zeldin
NY-2 King
NY-11 Donovan
NY-21 Stefanik
OH-10 Turner
OH-14 Joyce
TX-2 Poe*
TX-21 Smith*
TX-22 Olson
TX-24 Marchant
WI-6 Grothman

MIDTERMS: DEMOCRATIC TAKEOVER IN HOUSE?

50 Republicans are leaving the House, compared with 22 Democrats.

Many of the **key House races are fights in affluent suburbs**

****white college educated Republican women the key target audience of both parties

MIDTERMS: DEMOCRATIC TAKEOVER IN HOUSE – CONFLICTING TREND LINE

HOPE FOR DEMOCRATS

- Most retirements from a majority party since 1994
- Special elections
- Voter Intensity

HOPE FOR REPUBLICANS

- Incumbents run on average 7% ahead in competitive districts
- Kavanaugh hearings sparked base
- Economy
- Speaker Pelosi

HOUSE REPUBLICAN CAMPAIGN CHAIR'S MESSAGE TO REPUBLICAN MEMBERS

Strategy

- Motivate Trump voters to get out to vote
- Localize each race
- Peace and Prosperity – it's the economy stupid
- Raise campaign funds
- Win among married women's vote
- Tie among independents
- Compete in the suburbs

DEMOCRATS HOPE FUNDRAISING ADVANTAGE WILL PAY DIVIDENDS AT THE POLLS

In last three months:

- 92 House Republican incumbents outraised by Democratic opponent.
- 51 House Republicans were outraised at least 2-to-1
- 5 House Democrats were outraised by opponent.

Today:

- 33 GOP members have less cash on hand than opponents.
- No Democratic members have less cash on hand than opponents.
- **Last four elections** – 2/3 of incumbents with less cash on hand on October 1 lost their seats



SENATE RACES

MIDTERMS: DEMOCRATIC TAKEOVER IN SENATE?

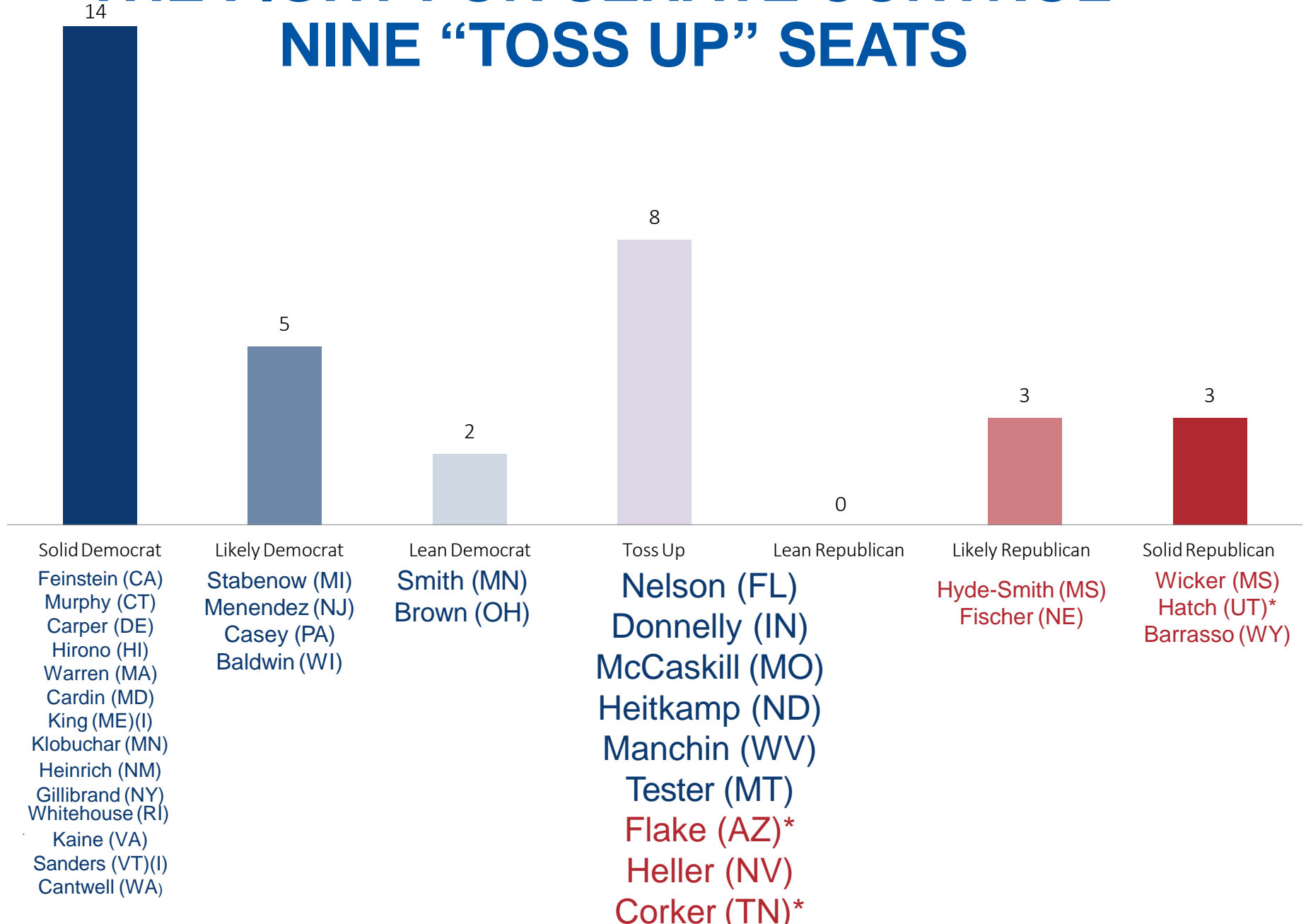
- Republicans hold current majority 51-49
- **26 Democrats** up for election, only **9 Republicans**
- Democrats goal in midterms – recapture majority, likely to be elusive

