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 EDUCATION 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 bits and other toxic substances
   - No workforce or education direct funding
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
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
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.
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
  o $7,395 for maximum Pell, an increase of $500 above FY 2022 enacted
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
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
The U.S. 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
  - Published September 14; comments due by November 14, 2022
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
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
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


Democrats Republicans


President’s party gain/loss of seats in Senate
MIDTERM ELECTIONS, 1946-2018

Democrats Republicans


Democrats Republicans


SOURCE The American Presidency Project.
SLIDE LAST UPDATED ON 6/4/21
**LAST FOUR PRESIDENTS HAVE LOST SENATE AND HOUSE MAJORITIES; ALMOST ALL IN MIDTERM ELECTIONS**

<table>
<thead>
<tr>
<th>President</th>
<th>Party</th>
<th>Gains in the</th>
<th>Seats in the House</th>
<th>Seats in the Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>President Bill Clinton</td>
<td>(D)</td>
<td>Republic gains in the</td>
<td>52 seats</td>
<td>8 seats</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1994 midterms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>President George W. Bush</td>
<td>(R)</td>
<td>Democratic gains in</td>
<td>30 seats</td>
<td>6 seats</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the 2006 midterms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>President Barack Obama</td>
<td>(D)</td>
<td>Republican gains in</td>
<td>63 seats</td>
<td>6 seats</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the 2010 midterms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>President Donald Trump</td>
<td>(R)</td>
<td>Democratic gains in</td>
<td>40 seats</td>
<td>-2 seats</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the 2018 midterms</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

**SOURCE** The American Presidency Project.
**SLIDE LAST UPDATED ON** 7/16/21
PRESIDENTS WITH A SUB-50% APPROVAL RATING LOSE AN AVERAGE OF 36 SEATS IN THE MIDTERMS

Presidential job approval vs. midterm results since 1966

- Gallup presidential approval the week before the midterm
- Seats gained/lost by president’s party in the midterm

<table>
<thead>
<tr>
<th>Year</th>
<th>Job Approval</th>
<th>Average Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>44%</td>
<td>-47 Seats</td>
</tr>
<tr>
<td>1970</td>
<td>58%</td>
<td>-12 Seats</td>
</tr>
<tr>
<td>1974</td>
<td>54%</td>
<td>-48 Seats</td>
</tr>
<tr>
<td>1978</td>
<td>49%</td>
<td>-15 Seats</td>
</tr>
<tr>
<td>1982</td>
<td>42%</td>
<td>-26 Seats</td>
</tr>
<tr>
<td>1986</td>
<td>63%</td>
<td>-5 Seats</td>
</tr>
<tr>
<td>1990</td>
<td>58%</td>
<td>-8 Seats</td>
</tr>
<tr>
<td>1994</td>
<td>46%</td>
<td>-52 Seats</td>
</tr>
<tr>
<td>1998</td>
<td>66%</td>
<td>5 Seats</td>
</tr>
<tr>
<td>2002</td>
<td>63%</td>
<td>8 Seats</td>
</tr>
<tr>
<td>2006</td>
<td>38%</td>
<td>-30 Seats</td>
</tr>
<tr>
<td>2010</td>
<td>45%</td>
<td>-63 Seats</td>
</tr>
<tr>
<td>2014</td>
<td>44%</td>
<td>-13 Seats</td>
</tr>
<tr>
<td>2018</td>
<td>41%</td>
<td>-40 Seats</td>
</tr>
</tbody>
</table>

SOURCE: Gallup.
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

- H.W. Bush: 75% (Aug '90)
- W. Bush: 67% (Aug '02)
- Kennedy: 67% (Aug '62)
- Eisenhower: 65% (Aug '54)
- Nixon: 55% (Aug '70)
- Obama: 44% (Aug '10)
- Biden: 44% (Aug '22)
- Trump: 41% (Aug '18)
- Clinton: 41% (Aug '94)
- Reagan: 41% (Aug '82)
- Carter: 41% (Aug '78)

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

Source: The Cook Political Report with Amy Walter, Gallup
ONLY 40% OF INDEPENDENTS APPROVE OF BIDEN’S JOB PERFORMANCE - BUT +8% SINCE JULY

CNN/SSRS October 12, 2022
HISTORICALLY SLIM MAJORITIES IN BOTH CHAMBERS OF CONGRESS

- **House Majority Over Time:**
  - 1976: 149
  - 1974: 147
  - 1978: 85
  - 1982: 82
  - 1988: 81
  - 1992: 79
  - 1996: 73
  - 2000: 10
  - 2020: 10

- **Senate Majority Over Time:**
  - 1966: 28
  - 1974: 24
  - 1978: 18
  - 1982: 10
  - 1986: 10
  - 1990: 10
  - 1994: 10
  - 1998: 10
  - 2002: 2
  - 2006: 2
  - 2010: 2
  - 2020: 0

