

Summary

With the results of the 2014 elections concluded, Republicans will gain control over the Senate in January. While several Senate races remain undecided, Republicans have gained enough seats to hold a majority regardless of the remaining outcomes. Similarly, Republicans fared well in gubernatorial elections, leading to several state mansions changing parties in addition to a majority of incumbents winning reelection. In the House, Republicans retained their majority and gained several seats across the country.

Yesterday's elections will likely set the stage for showdowns with the President on a variety of issues, including domestic policy, fiscal policy, and foreign relations. With control of both chambers, Republicans can pass legislation through Congress and force the President to either accept or veto the legislation. The GOP does not hold veto or filibuster-proof majorities in either chamber, so policies that are drastically different from the President's priorities are unlikely to become law. Instead, the President and Republican leadership may look to areas where modest compromise is possible.

Overview of Results

States with gubernatorial party changes include **Arkansas, Illinois, Maryland, and Massachusetts** where Republicans will assume control over the previous Democratic administrations. In **Pennsylvania**, Democrat Tom Wolf defeated incumbent Governor Tom Corbett (R). In two other states, **Connecticut**, and **Vermont**, Democratic incumbents are leading in the current vote tallies but the races have not been called at this time. In **Alaska**, independent candidate Bill Walker holds a slight lead over incumbent Governor Sean Parnell (R); however, this race is also not yet final.

For a full review of state executive branch party control, please see the chart below.

In the U.S. Senate, Republicans currently hold 52 Senate seats based on yesterday's results, which is enough to gain control of the chamber. Democrats hold 45 seats, and there will be two Senate independents in the next Congress, both of whom caucus with Democrats. Three seats in Alaska, Louisiana, and Virginia, remain undecided. In Alaska, Dan Sullivan (R) currently leads over incumbent Senator Mark Begich (D), while Louisiana is expected to hold a runoff election between the top two candidates. In the runoff, Republican Bill Cassidy is considered a favorite over current Democratic Sen. Mary Landrieu. Lastly, Senator Mark Warner (D) holds a slim advantage over Ed

Gillespie in Virginia. Several news outlets have projected a win for Warner, but a number of other entities indicate that the race remains too close to call.

Regardless of the outcomes for the remaining seats, Republicans will assume command of the U.S. Senate and retain control of the U.S. House of Representatives. This recap focuses on changes in the Senate, as the House leadership will remain largely the same. With the new party control, significant changes will occur in the leadership of the Senate, including several committees with jurisdiction over programs important to aging and disabilities.

Policy Implications

Mitch McConnell (R-KY) will assume the position of Majority Leader, and will be responsible for setting the agenda for the U.S. Senate this upcoming year. While Senator McConnell has not provided significant details regarding this agenda, general expectations include an increased amount of investigations and oversight of the administration, as well as a focus on limiting spending and reducing deficits. On election night, Senator McConnell spoke of finding common ground with the President; however, areas of opportunity for compromise remain undefined. Due to the President's veto power, a drastic roll-back or repeal of the Affordable Care Act is highly unlikely.

Lamar Alexander (R-TN) is likely to succeed retiring Senator Tom Harkin (D-IA) as chairman of the Health, Education, Labor, and Pensions committee. The HELP committee houses the Subcommittee on Primary Health and Aging and has jurisdiction over the Older Americans Act. Senator Alexander has been actively involved in OAA reauthorization discussions over the past several years, and may continue to engage in reauthorization discussions over the next year.

A new chair for the Subcommittee on Primary Health and Aging has not yet been announced. Currently, Senator Bernie Sanders (I-VT), who caucuses with the Democrats, serves as the committee chair. **Senator Richard Burr (R-NC)** is the ranking member, and would be a logical choice to assume the subcommittee.

The Senate Finance Committee is one of the most powerful committees in Washington, with control of tax policy, Medicare, Medicaid, and a wide range of other programs. Currently, Senator Ron Wyden (D-OR) is the chair. **Senator Orrin Hatch (R-UT)** is the ranking member of this committee, and has a strong chance of becoming chair. Senator

Hatch has been a strong critic of the Affordable Care Act and has supported efforts to defund the law in the past.

Senator Richard Shelby (R-Alabama) is ranking member of the Senate Appropriations Committee and **Senator Jeff Sessions (R-Alabama)** is chair of the Senate Budget Committee. Together, these two committees have strong influence over the nation's spending policy. Under Republican leadership, the Senate is likely to join the House and emphasize fiscally conservative policy, including flat or reduced discretionary spending. President Obama holds veto power, which could lead to showdowns over annual spending levels. While we do not anticipate any further government shutdowns, disagreement over spending limits could lead to ongoing continuing resolutions rather than passage of comprehensive budget and appropriations.

Upcoming Issues

The newly elected officials will formally take office in January 2015. The Legislature must pass a continuing resolution in December to continue Government operations. In the next session, the Legislature must determine whether to enact a comprehensive budget with new fiscal policy or whether to continue funding government at prior year levels. Aside from Government appropriations, the major issue for seniors and people with disabilities in the next congress is the Medicare Physician Fee Schedule Sustainable Growth Rate policy. SGR legislation (commonly known as the 'doc fix') will need to pass by March to avoid a significant reduction to Medicare doctor reimbursements. Historically, SGR patches have lasted for 12-18 months and often contain a number of other policy items.

Governor Party Affiliations

| State | Pre-Election | Post-Election |
|----------------|---------------------|----------------------|
| Alabama | R | R |
| Alaska | R | Leaning I |
| Arizona | R | R |
| Arkansas | D | R |
| California | D | D |
| Colorado | D | D |
| Connecticut | D | Leaning D |
| Delaware | D | D |
| Florida | R | R |
| Georgia | R | R |
| Hawaii | D | D |
| Idaho | R | R |
| Illinois | D | R |
| Indiana | R | R |
| Iowa | R | R |
| Kansas | R | R |
| Kentucky | D | D |
| Louisiana | R | R |
| Maine | R | R |
| Maryland | D | R |
| Massachusetts | D | R |
| Michigan | R | R |
| Minnesota | D | D |
| Mississippi | R | R |
| Missouri | D | D |
| Montana* | D | D |
| Nebraska | R | R |
| Nevada | R | R |
| New Hampshire | D | D |
| New Jersey | R | R |
| New Mexico | R | R |
| New York | D | D |
| North Carolina | R | R |
| North Dakota | R | R |
| Ohio | R | R |
| Oklahoma | R | R |
| Oregon | D | D |
| Pennsylvania | R | D |
| Rhode Island | I | I |

| State | Pre-Election | Post-Election |
|----------------|--------------|---------------|
| South Carolina | R | R |
| South Dakota | R | R |
| Tennessee | R | R |
| Texas | R | R |
| Utah | R | R |
| Vermont | D | Leaning D |
| Virginia | D | D |
| Washington | D | D |
| West Virginia | D | D |
| Wisconsin | R | R |
| Wyoming | R | R |



Indicates that the result is not yet final



Indicates a change in Governor party