
Election Insight



2010



Back to the Future

Republicans Seize Their Own 'Change' Election

November 3, 2010 | 11:30 a.m. EDT

This update has been prepared within fourteen hours of the last polls closing in the 2010 election contests, and in advance of recounts, judicial challenges, and runoff elections. We have proceeded in distributing this report in order to timely communicate important results. However, we have necessarily relied on data that may be incomplete.



“The American people have sent an unmistakable message tonight, and that message is ‘Change course.’”

— Presumptive House Speaker John Boehner (R-OH)

Both Republicans and Democrats across the US this morning would be forgiven for thinking they had traveled back in time to 1994 — or even 1948. Voters across the political spectrum, particularly independents, issued a restraining order against the perceived “expensive failure” of two years of the Obama Administration. For the first time in six decades, the minority party gained more than 60 seats in the House of Representatives. Republicans will hold a commanding majority of at least 20 seats in that Chamber — surpassing even the “Republican Revolution” of the 1994 elections by nearly 15 percent. In the Senate, strong campaigns by key Senate incumbents preserved the majority control for Democrats in the upper chamber, but voters cut their substantial majority by more than half, nearly erasing the electoral gains of the last two election cycles.

As the returns posted on election night, few Democratic incumbents found comfort or safety. Among the losses, Democrats can count nearly half of the moderate “Blue Dog” Caucus, along with a number of long-serving Chairmen of key committees. Ultimately, pre-election predictions of an enthusiasm gap between Republican and Democrat voters proved to be accurate, and the electoral map from 2008 was almost completely rewritten in favor of Republicans. More than 80 percent of voters listed the economy as the singular issue driving their choice at the polls, with 75 percent expressing concerns at the “failure” of government. Ultimately, even publicly distancing themselves from

President Obama was not enough to save a number of incumbents, as Democrats across the political spectrum fell victim to voter frustration and fatigue throughout the night.

While the popularity of President Obama varied from state to state, an unmistakable trend emerged in last night’s results — that Americans who voted for “change” in 2008 are still waiting for it to arrive on the economic front. President Obama will address the country today at 1:00 p.m. EDT, following a similar press event by Republican Congressional leadership. As the special campaign season memories of witches and the “aqua Buddha” fade into the twilight, the

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focus will now turn to the interplay between the Obama White House and an increasingly Republican Congress. Republican leaders, whose management of the House will be almost immediately compared to the Republican majorities of the mid-1990's, will face their own internal challenges in managing a more ideologically diverse caucus, establishing an effective chain of command, and settling on priorities for the early days of the 112th Congress.

Voter anger washed through state houses and governors mansions as well, with Republicans gaining control of at least 19 state legislatures, and winning gubernatorial contests in roughly the same number of states. Anemic

economic growth, continued high jobless rates, and pervasive voter discontent all combined to deal Democrats mortal blows in a number of key races. Going forward, it will be these legislatures and Governors that will oversee the drawing of the electoral districts for 2012, which could establish a structural majority for the next decade.

Election Insight 2010 offers a glimpse into the key races, themes, and impacts of the midterm elections, and profiles the new leaders, issues, and priorities that will form the contours of the 112th Congress, state legislatures, and the next two years of the Obama Administration.

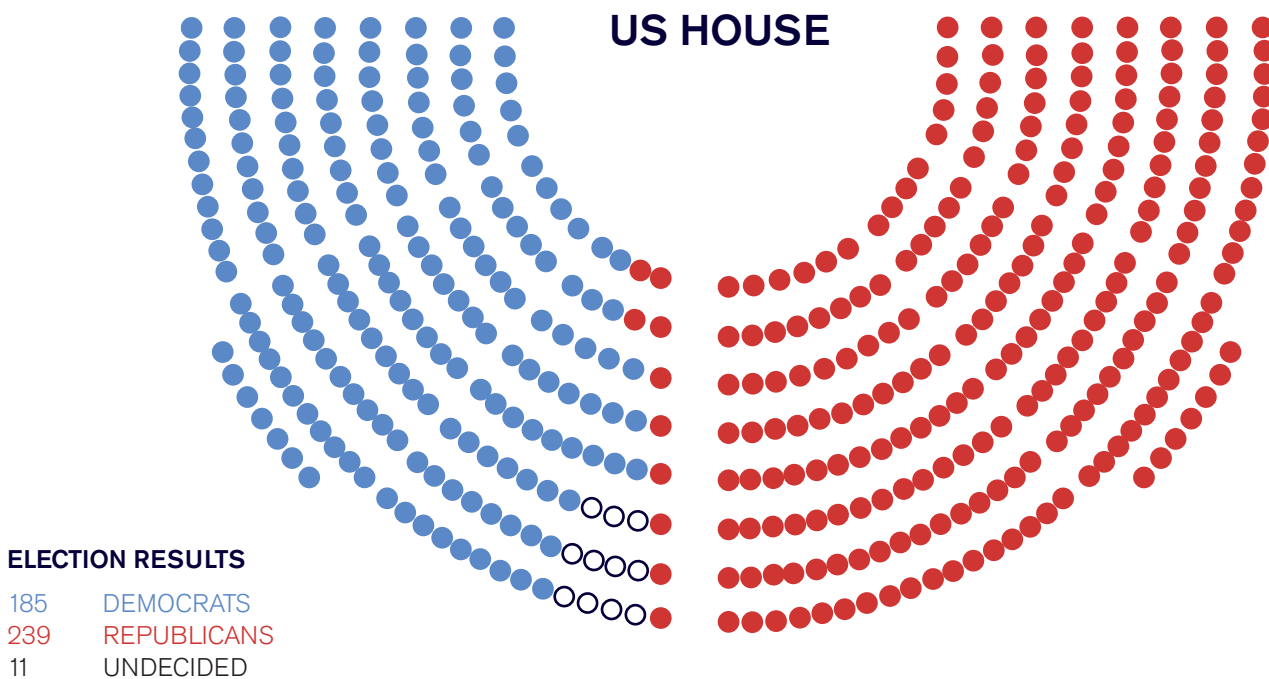
CONTROL CHANGE		
	CURRENT	2010
US Senate	(D)	(D)
US House	(D)	(R)
US Governors	(D)	(R)

