

ANALYSIS OF THE 2024 ELECTIONS

Election Results and Policy Implications

November 7, 2024

RESULTS UPDATED
11/14/2024



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2024 Election Results: Top Line

White House



President-Elect Donald J. Trump (R)
Vice President-Elect JD Vance (R)

Won Electoral College 312-226

Leads Popular Vote 50.2% to 48.2%
(+2.9M votes)

Senate

53 / **47**
GOP **Dem**

**Republicans Flip the Senate,
Pick Up of 4 Seats**

Recount pending in PA
(unlikely to change outcome)

House

219 / **209**
GOP **Dem**

as of 11/14

Republicans Maintain their Majority

7 Races Outstanding:
Republicans lead in 3 races,
Democrats lead in 4 races

PRESIDENTIAL ELECTION

The Big Picture: The Trump Comeback

- President Trump won a second Presidential term with an expanded coalition
 - He won both the electoral college and the popular vote for the first time in his 3 elections
 - He is the first Republican to win the popular vote in 20 years
 - He made major inroads with the working class – across races, and particularly among men
 - He bested his 2020 showing in both red and blue states (the *Financial Times* reports he improved his margins in 48 states – with Utah and Washington as the outliers)
 - And he pulled Republican Senate candidates along with him
- Concerns related to the economy and immigration dominated and his populist message resonated with voters across demographic divides
- Vice President Harris’s messaging on reproductive freedom, democracy and Trump himself failed to persuade the voters she needed
 - She faced massive headwinds: President Biden’s low approval ratings, a high percentage of Americans believing the country is on the wrong track / looking for change, and persistent economic concerns (particularly inflation)
 - This despite massive fundraising and ground game advantages

The Big Picture: The Trump Comeback

- President Trump swept all seven swing states, including the “Blue Wall” coveted by the Harris campaign (Michigan, Pennsylvania and Wisconsin)
 - In every presidential election but one since 1980, those three states voted for the same candidate
- President Trump has claimed “an unprecedented and powerful mandate”
- President Trump becomes the 2nd president to be elected to non-consecutive terms
 - The first was Grover Cleveland, who served as the nation’s 22nd and 24th president
- President Trump becomes the oldest president ever elected
 - And JD Vance becomes one of the youngest Vice Presidents ever (he turned 40 in August) – and the first millennial to hold the role

2024 Electoral College Map

226

Kamala Harris

312

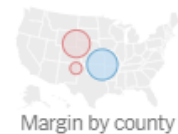
✓ Donald J. Trump

73,122,530 votes (48.2%)

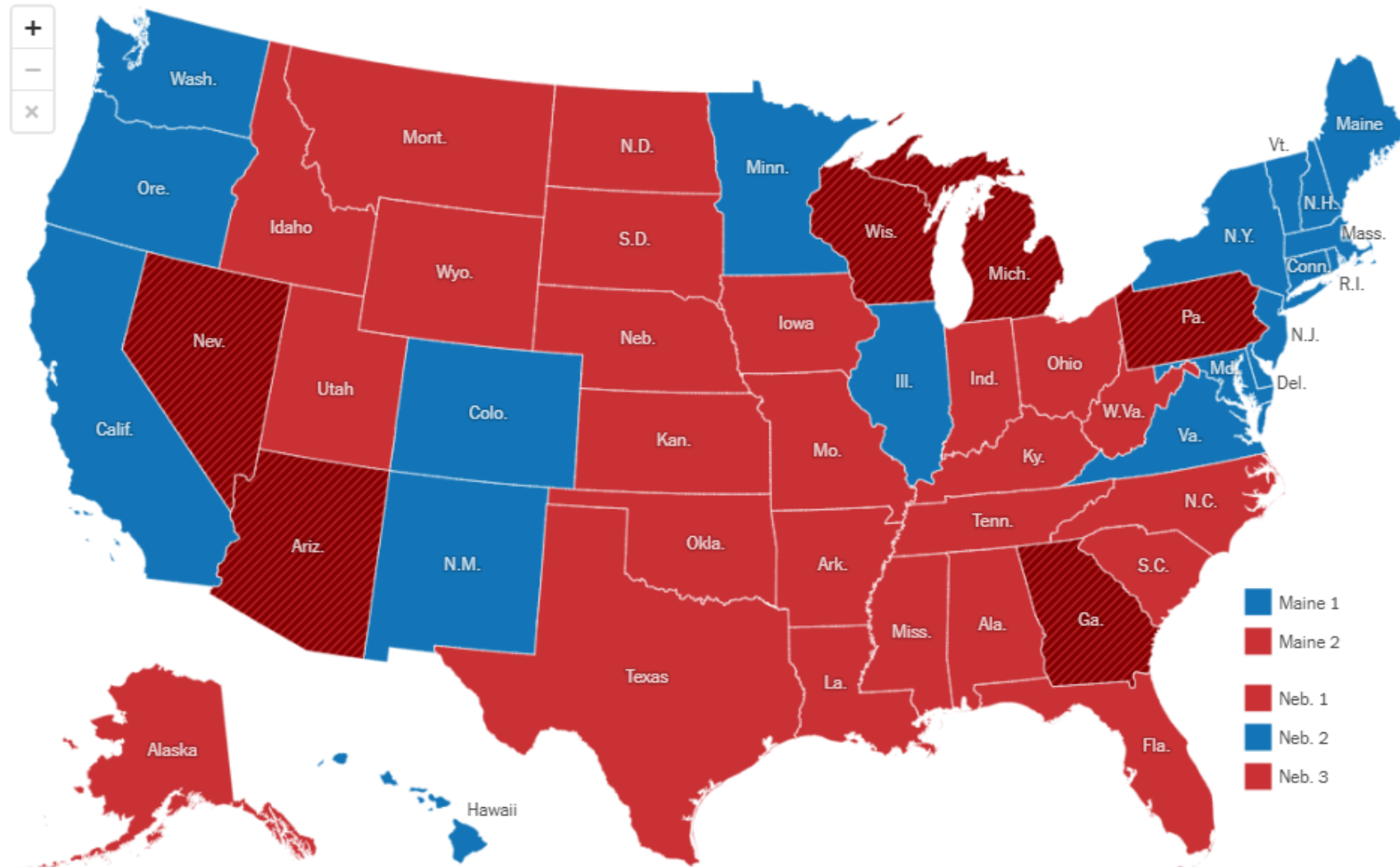
151.4 million votes so far (Estimated 97.4% counted)

76,058,938 votes (50.2%)

270
TO WIN

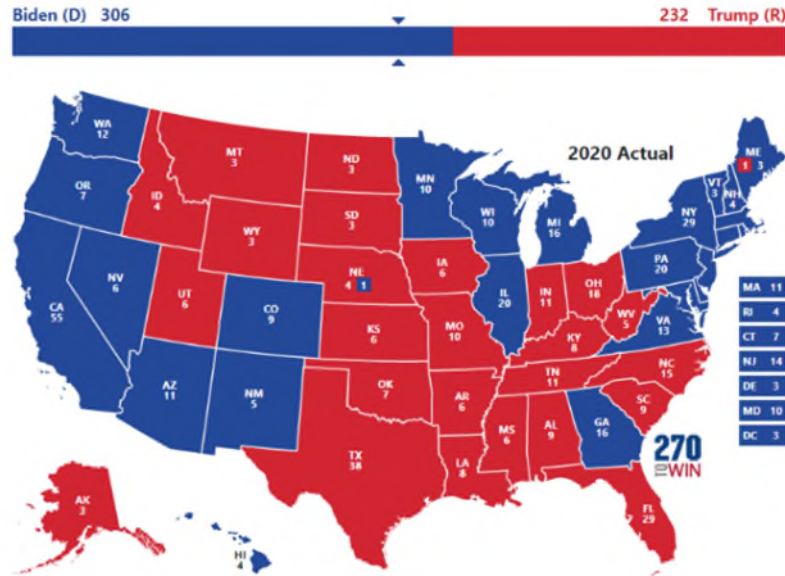


Dem.
Rep.
Win Flip

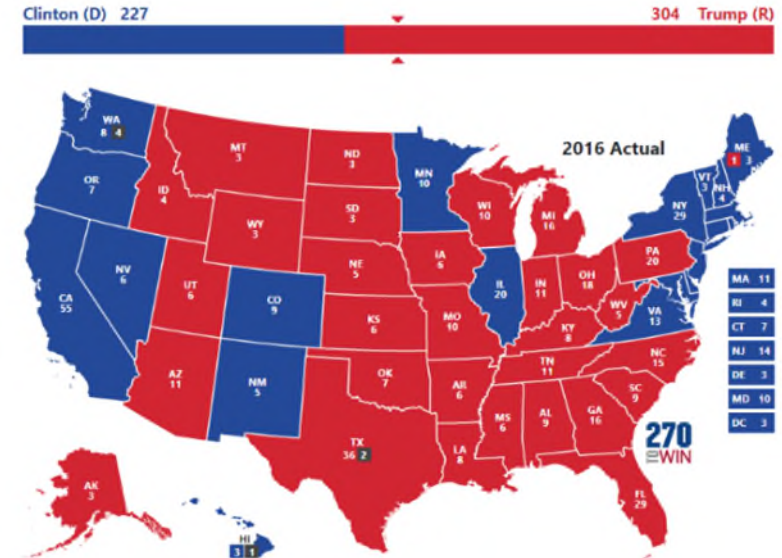


Recent Electoral College Maps

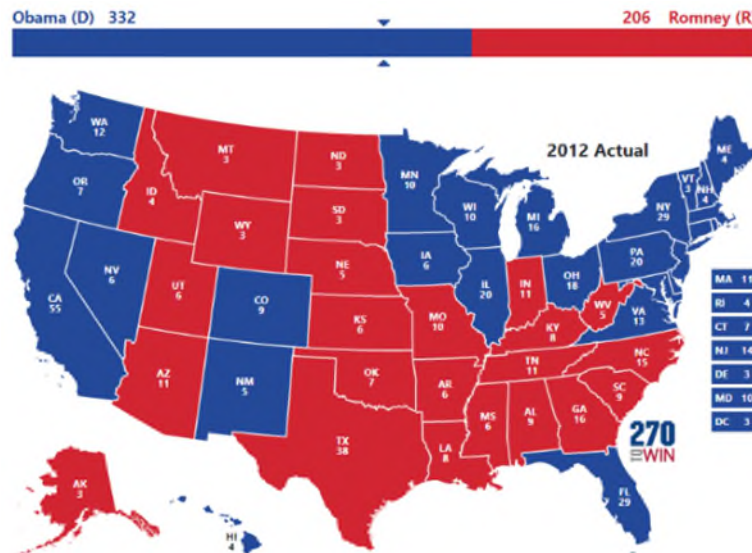
2020



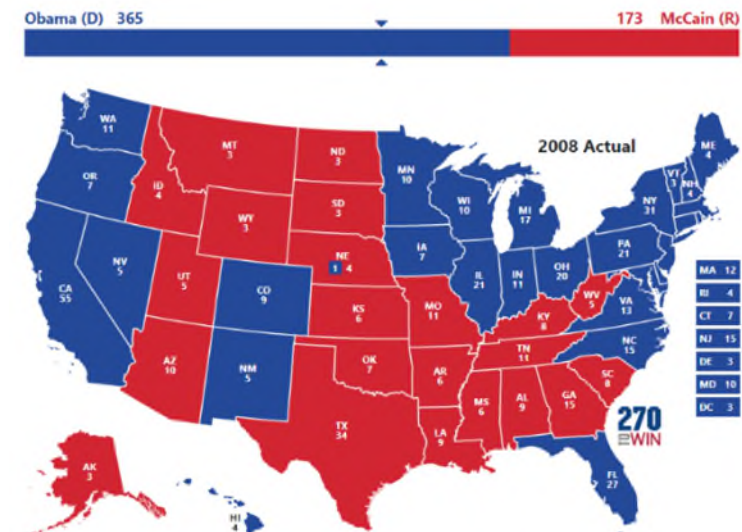
2016



2012



2008



Battleground States

- For the third presidential election in a row, the polls failed to capture the full breadth of support for President Trump – but they accurately forecasted all seven states would be close and that even a decisive victory (for either candidate) was within the margin of error

State	Electoral Votes	2024 Result (as of 11/11)	Final Polling Ave. (538 on 11/4)	2020 Result	2016 Result
Arizona	11	Trump +5.8	Trump + 2.2	Biden + 0.4	Trump + 3.5
Georgia	16	Trump +2.2	Trump + 1.0	Biden + 0.3	Trump + 5.1
Michigan	15	Trump +1.4	Harris + 1.0	Biden + 2.8	Trump + 0.3
Pennsylvania	19	Trump +2.1	EVEN	Biden + 1.2	Trump + 0.7
Nevada	6	Trump +3.1	Trump + 0.3	Biden + 2.4	Clinton + 2.4
North Carolina	16	Trump +3.4	Trump + 1.0	Trump + 1.3	Trump + 3.6
Wisconsin	10	Trump +0.9	Harris + 1.0	Biden + 0.6	Trump + 0.7

Exit Polling: Demographics

- President Trump made major inroads among the working class, across race and gender
- Trump saw massive gains among Hispanic voters, particularly men – which he won by double digits
- Trump also grew his support among Black men, but not Black women
- While Vice President Harris was banking on strong support from women voters, she under-performed not only Biden but also Clinton in 2016
- Similarly, Harris underperformed among young voters – although she fared better among voters 65+
- Harris outperformed Biden with white women and with college-educated white voters

Demographic	2024	2020	2016
Women	Harris +8 (53%)	Biden +13	Clinton +13
Men	Trump +13 (55%)	Trump +1	Trump +11
White	Trump +16 (57%)	Trump +15	Trump +20
Men	Trump +23 (60%)	Trump +18	Trump +31
Women	Trump + 8 (53%)	Trump +12	Trump +9
Black	Harris +72 (85%)	Biden +75	Clinton +81
Men	Harris + 56 (77%)	Biden +62	Clinton +69
Women	Harris + 84 (91%)	Biden +83	Clinton +90
Hispanic / Latino	Harris +6 (52%)	Biden +34	Clinton +38
Men	Trump +12 (55%)	Biden +25	Clinton +31
Women	Harris +22 (60%)	Biden +42	Clinton +44
18-29 (14% of voters)	Harris +11 (54%)	Biden +27	Clinton +19
30-44 (24%)	Harris +1 (49%)	Biden +7	Clinton +10
45-64 (38%)	Trump +10 (54%)	Trump +9	Trump +8
65 or older (22%)	EVEN	Trump +3	Trump +7
College Educated	Harris +13 (55%)	Biden +13	Clinton +10
White	Harris +7 (52%)	EVEN	Trump +3
Nonwhite	Harris +33 (65%)	Biden +44	Clinton +50
No College Degree	Trump +14 (56%)	EVEN	Trump +7
White	Trump +34 (66%)	Trump +29	Trump +37
Nonwhite	Harris +30 (64%)	Biden +46	Clinton +56

Exit Polling: Key Issues

- Exit polling confirmed the economy and immigration as driving forces behind President Trump's victory
 - On inflation, specifically, 22 percent of voters said inflation has caused their family severe hardship over the past year and those voters favored Trump by 50 points
- It also confirmed that the country remains sharply-divided, with one-third of voters viewing "the state of democracy" as their top issue – they voted overwhelmingly for Vice President Harris
 - Notably, for all the talk of Republican voters for Harris, she won only 5% of self-proclaimed Republicans, while President Trump won 4% of self-proclaimed Democrats
 - Self-described independents went for Harris by a slim 3 points (49 to 46 percent)

Which Issue Mattered Most to Your Vote?

