



2022 MIDTERMS – A RED WAVE OR A BLUE WALL?

WHAT MIGHT IT MEAN?

GERRI FIALA

CAPITOL HILL PARTNERS

KEY AREAS OF DISCUSSION



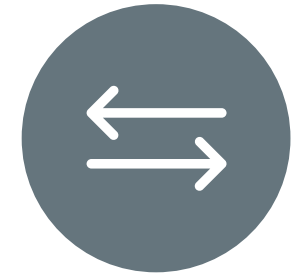
FY 23 FUNDING



WORKFORCE/
ADULT ED
RELATED
LEGISLATION



MIDTERM
ELECTIONS –
IMPACT ON
WORKFORCE
PROGRAMMING



WHAT TO EXPECT
MOVING FORWARD



WHERE ARE WE NOW?

- Continuing Resolution enacted to fund the government through Dec. 16
- Congress focused on November 8 midterm elections, scheduled to return November 14
- Small number of Senators working behind the scenes to ready amendments (and a few authorizations) to the \$700B+ National Defense Authorization Act to begin debate November 14.



LATE SUMMER LEGISLATIVE RUSH

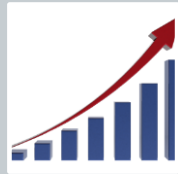
Passage and Opportunities:

- 1) CHIPS&Science Act-\$280B China competitiveness bill
 - \$54.2B (mandatory) for semiconductor mfg. Commerce R&D, & workforce development
 - \$10B (authorized) for regional tech & innovation hubs) and \$1B to pilot economic development in distressed communities
 - Other funds to NSF, Energy, more...
- 2) Inflation Reduction Act -\$700B climate/health/energy
 - Creates jobs in clean energy manufacturing
 - Includes bonus tax credits for business paying prevailing wages and hiring Registered Apprentices
- 3) Veterans' health care - \$280 billion to expand benefits to Veterans exposed to burn pits and other toxic substances
 - No workforce or education direct funding

A photograph of the U.S. Capitol dome at night, illuminated with warm yellow lights. The dome's intricate architectural details, including the columns and the top lantern, are clearly visible against a deep blue twilight sky. The lower part of the building shows a series of columns and lit windows. In the foreground, dark silhouettes of trees and a glowing street lamp are visible on the right side.

FY 23 APPROPRIATIONS

**FY 23 ADMINISTRATION
BUDGET REQUEST –
PROPOSES SIGNIFICANT
INCREASES FOR
DOMESTIC PROGRAMS**



9% overall increase proposed for domestic programs

5% increase for defense programming



10.2% increase for the Department of Education

5.7% increase for DOL's Employment and Training Administration programs

FY 23 EDUCATION BUDGET REQUEST

Themes

- 1) Support Students through Covid-19 Recovery
- 2) Address Opportunity & Achievement Gaps
- 3) Support Talented & Diverse Education Workforce
- 4) Make Higher Education More Inclusive & Affordable, e.g.,
 - Increases maximum Pell Grant to \$7,395 for 2023-2024 through combination of mandatory & discretionary funding
 - \$95M for childcare access for parenting students in school
 - Increased financial support to Minority Serving Institutions to enhance institutional capacity at HBCUs, TCCUs, MSIs, other

FY 23 EDUCATION BUDGET REQUEST

Themes

- 5) Build Pathways through Higher Education Leading to Successful Careers
- \$1.35B for CTE State Grants and \$208 M Career Connected High Schools initiative within Career & Technical Ed National Programs to align last two years of high school and first to of higher ed
 - \$700 M for Adult Ed State Grants and \$38.7M for National Leadership Activities to scale up College Bridge programs for low-skilled adults without high school diplomas or equivalency.
 - Significant increases in TRIO & GEAR UP to expand services that promote access and completion in higher ed for the underserved.

A photograph of the U.S. Capitol dome at night, illuminated with warm yellow lights against a deep blue sky. The dome's intricate architectural details, including the columns and the top lantern, are clearly visible. The lower part of the building and some trees are also visible in the foreground, with a street lamp on the right side.

FY 23 HOUSE LABOR-HHS APPROPRIATIONS

FY 23 HOUSE LABOR-HHS APPROPRIATIONS BILL



House passed Labor-HHS bill this summer—
13% overall increase above FY 22

FY 23 HOUSE LABOR/HHS APPROPRIATIONS

KEY EDUCATION HIGHLIGHTS

- **Career and Technical Education** -- \$2.2B, plus \$124M above FY 2022 enacted level
- **Adult Education** -- \$733 M, plus \$29 M above FY 2022
- **WIOA Title I** - +\$256 million over FY 2022
- **Student Financial Aid**
 - \$7,395 for maximum Pell, an increase of \$500 above FY 2022 enacted

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FY 23 SENATE LABOR-HHS APPROPRIATIONS

FY 23 SENATE LABOR-HHS APPROPRIATIONS

Democrats only bill – 10% overall increase

6.5% increase for the Department of Labor
9% increase for the Department of Education

No Committee or floor consideration expected

FY 23 SENATE LABOR/HHS APPROPRIATIONS

KEY EDUCATION HIGHLIGHTS

- **Career and Technical Education** -- \$2.246 B, plus \$155 M above FY 2022 enacted level
- **Adult Education** -- \$739 M, plus \$35 M above FY 2022
- **WIOA Title I** - +\$80 million over FY 2022
- **Student Financial Aid**
 - \$7,395 for maximum Pell, an increase of \$500 above FY 2022 enacted

STALEMATE ON OVERALL FY 23 APPROPRIATIONS

Lack of agreement
on overall “topline”
funding

Republicans seeking
parity between
domestic and
defense funding
increases

Dems want to
eliminate policy
riders preventing
federal funding for
abortions

Continuing
Resolution likely
through December
16th

FY 23 APPROPRIATIONS OUTLOOK

Bottom line – appropriations work delayed until after the midterm elections

If no progress --- CR into next year – though leaders in both parties would like to avoid this scenario

If FY 23 funding enacted - modest increases for workforce and education related funding

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WIOA REAUTHORIZATION

WIOA REAUTHORIZATION

Passed House earlier this year – Democrats only bill

- Tweaking, not an overhaul
- Senate has not taken up the House bill
- Core components - Increased focus on:
 - equity
 - career pathways,
 - preparing workers for high demand sectors
 - supportive services,
 - training,
 - evidenced based programming,



WIOA REAUTHORIZATION – REPUBLICAN SUBSTITUTE BILL

- Provides insights into key components of a Republican led bill next Congress:

Key priorities:

- “Flexibility and innovation”
- Enhances Governors’ authority to craft local workforce regions
- 70% minimum of local funds for training
- Stronger employer engagement
- Accelerates the Eligible Training Provider process
- Creates employer directed skills accounts in lieu of ITA’s





THE BIDEN ADMINISTRATION



ONGOING WORKFORCE EFFORTS WITHIN THE ADMINISTRATION

- Recently passed Infrastructure, CHIPS, and IRA bills do not contain substantial workforce related funds
- However, each has significant workforce skills needs
- Administration attempting to coordinate skills efforts without additional federal funding

CHIPS FUNDING REQUIRES WORKFORCE INVESTMENTS



- Department of Commerce will release FOA's totaling \$28 billion in February for companies seeking to build and maintain semiconductor facilities
- All proposals must have a substantial workforce development commitments, including programming for training and job placement of economically disadvantaged individuals
- Great opportunity to work with business community to expand workforce development

ONGOING WORKFORCE AND EDUCATION EFFORTS WITHIN THE ADMINISTRATION

- Likely to focus on Executive Orders and Regulatory Activity to pursue policy agenda
- Reginfo.gov is the website for viewing regulatory actions (the agenda by federal agency which lists the stages of various rulemaking, reviews including Information Collection review), including
 - WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability & One-Stop System Join Provisions (results of testing for 6th performance indicator to measure effectiveness in serving employers)
 - Published September 14; comments due by November 14, 2022

A photograph of the United States Capitol building at night. The large, white dome is illuminated from within, showing its intricate architectural details. The sky is a deep blue. In the foreground, there are dark silhouettes of trees and a street lamp with a glowing light. The text "IF REPUBLICANS REGAIN THE CONGRESSIONAL MAJORITY – WHAT TO EXPECT FOR EDUCATION AND WORKFORCE ISSUES" is overlaid in white, bold, sans-serif font across the middle of the image.

IF REPUBLICANS REGAIN THE CONGRESSIONAL MAJORITY – WHAT TO EXPECT FOR EDUCATION AND WORKFORCE ISSUES

IF REPUBLICANS REGAIN THE MAJORITY – EXPECTATIONS FOR EDUCATION AND WORKFORCE PROGRAMMING

- Dr. Virginia Foxx (R-NC) – likely Chair of Education and Labor Committee – needs a waiver from Republican Conference
- Wants to move WIOA and HEA reauthorization bills early next year
- Recently introduced REAL Reforms Act to reform the federal student loan system & add Short-term Pell
- Key priority – crafting bill with consensus support within House Republican Conference



EXPECTATIONS IF REPUBLICANS REGAIN THE MAJORITY

Education and Labor Committee - oversight will be a core focus:

"I've joked with my colleagues that we will probably be holding two oversight hearings a day, because we're going to be so busy with oversight," Dr. Foxx on the House floor

- Oversight agenda likely to include:
 - Administration's loan forgiveness plan
 - ED rulemaking
 - DOL rulemaking
 - Secretary Walsh's travel

Politico Pro 8/20/22



IF REPUBLICANS REGAIN THE MAJORITY – EXPECTATIONS FOR WORKFORCE PROGRAMMING

Key overall themes:

- Emphasis on alignment and coordination of social service programming ex. WIOA and TANF
- Blocking Administration's regulatory efforts
- Greater focus on training and employer engagement



EXPECTATIONS IF REPUBLICANS GAIN SENATE MAJORITY

- Bipartisanship still a necessity – 60 votes needed to pass legislation on Senate floor
- Narrow Committee majorities
- HEA reauthorization – will require bipartisan proposal – unable to produce bipartisan bill in recent Congresses



2022 MIDTERM ELECTION



A photograph of the United States Capitol building at night. The building is illuminated with warm yellow lights, contrasting with the deep blue twilight sky. The central dome is the focal point, with its intricate architectural details clearly visible. The text "MACRO POLITICAL TRENDS" is superimposed in white, bold, sans-serif capital letters across the middle of the image, centered over the dome.