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

Congressional job approval, 117th Congress

RealClearPolitics average September 30th: 24% Approve, 68% Disapprove

Gallup Last poll: September 1-16: 23% Approve, 75% Disapprove

SOURCE RealClearPolitics.com, Gallup
PRESENTATION CENTER 09/14/2022
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% for Democratic Party
- 46% for Republican Party

Real Clear Politics
October 13, 2022

- 48% for Democratic Party
- 45% for Republican Party

Morning Consult
Last poll: October 11, 2022

- 45% for Democratic Party
- 44% for Republican Party

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

- Economy: 77%
- Gun policy: 62%
- Violent crime: 60%
- Health care: 60%
- Voting policies: 59%
- Education: 58%
- Supreme Court appointments: 58%
- Abortion: 56%
- Energy policy: 53%
- Immigration: 48%
- Foreign policy: 45%
- Size and scope of the federal government: 42%
- Climate change: 40%
- Issues around race and ethnicity: 35%
- The coronavirus outbreak: 28%

Note: Based on registered voters.  
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

Morning Consult Sept 13, 2022
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.
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

House incumbents defeated in primaries, 2002-2022

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
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
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

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)

S O U R C E National Journal, NCSL
S L I D E L A S T U P D A T E D O N 2/14/22
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** 10-06-22

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<tr>
<th>15 GOP</th>
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<tbody>
<tr>
<td>Shelby (AL)</td>
</tr>
<tr>
<td>Murkowski (AK)</td>
</tr>
<tr>
<td>Boozman (AR)</td>
</tr>
<tr>
<td>Grassley (IA)</td>
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<tr>
<td>Crapo (ID)</td>
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<tr>
<td>Young (IN)</td>
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<td>Moran (KS)</td>
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<td>Paul (KY)</td>
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<td>Kennedy (LA)</td>
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<td>Blunt (MO)</td>
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<td>Hoeven (ND)</td>
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<td>Inhofe (OK)</td>
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<td>Lankford (OK)</td>
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<tr>
<td>Scott (SC)</td>
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<td>Thune (SD)</td>
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</table>

<table>
<thead>
<tr>
<th>3 Dem</th>
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<tbody>
<tr>
<td>Padilla (CA)</td>
</tr>
<tr>
<td>Blumenthal (CT)</td>
</tr>
<tr>
<td>Schatz (HI)</td>
</tr>
<tr>
<td>Duckworth (IL)</td>
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<td>Van Hollen (MD)</td>
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<tr>
<td>Schumer (NY)</td>
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<td>Wyden (OR)</td>
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<tr>
<td>Leahy (VT)</td>
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<td>Murray (WA)</td>
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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Warnock (GA)</td>
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<tr>
<td>Cortez Masto (NV)</td>
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<tr>
<td>Johnson (WI)</td>
</tr>
<tr>
<td>Rubio (FL)</td>
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<td>Burr (NC)</td>
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<td>Portman (OH)</td>
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<table>
<thead>
<tr>
<th>2 Dem, 2 GOP</th>
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<tbody>
<tr>
<td>Kelly (AZ)</td>
</tr>
<tr>
<td>Bennet (CO)</td>
</tr>
<tr>
<td>Hassan (NH)</td>
</tr>
<tr>
<td>PA - Open</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1 GOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lee (UT)</td>
</tr>
</tbody>
</table>

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*Includes the two independent senators (Sanders - VT and King - ME) who caucus with the Democrats*
MOST SENATE RACES GO THE SAME WAY AS STATE PRESIDENTIAL VOTES

% of US Senate elections won by candidates of the same/different party as their state's most recent presidential election winner


P R E S E N T A T I O N  C E N T E R  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

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

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, by party
AS OF JANUARY 10, 2022

- Republican
- Democrat

27 23
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.

36 GOVERNORSHIPS ARE UP FOR GRABS IN 2022

- 8 Solid D: Newsom (CA), Polis (CO), Ige (HI)*, Pritzker (IL), Hochul (NY), McKee (RI), Hogan (MD)*, Baker (MA)*
- 5 Likely D: Lamont (CT), Walz (MN), Wolf (PA)*, Whitmer (MI), Mills (ME), Grisham (NM)
- 4 Lean D: Kelly (KS), Sisolak (NV), Brown (OR)*, Evers (WI), Ducey (AZ)*
- 4 Toss Up: Kemp (GA), Dunleavy (AK), Desantis (FL), DelWine (OH), Abbott (TX)
- 1 Lean R: Little (ID)
- 12 Likely R: Ivey (AL), Hutchinson (AR)*, Reynolds (IA), Ricketts (NE)*, Sununu (NH), Stitt (OK), McMaster (SC), Noem (SD), Lee (TN), Scott (VT), Gordon (WY)
- 4 Solid R: Scott (GA), Jobe (MN), Ricketts (NE)*, Sununu (NH)
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 TO EXPECT IN A DIVIDED GOVERNMENT
IF REPUBLICANS RECAPTURE THE HOUSE MAJORITY
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.
• **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?
CAPHILLPARTNERS.COM