Trump	Issue	Harris
57%	Foreign policy (4%)	37%
25%	Abortion (14%)	74%
80%	The economy (32%)	19%
90%	Immigration (11%)	9%
18%	The state of democracy (34%)	80%

Trump Team: Campaign Staff

- **Co-Campaign Managers:** Chris LaCivita and Susie Wiles
- **Key Advisors / Staff (including many long-time Trump confidants):**
 - Dan Scavino
 - Jason Miller
 - Steven Cheung
 - Brian Jack (an incoming Member of Congress)
 - Corey Lewandowski
 - Tim Murtaugh
 - Alex Pfeiffer, Alex Bruesewitz, Taylor Budowich (from MAGA Inc. super PAC)
 - Elon Musk

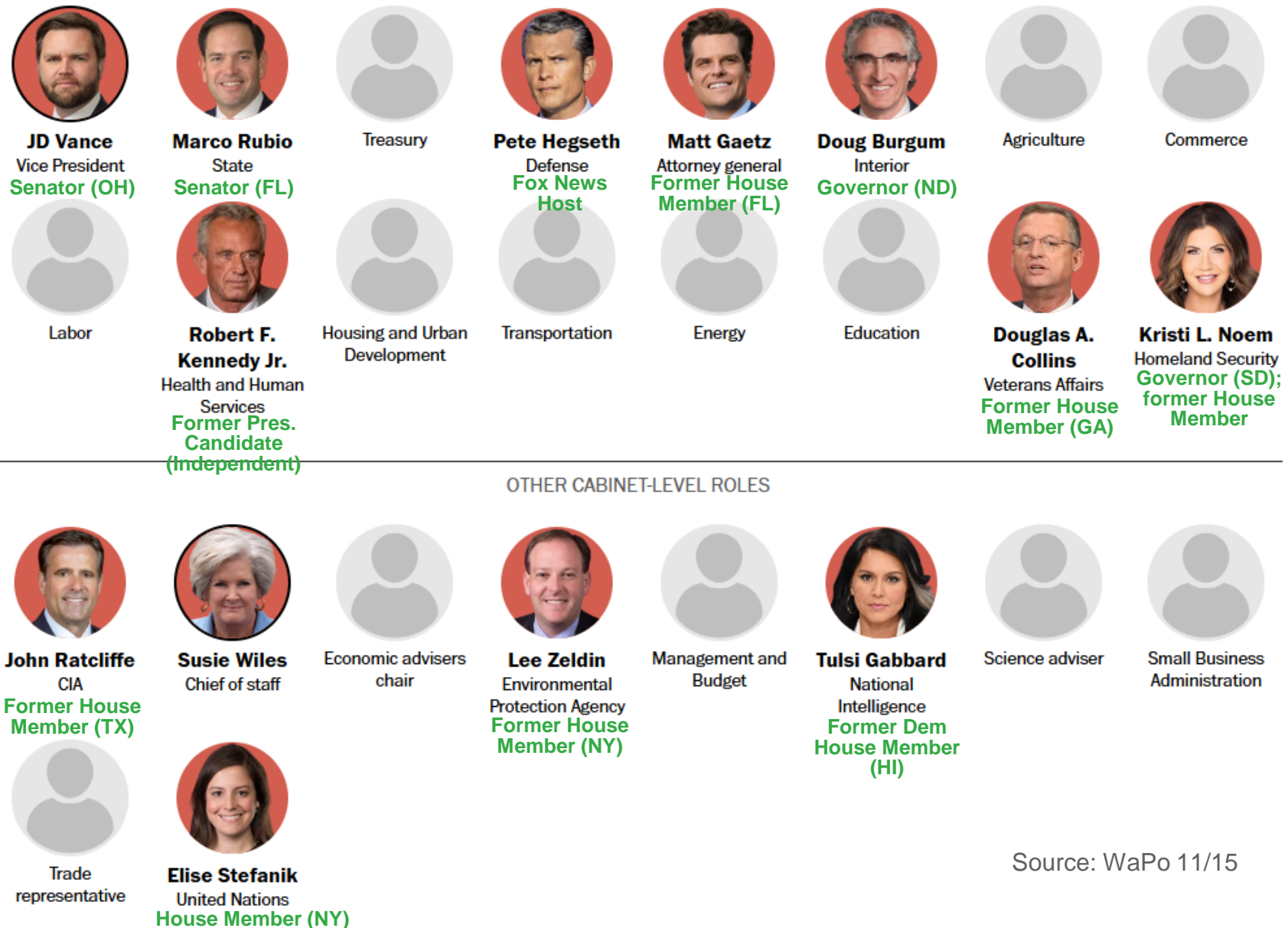
Trump Team: Transition

- **Transition Leadership**

- Co-Chaired by **Howard Lutnick** (Cantor Fitzgerald CEO) and **Linda McMahon** (former SBA Administrator)
- Honorary Co-Chairs:
 - ♦ JD Vance
 - ♦ Donald Trump, Jr. and Eric Trump
 - ♦ Former Democratic presidential candidates Robert F. Kennedy Jr. and Tulsi Gabbard
- Trump-aligned America First Policy Institute expected to be highly-influential
 - ♦ Board Chair: Linda McMahon
 - ♦ Board Vice Chair: Larry Kudlow
 - ♦ President and CEO: Brooke Rollins (former Director of Trump Domestic Policy Council)
- So far, President Trump and his transition team are steering clear of the Heritage Foundation's Project 2025 – will that change now that the campaign is over?

Trump Team: Cabinet

- President Trump is quickly announcing his cabinet picks – pulling many sitting Members of Congress (and stretching the already-thin GOP majority in the House)
- Generally, expect Senate GOP to move quickly to vet and fill posts – although some picks have attracted bipartisan scrutiny
- While Trump will not be inaugurated until January 20, Senate Committees will hold hearings / advance nominees earlier in January and will be ready to confirm a handful on January 20



Trump Team: Names to Watch

- Other names to watch:
 - Trade and Economics: Howard Lutnick, Scott Bessent, Linda McMahon, Larry Kudlow, Bob Lighthizer, Jamieson Greer
 - Health Care: Paul Mango, Bobby Jindal, Joe Grogan, Brian Blase, Eric Hargan, Robert F. Kennedy Jr.
 - Energy and Environment: David Bernhardt, Doug Burgum, Andrew Wheeler, Mandy Gunasekara, Mark Menezes
 - Foreign Policy / National Security: Mike Pompeo, Ric Grenell, Robert O'Brien, Morgan Ortagus, John Ratcliffe, Brian Hook
 - Agriculture: Gregg Doud
 - Tech: Gail Slater, Michael Kratsios
 - Judiciary: Mike Davis
 - Personnel and Budget: Russ Vought, Brooke Rollins
 - Cost Cutting / Eliminating Government Waste: Elon Musk

Trump Administration Priorities

- **Build the Economy**

- On the campaign trail, President Trump doubled down on his support for tariffs as a means of strengthening the U.S. economy – priority is to onshore domestic manufacturing, promote “fair and reciprocal” trade deals
- Making permanent the 2017 Tax Cuts and Jobs Act – enacted during his first term with a Republican Congress

- **Secure the Border / Enforce Immigration Laws**

- President Trump has pledged to begin the “largest deportation program in the nation’s history” on Day 1

- **Cut Spending and Regulations**

- Work with Congress to rollback Biden-era regulations in a host of areas, scale back the regulatory state

- **Other “Day One” Priorities**

- Expect a slew of Executive Orders including directives targeting government diversity, equity and inclusion (DEI) programs and withdrawing from the Paris climate accord (which he did in 2016)
- During his first term, President Trump signed 14 executive orders and presidential memoranda during his first week in office – a record later eclipsed by President Biden

- **International Conflicts**

- President Trump has said he will quickly bring an end to the Russia-Ukraine war
- He will also more strongly support Israeli Prime Minister Netanyahu in the country’s conflicts in Lebanon and Gaza and has promised peace in the Middle East

Key Dates

- **November 12** Congress Returns for Lame Duck Session
- **Week of November 12** New Member Orientation
- **November 13** Senate Republican Leadership Elections
- **November 13** House Republican Conference Leadership Elections
- **November 14** House Republican Rules Organizing Conference (to be ratified 11/15)
- **Week of November 19** House Democratic Caucus Leadership Elections
- **Week of December 2** House GOP Steering Committee Presentations from Committee Chair Candidates
- **Early December** Senate Democratic Leadership Elections
- **December 17** Electors Vote in their States
- **December 20** Current FY25 Continuing Resolution Expires / Target Adjournment
- **January 3** 119th Congress Convenes / House Speaker Election / Members Sworn In
- **Early January** Senate Committees Begin Confirmation Hearings for Trump Cabinet Nominees
- **January 6** Joint Session of Congress to Count Electoral Votes, Declare Results
- **January 20** Inauguration Day

CONGRESSIONAL ELECTIONS

2024 Election Results: Congress

- President Trump is likely to have unified Republican control when he takes office in January – as he did following the 2016 elections
 - Senate Republicans will have a bit more breathing room than their Democratic counterparts in recent years
 - ◆ They will have a 53-47 advantage (still shy of the 60 needed for a filibuster proof majority)
 - House Republicans will maintain their current majority

Comparison of Recent Congressional Majorities

	109 th (2005-2006)	110 th (2007-2008)	111 th (2009-2010)	112 th (2011-2012)	113 th (2013-2014)	114 th (2015-2016)	115 th (2017-2018)	116 th (2019-2020)	117 th (2021-2022)	118 th (2023-2024)	119 th (2025-2026)
House*	R+31	D+31	D+79	R+49	R+33	R+59	R+47	D+36	D+10	R+9	R+9?
Senate**	R+10	D+2	D+18	D+6	D+10	R+8	R+2 <i>started as R+4</i>	R+6	D+0 <i>Following 2 GA runoffs</i>	D+2	R+6
President	Bush	Bush	Obama	Obama	Obama	Obama	Trump	Trump	Biden	Biden	Trump

*House totals based on November election results

**Independents counted with party with which they caucus

2024 Election Results: U.S. Senate

53 Republicans

0 Undecided

47 Democrats

Flipped 4 Seats

50 for Control

- Republicans have flipped the Senate, picking up 4 seats
 - In Pennsylvania, Republican challenger Dave McCormick (R) appears to have defeated incumbent Senator Bob Casey (D) but a recount is pending
- Propelled by President Trump, Republican challengers also took down Sens. Brown (D-OH) and Tester (D-MT) – both trying to defy gravity in ruby red states – and easily prevailed in West Virginia following Sen. Manchin’s (I) retirement
- And the Senate will continue to change...
 - Ohio’s Republican Governor Mike DeWine will need to appoint an interim replacement when Senator Vance resigns in January ahead of the inauguration (a special election will be held in 2026)
 - President Trump has nominated Senator Rubio (R-FL) to serve as his Secretary of State meaning Florida Senator DeSantis (R) will need to tap an interim replacement ahead of a 2026 special election there

2024 Election Results: Key Senate Races

State	Incumbent / Challenger	Winner
Florida	Rick Scott (R) v. Debbie Mucarsel-Powell (D)	Rick Scott (R) HOLD
Montana	Jon Tester (D) v. Tim Sheehy (R)	Tim Sheehy (R) FLIP
Nebraska	Deb Fischer (R) v. Dan Osborn (I)	Deb Fischer (R) HOLD
Nevada	Jacky Rosen (D) v. Sam Brown (R)	Jacky Rosen (D) HOLD
Ohio	Sherrod Brown (D) v. Bernie Moreno (R)	Bernie Moreno (R) FLIP
Pennsylvania	Bob Casey (D) v. Dave McCormick (R)	Dave McCormick (R) FLIP (<i>recount possible</i>)
Texas	Ted Cruz (R) v. Colin Allred (D)	Ted Cruz (R) HOLD
Wisconsin	Tammy Baldwin (D) v. Eric Hovde (R)	Tammy Baldwin (D) HOLD

State	Outgoing Senator (Open Seats)	Winner
Arizona	Kyrsten Sinema (I)	Ruben Gallego (D) HOLD
California	Laphonza Butler (D)	Adam Schiff (D) HOLD
Delaware	Tom Carper (D)	Lisa Blunt Rochester (D) HOLD
Indiana	Mike Braun (R)	Jim Banks (R) HOLD
Maryland	Ben Cardin (D)	Angela Alsobrooks (D) HOLD
Michigan	Debbie Stabenow (D)	Elissa Slotkin (D) HOLD
New Jersey	George Helmy (D) <i>appointed following resignation of Senator Menendez (D)</i>	Andy Kim (D) HOLD
Utah	Mitt Romney (R)	John Curtis (R) HOLD
West Virginia	Joe Manchin (I)	Jim Justice (R) FLIP

2024 Election Results: New Senators



Angela Alsobrooks (D-MD) defeated Larry Hogan (R) to replace outgoing Senator Ben Cardin (D). Alsobrooks is the current Executive for Prince George's County, MD, a role she has held since 2018. Prior to serving as the County Executive, Alsobrooks was the state's attorney for Prince George's County.



Jim Banks (R-IN) defeated Valerie McCray (D) to replace outgoing Senator Mike Braun (R). Banks has represented IN-03 since 2017. He serves on the Armed Services and Education and the Workforce Committees, as well as the China Select Committee. Banks previously chaired the Republican Study Committee. He is a Supply Corps officer in the Navy Reserve and took leave from the Indiana Senate in 2014 to serve in Afghanistan.



Lisa Blunt Rochester (D-DE) defeated Eric Hansen (R) to replace outgoing Senator Tom Carper (D). Blunt Rochester has served as the Representative from Delaware since 2017. She serves on the Committee on Energy and Commerce in the 118th Congress. Prior to joining Congress, Blunt Rochester was the CEO of the Metropolitan Wilmington Urban League. When Carper was the state's governor, she served as his Deputy Secretary of Health and Social Services and Labor Secretary.