MACRO POLITICAL TRENDS



PRESIDENT'S PARTY LOSES SEATS IN MIDTERMS

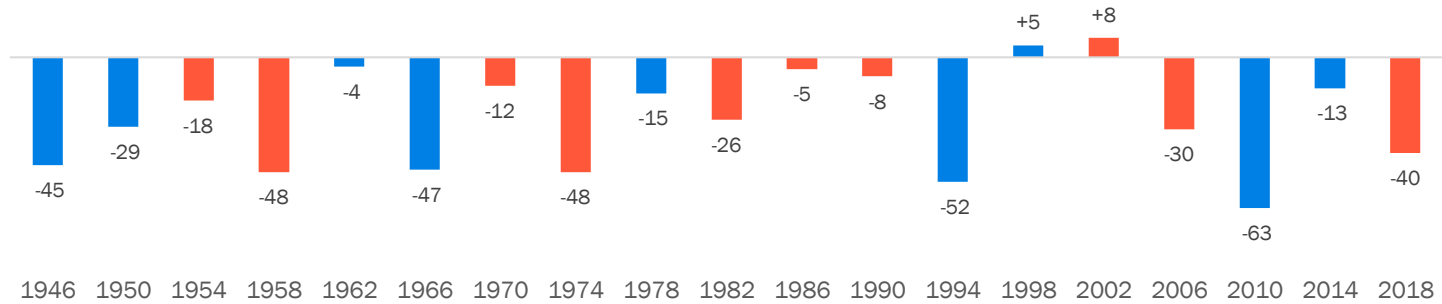
- House – President's party has lost seats in 36 of 39 midterms since the Civil War.
- Senate – President's party has lost seats in 19 of 26 midterms since popular vote elections began for Senators

HISTORIC TREND - PRESIDENT'S PARTY LOSES SEATS IN MIDTERMS

President's party gain/loss of seats in House

MIDTERM ELECTIONS, 1946-2018

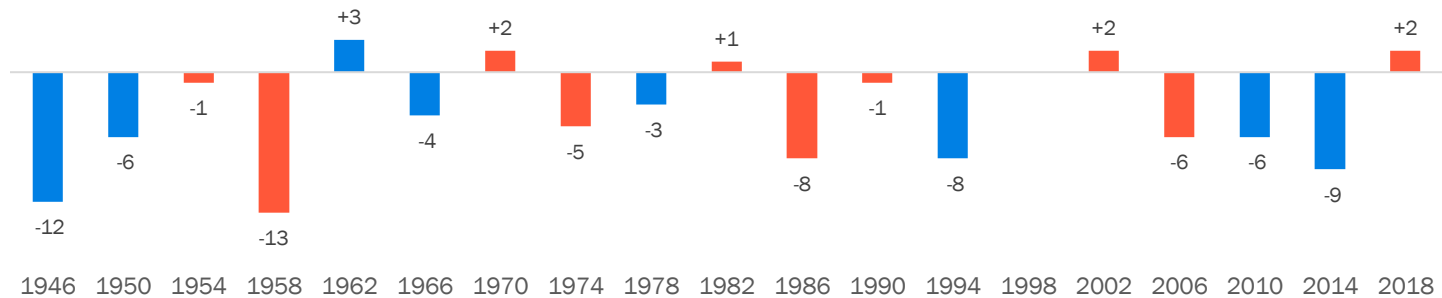
■ Democrats ■ Republicans



President's party gain/loss of seats in Senate

MIDTERM ELECTIONS, 1946-2018

■ Democrats ■ Republicans



LAST FOUR PRESIDENTS HAVE LOST SENATE AND HOUSE MAJORITIES; ALMOST ALL IN MIDTERM ELECTIONS



**President
Bill Clinton (D)**

Republican gains in the
1994 midterms:

52 seats in the House
8 seats in the Senate



**President
George W. Bush (R)**

Democratic gains in the
2006 midterms:

30 seats in the House
6 seats in the Senate



**President
Barack Obama (D)**

Republican gains in the
2010 midterms:

63 seats in the House
6 seats in the Senate

Republican gains in the
2014 midterms:

13 seats in the House
9 seats in the Senate



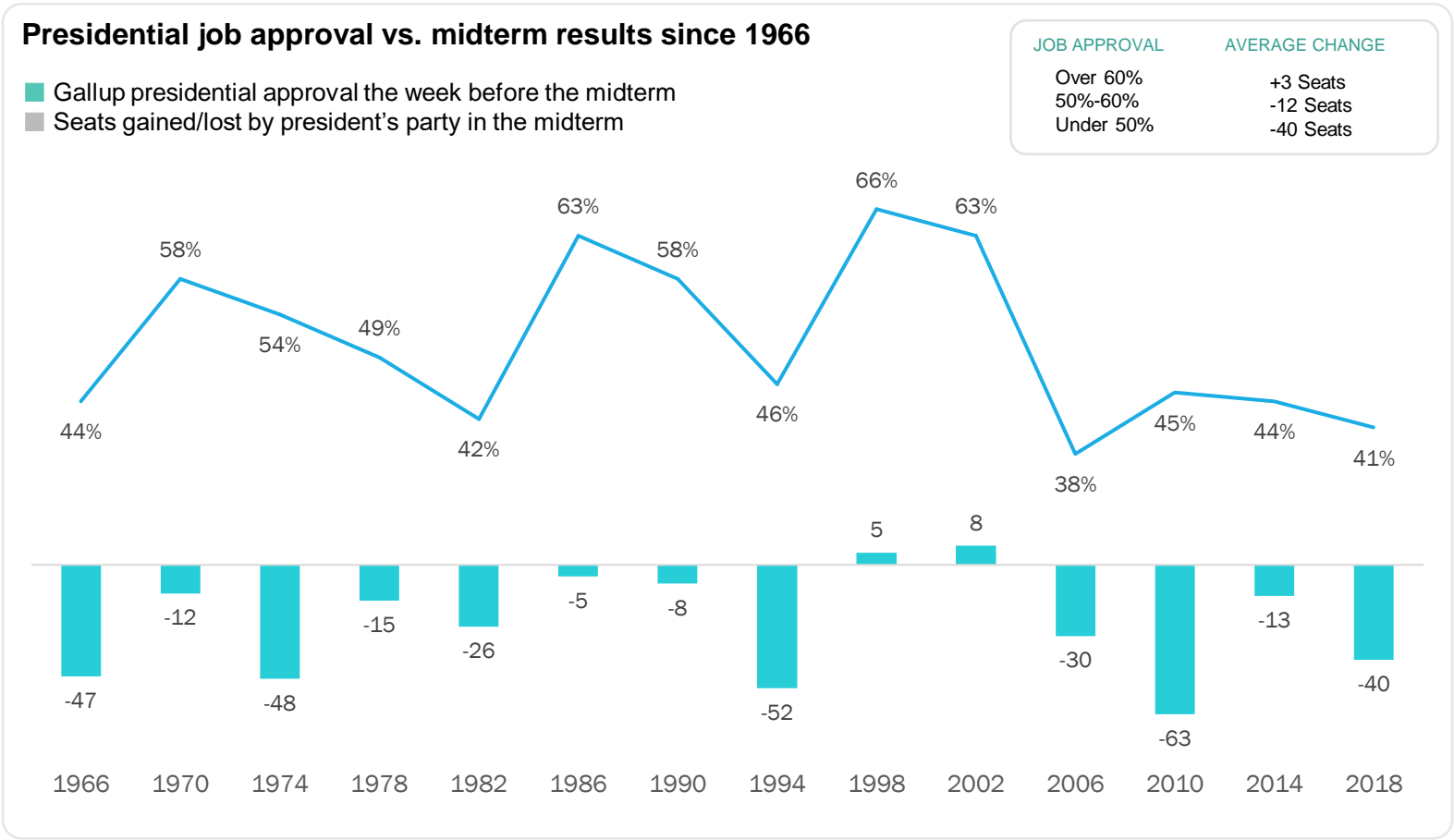
**President
Donald Trump (R)**

Democratic gains in the
2018 midterms:

40 seats in the House
-2 seats in the Senate

Note: Trump's Senate
loss in 2016 was the only
loss of a chamber in the
past four presidencies to
not occur during a
midterm.

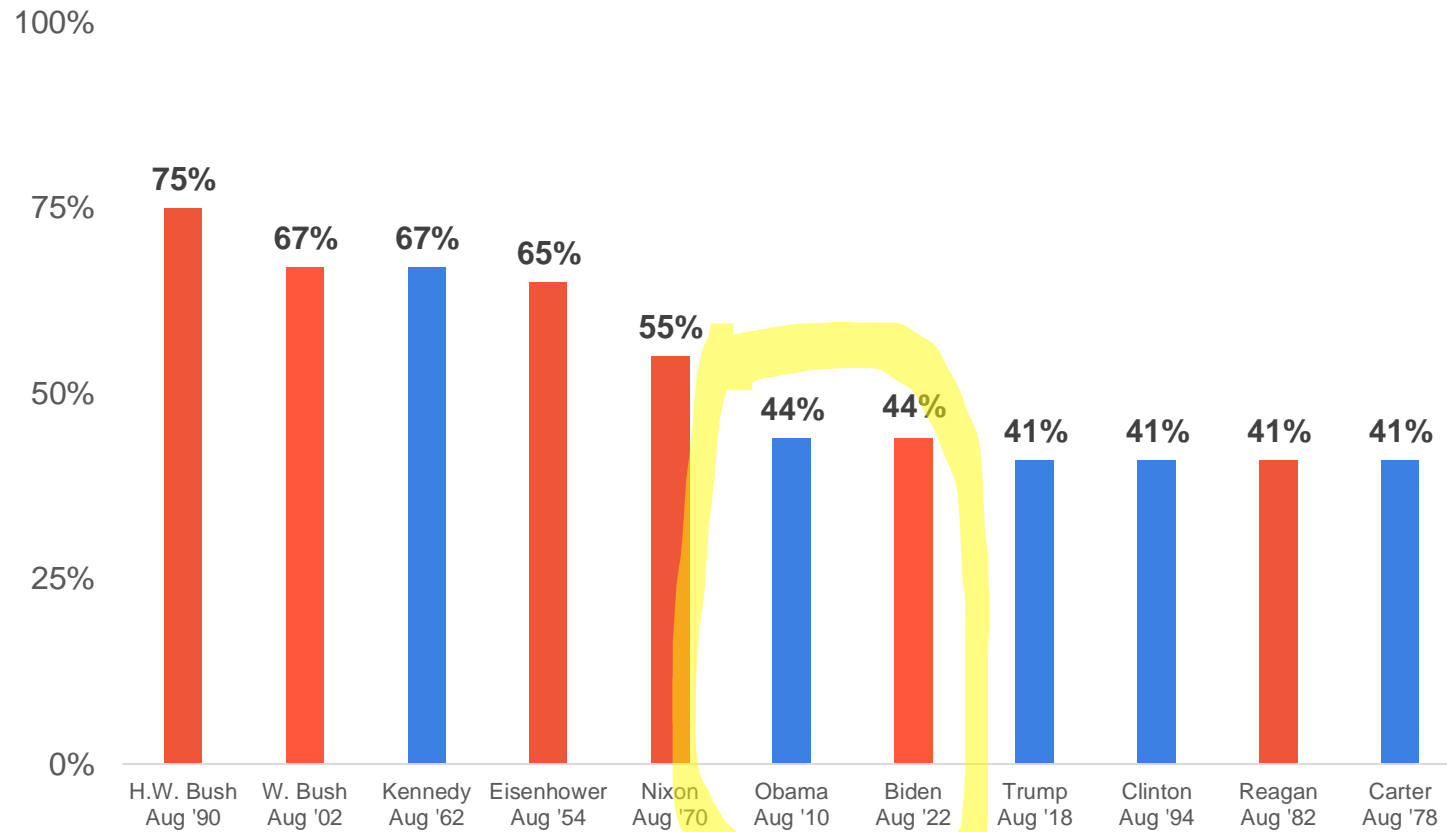
PRESIDENTS WITH A SUB-50% APPROVAL RATING LOSE AN AVERAGE OF 36 SEATS IN THE MIDTERMS



