

This document was updated on December 1, 2014. Changes from the previous version are indicated in red.

### **Summary**

With the results of the 2014 elections concluded, Republicans will gain control over the Senate in January. **As of December 1, Republicans added an additional 8 seats in the Senate with one election undecided. Louisiana will hold a runoff election on December 6<sup>th</sup> between incumbent Democrat Landrieu and Republican challenger Cassidy. Cassidy is currently leading in the polls. Regardless of the Louisiana outcome, Republicans will assume control of the Senate when it reconvenes in January.**

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.

The 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). **Additionally, in Alaska independent candidate Bill Walker defeated incumbent Governor Sean Parnell (R). In Vermont, Democratic incumbent Shumlin secured the most votes; however, no candidate received more than 50% of the votes cast. Based on Vermont law, the Legislature will select the Governor in January. In the past, the Legislature has generally picked the candidate who received the most votes; however it is not required to do so.**

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

In the U.S. Senate, Republicans currently hold 53 Senate seats based on yesterday's results, which is enough to gain control of the chamber. Democrats hold 44 seats, and there will be two Senate independents in the next Congress, both of whom caucus with Democrats. **As noted earlier, Louisiana will hold a runoff election this month.**

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. 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. However, each of these senators may have a challenger for chairmanship of the committees. Some media outlets have speculated that **Thad Cochran (R-MS)** may vie for the Appropriations Committee chair while **Senator Enzi (R-WY)** has reportedly expressed interest in leading the Budget Committee. Together, these two committees have strong influence over the nation's spending policy.

Regardless of the final chairmen selected, the Senate is likely to join with 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.

Although Republicans retained control in the House, a combination of term-limits on committee chairmanship and electoral outcomes will lead to several changes in committee chairmen. Several notable changes include:

**Paul Ryan (R-WI)** will become chair of the powerful Ways and Means committee. The committee has jurisdiction over health care and Tax policy, including primary jurisdiction over Medicare policy. Ryan, the 2012 Republican Vice President nominee, previously served as chair of the House Budget committee where he pursued policies that included tax reductions and entitlement reforms.

**Tom Price (R-GA)** will assume the chair position vacated by Representative Ryan at the Budget committee.

**Fred Upton (R-MI)** will continue as chairman of the Energy and Commerce, which holds jurisdiction over several healthcare programs, including primary jurisdiction of Medicaid policy. **John Kline (R-MN)** will retain his chairmanship over the Committee on Education and the Workforce, which holds jurisdiction over the Older Americans Act.

### Upcoming Issues

The newly elected officials will formally take office in January 2015. The Legislature must still pass a continuing resolution or omnibus appropriations bill before December 11<sup>th</sup> to continue Government operations. In the next session, if no omnibus is passed in the lame duck 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 issues for seniors and people with disabilities in the next congress include the Medicare Physician Fee Schedule Sustainable Growth Rate policy and the Older Americans Act Reauthorization. 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. Unless OAA reauthorization is completed before Congress adjourns in the lame duck session, the Legislature will need to begin the OAA process anew.

**Governor Party Affiliations**

<b>State</b>	<b>Pre-Election</b>	<b>Post-Election</b>	<b>New Governor</b>
Alabama	R	R	No
<b>Alaska</b>	<b>R</b>	<b>I</b>	<b>Yes</b>
Arizona	R	R	<b>Yes</b>
<b>Arkansas</b>	<b>D</b>	<b>R</b>	<b>Yes</b>
California	D	D	No
Colorado	D	D	No
Connecticut	D	D	No
Delaware	D	D	No
Florida	R	R	No
Georgia	R	R	No
Hawaii	D	D	<b>Yes</b>
Idaho	R	R	No
<b>Illinois</b>	<b>D</b>	<b>R</b>	<b>Yes</b>
Indiana	R	R	No
Iowa	R	R	No
Kansas	R	R	No
Kentucky	D	D	No
Louisiana	R	R	No
Maine	R	R	No
<b>Maryland</b>	<b>D</b>	<b>R</b>	<b>Yes</b>
<b>Massachusetts</b>	<b>D</b>	<b>R</b>	<b>Yes</b>
Michigan	R	R	No
Minnesota	D	D	No
Mississippi	R	R	No
Missouri	D	D	No
Montana	D	D	No
Nebraska	R	R	<b>Yes</b>
Nevada	R	R	No
New Hampshire	D	D	No
New Jersey	R	R	No
New Mexico	R	R	No
New York	D	D	No
North Carolina	R	R	No
North Dakota	R	R	No
Ohio	R	R	No
Oklahoma	R	R	No
Oregon	D	D	No
<b>Pennsylvania</b>	<b>R</b>	<b>D</b>	<b>Yes</b>

State	Pre-Election	Post-Election	New Governor
Rhode Island	D	D	<b>Yes</b>
South Carolina	R	R	No
South Dakota	R	R	No
Tennessee	R	R	No
Texas	R	R	<b>Yes</b>
Utah	R	R	No
Vermont	D	Leaning D	Undecided
Virginia	D	D	No
Washington	D	D	No
West Virginia	D	D	No
Wisconsin	R	R	No
Wyoming	R	R	No
	Indicates that the result is not yet final		
	Indicates a change in Governor party		