2024 Election Results: New Senators



John Curtis (R-UT) defeated Caroline Gleich (D) to replace outgoing Senator Mitt Romney (R). Curtis has represented Utah's 3rd Congressional District since 2017. During his tenure in the House, Curtis has served on the Committee on Energy and Commerce and Committee on Natural Resources. He also chaired the Conservative Climate Caucus. Prior to serving in Congress, Curtis was mayor of Provo, UT.



Ruben Gallego (D-AZ) defeated Kari Lake (R) to replace outgoing Senator Kristen Sinema (I). Gallego, a former Marine and combat veteran, has served in the House since 2015 (AZ-03 and AZ-07). In the 118th Congress, Gallego serves on the Armed Services and Natural Resources Committees.



Jim Justice (R-WV) defeated Glenn Elliot (D) to replace outgoing Senator Joe Manchin (I). Justice is currently the governor of West Virginia. After running as a Democrat, he re-registered as a Republican shortly after winning the 2016 election. Justice inherited a large business portfolio and maintains control of coal and natural resource related businesses.

2024 Election Results: New Senators



Andy Kim (D-NJ) defeated Curtis Bashaw (R) to replace outgoing Senator George Helmy (D) (who is finishing the term of Senator Menendez (D)). Kim has served as the Representative for New Jersey's 3rd Congressional District since 2019. In the House, Kim serves on the Committee on Foreign Affairs, the Committee on Armed Services, and the China Select Committee. He is the first Korean American to be elected to the Senate.



Dave McCormick (R-PA) is leading Sen. Casey (D), who has held the seat since 2007. McCormick is a former U.S. Army Ranger, who served in the Gulf War. Since leaving the military, McCormick has served as president and co-CEO of Bridgewater Associates, one of the largest hedge funds in the United States. McCormick also served in the Bush administration, holding a variety of advisory roles.



Bernie Moreno (R-OH) defeated Senator Sherrod Brown (D), who had held the seat since 2007. Moreno is the president of a car dealership network, Collection Auto Group. Moreno also serves on the board of trustees for the MetroHealth System in Cleveland, OH. He will be the first Senator born in South America.

2024 Election Results: New Senators



Elissa Slotkin (D-MI) defeated Mike Rogers (R) to replace outgoing Senator Debbie Stabenow (D). Slotkin has served as a Representative for Michigan since 2019 (in both the 7th and 8th Districts). In the House, she serves on the Armed Services and Ag Committees. Prior to her tenure in Congress, Slotkin was a CIA analyst and DOD official in the Obama administration.



Adam Schiff (D-CA) defeated Steve Garvey (R) to replace outgoing Senator Laphonza Butler (D) (who was appointed to serve the remaining term of former Senator Dianne Feinstein upon her death in 2023). Schiff has served as a Representative from California since 2001, most recently representing the 30th District. Schiff previously chaired the House Intelligence Committee, and currently serves on the Committee on the Judiciary.



Tim Sheehy (R-MT) defeated Senator John Tester (D), who had held the seat since 2007. Sheehy is a former Navy SEAL officer and combat veteran. After leaving the military, he founded Bridger Aerospace, an aerial firefighting company.

2024 Election Results: U.S. House

219 Republicans

7 Undecided

209 Democrats

218 for Control

(as of 11/14)

- Republicans have maintained their narrow House majority
 - Seven races yet to be called; final majority expected to be ~222-213
- With a few exceptions, incumbents from both parties prevailed
- Redistricting changes on both sides largely canceled each other out
 - New maps drawn by North Carolina's GOP-led legislature resulted in a pick-up of 3 seats for the state's delegation
 - Democrats gained two seats following Voting Rights Act rulings – one in Alabama and one in Louisiana
 - In New York, the Democratic legislature shored up Rep. Suozzi's (NY-03) seat (he won) and made NY-22 (Williams) more Democratic (it flipped)

Incumbent losses ... so far:

Seat	Defeated Incumbent	New Member	Seat	Defeated Incumbent	New Member
CA-27	Mike Garcia (R)	George Whitesides (D)	NY-22	Brandon Williams (R)	John Mannion (D)
CO-08	Yadira Caraveo (D)	Gabe Evans (R)	OR-05	Lori Chavez-DeRemer (R)	Janelle Bynum (D)
NY-04	Anthony D'Esposito (R)	Laura Gillen (D)	PA-07	Susan Wild (D)	Ryan Mackenzie (R)
NY-19	Marc Molinaro (R)	Josh Riley (D)	PA-08	Matt Cartwright (D)	Rob Bresnahan (R)

2024 Election Results: Too Close to Call

as of 11/14 at 12pm ET



Seat	Race (Incumbents in Bold)
AK-AL	Mary Peltola (D) vs Nick Begich (R) (+3.3)
CA-09	Josh Harder (D) (+3.6) vs Kevin Lincoln (R)
CA-13	John Duarte (R) (+2) vs Adam Gray (D)
CA-21	Jim Costa (D) (+3.4) vs Michael Maher (R)
CA-45	Michelle Steel (R) (+0.8) vs Derek Tran (D)
ME-02	Jared Golden (D) vs Austin Theriault (R) / rank choice tabulation
OH-09	Marcy Kaptur (D) (+0.3) vs Derek Merrin (R) / recount likely

2024 Election Results: House Open Seats



Seat	Departing Member	New Member
AL-02	NEW SEAT	Shomari Figures (D)
AZ-03	Ruben Gallego (D)	Yassamin Ansari (D)
AZ-08	Debbie Lesko (R)	Abe Hamadeh (R)
CA-12	Barbara Lee (D)	Lateefah Simon (D)
CA-16	Anna Eshoo (D)	Sam Liccardo (D)
CA-29	Tony Cardenas (D)	Luz Rivas (D)
CA-30	Adam Schiff (D)	Laura Friedman (D)
CA-31	Grace Napolitano (D)	Gil Cisneros (D)
CA-47	Katie Porter (D)	Dave Min (D)
CO-03	Lauren Boebert (R)	Jeff Hurd (R)
CO-04	Ken Buck (R) <i>resigned</i>	Lauren Boebert (R) <i>formerly CO-03</i>
CO-05	Doug Lamborn (R)	Jeff Crank (R)
DE-AL	Lisa Blunt Rochester (D)	Sarah McBride (D)
FL-08	Bill Posey (R)	Mike Haridopolos (R)
GA-03	Drew Ferguson (R)	Brian Jack (R)
IN-03	Jim Banks (R)	Marlin Stutzman (R)
IN-06	Greg Pence (R)	Jefferson Shreve (R)
IN-08	Larry Bucshon (R)	Mark Messmer (R)
KS-02	Jake LaTurner (R)	Derek Schmidt (R)

Seat	Departing Member	New Member
LA-06	Garret Graves (R)	Cleo Fields (D) FLIP
MD-02	Dutch Ruppersberger (D)	John Olszewski (D)
MD-03	John Sarbanes (D)	Sarah Elfreth (D)
MD-06	David Trone (D)	April McClain-Delaney (D)
MI-07	Elissa Slotkin (D)	Tom Barrett (R) FLIP
MI-08	Dan Kildee (D)	Kristen McDonald Rivet (D)
MN-03	Dean Phillips (D)	Kelly Morrison (D)
MO-03	Blaine Luetkemeyer (R)	Bob Onder (R)
MT-02	Matt Rosendale (R)	Troy Downing (R)
NC-06	Kathy Manning (D)	Addison McDowell (R) FLIP
NC-08	Dan Bishop (R)	Mark Harris (R)
NC-10	Patrick McHenry (R)	Pat Harrigan (R)
NC-13	Wiley Nickel (D)	Brad Knott (R) FLIP
NC-14	Jeff Jackson (D)	Tim Moore (R) FLIP
ND-AL	Kelly Armstrong (R)	Julie Fedorchak (R)
NH-02	Annie Kuster (D)	Maggie Goodlander (D)
NJ-03	Andy Kim (D)	Herb Conaway (D)
NJ-09	Bill Pascrell (D) <i>deceased</i>	Nellie Pou (D)

2024 Election Results: House Open Seats

Seat	Departing Member	New Member	Seat	Departing Member	New Member
OH-02	Brad Wenstrup (R)	David Taylor (R)	UT-03	John Curtis (R)	Mike Kennedy (R)
OR-03	Earl Blumenauer (D)	Maxine Dexter (D)	VA-07	Abigail Spanberger (D)	Eugene Vindman (D)
SC-03	Jeff Duncan (R)	Sheri Biggs (R)	VA-10	Jennifer Wexton (D)	Suhas Subramanyam (D)
TX-12	Kay Granger (R)	Craig Goldman (R)	WA-05	Cathy McMorris Rodgers (R)	Michael Baumgartner (R)
TX-18	Sheila Jackson Lee (D) <i>deceased</i>	Sylvester Turner (D)	WA-06	Derek Kilmer (D)	Emily Randall (D)
TX-26	Michael Burgess (R)	Brandon Gill (R)	WI-08	Mike Gallagher (R) <i>resigned</i>	Tony Wied (R)
TX-32	Colin Allred (D)	Julie Johnson (D)	WV-02	Alex Mooney (R)	Riley Moore (R)

2024 Primary Losses

Seat	Defeated Incumbent	New Member
AL-01	Jerry Carl (R)	Barry Moore (R) (formerly AL-02)
MO-01	Cori Bush (D)	Wesley Bell (D)
NY-16	Jamaal Bowman (D)	George Latimer (D)
VA-05	Bob Good (R)	John McGuire (R)

STATE ELECTIONS

Gubernatorial Races

- Gubernatorial results maintained status quo with 27 Republican governors to 23 Democratic governors
- All 3 Republican incumbent governors running for re-election won: Vermont (Phil Scott), Montana (Greg Gianforte), and Utah (Spencer Cox)
- In the nation's only competitive race, U.S. Senator Kelly Ayotte (R) defeated former Manchester mayor Joyce Craig (D) to succeed outgoing New Hampshire Republican Governor Chris Sununu