BIDEN 44% APPROVAL SAME AS FORMER PRESIDENT OBAMA AT THIS POINT IN THEIR TERM

Comparative presidential approval ratings

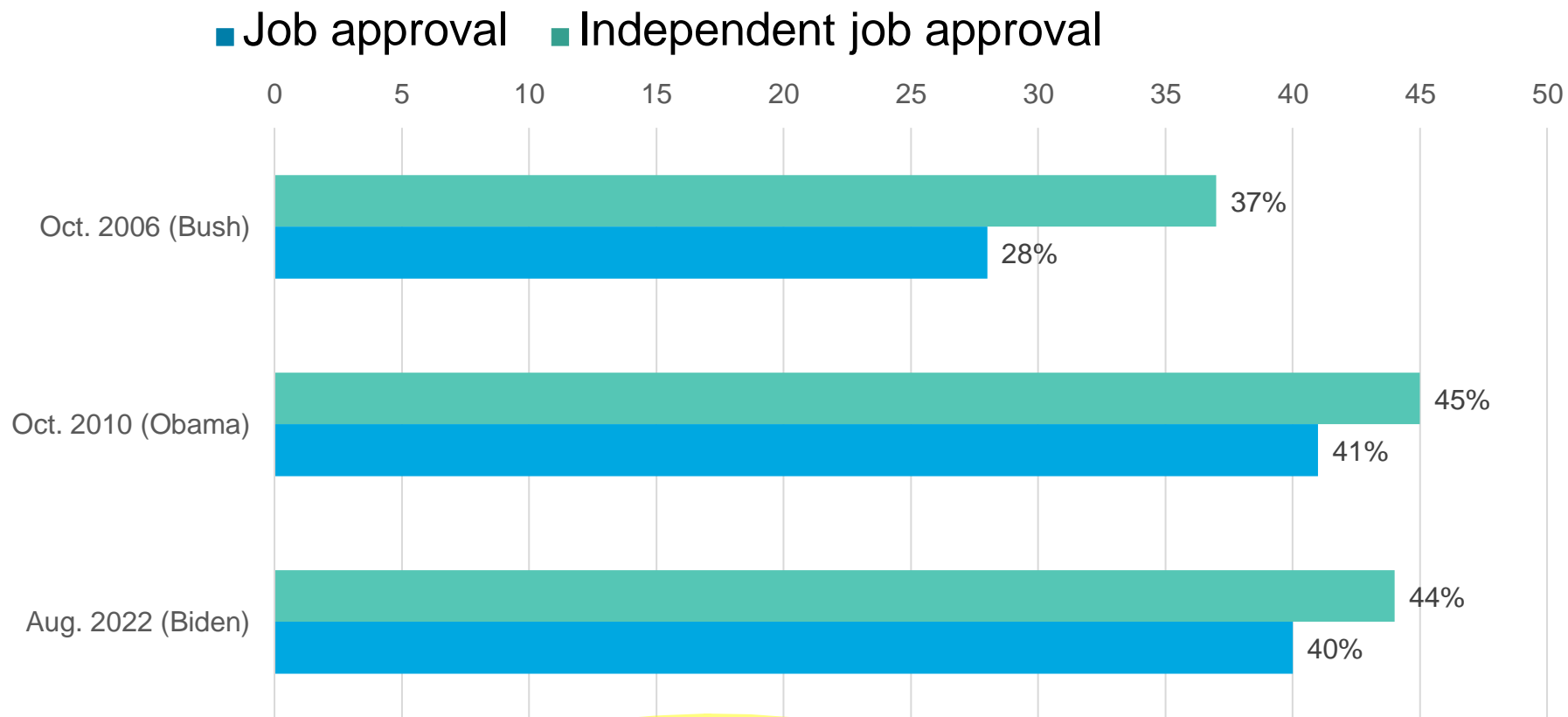
GALLUP, IN AUGUST OF EACH PRESIDENT'S SECOND YEAR



SOURCE Gallup

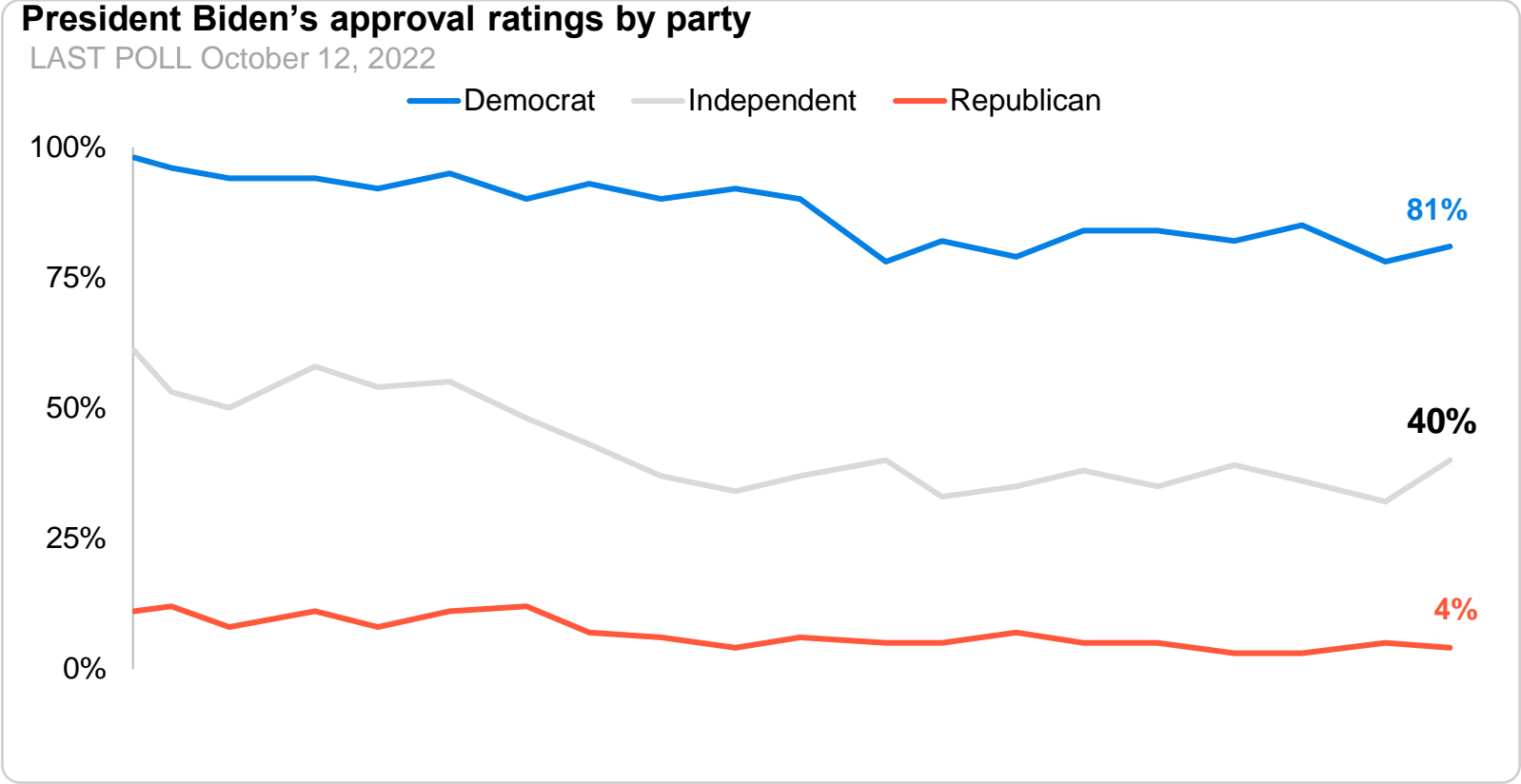
PRESENTATION CENTER 9/09/22

BIDEN'S APPROVAL RATINGS SIMILAR TO LAST TWO MIDTERM WAVE ELECTIONS



**House Republicans lost 30 seats in 2006,
House Democrats lost 63 seats in 2010**

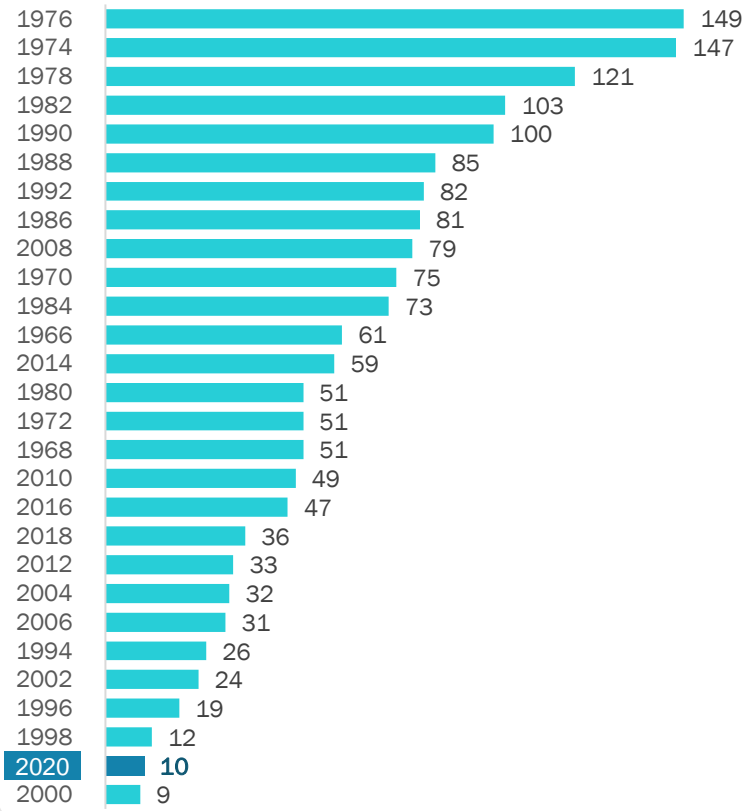
ONLY 40% OF INDEPENDENTS APPROVE OF BIDEN'S JOB PERFORMANCE - BUT +8% SINCE JULY



HISTORICALLY SLIM MAJORITIES IN BOTH CHAMBERS OF CONGRESS

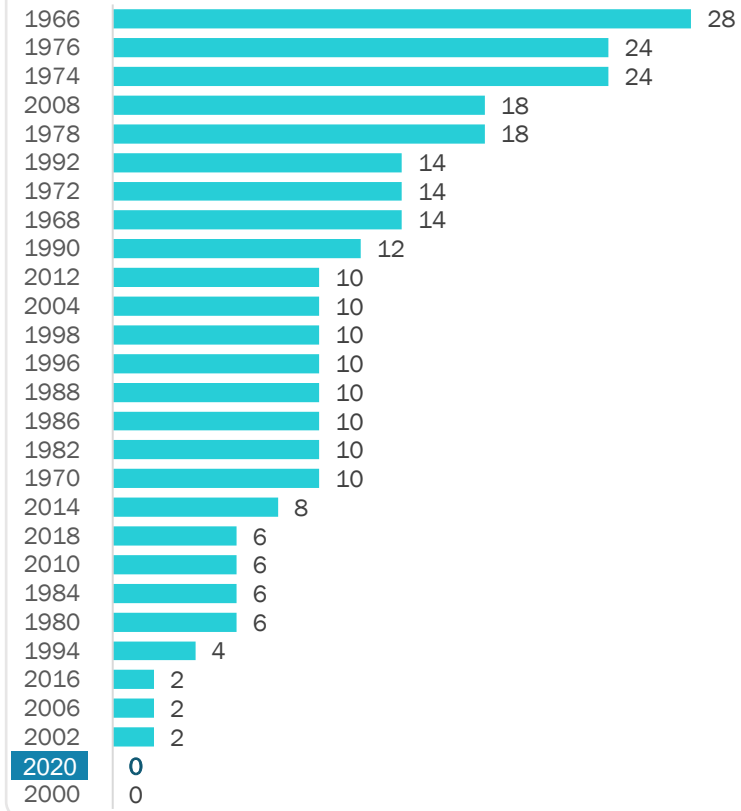
Size of the House majority over time

90TH-117TH CONGRESS



Size of the Senate majority over time

90TH-117TH CONGRESS



Figures represent the size of the House and Senate majorities at the start of each Congress.