MIDTERMS: DEMOCRATIC TAKEOVER IN SENATE?

Democrats defending seats in the Trumpiest states

- 10 of these states won by the President
- 5 of these states were won by the President by at least 19%
- 6 of 9 Republican seats are considered safe

THE FIGHT FOR SENATE CONTROL – NINE “TOSS UP” SEATS



TOSS UPS – HOW LEANING AT THE MOMENT?

(Status by incumbent party)

Potential Republican pickups

North Dakota -8.7%

Missouri -0.4% - trending R

Holding Democratic

West Virginia +9

Indiana +2.5

Montana +3

Florida +2.4%

Holding Republican

Arizona +0.3% – trending R

Nevada +1.7% - trending R

Tennessee +5.5%

Texas +7%

2020 ELECTION: BATTLEFIELD SHIFTS - REPUBLICANS DEFENDING MORE SENATE SEATS

2020

- 12 Democratic seats
- 21 Republican seats

2022

- 12 Democratic seats
- 22 Republican seats

*However, only two Republican incumbents currently vulnerable



OUTLOOK FOR THE MIDTERM ELECTIONS

What to expect

- Razor thin margins next Congress
- **If the election was held today**
 - Democrats could gain 25-35 seats and control of the House
 - Senate landscape favors Republican pickup of 1-3 seats
 - Democrats must hold all incumbent seats **and** win two of Republican toss up seats to regain majority – unlikely without bigger wave.



