# PBA DC Summit 2022

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#### Rich Gold Partner Holland & Knight







# Placer Business Alliance Post-Election Briefing

Holland & Knight

November 16, 2022

#### **Executive Summary**

#### Democrats keep Senate as House remains undecided.

#### **House of Representatives**

- Democrats: 206 (7 pickups)
- Republicans: 217 (20 pickups)
- > 13 races remain to decide control

(218 seats needed to control the House)



#### Senate

- Democrats: 50 (1 pickup)
  - ➢ 36 seats not up for election

- Republicans: 49
  - ➤ 29 seats not up for election
- Uncalled: 1 (GA runoff Dec. 6)



# Overview of 2022 Midterm Election Results

- Elections resulted in limited victories for Republicans as they sought to check President Biden's legislative agenda.
  - Democrats defied historical trends by holding numerous toss-up seats in the House, limiting GOP momentum and shrinking their projected majority.
  - Significant youth turnout combined with low GOP candidate quality contributed towards a relatively successful night for Democrats and President Joe Biden.
  - Boost for President Biden over remaining two years of first term in White House.
- In the Senate, Democrats fought to maintain their slim 50-50 majority.
  - Control solidified after incumbent Democratic Sen. Catherine Cortez Masto declared winner of closely-contested race in Nevada.
  - Georgia Senate runoff election will determine margin that Democrats have in the chamber, rather than control itself.
- Republicans appear to be on a narrow path to regain control of the House.
  - Which party reaches the 218 seats necessary for a House majority will hinge on races in states with a large share of mail-in ballots including California, where identifying winners in some races could take weeks, Oregon and Arizona.
- Narrowly divided government likely next year following midterm elections.

### The New House of Representatives



#### • Democrats: 206 (7 pickups)

- Republicans: 217 (20 pickups)
- 13 races remain to decide control

(218 seats needed to control the House)

# Factors Impacting House Races

Redistricting

# ➤ Trump

# Dobbs Decision

Ground Game

### Republican House Leadership Races



Role	Member Running:	Current Role:
Speaker of the House:	Rep. Kevin McCarthy (R-CA-23)	Republican Leader
Majority Leader:	Rep. Steve Scalise (R-LA-01)	Republican Whip
Conference Chair:	Rep. Elise Stefanik (R-NY-21) Rep. Byron Donalds (R-FL-14)	Conference Chair
Majority Whip:	Rep. Tom Emmer (R-MN-06)	NRCC Chair
	Rep. Jim Banks (R-IN-03)	Chair of Republican Study Committee
	Rep. Drew Ferguson (R-GA-03)	Chief Deputy Whip

### Democrat House Leadership Races



Role	Member Running:	Current Role:
Speaker of the House:	Rep. Nancy Pelosi (D-CA-12)	Speaker of the House
Leader:	Rep. Steny Hoyer (D-MD-5)	Democratic Leader
Whip	Rep. James Clyburn (D-SC-6)	Democratic Whip
Caucus Chair	Rep. Hakeem Jeffries (D-NY-8)	Chairman of Democratic Caucus
Assistant Speaker	Rep. Katherine Clark (D-MA-5)	Assistant Speaker of the House
General Leadership Candidates: [Temporary info until we know more what Rep. Pelosi is doing]	Rep. Adam Schiff (D-CA-28)Rep. Pete Aguilar (D-CA-31)Rep. Pramila Jayapal (D-WA-7)Rep. Joe Neguse (D-CO-2)Rep. Katherine Clark (D-MA-5)Rep. Debbie Dingell (D-MI-12)Rep. Ted Lieu (D-CA-33)	