Republican-held Seats

Vermont: Phil Scott (R) re-elected

Montana: Greg Gianforte (R) re-elected

Utah: Spencer Cox (R) re-elected

Indiana: Mike Braun (R) elected

Missouri: Mike Kehoe (R) elected

New Hampshire: Kelly Ayotte (R) elected

North Dakota: Kelly Armstrong (R) elected

West Virginia: Patrick Morrisey (R) elected

Democratic-held Seats

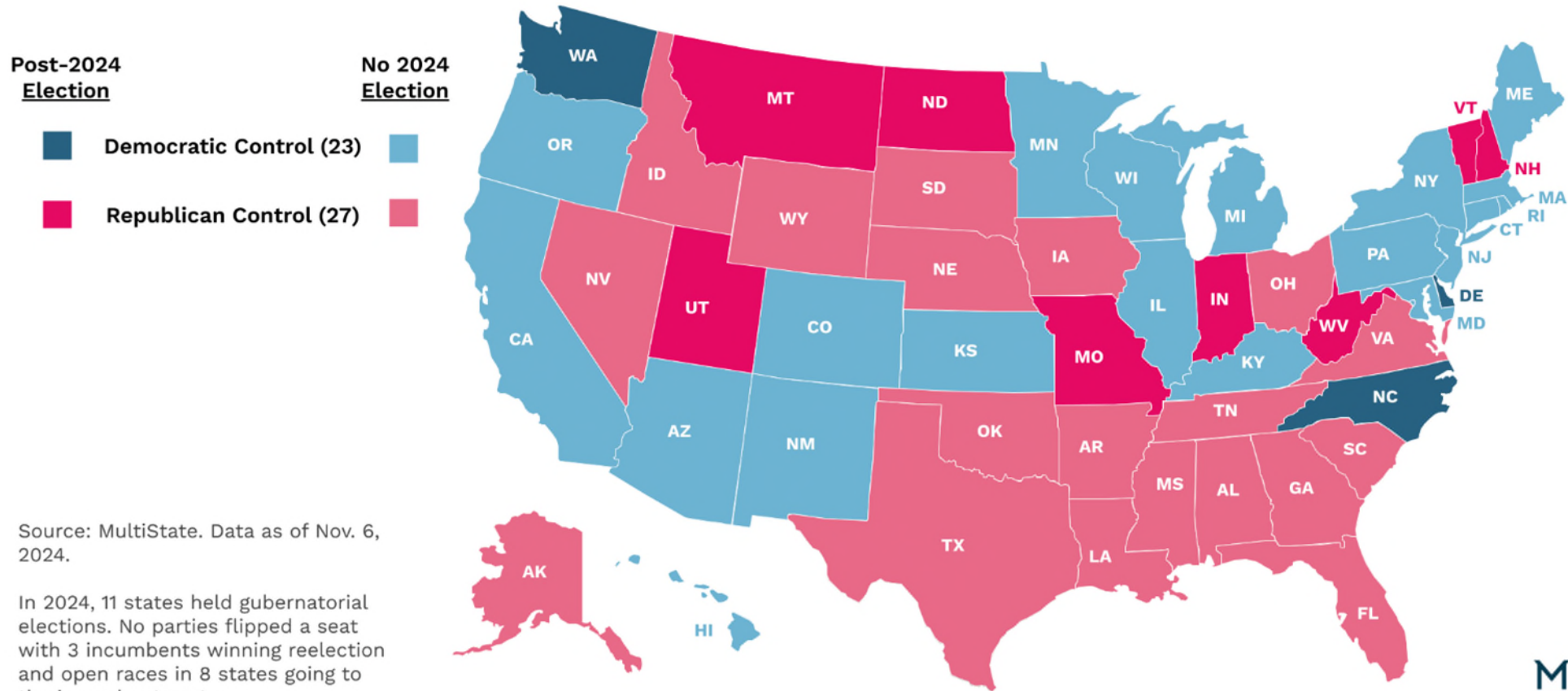
North Carolina: Josh Stein (D) elected

Delaware: Matt Meyer (D) elected

Washington: Bob Ferguson (D) elected

Gubernatorial Results

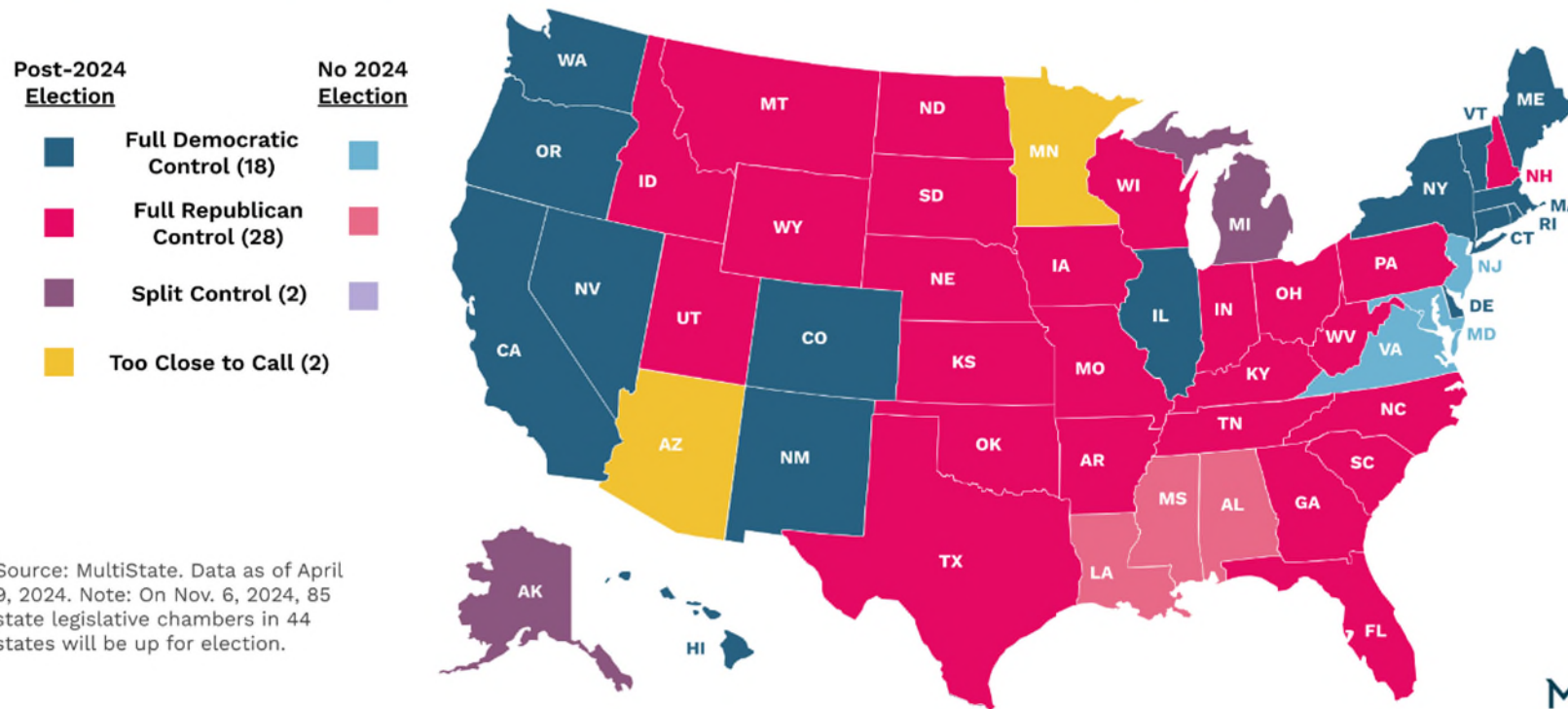
Governors | 2024 Post-Election Partisan Breakdown



State Legislature Results

- Michigan House flipped from Democratic to Republican, breaking a trifecta
- The Minnesota House, formerly held by Democrats, is now a tied chamber, breaking another Dem trifecta
- Guam's legislature flipped from Democratic to Republican control, 9-6

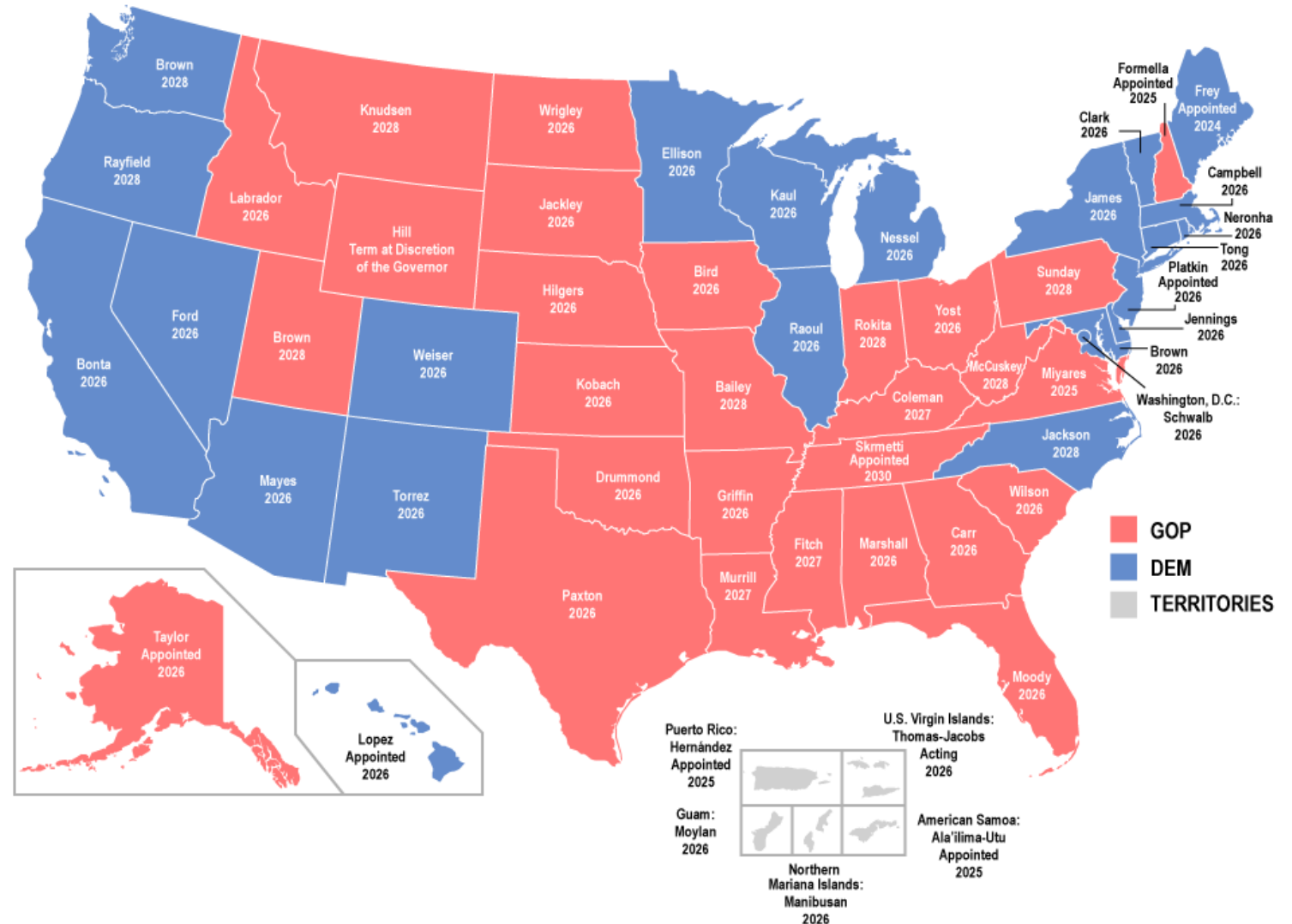
Legislatures | 2024 Post-Election Partisan Breakdown



State Attorneys General Results

- Pennsylvania is the only state AG race where the party flipped, with Republicans winning the office
 - Not all state AGs are elected by popular vote; two states (Maine and New Hampshire) and two territories (American Samoa and Puerto Rico) may have AG changes that will be determined at a later time
- Three sitting AGs won gubernatorial races – Josh Stein (D-NC), Bob Ferguson (D-WA) and Patrick Morrisey (R-WV) – as did former New Hampshire AG Kelly Ayotte (R); and former Kansas AG Derek Schmidt (R) was elected to Congress

STATE ATTORNEYS GENERAL MAP



State Attorneys General Results

State			
Indiana	Todd Rokita (incumbent)	R	Attorney General serving since January 2021, former U.S. Representative for Indiana's 4 th Congressional District, and former Indiana Secretary of State.
Missouri	Andrew Bailey (incumbent)	R	Attorney General serving since January 2023, former Deputy Counsel and General Counsel in the Missouri Governor's Office, and former Assistant Attorney General and County Prosecutor, who also served in the U.S. Army.
Montana	Austin Knudsen (incumbent)	R	Attorney General serving since January 2021, former Representative for Montana House District 34 and Speaker of the House, and former Roosevelt County Attorney.
North Carolina	Jeff Jackson	D	U.S. Representative for North Carolina's 14 th Congressional District, Major in the Army National Guard and former Member of the Army Reserve, and former North Carolina State Senator.
Oregon	Dan Rayfield	D	Attorney, State Representative for Oregon House District 16, and Speaker of the Oregon House of Representatives.
Pennsylvania	Dave Sunday	R	District Attorney of York County and former Special Assistant U.S. Attorney for the Middle District of Pennsylvania, who also served in the U.S. Navy.
Utah	Derek Brown	R	Attorney, former Chairman of the Utah Republican Party, and former member of the Utah House of Representatives.
Vermont	Charity Clark (incumbent)	D	Attorney General serving since January 2023 and former Chief of Staff and Assistant Attorney General in that office.
Washington	Nick Brown	D	Former U.S. Attorney for Western Washington and former General Counsel for the Governor of Washington, who also served in the U.S. Army as a JAG officer.
West Virginia	J. B. McCuskey	R	Attorney, West Virginia Auditor, and former Member of the West Virginia House of Delegates.

OUTGOING 118TH CONGRESS

118th Congress: Accomplishments

- Divided government and slim margins in both chambers led to gridlock on many issues
- Bipartisan success when faced with deadlines, crises
 - H.R. 3746, the Fiscal Responsibility Act of 2023 (6/3/2023), which suspended the debt ceiling until January 2025 and set FY24 and FY25 discretionary spending levels
 - ♦ Nine months, four CRs, and one House Speaker later, Congress passed a “laddered” approps bill
 - H.R. 4366, the Consolidated Appropriations Act, 2024 (3/9/2024)
 - H.R. 2882, the Further Consolidated Appropriations Act, 2024 (3/23/24)
 - H.R. 3935, the FAA Reauthorization Act of 2024 (5/16/2024)
 - H.R. 815, National Security Supplemental (Israel, Ukraine, Taiwan) (4/24/24)
 - ♦ Included TikTok ban
 - H.R. 4004, United States-Taiwan Initiative on 21st-Century Trade First Agreement Implementation Act (8/7/23)
- The Democratic Senate confirmed 213 of President Biden’s Article III judicial nominations
 - President Trump’s four-year total was 234

118th Congress: What's Left?

- Post-election “Lame Duck” agenda expected to be dominated by politics
- Senate Dems will focus on confirming President Biden’s judicial nominees before losing the majority
 - President Biden focused on matching / surpassing President Trump’s 234 judicial appointments (Article III courts)
- We expect some post-election legislative progress, largely driven by “must pass” bills
 - Disaster funding for Hurricanes Helene and Milton and the Key Bridge collapse
 - FY25 Appropriations (current CR expires December 20th)
 - ♦ House Republican leadership remains adamantly opposed to an omnibus bill
 - FY25 National Defense Authorization Act
 - ♦ Congress has passed an annual NDAA for 63 straight years
 - ♦ This year’s bill is likely a vehicle for China-related national security bills (e.g., BIOSECURE Act, ROUTERS Act) and artificial intelligence (AI) bills
 - ♦ On the trade front, inclusion of a compromise proposal to reform the *de minimis* threshold is also possible, as is a bipartisan “outbound investment” review mechanism
 - The Biden Administration finalized its sector-specific outbound investment rule in late October

118th Congress: What's Left?

- Numerous other priorities may ride along with these bills
 - Health care: Various extenders (including telehealth), physician payment adjustments
 - Flood insurance extension
 - WRDA conference agreement
 - Energy permitting reform
- Less likely, particularly with Republicans anticipating full control in 2025
 - A five-year Farm Bill... instead, expect another short-term extension
 - Business tax provisions passed by the House earlier this year
 - Children's privacy and online safety legislation
- While we often see outgoing Members push for “legacy” priorities at the end of the Congress, this lame duck could prove more contentious than most, limiting what can get done

INCOMING 119TH CONGRESS

Congressional Agenda: Unified GOP Control

- **Coordination with Trump 2.0**

- Expect Republicans to hit the ground running – and certainly more quickly than they did during President Trump’s first term, when he also had a unified Republican Congress
- President Trump has a strong relationship with likely House Speaker Johnson and much more influence over the GOP rank and file than 8 years ago
- Senate Republicans will work to quickly install President Trump’s executive branch and judicial nominees
 - ♦ Notably, GOP leadership will be able to lose several votes and still prevail

- **Governing Dynamics**

- Expect little oversight over the Trump Administration from Republican majorities in both chambers
- The filibuster would allow Senate Democrats to block some legislation, but unified control means Republicans can use the reconciliation process to advance budget and tax priorities
 - ♦ Republicans can also utilize the Congressional Review Act to overturn Biden-era regulations (CRS currently estimates the “lookback” date to begin around August 1, 2024)
- At the same time, slim margins – particularly in the House – may make for some difficult floor votes

Congressional Agenda: Unified GOP Control

- **Top Priorities**

- Make permanent the 2017 Tax Cuts and Jobs Act
- Cut federal spending
- Reduce regulations, curtail federal bureaucracy
- Secure the border / curb immigration
- Weaken / restructure the Affordable Care Act
- Roll back parts of the Inflation Reduction Act, expand domestic oil and gas production
- End / drastically reduce funding for Ukraine
- And social issues – gender transition, abortion / contraception, DEI – will continue to dominate

Expiring / Expired Authorizations



Fiscal

FY25 Continuing Resolution | 12/20/2024

Debt limit suspension | 1/1/2025
"extraordinary measures" delay need for action

TCJA individual income tax provisions | 12/31/2025

Health Care / Public Health

SUPPORT Act | 9/30/2023

Older Americans Act | 9/30/2024

Pandemic and All-Hazards Preparedness Act (PAHPA) | 12/31/2024
(some provisions)

COVID-era Medicare telehealth flexibilities | 12/31/2024

Enhanced ACA health insurance subsidies | 12/31/2025

Prescription Drug, Generic Drug, and Medical Device User Fee
Amendments (PDUFA, GDUFA, MDUFA) | 9/30/2027

Agriculture

Farm Bill | 9/30/2024

Trade

Trade Adjustment Assistance | 6/30/2022

Generalized System of Preferences | 12/31/2020

Miscellaneous Tariff Bill | 12/31/2020

African Growth and Opportunity Act | 9/30/2025

Haiti HOPE / HELP | 9/30/2025

Export-Import Bank | 12/31/2026

Infrastructure

PHMSA pipeline safety authorities | 9/30/2023

National Flood Insurance Program | 12/20/2024

Surface transportation programs | 9/30/2026

Highway Trust Fund exhaustion | 2028 est.