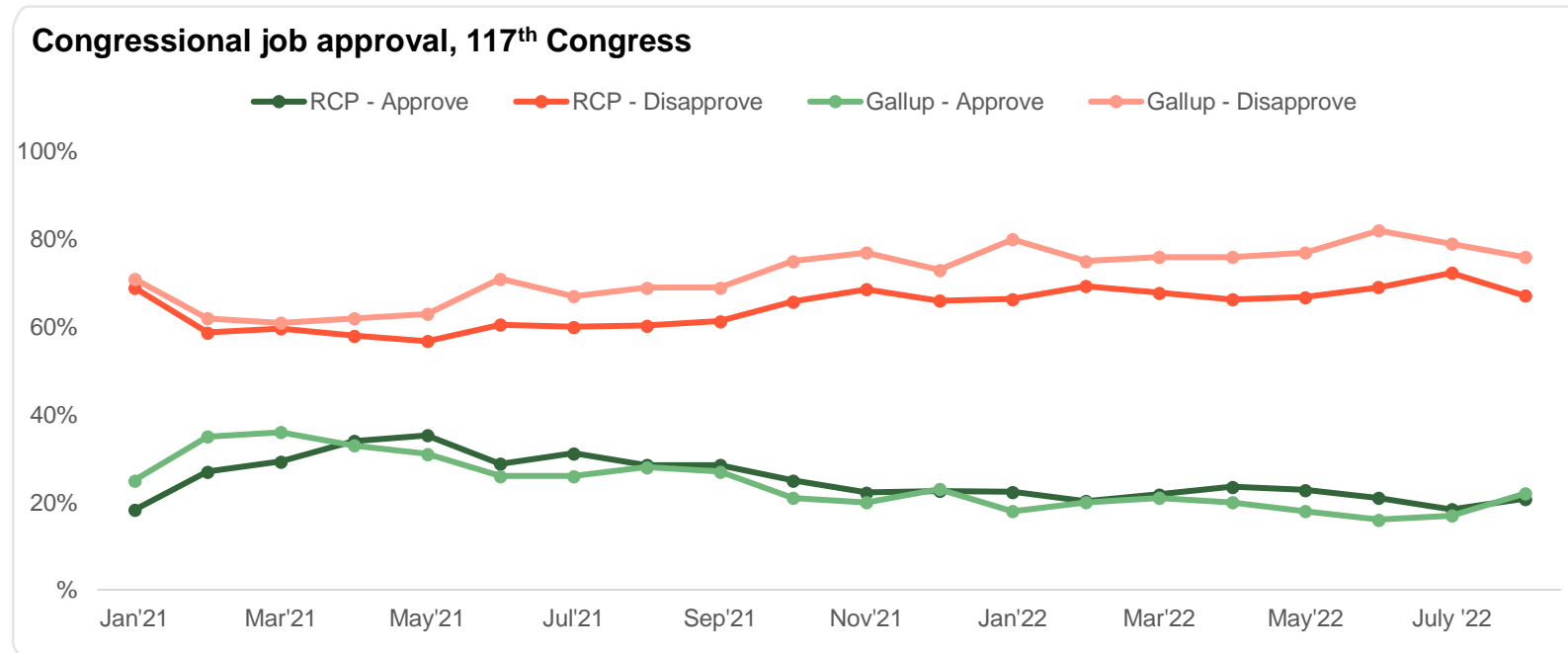
SOURCE Senate.gov, History.House.gov.

SLIDE LAST UPDATED ON 7/15/21

THE 117TH CONGRESS HAS BEEN EFFECTIVE WHEN BIPARTISAN

- On a bipartisan basis:
 - Infrastructure;
 - CHIPS
 - gun safety;
 - Veterans' health care;
 - Violence Against Women Act;
 - Postal Service overhaul;
 - Ukraine's war effort;

CONSISTENTLY LOW APPROVAL RATINGS FOR CONGRESS



24% **68%**

RealClearPolitics
average September 30th

23% **75%**

Gallup
Last poll: September 1-16

DEEP DIVIDE ON WHETHER VOTERS WOULD PREFER A **DEMOCRATIC** OR **GOP** CONTROLLED CONGRESS

Generic Ballot Preference: Would you want to see the Republican Party or the Democratic Party win control of the US House of Representatives?

45%

46%

Real Clear Politics
October 13, 2022

48%

45%

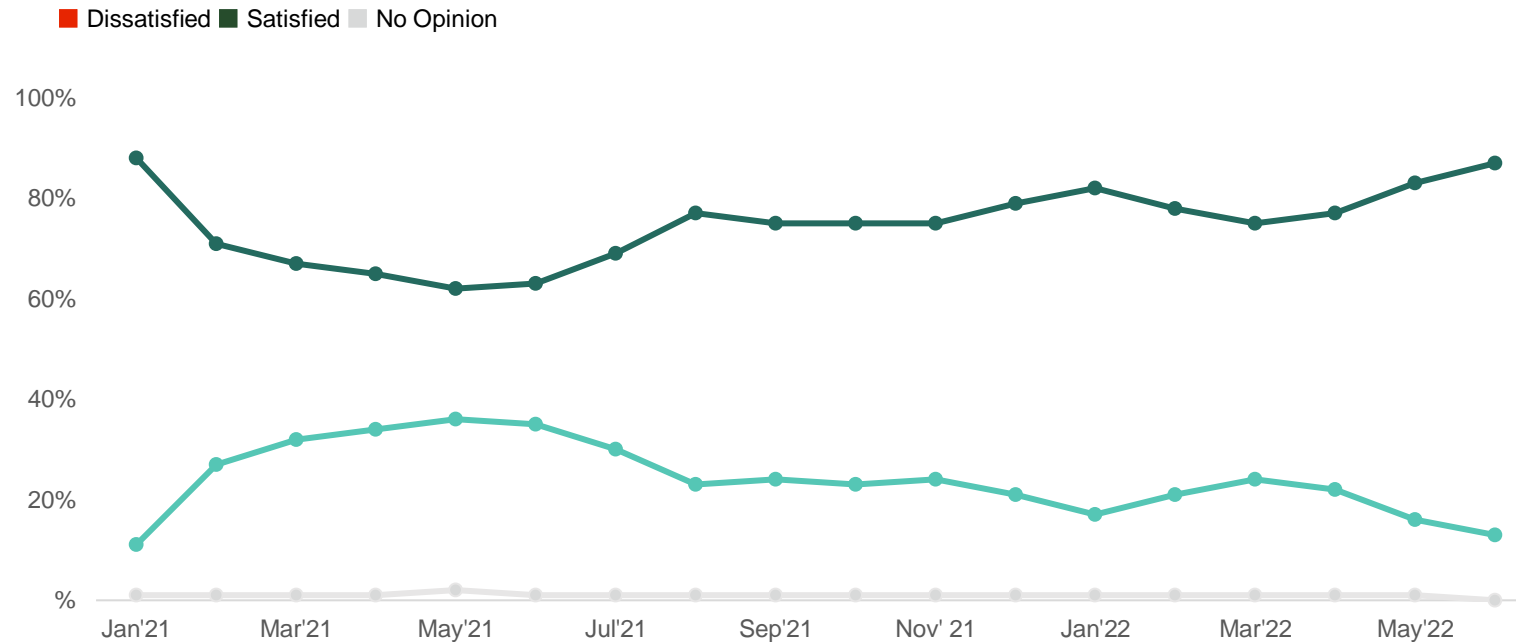
Morning Consult
Last poll: October 11, 2022

45%

44%

FiveThirtyEight generic ballot
October 13, 2022

OMINOUS SIGN FOR INCUMBENTS – 79% OF VOTERS ARE DISSATISFIED WITH COUNTRY’S DIRECTION



SOURCE Gallup 10-11-22

ON CAMPAIGN TRAIL – PARTIES FOCUSING ON DIFFERENT ISSUES

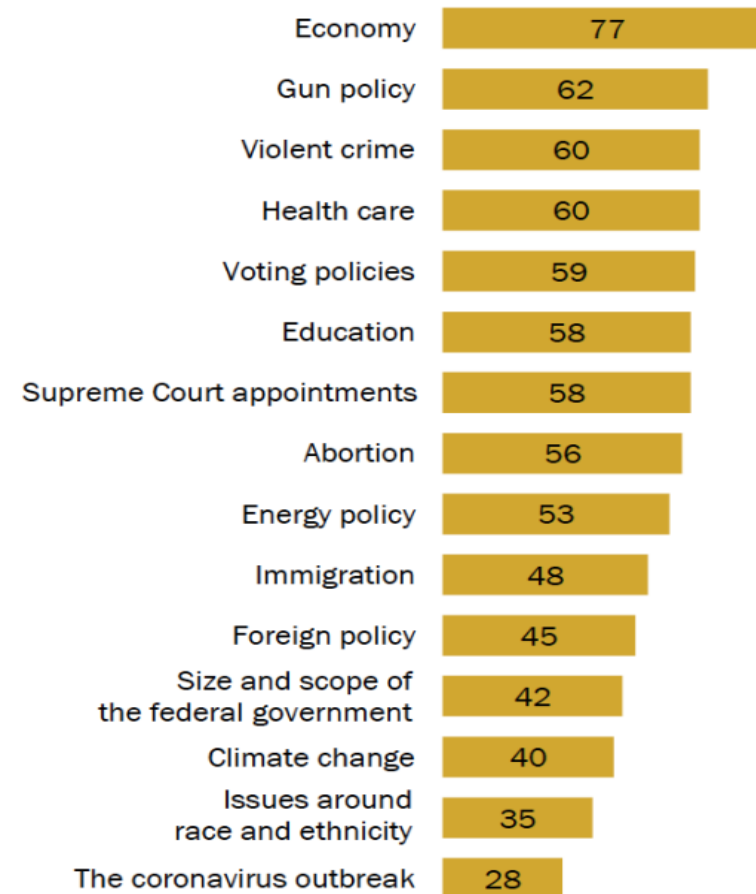
- Republicans have significant advantages on:
 - inflation
 - economy
 - crime
 - border security
- Democrats enjoy significant advantages on:
 - abortion
 - climate change
 - gun control
 - health care

***** It remains to be seen which set of issues will be most appealing to voters**

ECONOMY IS STILL THE TOP ISSUE FOR MIDTERM VOTERS

The economy viewed as top voting issue in midterm elections

*% of registered voters saying each is **very important** to their vote in the 2022 congressional election*



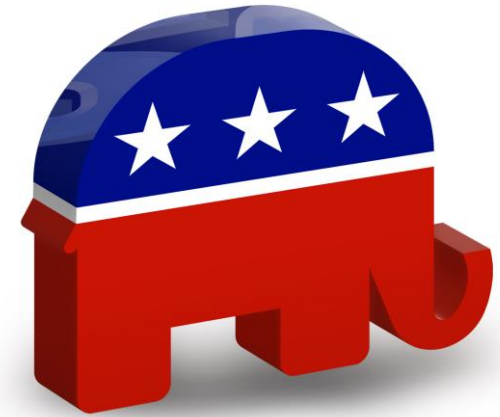
Note: Based on registered voters.

Source: Survey of U.S. adults conducted Aug. 1-14, 2022.

PEW RESEARCH CENTER

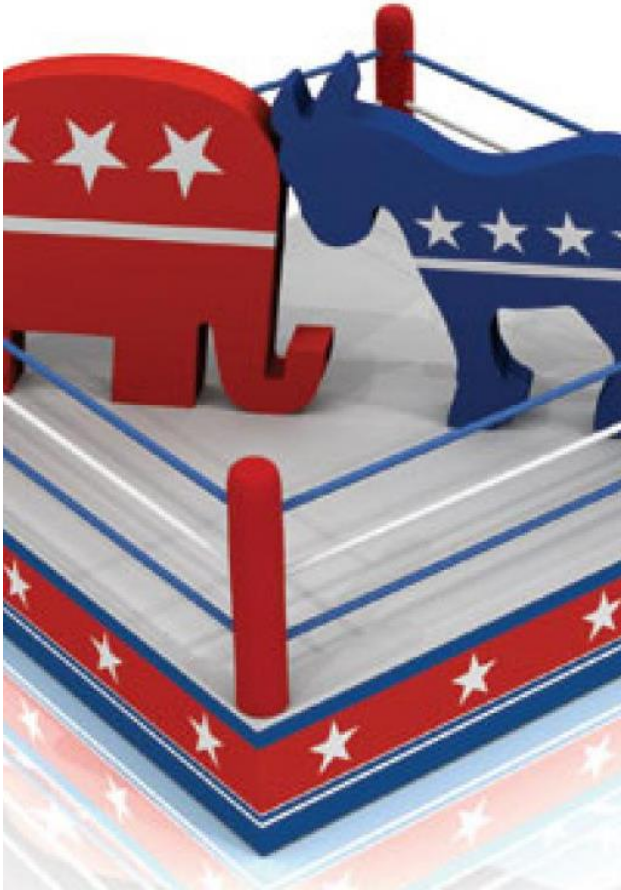
MIDTERM ELECTIONS – DEMS HAVE CAUGHT UP WITH REPUBLICAN VOTERS ENTHUSIASM

- Republicans currently hold a 1% lead in voter enthusiasm
- Republicans held a 13% lead in April



Duke & Harry





2022 MIDTERMS – A REFERENDUM OR A CHOICE?

Midterms elections - referendum on the President and his party

Is this year different? Two new dynamics:

- 1) Democrats outperforming in special elections post-Dobbs;
- 2) Former President Trump's high level engagement.