OUTLOOK FOR THE MIDTERM ELECTIONS

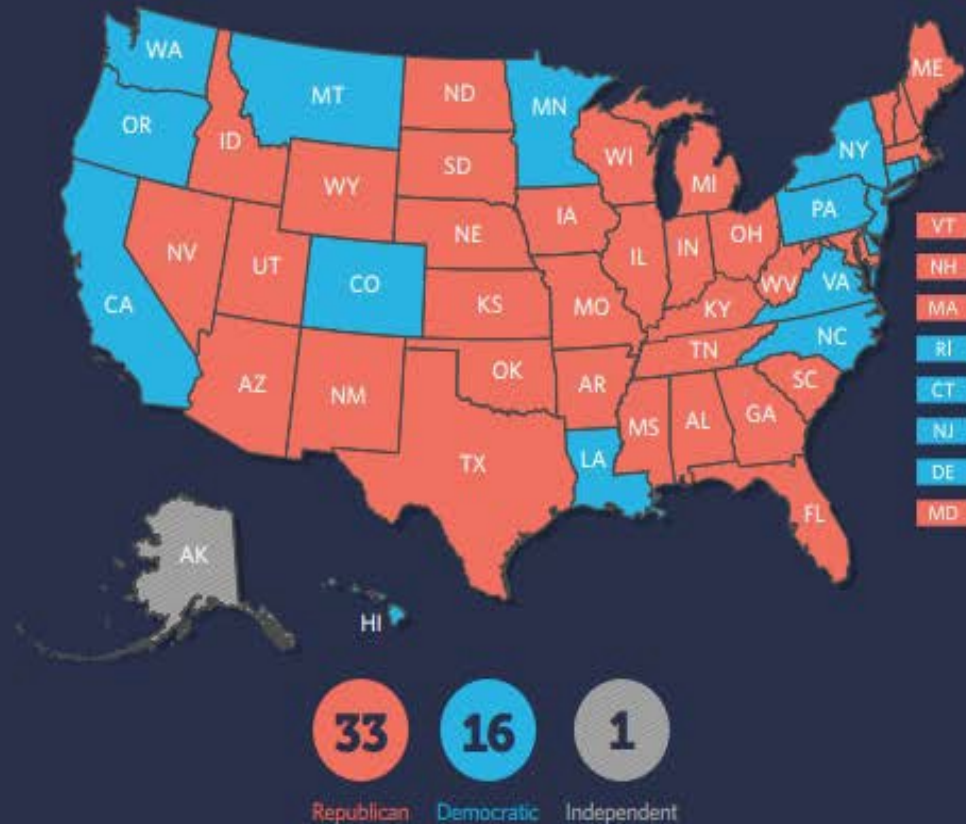
Likely scenario

- Democrats gain seats in the House
- Republicans gain seats in the Senate
- If this occurs -- first midterm in 36 years in which the two chambers of Congress moved in different directions.

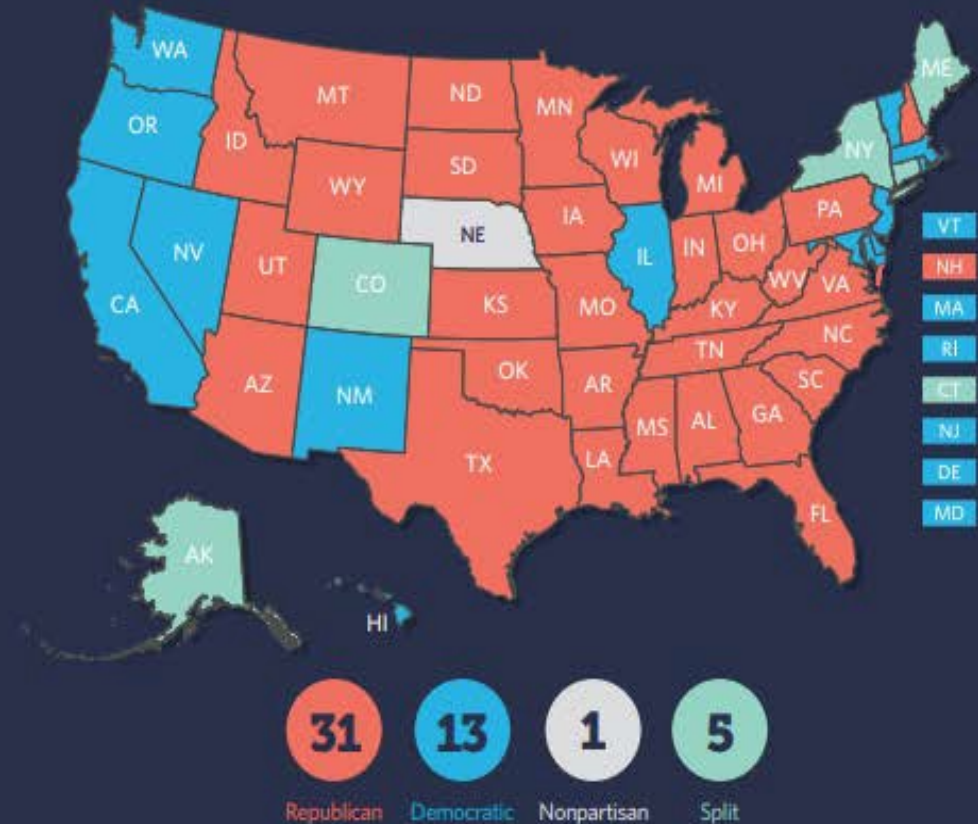
STATE RACES – A LOT ON THE LINE

2018 Balance of Power

Governors



Legislatures



STATE RACES – A LOT ON THE LINE

Governors races this year

- **36** states hold their gubernatorial elections
- **26** Republican seats
- **10** Democratic seats (nine Democrats plus one independent)