119th Congress: Senate Leadership

Expected Republican Leadership

Majority Leader	Thune (SD) <i>McConnell stepping down</i>
Majority Whip	John Barrasso (WY)
Conference Chair	Tom Cotton (AR)
Policy Chair	Shelley Moore Capito (WV)
Policy Vice Chair	James Lankford (OK)
NRSC Chair	Tim Scott (SC)

Expected Democratic Leadership

Democratic Leader	Chuck Schumer (NY)
Democratic Whip	Dick Durbin (IL)
Policy Chair	Cory Booker (NJ) Amy Klobuchar (MN) <i>Stabenow (MI) retiring</i>
Steering Committee Chair	Klobuchar (MN) <i>Shaheen (NH) if Klobuchar moves up</i>
Caucus Vice Chairs	Warren (MA) and Warner (VA)
Outreach Chair	Sanders (VT)
Conference Secretary	Baldwin (WI)
DSCC Chair	Kirsten Gillibrand (NY)

- On November 13, Senate Republicans elected Sen. John Thune (R-SD) to serve as their next Majority Leader
 - Thune beat out Sen. John Cornyn (R-TX) as well as Sen. Rick Scott (R-FL), who had support from the chamber's more conservative faction
 - And Sen. Tom Cotton (AR) defeated Joni Ernst (IA) in the race for Conference Chair
- Will there be a role for outgoing Leader McConnell, who has led the conference since 2007? Will there be a role for NRSC Chair – and Trump ally – Steve Daines (R-MT) given the party's strong showing on Election Day?
- Senate Democrats are expected to hold their leadership elections after Thanksgiving

119th Congress: Senate Committee Leadership

Committee	Expected Chair	Expected Ranking	Committee	Expected Chair	Expected Ranking
Agriculture	Boozman (AR)	Klobuchar (MN)	Foreign Relations	Risch (ID)	Shaheen (NH)
Appropriations	Collins (ME)	Murray (WA)	HELP	Cassidy (LA)	Sanders (VT)
Armed Services	Wicker (MS)	Reed (RI)	Homeland Security	Paul (KY)	Peters (MI)
Banking	Scott (SC)	Warren (MA)	Judiciary	Grassley (IA)	Durbin (IL)
Budget	Graham (SC)	Merkley (OR)	Rules	Fischer (NE)	Padilla (CA)
Commerce, Science & Transportation	Cruz (TX)	Cantwell (WA)	Small Business	Ernst (IA)	Markey (MA) Booker (NJ)
Energy & Natural Resources	Lee (UT)	Heinrich (NM)	Veterans' Affairs	Moran (KS)	Blumenthal (CT)
Environment & Public Works	Capito (WV)	Whitehouse (RI)	Indian Affairs	Murkowski (AK)	Schatz (HI)
Finance	Crapo (ID)	Wyden (OR)	Ethics	Lankford (OK)	Coons (DE)
			Intel	Cotton (AR)	Warner (VA)

*Leadership changes highlighted

- Committee leadership changes expected on both sides of the aisle due to election losses, retirements and term limits
 - Retiring Dem committee leaders include Carper (DE) (EPW), Cardin (MD) (Foreign), Manchin (WV) (Energy), and Stabenow (MI) (Ag)
 - And current chairs Brown (D-OH) (Banking), Casey (Aging) and Tester (D-MT) (Veterans') lost re-election bids
 - Notably, Senate Democrats are losing six Finance Committee Members – while they will give up a couple slots due to changing ratios, expect three to four new Democrats to land on the committee

119th Congress: House Leadership

Expected Republican Leadership

Speaker	Mike Johnson (LA)
Majority Leader	Steve Scalise (LA)
Majority Whip	Tom Emmer (MN)
Conference Chair	Lisa McClain (MI)
Conference Vice Chair	Blake Moore (UT)
Policy Committee Chair	Kevin Hern (OK)
Conference Secretary	Erin Houchin (IN)
NRCC Chair	Richard Hudson (NC)

Expected Democratic Leadership

Democratic Leader	Hakeem Jeffries (NY)
Democratic Whip	Katherine Clark (MA)
Caucus Chair	Pete Aguilar (CA)
Asst. Democratic Leader	Joe Neguse (CO)
Caucus Vice Chair	Ted Lieu (CA)
DCCC Chair	Suzan DelBene (WA)?

- With Republicans maintaining control of the House, Speaker Johnson (R-LA) is very likely to keep the gavel
 - Rep. Lisa McClain (R-MI) was elected Conference Chair following President Trump's pick of Rep. Elise Stefanik (R-NY) to serve as Ambassador to the UN; Rep. Kevin Hern (R-OK) beat out Gary Palmer (R-AL) for Policy Chair
 - While margins will be tight – particularly with some vacancies – Speaker Johnson is expected to have some extra breathing room with a caucus agreement to raise the threshold on the motion to vacate (from 1 to 9)
- House Democrats will hold their leadership elections November 19, with no major changes anticipated

119th Congress: House Committee Leadership

Committee	Expected Chair	Expected Ranking
Agriculture	Thompson (PA)	Scott (GA)
Appropriations	Cole (OK)	DeLauro (CT)
Armed Services	Rogers (AL)	Smith (WA)
Budget	Arrington (TX)	Boyle (PA)
Education & Workforce	Walberg (MI) Owens (UT)	Scott (VA)
Energy & Commerce	Latta (OH) Guthrie (KY)	Pallone (NJ)
Financial Services	Lucas (OK) Barr (KY) Hill (AR) Huizenga (MI)	Waters (CA)
Foreign Affairs	McCaul (TX) <i>seeking waiver</i> Wagner (MO) Wilson (SC) Issa (CA)	Meeks (NY)
Homeland Security	Green (TN)	Thompson (MS)
Judiciary	Jordan (OH)	Nadler (NY)

Committee	Expected Chair	Expected Ranking
Natural Resources	Westerman (AR)	Grijalva (AZ)
Oversight	Comer (KY)	Raskin (MD)
Rules	Reschenthaler (PA) Fischbach (MN)	McGovern (MA)
Science, Space & Technology	Babin (TX)	Lofgren (CA)
Small Business	Williams (TX)	Velasquez (NY)
Transportation & Infrastructure	Graves (MO) <i>seeking waiver</i> Crawford (AR)	Larsen (WA)
Veterans' Affairs	Bost (IL)	Takano (CA)
Ways & Means	J. Smith (MO)	Neal (MA)
Intelligence	Turner (OH)	Himes (CT)
China Select	Moolenaar (MI)	Krishnamoorthi (IL)

*Leadership changes highlighted

- Numerous committee leadership changes on the Republican side due to retirements and term limits – with two current chairs seeking waivers because their six years are up
- Few changes, if any, likely on the Democratic side (no term limits)

Key Committees

Committee	Departing Members	Who Wants On	Current Ratio
WAYS AND MEANS   Smith (R-MO) Neal (D-MA)	Republicans: Wenstrup (OH), Ferguson (GA) [Steel (CA)?] Democrats: Blumenauer (OR), Pascrell (NJ), Kildee (MI)	Republicans: Yakym (IN), Miller (OH), Bean (FL), Moran (TX), Collins (GA), Timmons (SC) Democrats: Suozzi (NY), Plaskett (VI), Boyle (PA), Stevens (MI), Salinas (OR), Strickland (WA), Torres (NY)	25 R / 18 D
ENERGY AND COMMERCE    Guthrie (R-KY), Latta (R-OH) Pallone (D-NJ)	Republicans: McMorris Rodgers (WA) (Chair), Burgess (TX), Bucshon (IN), Duncan (SC), Curtis (UT), Lesko (AZ), Pence (IN), Armstrong (ND) Democrats: Eshoo (CA), Sarbanes (MD), Cardenas (CA), Kuster (NH), Rochester (DE)	Republicans: Bentz (OR), Babin (TX), Fry (SC), Hunt (TX), Lee (FL), Rulli (OH), Kean (NJ), Houchin (IN) Democrats: Davids (KS), Carter (LA), Deluzio (PA), Mullin (CA), Ocasio-Cortez (NY), Amo (RI), Menendez (NJ), Petterson (CO), Tokuda (HI)	29 R / 23 D
APPROPRIATIONS   Cole (R-OK) DeLauro (D-CT)	Republicans: Granger (TX), Carl (AL), LaTurner (KS), Garcia (CA) Democrats: Lee (CA), Ruppersberger (MD), Kilmer (WA), Cartwright (PA), Wexton (VA), Trone (MD)	Republicans: Malloy (UT), Moore (WV), Strong (AL) Democrats: Mrvan (IN)	34 R / 27 D

Committee ratios are unlikely to change much, although GOP could shrink committee sizes

POLICY ISSUES

Budget, Appropriations, and Debt Ceiling

Annual Budget and Appropriations Process

- Congress has yet to finalize any of its 12 Fiscal Year 2025 spending bills (FY 2025 began October 1) and a short-term continuing resolution (CR) is keeping the government funded through December 20
 - The House Appropriations Committee has approved all 12 FY 2025 appropriations bills and has passed 5 bills on the House floor (Defense, Homeland, Interior, MilCon/VA, and SFOPS)
 - The Senate Appropriations Committee has approved 11 of 12 FY 2025 bills (all except Homeland)
- Will Congress finalize funding legislation next month and clear the decks, or will it punt spending bills into 2025?
 - House Speaker Johnson has indicated that an omnibus will not be considered and has voiced support for passing individual bills – a tall task with limited floor time, particularly in the Senate
- Supplemental disaster funding to support communities impacted by Hurricanes Milton and Helene is also expected before the end of the year
- Looking further ahead, as Congress contemplates the FY26 budget process, it must once again reach agreement on spending caps and the debt ceiling (with the current suspension set to expire January 1, 2025)
 - Under FY25 caps, nondefense spending is capped at \$711 billion and defense spending is capped at \$895 billion
 - Trump has pledged to appoint Elon Musk to a government efficiency commission to conduct a “complete financial and performance audit of the entire federal government” and make “recommendations for drastic reforms”

Budget, Appropriations, and Debt Ceiling

Budget Reconciliation

- Expect Republicans to utilize budget reconciliation to move their agenda
- Not subject to a Senate filibuster (i.e., 60 vote threshold), meaning a reconciliation package could be approved in the Senate on a simple majority vote – could be used to achieve a number of policy priorities including:
 - Extending and modifying tax cuts established under the 2017 Tax Cuts and Jobs Act (TCJA), modifying energy policies to expand oil and natural gas operations, eliminating tax and spending provisions from the Bipartisan Infrastructure Law and the Inflation Reduction Act (IRA), and reducing federal agency budgets
 - Reconciliation bills must be budget-oriented, affecting revenue, spending, or the debt limit - the Senate Byrd Rule prohibits extraneous provisions from being considered under reconciliation
 - Extraneous provisions include those which do not change outlays or revenues, produce changes in outlays or revenues which are merely incidental to the non-budgetary components of the provision, increase the deficit beyond the 10-year budget window, or make changes to Social Security
 - Budget Reconciliation has been used in recent years to enact significant legislation, including the Tax Cuts and Jobs Act (2017), the American Rescue Plan (2021), and the Inflation Reduction Act (2022)

Budget, Appropriations, and Debt Ceiling

Debt Ceiling

- In June 2023, lawmakers avoided defaulting on the national debt by enacting the Fiscal Responsibility Act, which suspended the debt limit until January 1, 2025, and established discretionary spending limits for FY24 and FY25
- When the debt limit suspension expires on January 2, 2025, the debt limit will reset to its previous level of \$31.4 trillion plus the amount of federal borrowing that occurred while the debt limit was suspended
- The Treasury Department may use "extraordinary measures" to stave off the need for new borrowing authority, for a period of time
 - The length of time extraordinary measures will last depends on when federal receipts and outlays occur when extraordinary measures begin, and the cash reserves Treasury has on hand
 - Experts believe measures are likely to last for months, and the Treasury Department will later announce an "X date" by which Congress must act or risk default
 - Most recently, extraordinary measures enabled the government to continue meeting its obligations from January 2023 until lawmakers suspended the debt ceiling in June 2023
- How will the debt limit factor into broader fiscal discussions in 2025?

Trump Tax Policy Overview

- President Trump will push to extend or make permanent the 2017 Tax Cuts and Jobs Act (TCJA)
 - Many provisions impacting individuals and families are scheduled to expire at the end of 2025, while others affecting businesses have expired or are scheduled to expire between now and 2028
- On the individual side, Trump has pushed for a variety of tax and tariff proposals on the campaign trail, including:
 - Making the individual TCJA provisions permanent
 - Making the TCJA estate tax changes permanent
 - Exempting Social Security benefits from income taxes
 - Exempting overtime pay from income taxes
 - Exempting tips from income taxes
 - Creating an itemized deduction for auto loan interest
 - Creating a tax credit for family caregivers
 - Eliminating the cap on state and local tax (SALT) deductions
 - JD Vance has discussed increasing the child tax credit to \$5,000

- On the business side, Trump has proposed:
 - Restoring TCJA business tax incentives (100% bonus depreciation, R&D expensing, EBITDA-based interest limitation)
 - Reinstating the domestic production activities deduction (DPAD) at 28.5% to lower the effective corporate tax rate for domestic production to 15%
 - Eliminating the IRA green energy subsidies
 - Taxing large private university endowments
- Trump has also proposed significant tariffs on imported products and has floated replacing income taxes with the increased revenue
- How will proposed tax changes impact the national debt?
 - According to analysis by the Committee for a Responsible Federal Budget, Trump's plan would boost the debt by \$7.5 trillion over the next decade (note that estimates contain a wide range of uncertainty and include many assumptions since Trump has not yet issued detailed proposals)

Congress and Tax Policy

- With significant Tax Cuts and Jobs Act (TCJA) business and individual provisions set to expire at the end of 2025, their extension (or permanency) is a top priority for Congressional Republicans heading into the 119th Congress
 - Expect Republicans to coordinate with the Trump Administration and to move quickly using the reconciliation process
 - For months, House Republicans on 10 “tax teams” have been meeting to scrutinize a range of tax provisions from the TCJA and to establish their priorities for 2025 – and Senate Finance Committee Republicans, led by incoming Chair Crapo (R-ID), have been doing the same
- On the business side, Republicans will seek to extend or make permanent the TCJA’s 20% pass-through tax deduction (set to expire in 2025) and restoring expired TCJA business tax provisions (100% bonus depreciation, R&D expensing, EBITDA-based interest limitation)
 - That trio of TCJA provisions was part of a bipartisan tax package passed by the House earlier this year
 - The package – negotiated by Senate Finance Chair Wyden (D-OR) and House Ways & Means Chair Smith (R-MO) – extended the business provisions and also expanded the Child Tax Credit, a Democratic priority
 - It passed the House by a vote of 357-70, but was not considered in the Senate due to Republican concerns that the bill did not impose strict enough work requirements for Child Tax Credit recipients
 - These provisions are likely to be wrapped into broader tax discussion going into 2025
- Unspent funds under legislation enacted during the Biden Administration will likely be targeted to pay for tax changes