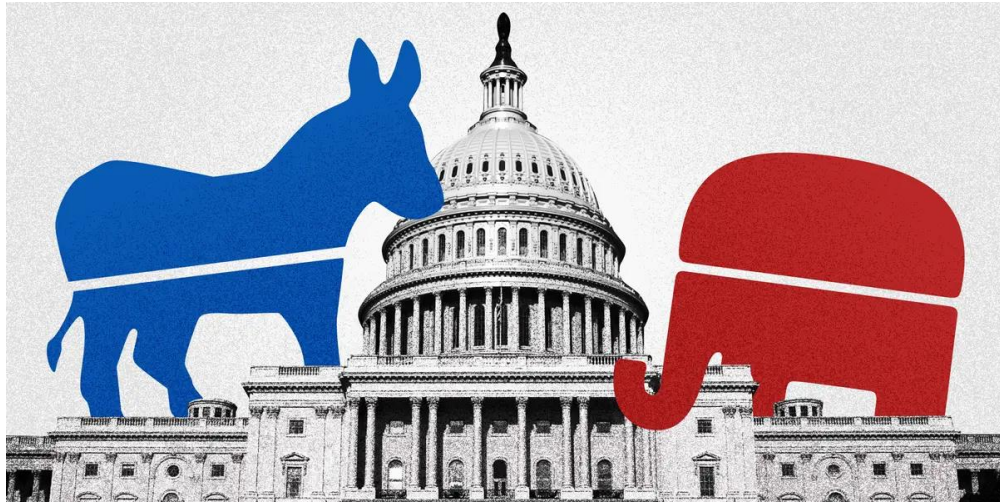
➤ If it is a choice election – it may help Democrats

DOBBS DECISION MOBILIZING WOMEN VOTERS – BUT HAS MOMENTUM PEAKED?

- Women registering to vote rose by about 35% after the Dobbs decision in ten states tracking voter rolls.
- Men ticked up by 9%.
- Women who are independents ... shifted 20% to the Democrats
- Hispanic women +15% to Democrats since March



OTHER FACTORS THAT HAVE TIGHTENED MIDTERMS



1. Steadily falling gas prices – but now on the rise again
2. Republican primaries pulling candidates to the right
3. The Mar-a-Lago search and January 6 hearings – shifted focus from Biden to Trump, hurting GOP efforts to make election a referendum on Biden
4. Legislative breakthroughs — restoring wavering Democrats' faith in Biden's ability to pass an agenda

HOWEVER, BIDEN STILL A DRAG ON DEMOCRATIC CANDIDATES



Biden's approval rating underwater on key issues

- Economy – 36% approval
- Inflation – 32% approval
- Gun policy – 37% approval
- Helping the middle class - 41% approval
- COVID response – 55% approval

*****50% said Biden's policies have made conditions worse**

CNN/SSRS October 12, 2022

UNDER THE RADAR TREND- REPUBLICANS MAKING INROADS WITH HISPANIC VOTERS

- A variety of polling this year show Republican have made progress attracting Hispanic voters.
- Historically – Hispanic voters 2 to 1 in favor Democrats, but great diversity in views.
- Economy is top concern.
- Republicans attracting social conservative Hispanic voters
- The National Republican Congressional Committee has recruited a total of 102 Hispanic candidates in this cycle.

A photograph of the United States Capitol building at night. The large dome is brightly lit from within, showing its architectural details. The sky is a deep blue. In the foreground, there are dark silhouettes of trees and a street lamp with a glowing light. The text "HOUSE OF REPRESENTATIVES" is overlaid in white, bold, sans-serif font, centered horizontally and partially covering the dome.

HOUSE OF REPRESENTATIVES



HISTORY SAYS DEMOCRATS WILL LOSE SEATS

- The president's party defied history in 1998 and 2002 by gaining House seats — the only such outcomes of the past 100 years.
- It's also a redistricting year - Republicans have gained three to four seats in 2022.
 - Republicans have benefited in Florida and Ohio
 - Dems gerrymandering in Maryland and New York struck down in courts.

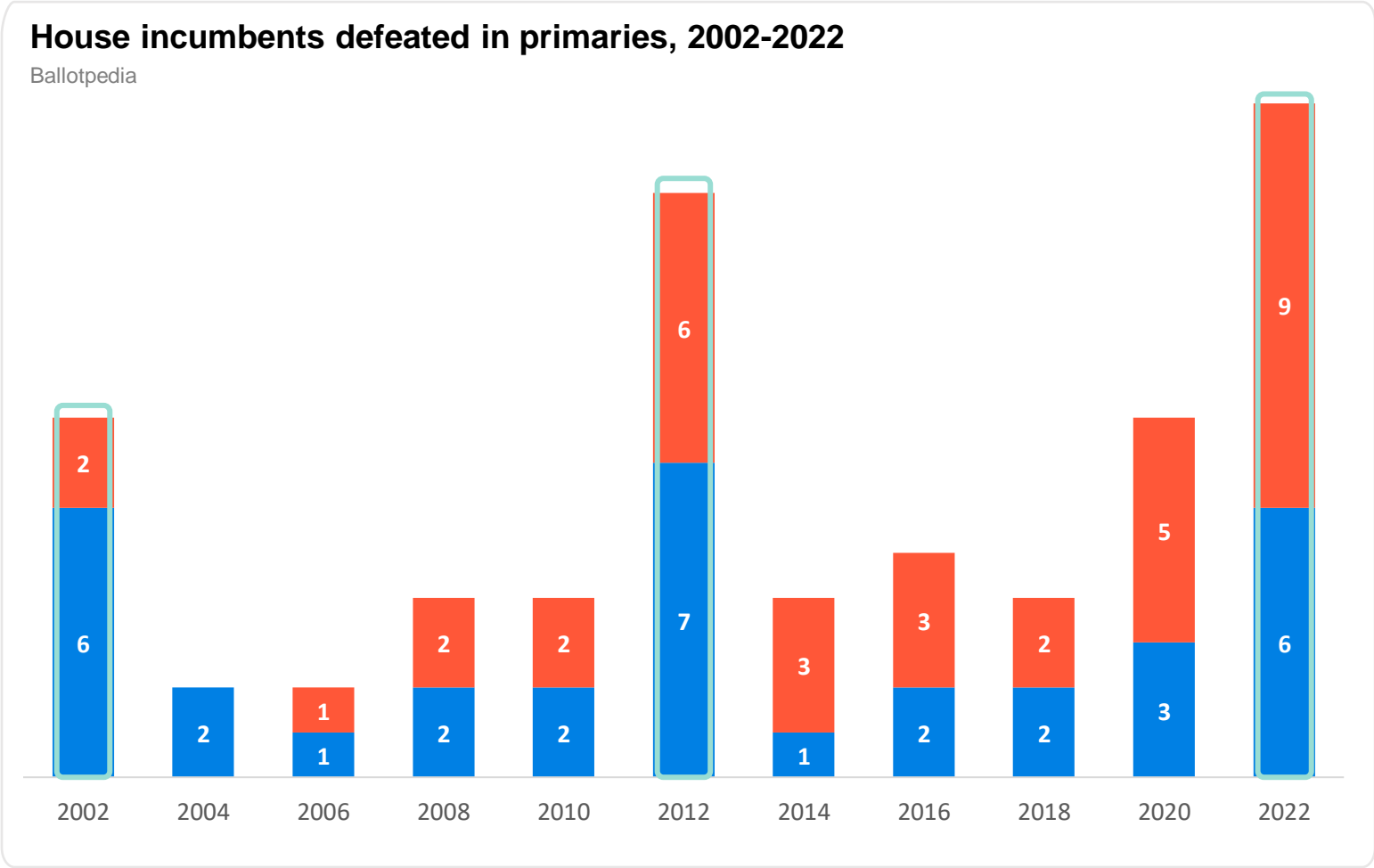
INCUMBENT LOSSES AT A 30 YEAR HIGH

- 14 House incumbents have lost in primaries
- Most in 30 years – second most since 1948

Why?

- Redistricting - Incumbent vs. incumbent: 10 House members were forced to compete with a colleague for a district after their state lost a seat in reapportionment.
- Former President Trump's effort to purge enemies

Incumbent primary defeats are more common in post-redistricting election cycles





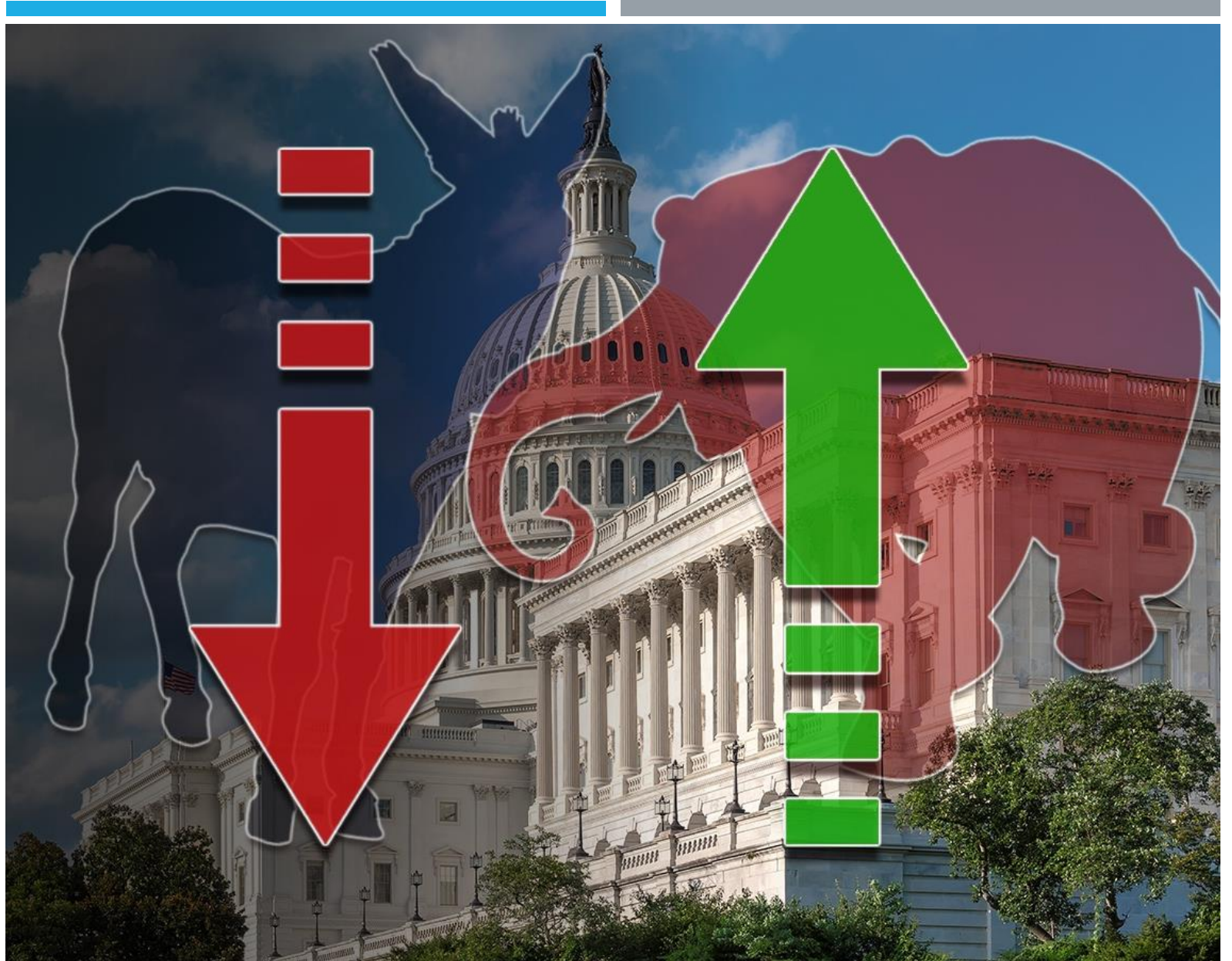
MODERATES LEAVING THE HOUSE

- 13 of 50 most moderate House Members either lost primary or retiring
- Twice the rate of more partisan Members
- As a result, next Congress will be further divided – fewer centrist Members to make bipartisan deals