#### The New Senate





Democrats: 50 Republicans: 49 Uncalled Races: 1

Results and Graphic from Bloomberg, as of Nov 15

## 118<sup>th</sup> Congress – Preview of Senate Democrats' Committee Agendas

- Democrats will keep their narrow hold on the Senate next year, renewing their power to advance President Joe Biden's nominees and control the chamber's agenda.
- ➢ Key Committee work in the 118<sup>th</sup> session:
  - **Appropriations**: Sen. Patty Murray (D-Wash.) is set to become chair of the Appropriations Committee, putting a spotlight on the debate over abortion access.
  - Agriculture, Nutrition and Forestry: Sen. Debbie Stabenow (D-Mich.) will continue as chair, including work on 2023 farm bill (nutrition funding).
  - **Banking, Housing and Urban Affairs**: Sen. Sherrod Brown (D-Ohio) is expected to return as chairman of the Banking panel and renew a focus on affordable housing policy.
  - **Finance**: Sen. Ron Wyden (D-Ore.) may oversee push to expand tax credit for low-income housing next year.
  - **Judiciary:** Biden's judicial nominees can continue moving forward with Democrats retaining control of the Senate Judiciary Committee
  - **Small Business and Entrepreneurship**: Sen. Ben Cardin (D-Md.) is likely to retain control over the Small Business panel next Congress, aiming to improve access to federal contracting for underserved small businesses.

#### 118<sup>th</sup> Congress – Oversight-Focused Agenda

#### **Republican-Led Oversight Focus**

- Should Republicans win either house of Congress, they are planning a robust oversight and investigations agenda.
- Investigations of the Biden Administration's actions, including energy policies, measures related to the COVID-19 pandemic, decisions related to the southern border, and other matters in the lead-up to the 2024 presidential campaign
- Historically, Republican congresses have focused on oversight of the Executive Branch when the President is a Democrat. Incoming Republican oversight leaders have made clear that much of their investigations will focus on sectors outside of government as well, including Big Tech, Green Tech, ESG efforts, and beneficiaries of Biden Administration spending programs.





## Lame Duck Legislative Priorities

- <u>Appropriations</u>: Congress must pass spending package by December 16 deadline; a continuing resolution (CR) passed in September to fund the federal government until then. Potential measures that will be included in the final spending bill:
  - Hurricane Aid FEMA's disaster relief fund meets immediate needs, but won't last forever
  - Targeted military aid for Ukraine \$12 billion has been spent on aid so far, with the White House announcing further spending in September
- <u>National Defense Authorization Act (NDAA)</u>
  - House passed version by 329-101 vote in July (H.R. 7900)
    - Topline funding \$839.3 billion; includes 4.6% pay raise for troops; requires tougher gender-neutral fitness standards; increases funding for cybersecurity and AI development
  - Senate has yet to announce a date for a floor vote but aims to enact final bill by December 31. (S. 4543)
- <u>Respect for Marriage Act (H.R. 8404)</u>
  - Senate pushed a vote on a same-sex marriage bill to codify the right into federal law until after the midterm elections.
  - Passed the House in July with nearly 50 Republicans joining Democrats by a margin of 267-157.

# Lame Duck Legislative Priorities (Cont.)

- <u>Electoral Count Reform and Presidential Transition Improvement Act (S.4573)</u>
  - Introduced on July 20; the bill revises aspects of the electoral vote-counting process, among other things
    - Senate Committee on Rules and Administration voted 14-1 in favor of the bill with bipartisan support
    - Senate has yet to announce future actions on the bill, but aims to proceed following the midterm recess
- <u>Tax</u>
  - As a tax extender package is negotiated for the lame-duck legislative session, key components may include:
    - Retirement security package
    - Updated research & development amortization fix
    - Individual child tax credit relief
  - There are only a few more major legislative vehicles to attach a tax extender package to this year, most likely an omnibus appropriations bill, or the National Defense Authorization Act (NDAA).
- Judicial Nominations
  - As the balance of power is shifting, Democrat lawmakers are keen on processing more of their judicial nominations while they are still in the majority
  - To date, the Biden Administration has already appointed nearly 180 judges

### Important Dates



Date	Event
November 14	House and Senate return from midterm recess
December 16	Last day of CR funding; congressional appropriations committees must negotiate and write an omnibus spending package before end of calendar year
December 16	House in recess until new year
December 21	Senate in recess until new year

# Questions?