- Leaders from both parties have faced calls from Members from high-tax states to allow the \$10,000 cap on SALT deductions to expire, a provision that currently raises revenue
 - Members from New York, New Jersey, and California hold a Congressional balance of power in a slim majority and may block bills that don't address their concerns
- Despite the end-of-2025 expiration, there is always the possibility of a temporary extension, as when the Bush tax cuts were extended from 2010 through 2012
- There is also the possibility, though unlikely, that the TCJA provisions could be sent over the cliff and taxes increased across the board

Trump Trade Policy Overview

- Anticipated trade policy priorities, building on first term approach and achievements
 - Reduce trade deficits
 - Reshore domestic manufacturing
 - Further respond to China's economic aggression
- Like last time, but more tariffs...
 - Trump has proposed an across-the-board 10 to 20 percent tariff on all imports
 - ♦ He has described it as a ring around the U.S. economy
 - He has also pledged a 100 percent tariff on imports from countries that shift away from using the U.S. dollar
 - In the closing days of the campaign, Trump floated tariffs on Mexico – ranging from 25 to 100 percent – until it closed off the border with the United States
 - During his first term, President Trump floated the United States Reciprocal Trade Act, designed to provide the President with the authority to raise U.S. tariffs to match a foreign country's tariffs on a certain product
 - Expect trading partners to respond with retaliatory tariffs, much like during President Trump's first term

- For specific sectors, expect continued use of the Section 232 and Section 301 trade programs that rose in prominence during his first term
- Potential use of International Emergency Economic Powers Act (IEEPA) and Section 122 Balance-of-Payments Authority for new tariff actions
- And as far as China is concerned, the message is “finish the job”
 - Trump has discussed a tariff as high as 60 percent on imports from China
 - ♦ For *vehicles*, he’s suggested a 100% tariff – and a 200% tariff on Chinese autos made in Mexico
 - ♦ Notably, there is bipartisan support on Capitol Hill to stem a potential flood of Chinese EV imports to the United States
 - Revocation of China Permanent Normal Trade Relations (PNTR) likely a priority
 - ♦ Former USTR Robert Lighthizer has endorsed revoking China PNTR
 - ♦ Would require Congressional action
 - He has also pledged to ban Chinese ownership of all U.S. critical infrastructure

- While the Biden Administration largely kept the Trump-era Section 232 steel and aluminum national security tariffs in place, it also negotiated tariff-rate quota (TRQ) agreements with the European Union, Japan and the UK
 - Will a second Trump Administration walk back those TRQ agreements and reimpose the tariffs? Would it consider reimposing tariffs on imports from Mexico given concerns related to steel import surges?
 - Will he abandon the currently-stalled U.S.-EU “Global Arrangement on Sustainable Steel and Aluminum”?
 - ♦ The Global Arrangement was launched in 2021 with the goal of developing a trading regime for steel and aluminum centered on restricting market access based on carbon intensity and excess non-market capacity
 - While the U.S. has extended its current tariff-rate quota arrangement for the EU through the end of 2025 (in lieu of the 25% tariffs), the EU’s retaliatory tariffs are scheduled to snap back into place on April 1, 2025
 - ♦ Will the EU push back its deadline to allow breathing room for continued negotiations?
- President Trump will keep in place his Section 301 China tariffs, likely with modifications put in place by the Biden Administration earlier this year
 - Will his administration seek to resume the bilateral negotiations that led to the phase 1 agreement?

- A second Trump Administration could resume formal trade agreement negotiations with the EU, UK, Japan, and Kenya – all initiated during his first term
 - Such bilateral deals are unlikely to be a top trade priority, particularly given the lack of consensus among Congressional Republicans
 - Meanwhile, expect Biden-era trade initiatives – e.g., the Indo-Pacific Economic Framework (IPEF) – to be shelved
- Additionally, Trump’s signature U.S.-Canada-Mexico Agreement (USMCA) is approaching its first six-year review (2026)
 - Negotiations are likely to begin early next year to get ahead of Canada’s 2025 election
 - Expect the administration to use the review as an opportunity to push Mexico – and, to a lesser extent, Canada – on a range of trade policy issues
 - ♦ Steel and auto sectors are likely to be priorities – notably, combatting the PRC’s increasing investments in Mexico, including as a “back door” to the U.S. market
 - ♦ More generally, expect an effort to ensure that non-signatory countries don’t benefit from the agreement
 - ♦ What about Investor-State Dispute Settlement (ISDS) provisions – already curtailed greatly by USMCA?
- It is unclear what the Trump Administration will do regarding Biden-era sanctions

Congress and Trade

- Will 2025 be the year Congress addresses a slew of expired trade programs?
 - Generalized System of Preferences (GSP) program expired at the end of 2020
 - ♦ Ways and Means advanced a Republican-led bill earlier this year
 - Miscellaneous Tariff Bill (MTB) expired at the end of 2020
 - ♦ The outlook for MTB remains cloudy, particularly given China-related concerns
 - Trade Adjustment Assistance (TAA) expired June 30, 2022
 - ♦ Long prioritized by labor and Congressional Democrats
- The upcoming reauthorizations of the African Growth and Opportunity Act (AGOA) and Haiti / HOPE –set to expire September 30, 2025 – could drive a more comprehensive trade package
- We could see a trade “down payment” in the lame duck given bipartisan support for *de minimis* reform – if not, expect it to be part of any trade package in the next Congress
- Bipartisan Members have also begun working on Customs reauthorization legislation
- Watch for champions to push for trade enforcement legislation to ride along with any trade package

International Trade

- A Republican Congress will likely move more in lockstep with President Trump on trade than during his first term – particularly with many newer / incoming Senators tightly aligned with the former President
 - Congressional Republicans may also utilize the promise of new tariff revenue as an offset for tax reform
- While Democrats are likely to support tougher stance on China, tariffs on U.S. allies are likely to be met with stiff opposition and concerns that broad-based tariffs will raise prices for consumers
- China will continue to be a unifying factor – will the House Select Committee on the Chinese Communist Party continue?
- Congress is likely to continue to focus on supply chain resiliency in the next Congress
- As the USMCA six-year review discussions begin in earnest, expect Republicans to highlight disagreements with Mexico on a range of USMCA issues, including energy, biotech, and automotive rules of origin
- Will 2025 be the year Members of Congress force a floor vote on Congressional disapproval of U.S. participation in the WTO?
 - While part of the 1994 Uruguay Round Agreement Act, Congress has exercised this option very infrequently – although Senator Hawley (R-MO) tried to force a vote in 2020

Trump Infrastructure Policy Overview

- President Trump made infrastructure a key plank of his platform during his first term, but despite multiple “Infrastructure Weeks” and attempts to get Congress to pass a \$1 trillion infrastructure bill with \$200 billion in federal funding, nothing materialized
- Trump has indicated he will cut infrastructure funding programs created by the Biden Administration, including the Infrastructure Investment and Jobs Act of 2021 (IIJA) and the Inflation Reduction Act
- Trump has mentioned the merits of creating a federal sovereign wealth fund – such as those run by China, Russia, and Saudi Arabia – as well as using tariff revenues to fund infrastructure investments
- Vice President-Elect Vance harshly criticized the IIJA when he campaigned for the Senate two years ago, but he subsequently sought more than \$200 million from the law for projects in his state

Congress and Infrastructure Policy

- The Infrastructure Investment and Jobs Act of 2021 reauthorized surface transportation programs through FY 2026
 - Historically, the surface transportation reauthorization has been a bipartisan effort to deliver multiyear transportation and related infrastructure funding authority to allow the states to plan for significant infrastructure projects and investments
 - Reauthorization discussions are expected to begin in earnest in early 2025 with the new 119th Congress
- The Highway Trust Fund is expected to remain solvent until 2028
 - The trust fund, largely funded by the federal gas tax, pays for highway and mass transit programs – revenues have declined in recent decades due to increased fuel efficiency and electric vehicle usage
 - Congress has repeatedly authorized transfers to supplement the Highway Trust Fund to maintain the trust's solvency and avoid significant cuts to federal highway and mass transit programs

- Congress is likely to move a 2-year Water Resources Development Act (WRDA) yet this year
 - The biennial legislation authorizes U.S. Army Corps water resources development projects and studies
 - In July, the House passed its version of the bipartisan WRDA bill (359-13) and in early August, the Senate passed its version by unanimous consent
 - The Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee are working to resolve differences and a final version is anticipated to move during the lame duck
- The Pipeline and Hazardous Materials Safety Administration's (PHMSA) pipeline safety program was last authorized through FY2023 under the Protecting Our Infrastructure of Pipelines Enhancing Safety (PIPES) Act of 2020, included in the Consolidated Appropriations Act of 2021
 - PHMSA authorization expired in September 2023, however the agency's pipeline safety program can continue to operate and can still be funded subject to any instructions in an appropriations act
 - A 4-year reauth was reported by the House Transportation and Infrastructure Committee this year, but has yet to be considered by the House Energy and Commerce Committee or the Senate Commerce Committee
- Congress reauthorized the Federal Aviation Administration through FY2028 earlier this year

Infrastructure

- The IIJA included major expansions of Made in America laws, applying them to all federal financial assistance programs for infrastructure – expect champions in Congress to engage agencies concerning implementation and compliance
- Many IIJA projects are popular in red states and districts, a consideration that may complicate efforts to dismantle IIJA programs, given their appeal to voters and some Republican members of Congress
- Republicans can be expected to focus on legislative efforts to leverage private sector investment in infrastructure, with the belief that federal partnerships with businesses can drive innovation and efficiency
- Republicans will likely prioritize infrastructure needs of rural areas, ensuring that these communities receive the necessary investment for their roads, bridges, and other essential infrastructure
- Republicans will also likely pursue reforms to streamline permitting to expand and modernize pipelines, refineries, and energy distribution networks

Energy, Environment and Climate

Trump Energy Policy Overview

- President Trump is expected to rescind/revise many of the Biden Administration's energy regulations, with a significant number being targeted through Day 1 executive orders; possible actions include:
 - Expediting permits for oil and natural gas development and pipeline projects
 - Increasing onshore and offshore leasing
 - Re-exiting the Paris Climate Agreement and blocking contributions to UN's Green Climate Fund
 - Halting offshore wind projects
 - Lifting the Biden Administration's moratorium on LNG export permits
- Key components of his energy agenda include:
 - Expanding federal lands and permitting by rescinding or revising Biden BLM rules, onshore orders, etc.
 - Rolling back upstream O&G rules, including regulations on methane flaring and leaks from oil & gas operations
 - Streamlining environmental reviews under NEPA, ESA, CWA, MBTA, and other statutes
 - Bolstering domestic manufacturing through additional tariffs on Chinese-made solar panels and parts
 - Ending IRA solar and wind tax credits while broadening hydrogen tax credits to encompass fossil fuels
 - Eliminating DOE Office of Clean Energy Demonstrations

Energy, Environment and Climate

Trump Environment and Climate Policy Overview

- The Trump Administration plans to reverse or substantially revise several Biden environmental initiatives:
 - Requirements to base permitting, enforcement, and funding decisions on environmental justice considerations
 - Power plant rules under the Clean Air Act, Clean Water Act, and other statutes
 - Air quality standards and implementation rules for particulate matter, nitrogen oxides, ozone, & other pollutants
 - Multiple industry-specific and multi-sector Clean Air Act emissions limits and permit requirements
 - PFAS regulations regarding drinking water, waste management, environmental remediation, reporting, *etc.*
 - Mobile source/fuel efficiency rules including the 2024 tailpipe limits, California's stricter air regulations, and redirecting EV tax credits towards real estate and income tax breaks
- A Trump FERC would likely reform and streamline reviews and considerations of potential climate impacts
- While opposing domestic carbon taxes, President Trump would seek to implement a carbon tax on Chinese imports and end assessments of carbon pollution in rulemaking
- Rescinding climate risk disclosure requirements under SEC rules, in government procurement, *etc.* is also a priority
- To incentivize the use of fossil fuels, he proposes increasing tax credits for hydrogen production from these sources, coupled with carbon capture

Energy, Environment and Climate

Congress and Energy, Environment and Climate

- The House Energy and Commerce Committee will undergo a shift in leadership with Republicans taking control
 - Reps. Latta (R-OH) and Guthrie (R-KY) are contenders for the gavel
 - Under Republican leadership, the committee's focus will likely remain on reducing reliance on foreign energy sources
 - ♦ Expanding nuclear energy and ending reliance on Russian uranium imports
 - ♦ Strengthening the electrical grid, securing the U.S. supply chain for critical materials
 - Streamlining environmental reviews for energy projects, and reversing Biden's EPA rules and LNG export pause are also high on the agenda
- The House Natural Resources Committee Leadership will remain unchanged
 - Reps. Westerman (R-AR) and Grijalva (D-AZ) will remain Chair and Ranking Member respectively
 - Grijalva has been dealing with significant health problems and may be asked to step aside – Rep. Huffman (D-CA) is the most likely to assume the role, if needed

Energy, Environment and Climate

- There will be also be significant changes in Senate Committee leadership
- Sens. Lee (R-UT) and Heinrich (D-NM) will take over atop the Energy and Natural Resources Committee
 - Sen. Lee has introduced the UNSHACKLE Act, which seeks to streamline the environmental review process for energy infrastructure projects to facilitate timely energy production
 - He has been a staunch critic of the Biden Administrations action's related to public land usage and conservation
 - Sen. Heinrich's priorities have focused on hydrogen production, electric vehicle infrastructure, and renewable energy manufacturing
- Incoming Senate EPW Committee Chair Capito (R-WV) will continue her focus on reducing regulatory burdens, supporting energy solutions like carbon capture and nuclear energy, and pursuing initiatives for improving water quality – she also opposes the bipartisan PROVE IT Act (to measure the carbon intensity of imports) given concerns it could lead to a carbon tax
 - Sen. Whitehouse (D-RI) – a climate hawk – is expected to be the top Democrat on the committee
 - Sen. Whitehouse has prioritized addressing climate change, advocating for policies that promote a clean energy economy and hold fossil fuel companies accountable, and he has authored the Clean Competition Act, which aims to impose a carbon border adjustment on energy-intensive imports (along with a domestic price on carbon)