2020 MIDTERMS – REPUBLICANS’ ADVANTAGES

Republicans have a number of key advantages this cycle:

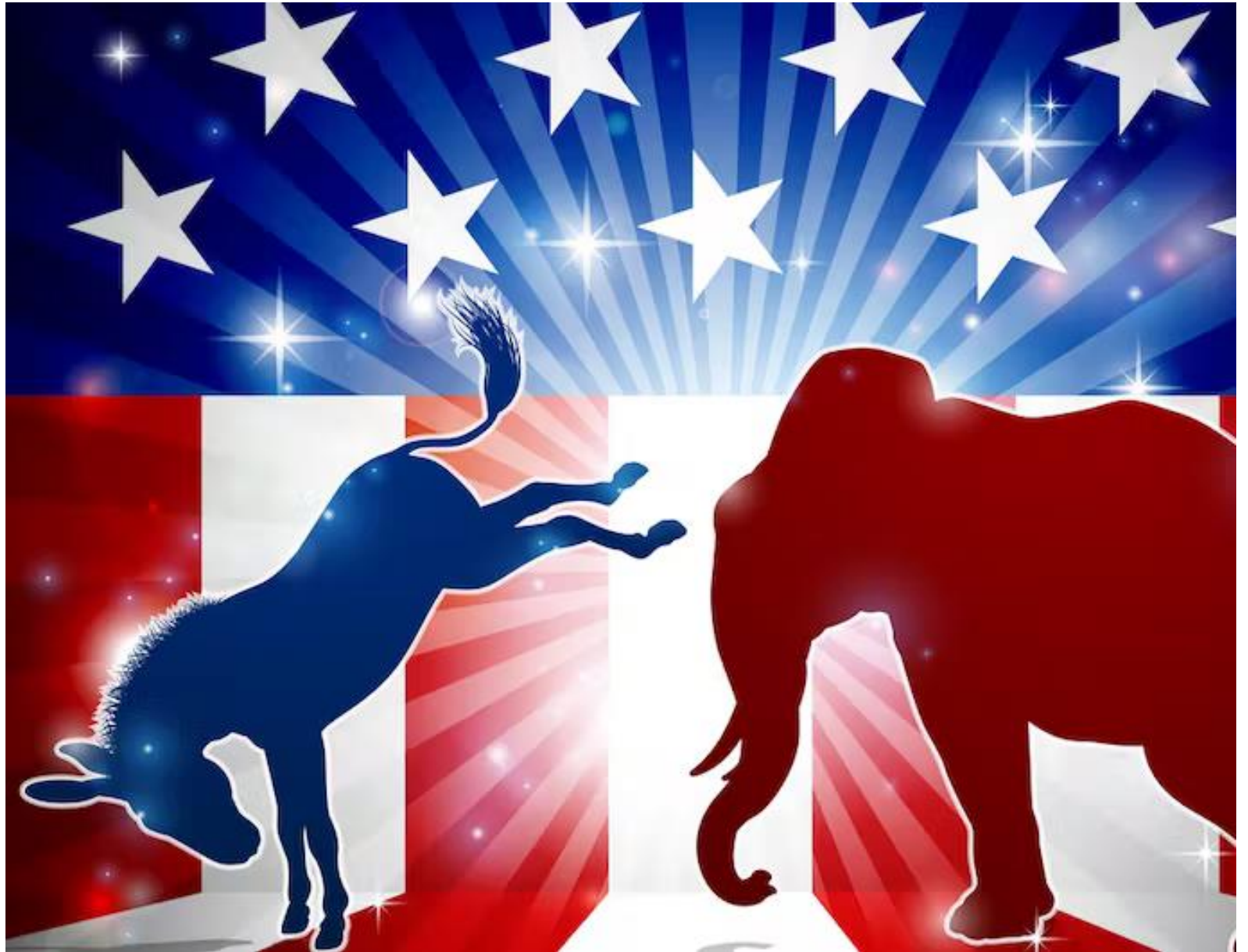
- Voters’ unhappiness
- Inflation and the economy
- President Biden’s job-approval rating
- Retirements - 35 Democratic retirements versus 28 Republicans
 - Most Democratic retirements since ‘94 wave election



2022 MIDTERMS – DEMOCRATIC MOMENTUM

- Dobbs decision
- Overperforming in special elections
- Recent legislative accomplishments
- Biden's popularity climbing - improved 5.5% since mid-July

Tall order for Dems to buck
historical trendlines – particularly
with redistricting



2022 Competitive House seats

Toss Ups

20 Dem, 10 GOP

15 Dem, 2 GOP

15 Dem

AZ-4 Stanton
CA-9 Harder
CO-7 Perlmutter
CT-2 Courtney
GA-2 Bishop
IL-6 Casten
IL-11 Foster
IL-14 Underwood
MD-6 Trone
NC-6 Manning
NJ-3 Kim
NJ-5 Gottheimer
NY-4 Rice
NM-3 Fernandez
PA-12 Doyle

Likely Democrat

CA-47 Porter
CA-49 Levin
CT-5 Hayes
MI-8 Kildee
NC-1 Butterfield
NH-2 Kuster
NY-3 Suozzi
NY-17 Maloney
NY-18 Ryan
NV-4 Horsford
OH-9 Kaptur
OR-4 DeFazio
OR-6 New Seat
TX-28 Cuellar
VA-7 Spanberger
IL-13 Open
MI-03 Meijer

Lean Democrat

AK-AL Peltola
CA-13 Open
IN-1 Mrvan
IL-17 Bustos
KS-3 Davids
ME-2 Golden
MI-7 Slotkin
MN-2 Craig
NH-1 Pappas
NY-19 Vacant
NV-1 Titus
NV-3 Lee
OH-13 Ryan
OR-5 Schrader
PA-7 Wild
PA-8 Cartwright
PA-17 Lamb
RI-2 Langevin
TX-28 Cuellar
VA-2 Luria
WA-8 Schrier
AZ-1 Schweikert
CA-22 Valadao
CA-27 Garcia
CO-8 New Seat
NE-2 Bacon
NC-13 Budd
NM-2 Herrell
NY-22 Katko
OH-1 Chabot
TX-34 Merged

Toss Ups

5 Dem, 6 GOP

CA-41 Calvert
CA-45 Steel
FL-27 Salazar
IA-1 Miller-Meeks
NY-1 Zeldin
WA-3 Herrera-Beutler
AZ-2 O'Halleran
AZ-6 Kirkpatrick
IA-3 Axne
NJ-7 Malinowski
WI-3 Kind

Lean Republican

3 Dem, 8 GOP

CA-3 Open
CA-40 Kim
FL-15 New Seat
FL-27 Salazar
IA-2 Hinson
MN-1 Finstad
MT-1 New Seat
NY-2 Garbarino
NY-11 Malliotakis
FL-13 Vacant
MI-10 Levin
TX-15 Gonzalez

Likely Republican

REPUBLICANS LIKELY TO GAIN 10-20 SEATS – ONLY NEED SIX TO RECAPTURE THE MAJORITY

Cook Political Report

- 214 seats at least leaning toward Republicans,
- 188 seats at least leaning towards Democrats and

A photograph of the United States Capitol building at night. The large, white dome is illuminated from within, showing its intricate architectural details. The sky is a deep blue. In the foreground, there are dark silhouettes of trees and a lit street lamp on the right. The text "UNITED STATES SENATE" is overlaid in white, bold, sans-serif font, centered horizontally and partially underlined.

UNITED STATES SENATE

SENATE MAJORITY TOO CLOSE TO CALL

Republicans defending six
open seats -- AL, MO, NC, OH,
OK, and PA

The nine closest Senate races
are all closely contested
2020 presidential states

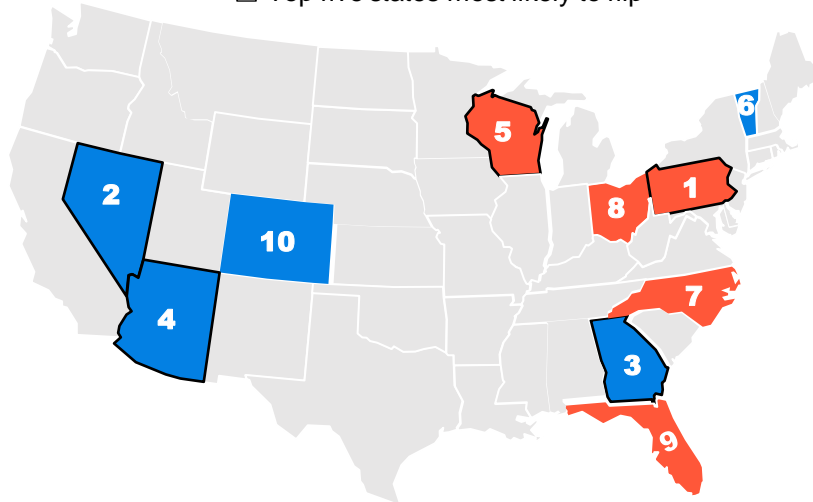


TOP SENATE SEATS MOST LIKELY TO FLIP – EVENLY SPLIT BETWEEN DEMS AND REPS

Hotline's 2022 Senate power rankings

IN ORDER HOW LIKELY THEY ARE TO FLIP PARTY CONTROL

- Seat held by a Republican
- Seat held by a Democrat
- Top five states most likely to flip



1. Pennsylvania:

- Incumbent: Open seat (R)

2. Nevada:

- Incumbent: Catherine Cortez Masto (D)

3. Georgia:

- Incumbent: Raphael Warnock (D)

4. Arizona:

- Incumbent: Mark Kelly (D)

5. Wisconsin:

- Incumbent: Ron Johnson (R)

6. New Hampshire:

- Inc: Maggie Hassan (D)

7. North Carolina —

- Open seat (R)

8. Ohio —

- Open seat (R)

