

# Midterm elections with long-term implications

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

**E**lection day will likely result in a Republican takeover of the House. It could take a while to determine the fate of control in the Senate. Remember: You can't complain if you do not vote.

## **Margin of expected GOP House win key**

The likely new House Speaker Kevin McCarthy (R-Calif.) will have to deal with his far-right members, similar to how current Speaker Nancy Pelosi (D-Calif.) had to confront very liberal members of her caucus. A margin of 25 seats or so would give GOP leadership more say without needing Democratic votes.

## **Senate outcome has several possibilities**

One possibility: A continued 50/50 split whereby Democrats would maintain control, as Vice President Kamala Harris would break tie votes. The GOP could end up with 51 to 53 seats based on our sources.

Several close races in Arizona, Nevada, Pennsylvania and Georgia could take days or longer to determine a clear winner. If no candidate in Georgia gets more than 50% of the vote, a runoff election will be held Dec. 6.

## **Big impacts for Biden administration**

If Republicans win just one chamber, President Joe Biden will focus on more executive orders and would take the regulatory route on some issues. Biden would also quickly use his veto option if Republicans get too aggressive.

Risk of a government shutdown would rise if the two parties can't agree on a new budget when they return post-election or if the issue is punted to early next year.

A fight over the debt ceiling is another concern as some Republicans think they have leverage on this issue.

There would be low odds of fiscal relief in a recession.

Biden and congressional Democrats could deal with the new GOP leadership, but have shown little willingness. Bipartisan cooperation is needed for a new farm bill, especially with the 60-vote Senate filibuster remaining. Another possibility: A bipartisan deal on extending the child tax credit in exchange for a research-and-development tax credit fix. We are not ruling out an agreement on immigration reform, if both parties give and get. Driving this: Hispanic voters could decide several elections.

Biden will decide on seeking re-election. A midterm defeat would encourage other Democrats to challenge him.

## **Key election issues will have policy impacts**

The economy and inflation (gas/diesel and food prices) favor Republicans. Several state and governor races could key on crime issues as Democrats face a backlash on some of their earlier support for defunding the police. The Supreme Court decision on abortion likely raised Democratic turnout in some states, but has faded as a key issue. The border issue is impacting several House elections and is one of the reasons why we see the possibility for immigration reform ahead.

## **Who controls Congress is important**

Leaders determine which issues to bring to the floor and committee chairs decide hearings and other key topics to confront. This is important in the coming farm bill debate. The Rules panels decide which amendments are in order.

## **Ag panel leadership**

The House Ag Committee would be led by Rep. G.T. Thompson (R-Pa.) if the GOP captures the House, as most expect. He will move the panel more toward production ag than the current leader, Rep. David Scott (D-Ga.). Ditto in the Senate if the GOP wins the chamber. If so, the leader would be Sen. John Boozman (R-Ark.), who is good friends with key Appropriations member Sen. John Hoeven (R-N.D.), another important panel. If Democrats keep control of the Senate, Debbie Stabenow (D-Mich.) would likely retain the Ag Committee chair position, unless she chooses another panel. But she's up for re-election in 2024.

## **Other major post-election topics:**

- Trade and tax-writing panels in Congress: GOP House leadership would push new trade agreements and other trade issues in their effort to get the Biden administration to prioritize this topic. House Republicans will want to extend expiring tax cuts.

- Expect a reshuffling of President Biden's Cabinet and other leaders. This could include White House Chief of Staff Ron Klain and Treasury Secretary Janet Yellen. Climate advisor John Kerry will likely depart as he doesn't want to appear before any GOP-led House panel.

- Governor races are important as several states will see different political party leadership. The Supreme Court in the abortion case placed decisions on important topics on states, rather than the federal government.