Energy, Environment and Climate

- If not completed in the Lame Duck, Republicans are likely to push for significant permitting reform early in the next Congress
 - Could also see movement on reforms to the Endangered Species Act and public land use / development
- IRA Clean Energy Tax Credits
 - Republicans are expected to target certain clean energy tax credits from the IRA for repeal
- Finally, watch for Republicans to utilize the Congressional Review Act to rollback certain Biden-era regulations
 - The Congressional Research Service has estimated that rules submitted to Congress on or after August 1, 2024 would be subject to possible overturn by a CRA resolution in the beginning of the 119th Congress

Trump Health Care Policy Overview

- During his first term, President Trump and Congressional Republicans sought to repeal and replace the Affordable Care Act (ACA)
- Repeal is unlikely, and President Trump hasn't been specific on his plans for health care reform, but some possible proposals that have been floated include:
 - Eliminating ACA marketplace subsidies, cutting outreach and enrollment funding
 - Instituting work requirements for Medicaid eligibility – mostly through 1115 waivers for States
 - Shifting to block grant funding for Medicaid
 - Deregulating insurance markets to provide more choices for coverage and potentially limit consumer protections
 - During his first term, President Trump issued various executive orders aimed at expanding short-term health insurance plans, which did not have to comply with ACA regulations

- Drug / Prices
 - Encourage the development and availability of affordable health care plans and prescription drugs through “market-driven solutions and innovative approaches”
 - Prevent brand-name drug manufacturers from impeding generic competition
 - Establishing a prescription drug savings plan for uninsured individuals
- Public Health Agencies
 - President Trump and Congressional Republicans have been critical of the U.S. public health apparatus – CDC, NIH, FDA – during and since the Pandemic
 - ♦ Expect increased scrutiny, funding cuts / staff reductions, and, in some cases, proposals to fundamentally alter their mission
 - Trump has promised that Robert F. Kennedy, Jr will have a role in public health in his administration
- Substance Abuse / Border
 - During Trump’s first term, the SUPPORT Act – a major substance abuse treatment and prevention bill – was signed into law
 - More recently, his focus has been on cutting supply coming through the border(s)

- Medicare reforms
 - President Trump said during the campaign he would “not cut one penny” from Medicare and Social Security
 - Promised changes include:
 - ♦ Reform Medicare to increase patient control, reduce regulatory burdens, ensure sustainability, and reduce fraud
 - During his first term, Trump advanced policies related to health care price transparency directed at hospitals and prescription drugs
 - ♦ Restore Medicare regulations and demonstrations proposed during his first term
 - Trump promoted Medicare Advantage plans (private alternatives to Medicare)
 - Advance site neutrality in Medicare payments – equal rates for the same clinical care, regardless of the facility

Congress and Health Care

- Significant changes to the House Energy and Commerce Committee will inform the agenda, including the new full committee Chair, and a new Health Subcommittee Chair (Rep. Carter (R-GA), Griffith (R-VA) or Bilirakis (R-FL))
 - Rep. Carter has been focused on increasing transparency within the healthcare system and has championed several bills targeting pharmacy benefit managers (PBMs); Rep. Bilirakis has been a champion for rare diseases, veterans' health care, Medicare access and mental health; Rep. Griffith's priorities focus on reducing prescription drug costs, improving access to rural healthcare, and combating the opioid crisis
- Rep. DeGette (D-CO) is anticipated to become the top Democrat on the Health Subcommittee
 - Rep. DeGette is expected to lead another "Cures" effort
 - Following on the successful effort with then-Rep. Upton (R-MI), Cures 2.0 would aim to further accelerate medical research and streamline access to breakthrough therapies
 - Legislation that would change how FDA regulates lab tests will remain a priority for her even with the departure of her co-author, retiring Rep. Bucshon (R-IN)

- Leadership on Senate health care committees is expected to remain the same
 - Finance: Crapo (R-ID) and Wyden (D-OR)
 - HELP: Cassidy (R-LA) and Sanders (I-VT)
- The committees will hold hearings on new Cabinet and subcabinet nominees
 - The CDC director position will now be subject to Senate confirmation
- Sen. Cassidy (R-LA) has issued numerous Requests for Information to stakeholders on a wide range of health care topics including: 340B drug discount program, reform of NIH and CDC, regulation of clinical laboratories, Older Americans Act, health data privacy, access to gene therapies, and regulation of cannabidiol (CBD)
- Sen. Sanders will continue to focus on lowering prescription drug costs – with recent focus on costs of popular weight loss drugs; expanding Medicare coverage (“Medicare for All”), increased investments/funding for Community health care centers and increasing the health care workforce
- The Finance Committee will be the epicenter for the 2025 tax reform debate, which may include changes to health care programs as payors for tax reform

- Affordable Care Act
 - An expansion of subsidy funding – in the form of premium tax credits – under the ACA is set to expire at the end of 2025
 - ♦ The estimated cost for extension is \$25 billion
 - ♦ Democrats want a permanent extension while Republicans want to reduce or end them
 - Republicans appear likely to pursue measures to trim down the ACA (vs. repeal), including ending taxpayer subsidies
 - ♦ Speaker Johnson recently called for “massive changes” within the 1st 100 days of a Republican House
 - ♦ Expect significant input from the House GOP Doc Caucus on proposals
 - ♦ Democrats will aim to protect the ACA from changes

- Drug Prices
 - Oversight and reform of Pharmacy Benefit Managers (PBMs) will continue to garner bipartisan interests
 - ♦ Legislation could limit or eliminate spread pricing, aiming to lower drug costs for patients and ensure fair pharmacy reimbursement
 - ♦ May address rebate structures by capping or regulating them to encourage lower-cost drug options for consumers
 - ♦ Expand formularies or restrict removal of essential drugs to ensure patient access to necessary medications
 - Incoming HELP and Finance Chairs Cassidy (R-LA) and Crapo (R-ID) both support PBM reform, focusing on transparency within Medicaid, Medicare, and pharmaceutical pricing structures
 - ♦ Sens. Sanders (I-VT) and Wyden (D-OR) support PBM reform, with Wyden emphasizing patient-focused policies in Medicare and Sanders advocating for increased pharmaceutical transparency to reduce drug costs
 - Rep. Carter (R-GA), one of three contenders for the House Energy and Commerce Health Subcommittee, has been an outspoken critic of PBMs
 - Senator Crapo has been critical of the IRA's drug price control provisions

- Artificial Intelligence (AI)
 - Congress has been trying to get its arms around AI across numerous sectors of the economy and health care is no different
 - ♦ Trump says he'll rescind President Biden's 2023 executive order tasking agencies with regulating artificial intelligence, which included directives for HHS
 - Sen. Cassidy (R-LA) has emphasized the importance of AI in modernizing the National Institutes of Health (NIH) and improving health care service efficiency
 - Sen. Wyden (D-OR) has backed legislation focused on the responsible use of AI, particularly to ensure that AI does not inadvertently widen health disparities
 - ♦ Protecting patient data is a bipartisan concern, especially with AI models that rely on large datasets, some of which may contain sensitive patient information
 - In March 2024, Rep. Bera (D-CA), cofounder of the Health Care Innovation Caucus, and member of the bipartisan House Task Force on AI sent a RFI to health care stakeholders about the potential of AI in enhancing patient care, health outcomes, and cost efficiency

- What's included and what isn't included in the Lane Duck session could influence the 119th Congress' agenda in health care
 - “Doc Fix”: partial reimbursement fix likely to be addressed in the Lane Duck
 - Pandemic All Hazards Preparedness authorization: length of extension in Lane Duck unclear
 - Telehealth authorities: 2-year extension expected to be addressed in the Lane Duck
 - SUPPORT Act: border politics have muddied the waters on reauthorizing this overdose prevention law
 - Community Health Center funding
 - Special Diabetes Program
 - FDA’s pediatric priority review voucher (PRV) program
 - Prior Authorization in Medicare Advantage
 - ♦ The "Improving Seniors' Timely Access to Care Act," with 221 cosponsors in the House and 54 in the Senate, aims to create a standardized electronic prior authorization process for Medicare Advantage plans

Privacy and Technology

Trump Privacy and Tech Policy Overview

- Expect President Trump's top tech issue to be addressing perceived censorship by Big Tech
 - He has promised to ban federal agencies from censoring speech and has pledged to “fire” any federal employee who has engaged in “censoring the lawful speech of American citizens”
 - He has also pledged to stop federal funding for all non-profits and academic programs engaged in censorship
- President Trump is likely to continue to push for changes to / repeal of Section 230 of the Communications Decency Act, which provides immunity to online platforms that host user-generated content
 - In 2020, President Trump threatened to veto the annual defense authorization bill unless Congress included language repeal Section 230
- With respect to Artificial Intelligence (AI), expect a second Trump Administration to approach the technology with a lighter regulatory touch
 - Trump has already pledged to overturn President Biden's October 2023 Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence – which he views as hindering innovation
 - The EO directed agencies to establish AI guidelines and standards to better ensure safety and security

Privacy and Technology

- President Trump has discussed bringing the Federal Trade Commission (FTC) under the White House “as the Constitution demands”
 - The Trump Administration will support overturning *Humphrey’s Executor*
 - Expect coordination between the White House and the Commission, which began in earnest – breaking prior norms – between President Biden and current Chair Khan
- A Trump FTC is likely to:
 - Renew its enforcement focus on fraud, to the exclusion of other program areas
 - ♦ The Commercial Surveillance ANPR (the ambitious privacy rulemaking that was reported to have morphed into an AI rulemaking), for instance, will die of neglect
 - Republican Commissioners are likely to be interested in efforts by Big Tech to restrict speech through “content moderation” – a common theme within the party more generally
- A Trump Federal Communications Commission (FCC) will seek to repeal any “Title II” (common carrier) open internet rules; limit any digital discrimination rules; and limit any consumer protection rules
- A Trump FCC will also seek to facilitate expansion of Low Earth Orbit satellite systems (e.g., Starlink)
- A Trump NTIA will seek to reduce requirements imposed on recipients (States/Territories) and subrecipients of funds from the Broadband Equity, Access, and Deployment (BEAD) program

Privacy and Technology

Congress and Tech

- Despite years of bipartisan progress toward a comprehensive federal consumer privacy bill, champions have been unable to get a bill across the finish line
 - Most recently, House Republican leadership scuttled a summer Energy and Commerce Committee markup of the bipartisan American Privacy Rights Act (APRA)
 - Congressional Republicans are largely concerned with the bill's "private right of action" which allows individuals to sue for certain violations; at the same time, they continue to push for strong preemption of state privacy laws
 - With House Energy and Commerce Chair McMorris Rodgers' (R-WA) departure at the end of the Congress, it is unlikely that another Republican will pick up the mantle, particularly given leadership's ongoing concerns
 - Meanwhile, Senate Commerce Committee Ranking Member – and incoming Chair – Cruz (R-TX) was never engaged in bipartisan, bicameral negotiations that led to the "three corners" agreement on APRA earlier this year
- With unified control next year, will Republicans prioritize a federal privacy bill on their terms?
- In the meantime, expect state-level privacy regulation to continue to proliferate in the absence of a federal law – and in addition to passing laws, these states are now focused on enforcement

Privacy and Technology

- This summer, the Senate passed the Kids Online Safety and Privacy Act by a vote of 91-3 in July; it includes:
 - The Children and Teens' Online Privacy Protection Act (COPPA 2.0), which bans targeted advertising to children and teens and bans online companies from collecting personal information from users <17 without their consent
 - ♦ The bill would also create an “eraser mechanism” for parents and kids by requiring companies to permit users to delete information when technologically feasible
 - The Kids Online Safety Act (KOSA) requires social media platforms to provide minors with options to protect their information, disable addictive product features, and opt out of personalized algorithmic recommendations
 - ♦ It also creates a “duty of care” for online platforms to prevent and mitigate specific dangers to minors
- In September, the House Energy and Commerce Committee advanced both bills
 - Leading Democrats opposed changes to KOSA made during the markup, while many conservative Republicans remained concerned with the bill and argue it violates free speech and affords too much power to the FTC
- While champions will undoubtedly seek to move the package during the Lame Duck, the outlook seems unlikely given House Republican leadership's opposition

Privacy and Technology

- Anticipate some artificial intelligence (AI) provisions in the Lame Duck, most likely as part of the FY25 National Defense Authorization Act conference agreement
 - The House and Senate versions of the bill include provisions to advance AI adoption and use cases within the military
 - Inclusion of bills to make permanent the NIST AI Safety Institute and to invest in AI research and workforce training are possible
 - And Sen. Rounds (R-SD) has put forward a broader AI package, including bills related to biomedical data and financial services
- Ahead of the August recess, the Senate Commerce Committee passed a host of bipartisan AI bills focused on research and development as well as the development of voluntary guidelines
 - Future of AI Innovation Act, which authorizes the AI Safety Institute to develop AI standards and creates new AI testbeds with National Laboratories
 - CREATE AI Act, which would establish a National Artificial Intelligence Research Resource (NAIRR)
 - Artificial Intelligence Research, Innovation, and Accountability Act
 - VET Artificial Intelligence Act (voluntary guidelines and specifications) and TEST AI Act (NIST testbeds)
 - National Science Foundation AI Education Act
 - While the bills were advanced with bipartisan support, Ranking Member Cruz (R-TX) expressed concern that some were overly broad and would hinder innovation in the space

Privacy and Technology

- For its part, the House has passed several agency-specific AI bills:
 - DOE and NSF Interagency Research Act
 - Consumer Safety Technology Act, regarding the use of AI to support the work of the CPSC
- But action this year is only the start of Congress's work in the AI space
 - In May 2024, the Bipartisan Senate AI Working Group released its comprehensive roadmap for AI policy following a series of insight forums with industry leaders
 - ♦ Effort led by Majority Leader Schumer (D-NY) and Sens. Rounds (R-SD), Heinrich (D-NM), and Young (R-IN)
 - ♦ Priorities include R&D funding and support to help drive innovation as well as guardrails to mitigate risk / bias
 - And by the end of the year, a bipartisan House task force is expected to unveil its AI recommendations, setting the stage for additional legislation in the next Congress
 - ♦ The task force is led by Reps. Obernolte (R-CA) and Lieu (D-CA)
 - ♦ The report is expected to include guiding principles, recommendations and bipartisan policy proposals developed in consultation with committees of jurisdiction
 - Will Republicans take a more hands-off approach to AI regulation, or will these bipartisan efforts continue?