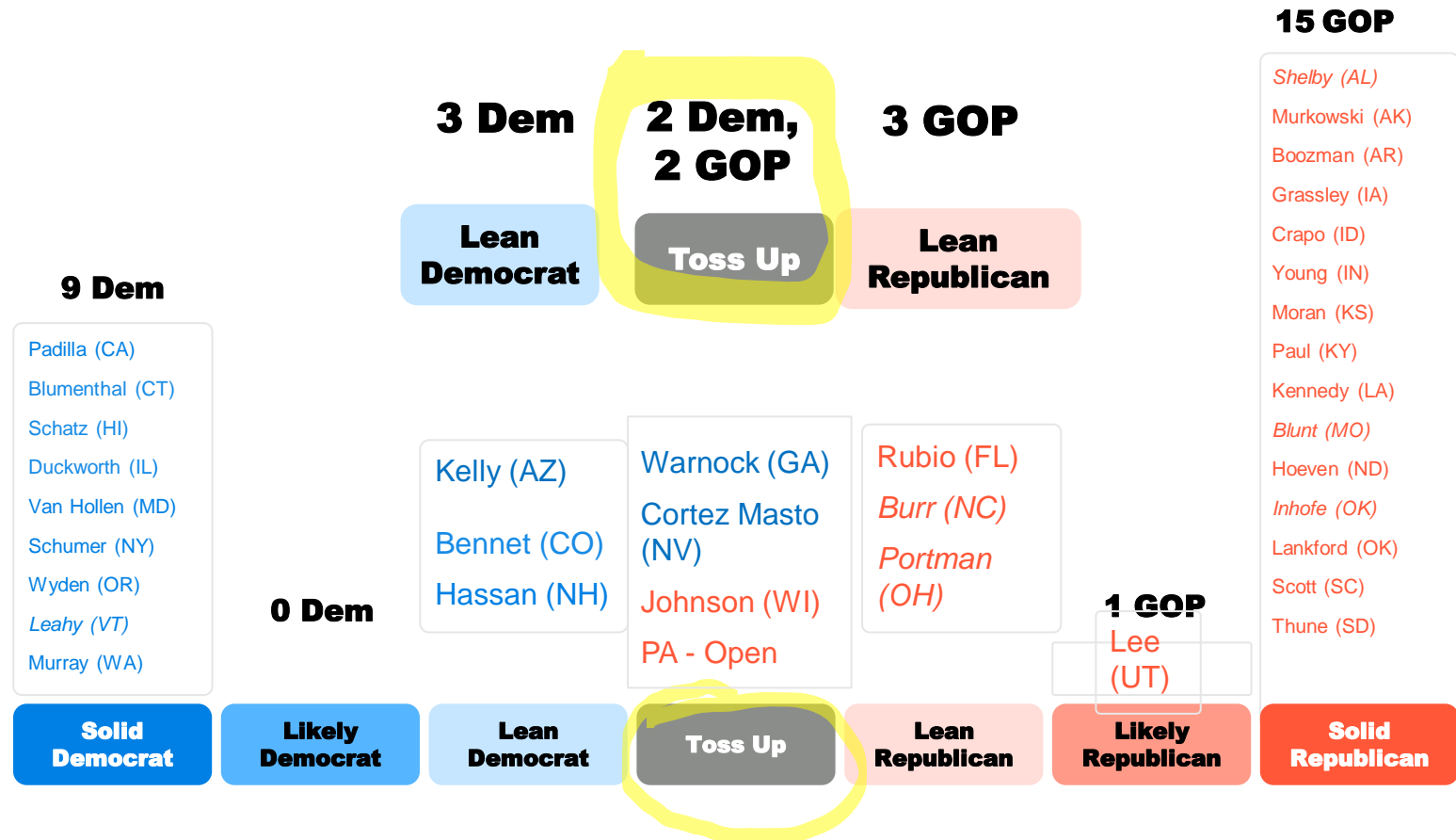
9. Florida —

- Inc : Marco Rubio (R)

10. Colorado —

- Inc: Michael Bennet (D)

2022 Senate races

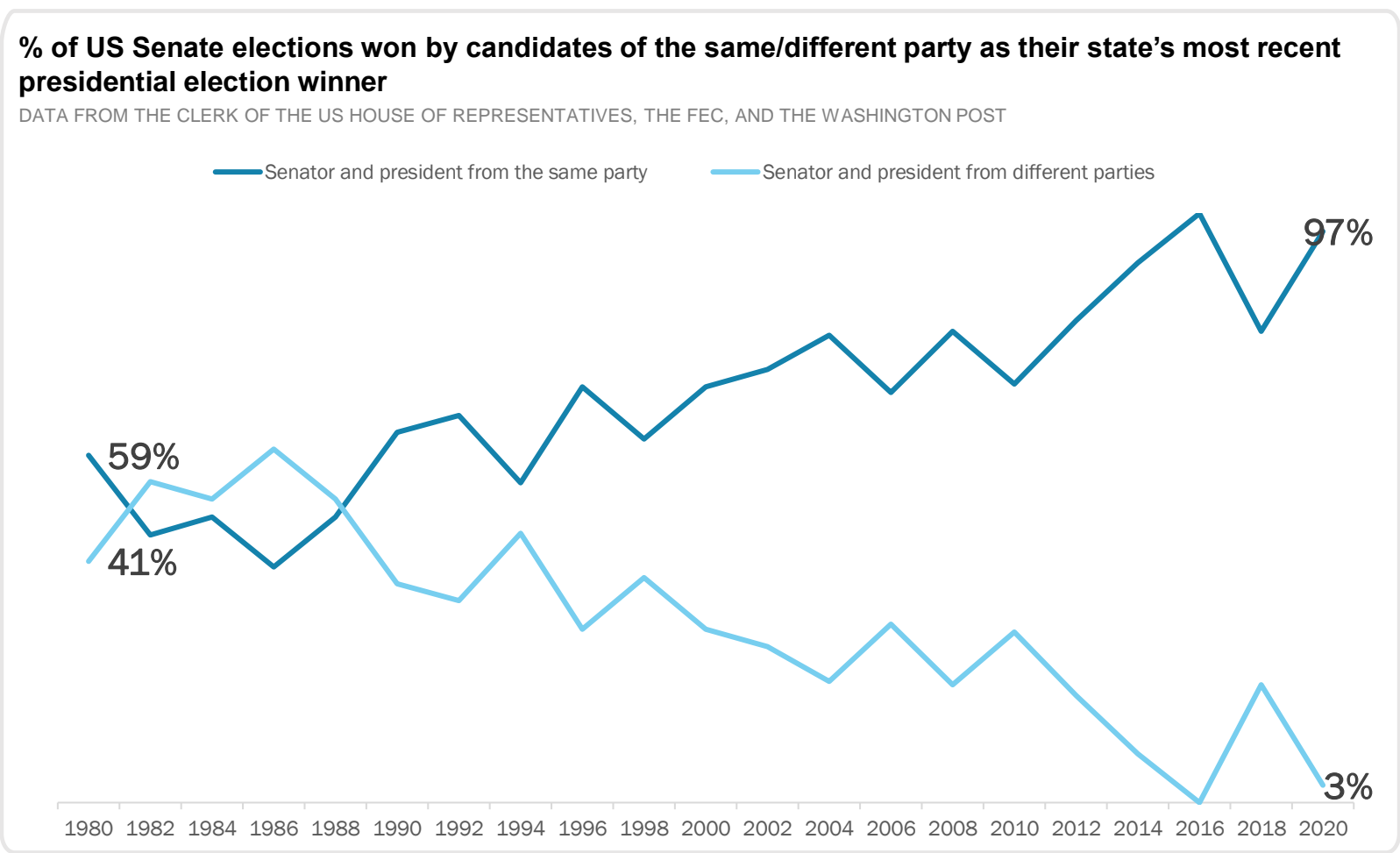


**Includes the two independent senators (Sanders - VT and King - ME) who caucus with the Democrats

SOURCE The Cook Political Report with Amy Walter

SLIDE LAST UPDATED ON 10-06-22

MOST SENATE RACES GO THE SAME WAY AS STATE PRESIDENTIAL VOTES



SOURCE FEC, Clerk of the US House of Representatives, Washington Post, Pew Research Center.
PRESENTATION CENTER 10/21/21

REPUBLICANS CHALLENGE IN RECAPTURING SENATE – QUALITY OF CANDIDATES

- Republican Leader McConnell –

“I think there’s probably a greater likelihood the House flips than the Senate. Senate races are just different – they’re statewide, candidate quality has a lot to do with the outcome.”

- PA, OH, GA, and AZ – all underperforming – and all Trump endorsed candidates. Several struggling with fundraising

REPUBLICANS' EFFORTS TO RECAPTURE SENATE –

Good news for Republicans –

- **Senate Leadership Fund** – key Republican super PAC – spending \$175 million across eight key states
- **2020 polling errors** – Republicans undercounted in States where there are key Senate races in 2022:
 - Polling errors higher in Presidential year with Trump on ballot than midterms, as he brought many new voters to the polls

2020 POLLING ERRORS – IF APPLIED TO 2022 SENATE RACES

2022 Senate Race	Current poll average	2020 polling Republican undercount by state	2022 result if similar undercount
PA	Democrat +4.3%	-5.4%	Republican 1.1%
AZ	Democrat +4.1%	-3.3%	Democrat +0.8
WI	Republican +3	-5.3%	Republican +8.3
NV	Republican +2.1	-2.6%	Republican +4.7 – pickup
GA	Democrat +3.8	-1%	Democrat +2.8
NC	Republican +1.5%	-1.9%	Republican +3.4
OH	Republican +1.2%	-10.5%	Republican +11.7
FL	Republican +4.7%	-6%	Republican +10.7

Sources – NYT 9/12/22 and Real Clear Politics Senate polling avg 10/06/22

REPUBLICANS' EFFORTS TO RECAPTURE SENATE –

Bottom Line

- Senate control likely decided by three seats –
- PA, GA, and NV



2024 SENATE – REPUBLICANS IN DRIVERS SEAT

23 Democrats/10 Republicans
up for re-election

Democrats defending three
seats in states Trump carried:
MT, OH, WV

Another five Dem seats in states
Biden won by 5 points or less.

None of the 10 GOP seats are in
Biden won states.