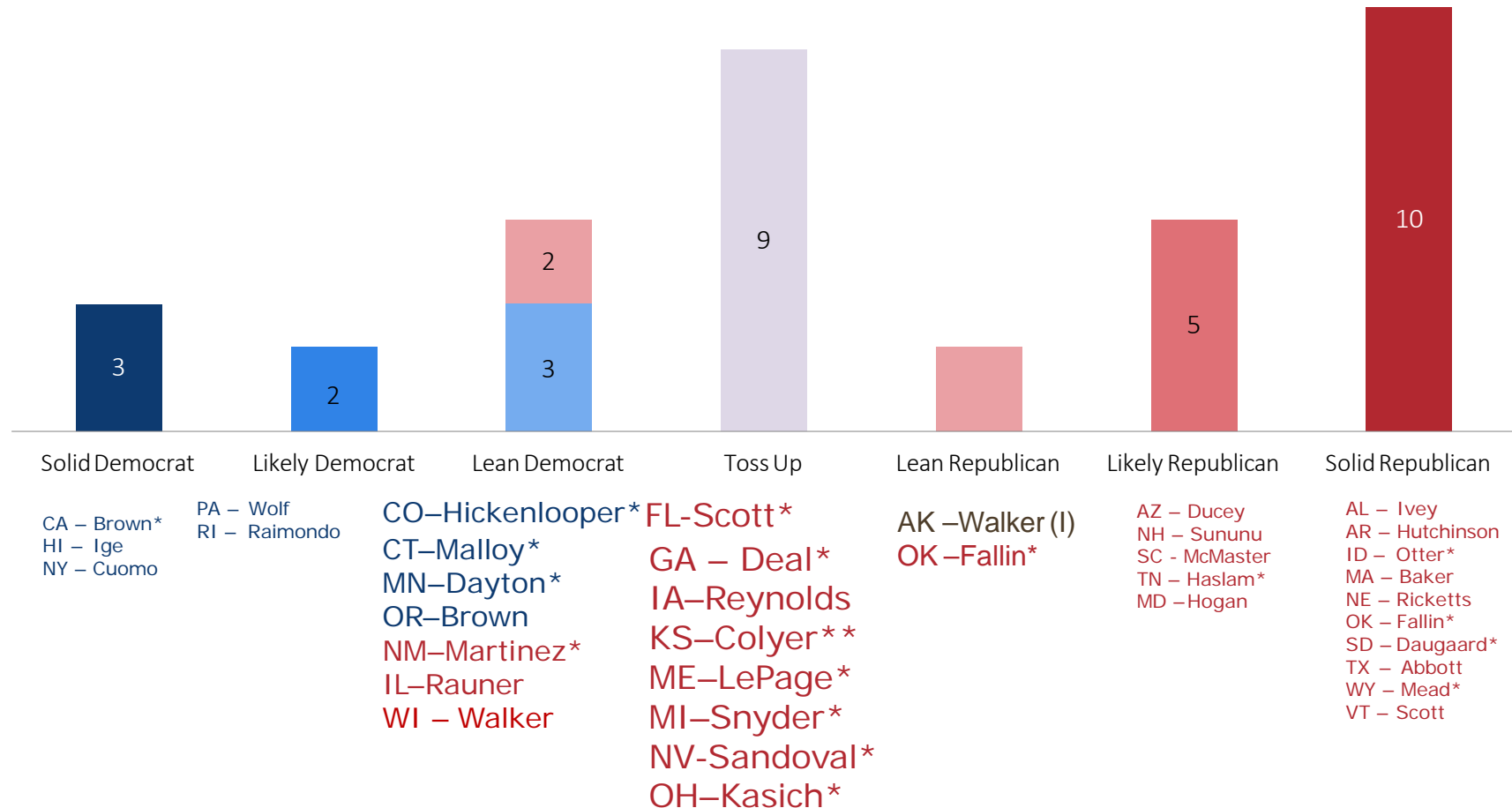
- **13 open** governorships for **GOP**,
- **4 open** governorships for **Democrats**
- **12** Republican seats competitive, **4** for Democrats

STATE RACES – A LOT ON THE LINE

State legislatures

- 82% of state legislative races on the ballot.
- 26 states GOP control of both chambers.
- 8 states Democrats control both chambers.
- 16 legislatures are divided.

REPUBLICANS GOVERNORS PLAYING DEFENSE – UP TO 16 SEATS COULD FLIP – 12 HELD BY R'S



TOSS UPS – HOW LEANING AT THE MOMENT?

(Status by incumbent party)

FL -3.7%

GA +2

IA -3.5%

KS +1%

ME tie

MI -9.2%

NV +0.6%

OH -2.7%

WI -3.6%

*Most vulnerable area for Republican governors is the Midwest - risk of clean sweep



OUTLOOK FOR STATE MIDTERM ELECTIONS

Challenges for Republicans

- Republicans are defending eight seats won by Clinton
- Democrats are defending only one state won by President Trump
- Republicans fighting historical trends
- **This year's races are key to the future**
 - Outcome of the 2018 state elections will determine future redistricting efforts.

QUESTIONS?

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