Privacy and Technology

- Expect Section 230 of the Communications Decency Act to remain in the crosshairs, with ongoing bipartisan concerns
 - Legislation runs the gamut, from proposals targeting specific types of harm – e.g., the EARN IT Act, designed to combat child sexual abuse material – to broader proposals, such as the PACT Act, focused on increased platform transparency and accountability
 - And Section 230 reform is a top priority for Republicans as they seek to address perceived political censorship and bias in Big Tech
 - ♦ House Judiciary Committee Chair Jordan (R-OH) has indicated he will continue to focus on Big Tech and “censorship”
 - Notably, this year, House Energy and Commerce Committee Chair McMorris Rodgers (R-WA) and Ranking Member Pallone (D-NJ) unveiled draft legislation to sunset Section 230
 - ♦ The bill would require Big Tech and others to work with Congress over 18 months “to evaluate and enact a new legal framework that will allow for free speech and innovation while also encouraging these companies to be good stewards of their platforms”
 - Despite a plethora of legislation in recent Congresses, however, Section 230 has remained untouched
- Finally, can we expect Congressional Republicans to try to claw back any Bipartisan Infrastructure Law (broadband) and CHIPS and Science Act funding and / or modify signature programs?

Trump Financial Services Policy Overview

- Banking and Financial Products
 - President Trump has expressed interest in capping credit card interest rates
 - He would seek more direct influence over Federal Reserve policies, including interest rate decisions
 - His first term saw the creation of the Task Force on Market Integrity and Consumer Fraud, coordinating enforcement against fraud targeting Americans
 - Also during his first term, President Trump raised the Dodd-Frank Act threshold for stricter regulation from \$50 billion to \$250 billion in assets, which cause some banks to fail
 - President Trump is expected to fire Consumer Financial Protection Bureau Director, roll back Biden-era rules, and rein in the agency

- Cryptocurrency
 - President Trump has pledged to be crypto's greatest champion, supporting many industry priorities:
 - ♦ Fire SEC Chair Gensler and appoint a pro-crypto replacement
 - ♦ Establish a national Bitcoin reserve and a crypto advisory council
 - Rep. Khanna (D-CA) and Sen. Lummis (R-WY) both support the idea
 - ♦ Oppose central bank digital currencies (CBDCs)
 - In the 118th Congress, the House passed legislation to prohibit the Fed from issuing a CBDC and an appropriations rider to prohibit funding for a CBDC working group at the Treasury Department
- Housing
 - Trump supports opening up federal land for housing development in order to reduce housing shortages by building more homes
 - He also suppose the elimination of "unnecessary" housing regulations to streamline the building process and lower construction costs
 - He has promised to reduce mortgage rates significantly, though he overstates current rates and lacks direct control over them

Congress and Financial Services

- In the 119th Congress, expect Republicans to continue to prioritize deregulation, including opposition to increased capital requirements, ESG/DEI mandates, with proposed oversight of federal financial agencies
 - There are 4 members vying to become House Financial Services Committee Chair: Reps. Lucas (R-OK), Huizenga (R-MI), Barr (R-KY), and Hill (R-AR)
- Incoming Senate Banking Chair Tim Scott (R-SC) is a champion of expanding Economic Opportunity Zones (which drive private investment in low-income and rural communities), financial literacy, increasing access to capital for small businesses, and reducing regulations
- With the defeat of current Chair Brown (D-OH), Sen. Warren (D-MA) could become the top Democrat on the committee – if Sen. Warner (D-VA) remains top Democrat on the Intelligence Committee
 - Warren – who developed the idea of the Consumer Financial Protection Bureau (CFPB) – has sought to hold the financial services sector accountable in the areas of consumer / investor protections, predatory lending, bank fees, credit card abuse, and pushing for stronger penalties for those companies who break the law

- There's growing Congressional interest and support for crypto regulation
 - Sens. Lummis (R-WY) and Gillibrand (D-NY) have been the most active on proposing legislation in this area
 - ♦ They introduced a bill which would give the CFTC authority over digital assets, impose rules on crypto firms, and address stablecoins and crypto tax laws
 - Sen. Warren remains skeptical of crypto and would likely oppose any GOP-backed crypto bill that doesn't include sufficient investor/consumer protections
- The House passed an industry-backed bill (H.R. 4763) with bipartisan support, but it faced opposition from the Biden administration and key Democrats
 - The bill aims to give the CFTC authority over popular tokens like Bitcoin, establish rules for crypto firms, and exempt some crypto tokens from SEC regulations
 - Democrats who oppose the House bill argue it doesn't do enough to prevent crypto fraud
- There's potential for bipartisan support for a bill to regulate stablecoins
 - H.R. 4766 and S. 4155 both aim to ensure stablecoins are backed by reserves, limit rehypothecation, and require issuers to be overseen by regulators, however, they differ in their approach to oversight and the treatment of algorithmic stablecoins

- The National Flood Insurance Program (NFIP) has been extended in the current Continuing Resolution, set to expire December 20, 2024
 - Another clean extension is likely, especially given the recent natural disasters in North Carolina and elsewhere
 - Congress has extended the NFIP 31 times since the end of fiscal year 2017
- Authorization for the Export-Import (Ex-Im) Bank's statutory authority expires at the end of 2026
 - In 2019, during the last reauthorization debate, the first Trump Administration called the bank a "financial tool and national security weapon" to compete with China
 - ♦ The House Freedom Caucus, at the time, opposed the reauthorization, viewing it as "corporate welfare"
 - ♦ Proposed reforms to the Bank may include strengthening oversight of its loan and insurance programs; improving risk management to protect taxpayer interests; ensuring the bank supports U.S. competitiveness; particularly against state-backed foreign competitors; and prioritizing national security interests by limiting financing for entities tied to adversarial countries

Employment and Workforce

Trump Employment and Workforce Policy Overview

- A Trump Administration would likely mean a rollback of Biden-era workforce regulations and initiatives
- Pay and Minimum Wage
 - Trump has stayed silent on a federal paid leave program, and uncommitted on raising the minimum wage
 - Trump may reverse Biden's overtime rule if courts don't overrule it
- Misclassification – Employee vs. Independent Contractor
 - Expect Trump to reinstate DOL rule making it easier for employers to classify employees as contractors
- Regulatory Landscape
 - Trump likely to usher in an era of deregulation, particularly with recent SCOTUS rejection of agency deference
- Transgender Rights
 - Trump likely to seek to roll back of transgender rights, such as the U.S. Dept of Education's expansion of Title IX federal civil rights rules
- Artificial Intelligence
 - Trump has vowed to repeal Biden's executive order and would likely aim to limit regulations surrounding AI

Trump Judiciary Policy Overview

- Immigration was one of President Trump's top issues on the campaign trail
 - He regularly promised to carryout the “largest domestic deportation operation in American history”
 - ♦ Will utilize the National Guard and local police and, if necessary, the military
 - President Trump would also end “birthright citizenship,” instead at least one parent must be either a US citizen or lawful permanent resident
 - Following the wave of national protests over the Israel-Hamas war, he pledged to deport foreign pro-Palestinian student protestors
 - He also plans to revive his first term policies, including construction of the border wall and the travel ban
 - While criminal justice reform was a top first term priority, expect a greater focus on “law and order”
 - He has pledged to expand the use of the death penalty (including applying it to drug dealers) and would also expand immunity protections for police
 - Judicial ethics reforms not expected under a Trump administration
 - President Trump installed three Supreme Court Justices during his first term
- 97 ▪ With three Justices now in their 70s – will we see any more SCOTUS openings over the next four years?

Congress and Judiciary

- With Republican control of the White House and the Senate beginning in January, we will see a major focus on judicial confirmations
- Expect border control and immigration issues to dominate in a unified Republican Congress
 - Expect widespread support – both authorizing and appropriations – for President Trump’s signature priorities
 - House Judiciary Committee Chair Jordan (R-OH) has already called for a “pause” on all immigration
 - Republicans will continue to tie the fentanyl crisis to border security and will also seek to permanently schedule fentanyl-related substances
- Should they keep the House, Republicans are likely to keep their Weaponization of the Federal Government Select Subcommittee, also headed up by Rep. Jordan
- During President Trump’s first term, then Senate Judiciary Chair Grassley (R-IA) helped usher through the First Step Act
 - Grassley is poised to again chair the committee and in recent years has worked with his Democratic counterpart and current Judiciary Chair Durbin (D-IL) on subsequent criminal justice reform bills, including the First Step Implementation Act

- While there is ongoing bipartisan interest in patent reform, more partisan issues have taken up much of the oxygen, particularly in the House
 - Senator Grassley has co-sponsored several patent-related bills that have advanced out of the Judiciary Committee this session, all focused on boosting competition in the pharmaceutical industry and lowering the prices of prescription drugs
 - ♦ Preserve Access to Affordable Generics and Biosimilars Act, which targets “pay-for-delay” deals
 - ♦ Prescription Pricing for the People Act, which aims to stop potentially abusive behavior within the PBM industry
 - ♦ Affordable Prescriptions for Patients Act of 2023, which would prevent the use of patents to block generic and biosimilar competition from coming to market
 - ♦ The Interagency Patent Coordination and Improvement Act of 2023, which would establish a task force between the Patent Office and the Food and Drug Administration
 - Senators Tillis (R-NC) and Coons (D-DE) have long championed the Patent Eligibility Restoration Act in response to a series of Supreme Court rulings that have added uncertainty to the patent eligibility system
 - ♦ They were joined this September by Reps. Kiley (R-CA) and Peters (D-CA) in the House

Trump Agriculture Policy Overview

- Promises to cut farm production costs and reverse regulations from the Biden-Harris administration, with the goal of reducing consumer prices
- Farm Labor and Immigration: oversaw increased immigration enforcement during his presidency, including large worksite raids
- In the 2024 campaign, he emphasized "mass deportations" and prioritizes "merit-based immigration" without addressing the H-2A visa program
- Climate-Smart Agriculture: Trump rolled back numerous environmental regulations during his presidency and pledges to continue this approach, arguing for market-driven solutions to climate action instead of regulatory measures
- Farm Bill: Supports improvements in reference prices and crop insurance but has not explicitly endorsed any farm bill versions, his campaign aligns with House Republicans' proposed cuts to SNAP and increased farm subsidies
- Accelerating Farm Innovation: Plans to streamline regulations that hinder agricultural innovation, continuing his approach from his first term

Congress and Agriculture

- Top Agriculture Committee Republicans, Sen. Boozman (R-AR) and Rep. Thompson (R-PA), both support reforming SNAP for accountability, enhancing rural infrastructure with broadband, promoting sustainable farming without burdensome regulations, and boosting US exports
- Senator Klobuchar (D-MN) will become the top Democrat on the Senate Committee
 - Minnesota is a leading producer of corn and Sen. Klobuchar has been active supporter of ethanol and biofuels, including proposals to increase the Renewable Fuel Standard (RFS)
- It has been reported that top House Ag Democrat David Scott (D-GA) may be challenged for the top spot on the Committee
 - Rep. Costa (D-CA) challenged Scott for the top spot in the 118th Congress
 - Rep. Scott has focused on improving and expanding SNAP, supporting minority farmers, advancing climate resilience programs and rural economic development

- While a short-term extension in the Lane Duck is likely to give them some breathing room, expect Republicans, now in control of both chambers, to wait until the 119th Congress to pass a long term reauthorization
 - The House Committee passed a bill in the 118th Congress; while the Senate never acted on any legislation due to disagreements on SNAP reforms and redirection of dollars tied to climate conservation efforts
- The next Farm Bill will likely address foreign ownership of agricultural land
 - There is bipartisan support for enhancing the capabilities of the Agricultural Foreign Investment Disclosure Act (AFIDA) office to track and regulate foreign purchases of farmland
- The IRA and IIJA provided significant funding for USDA programs
 - Republicans may seek to repeal some provisions, particularly those related to conservation funding
- CFTC reauthorization, oversight of USDA food plant inspection programs, and avian flu response are areas of interest of the Committees

Congress Post-Chevron

- The U.S. Supreme Court's 2024 *Loper Bright* decision upended decades of judicial doctrine created by the Court's 1984 decision in *Chevron vs. Natural Resources Defense Council* that afforded executive branch agencies broad discretion in the interpretation of statutes the agencies must implement
- The majority's opinion in *Loper Bright* held that *Chevron* deference was inconsistent with the 1946 Administrative Procedure Act's requirement that courts that are reviewing agency actions "shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action"
- How will Congress respond?
 - *Loper Bright* poses implications to Congressional legislating in drafting (e.g., remove ambiguity, direct judicial deference to agency interpretations, or expressly provide in statute the delegation of interpretation to an agency) and policy formulation (expanding its ranks of subject matter experts)
 - Ambiguous legislative direction, historically construed under *Chevron* as delegations of interpretative authority, may impair an agency's ability to promulgate or administer a rule to implement the statutory directive
 - *Loper Bright* decision has as-yet unresolved retrospective application and Congress may seek to force challenges to certain longstanding rules

LOOKING AHEAD

Key Questions

- Is Trump's realignment of the Republican party unique to his individual MAGA brand or more enduring?
- Will Republicans experience early intraparty conflict between their traditional and populist wings, or ride their unified government honeymoon in early 2025?
- Given that Republicans are two months away from unified control, how much will they play ball during the Lame Duck?
- What do this week's results mean for the Democratic party going forward? How do Democrats recover and what issues will be key / priorities on the defense?
- Is the Democratic Party likely to become an increasingly coastal/big city party? Will that make it less able to compete for Senate control?
- How might the new Congressional realignment and Trump business agenda affect the decision-making process (in the short and long term) for businesses considering major transactional, investment and acquisition decisions?
- What do this week's results portend for 2026 and 2028?

Senators Up in 2026

13 Democrats

Cory Booker (D-NJ)
Chris Coons (D-DE)
Dick Durbin (D-IL)
John Hickenlooper (D-CO)
Ben Ray Luján (D-NM)
Ed Markey (D-MA)
Jeff Merkley (D-OR)
Jon Ossoff (D-GA)
Gary Peters (D-MI)
Jack Reed (D-RI)
Jeanne Shaheen (D-NH)
Tina Smith (D-MN)
Mark Warner (D-VA)

21 Republicans

Shelley Moore Capito (R-WV)
Bill Cassidy (R-LA)
Susan Collins (R-ME)
John Cornyn (R-TX)
Tom Cotton (R-AR)
Steve Daines (R-MT)
Joni Ernst (R-IA)
Lindsey Graham (R-SC)
Bill Hagerty (R-TN)
Cindy Hyde-Smith (R-MS)
Cynthia Lummis (R-WY)
Roger Marshall (R-KS)
Mitch McConnell (R-KY)

Markwayne Mullin (R-OK)
Pete Ricketts (R-NE)
Jim Risch (R-ID)
Mike Rounds (R-SD)
Dan Sullivan (R-AK)
Thom Tillis (R-NC)
Tommy Tuberville (R-AL)

**There will also be special elections in Ohio (Vance seat) and Florida (Rubio seat)*

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