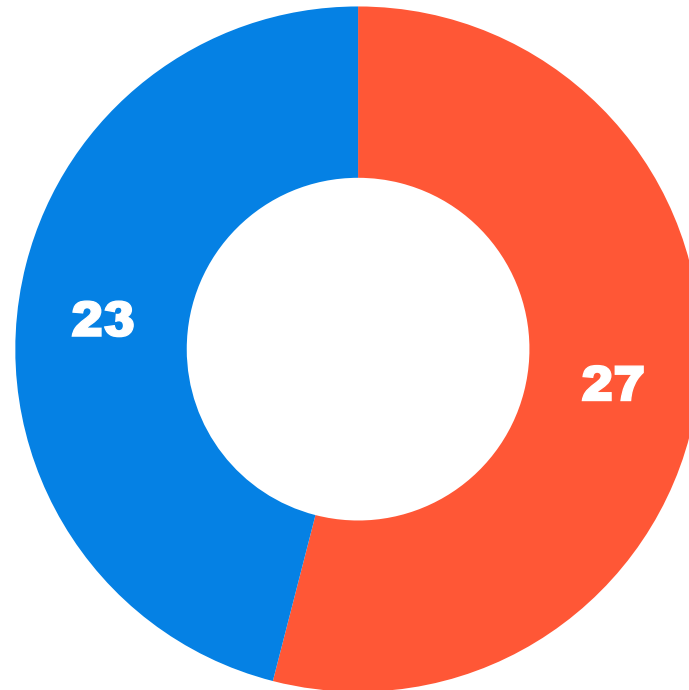
GOVERNORS RACES

BREAKDOWN OF ALL CURRENT GOVERNORS

Governors, by party

AS OF JANUARY 10, 2022

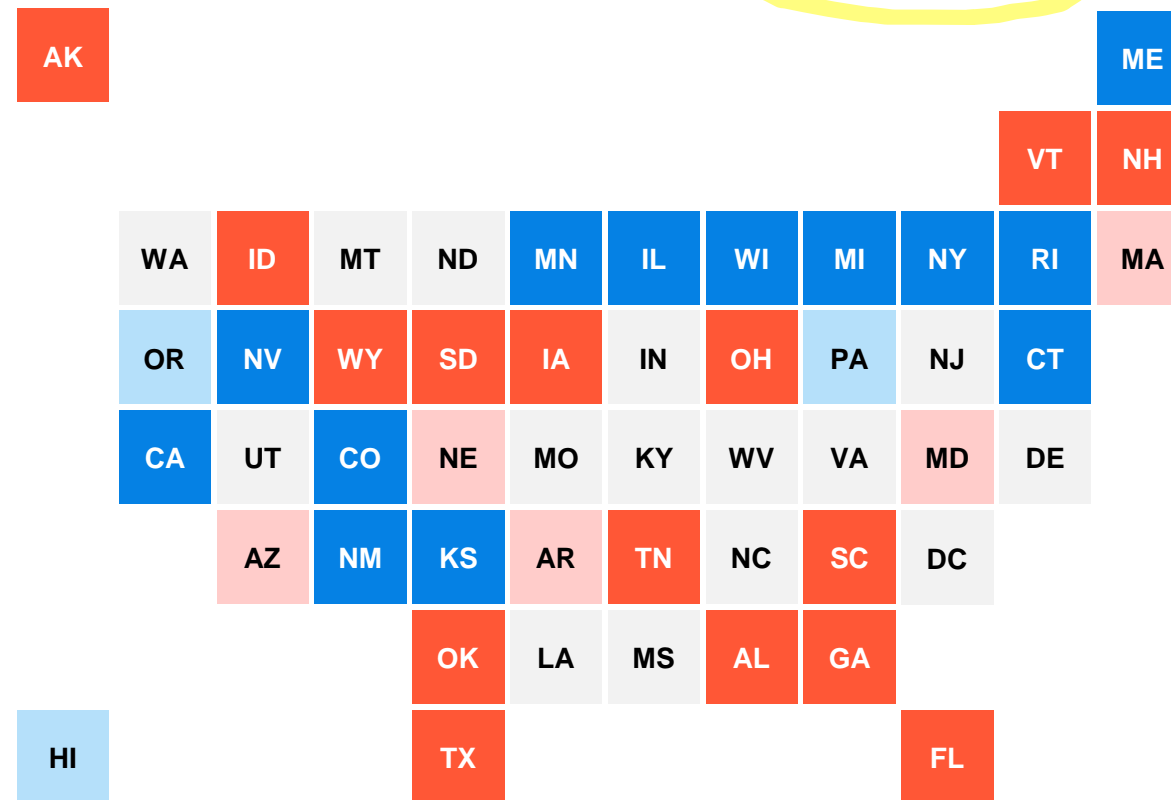
■ Republican ■ Democrat



SOURCE The Cook Political Report with Amy Walter, Ballotpedia.
SLIDE LAST UPDATED ON 1/10/22

EIGHT OPEN GUBERNATORIAL SEATS UP FOR ELECTION IN 2022

■ Dem. incumbent (14) ■ Dem. open* (3)
■ GOP incumbent (16) ■ GOP open* (5)

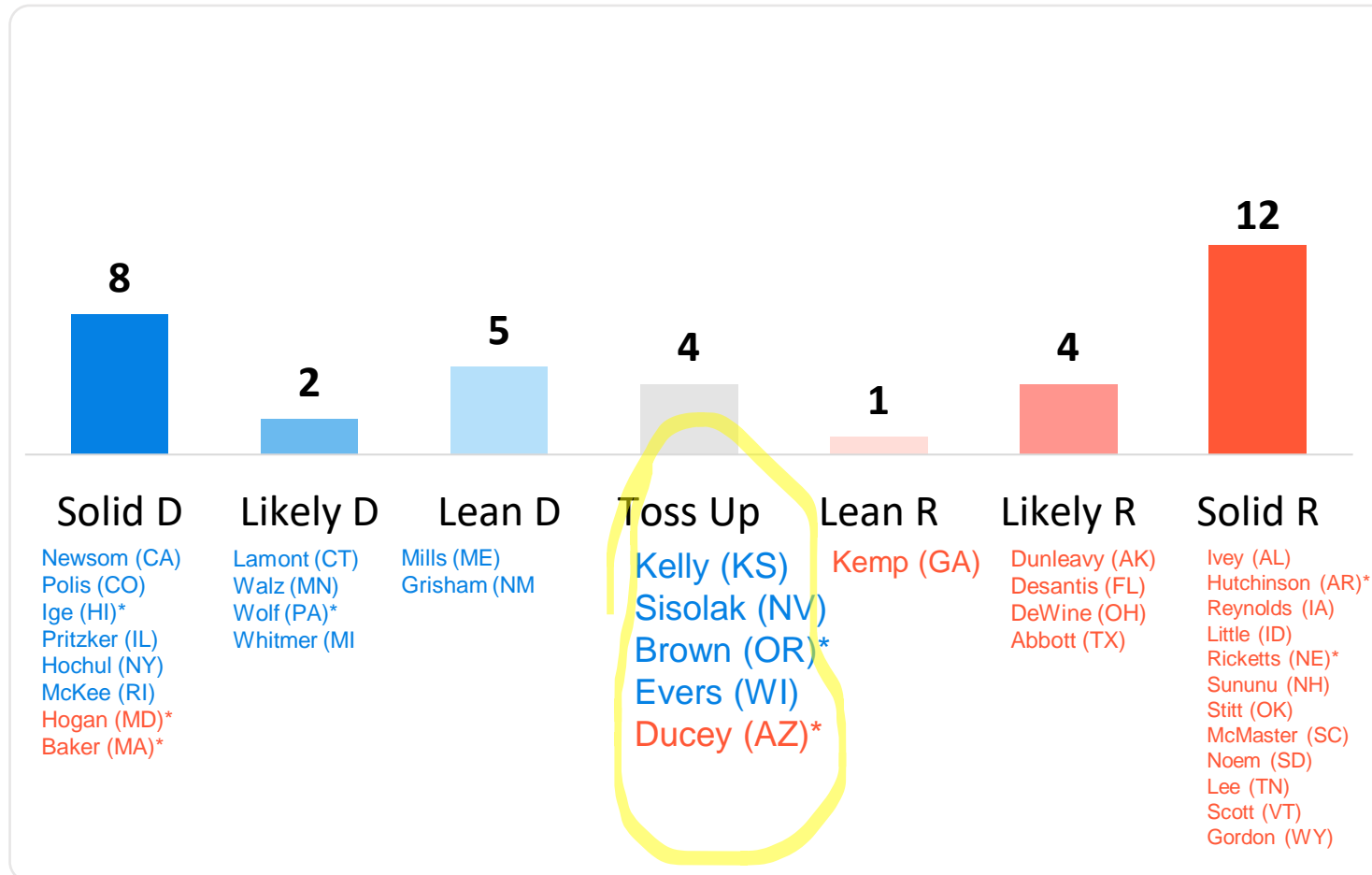


*"Open seats" are governorships where incumbent governors are term-limited, they have announced that they are not running for re-election, or lost their primary

SOURCE The Cook Political Report with Amy Walter.

SLIDE LAST UPDATED ON 1/7/22

36 GOVERNORSHIPS ARE UP FOR GRABS IN 2022



WORRISOME TREND

Nearly four out of 10 Republicans and one in four Democrats say they'll blame election fraud if their party doesn't win control of Congress in November.

Axios-Ipsos Two Americas Index polling 10-10-22





**WHAT LIES
AHEAD?**

WHAT TO EXPECT IN A DIVIDED GOVERNMENT

A photograph of the United States Capitol building at night. The building is illuminated with warm yellow lights, and the large dome is the central focus. The sky is a deep blue. The text "IF REPUBLICANS RECAPTURE THE HOUSE MAJORITY" is overlaid in white, bold, sans-serif font across the middle of the image. A thin white horizontal line is positioned below the text.

IF REPUBLICANS RECAPTURE THE HOUSE MAJORITY

HOUSE REPUBLICANS - “A COMMITMENT TO AMERICA”



House Minority Leader Kevin McCarthy established task forces last year to frame House Republicans' agenda:

Four pillars

- **"An economy that is strong":** - inflation, high gas prices, supply chain issues and competition with China.
- **"A nation that is safe"** – crime, immigration, border security
- **"A future that is free"** - "make sure every kid in every neighborhood can succeed," "better care and improved health outcomes for all Americans" and "confronting big Tech and advancing free speech."
- **"A government that is accountable"** –
 - Government oversight as a platform
 - Stopping wasteful government spending
 - Safe and fair elections

HOUSE REPUBLICANS WILL USE MAJORITY TO FRAME 2024 AGENDA

- Messaging bills – framing 2024 Presidential agenda
 - Key areas of focus –
 - Inflation,
 - Energy,
 - Crime.
 - Border security
- Launching Investigations –
 - Hunter Biden,
 - Southern border security,
 - The origins of Covid and pandemic shutdown policies,
 - Politicizing DOJ and raid of Mar a Lago
- Attempting to impeach Cabinet officials
- Blocking the Administration's agenda



FUNDING IN A DIVIDED GOVERNMENT

- FY 23 - likely to have an Omnibus spending deal in the lame-duck session even if Democrats lose their majority, along with passage of the annual defense authorization bill.
- FY 24-25 - Continuing Resolutions likely for the rest of Biden's first term or CROmnibus



FUNDING IN A DIVIDED GOVERNMENT

Government shutdown?

- A possibility, although it plays to the President's advantage
- McConnell strongly opposes shutdowns

Debt limit extension?

- Likely deadline mid-2023
- Republicans likely to seek extension in exchange for policy changes
- More worrisome than government shutdown – more political posturing. Less incentive to compromise
- Can impact credit rating and global economy

REEMERGENCE OF HOUSE FREEDOM CAUCUS

- Most conservative branch of Republican party
- Veto power if Republicans have a narrow majority
- Has already sent a list of their priorities to the leadership:
 - CR into January
 - FY 23 funding – at FY 19 overall levels
 - Repeal IRA
 - Expand domestic oil and gas production
 - Beef up the southern border
 - Overturn the Biden administration's federal Covid-19 mandates.



118TH CONGRESS LEADERSHIP

- House Dems – all three leaders over age 80. Pelosi has hinted this will be her last year in office.
- Heirs apparent:
 - House Democratic Caucus Chair Hakeem Jeffries (D-N.Y.),
 - Assistant Speaker Katherine Clark (D-MA), and
 - Caucus Vice Chair Peter Aguilar (D-CA)
- House R's – Kevin McCarthy
- Senate D's – leadership will likely remain intact
- Senate R's – leadership expected to remain intact

118TH CONGRESS – KEY COMMITTEE LEADERSHIP

House

- **Education and Labor** – Bobby Scott (D-VA) and Virginia Foxx (R-NC)
- **Labor-HHS Appropriations** - Rosa DeLauro (D-CT) and Tom Cole (R-OK)
- **Ways and Means** – Richie Neal (D-MA) and new Republican lead

Senate

- **HELP**–
 - Democrats - Bernie Sanders (I-VT) or Bob Casey (D-PA)
 - Republicans - Rand Paul (R-KY) or Bill Cassidy (R-LA)
- **Labor- HHS Appropriations** – Patty Murray? and new Republican lead
- **Finance Committee** – Ron Wyden (D-OR) and Mike Crapo (R-ID)

COULD REPUBLICAN CONTROL OF CONGRESS OFFER BIDEN A FOIL?

- A GOP-controlled House may allow Biden to pick fights and present his policies as an alternative.
- The last two Democratic presidents won re-election after losing the House in the mid-term election.

BOTTOM LINE

- **Midterm election prospects – unsettled** - too volatile to call today
- House likely to shift to Republicans narrowly
- Senate will have a one or two seat majority --- for either party
- Reauthorizing legislation will require bipartisan consensus, but number of moderates is dwindling
- Funding bills will be difficult to enact in a divided government
- Administration will refocus its efforts on regulatory issues – as major legislation will be difficult to enact
- Republicans well positioned for Congressional majorities in 2024



QUESTIONS?

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