Across the US, a number of major themes emerged in the outcome:

- Independent voters decisively swung back to Republican candidates, reversing many of the inroads gained by the Obama campaign and Democratic party in 2006 and 2008. Even as a number of key demographic groups remained loyal to Democrats, the enthusiasm deficit among the party faithful and aggressive Republican turnout was reminiscent of the 2006 election in which Democrats realized their quest for the majority.
- Whether a divided Congress will produce compromise or gridlock remains an open question. The makeup of both the Republican and Democratic caucuses has been seismically altered, as Tea Party candidates gained ground, moderate Democrats were dealt a body blow, and a significant number of incumbents entered forced retirement.
- With more than \$2.4 billion spent through October, more than \$300 million of which was from newly formed independent groups, the investment in financial terms for the 2010 elections eclipses every other midterm election to date.
- The Presidential campaign for 2012 will begin almost immediately, as Republican gubernatorial gains will present a new crop of Presidential hopefuls. In the coming weeks, likely candidates will begin to position themselves more aggressively as the architects of the 2010 Republican victories, and begin assembling their teams for what will undoubtedly be a long and expensive run to the 2012 elections.
- Republican gains in the House could extend north of 70 seats, as roughly a dozen races remain undecided as we head to publication. These gains wipe out more than a decade of Democratic efforts to build and hold a majority — an unprecedented repudiation of the majority party.
- Despite intense focus by Republicans on a Senate takeover, turnout and campaign operations by key incumbents in California and Nevada, and a well-executed strategy in West Virginia held off the Republican wave for at least another two years. Democrats will face a similarly challenging electoral landscape in 2012, when they will again need to defend a greater number of seats than Republicans.
- Considerable attention will now shift to the agencies at the federal level, as the Obama Administration seeks to advance its agenda in the absence of sufficient Congressional support. For their part, Republican leaders have already outlined a strategy for more intense oversight of agency rulemaking and policy, with a particular emphasis on labor, environmental, financial services and health policy.

US House: Repudiation. Seismic. Unprecedented. Historic.

In a victory of truly epic proportions, House Republicans are on track to sweep over 60 seats currently held by Democrats, obliterating the prior high watermark for Republican House Members achieved in the then-historic election of 1994. While Democrats were able to salvage a few individual House Members through their get-out-the vote efforts, Republicans succeeded in “nationalizing” the election. Democratic efforts to build a firewall around their most vulnerable Members by focusing races on local issues and on asserting personal shortcomings of varied Republican candidates were virtually unsuccessful at every turn.



Concerns about the continuing frailty of the economy and an anti-incumbent narrative successfully directed against Democrats overwhelmed whatever concerns the voters may have had about the Republicans who will be replacing the defeated Members. Democratic losses occurred early and often across the country. These losses were widespread, not regionalized, and spared no profile. First and second term Members, the “Majority Makers” from the classes of 2006 and 2008, Blue Dog moderates, Progressives, Democratic women Members, and even several long-serving, “Old Bull” Democratic Committee Chairmen all felt the sting of voter rejection at the ballot box.

In the end, pollsters somewhat underestimated the voters’ ultimate eruption. Pre-election data for weeks had led many to predict a Republican resurgence, fueled by an increasing enthusiasm gap between Republican and Democratic voters, especially among likely voters. Many of those voters were angry and polling often failed to capture the heavy lean toward Republicans — or in most instances the disgust with the status quo. While he was not on the ballot, 38% of likely voters in the most recent Gallup survey said they were heading to the polls to send a message to President Obama.

Sifting through the ashes of the Democratic majority, several trends become apparent. It was a terrible night to have a “D” after your name on the ballot, no matter what you may have accomplished. With sparingly few exceptions, if you were a Democratic member in a district that John McCain carried in 2008, you lost. If you were a Democratic member in a district that President Obama carried by less than 5 points, you probably lost too. If you were a moderate member from the rural South, you lost. The plagues of voter discontent spared few, as historically Republican seats in the Northeast came back to their roots. The gains that Democrats made to build a majority from 2004, 2006 and 2008 have been eviscerated. The middle of the country woke up to a political map reminiscent of the map in 2004. And this morning in America looked much like it did back in the Republican Revolution of 1994 — only with a wider red swatch painting the map.

To the extent that any single issue beyond the dismal state of the economy drove last night’s election results, the current levels and pace of federal spending drove the electorate’s rage. Pushed by the voters of the Tea Party, whose only consistent theme around the country was revulsion at current spending, Republicans enthusiastically embraced the message and were largely successful in labeling many Democrats — even acknowledged fiscal moderates — as “tax and spend liberals” all too comfortable with an open taxpayers’ checkbook.

That said, this election looks to be a repudiation of the party in charge, not an embrace of the Republicans or their agenda moving forward. The results could simply reflect the belief of many voters that the benefits of the “checks and balances” that come with divided government outweigh whatever may be the risks of legislative gridlock during the next two years.

The President and the new Republican House majority will have many opportunities — whether in the “lame duck” session of the current Congress (scheduled to begin on November 15th) or in the early days of the 112th Congress come January — to decide whether confrontation and gridlock or dialogue and compromise will be the predominant themes of this new day in Washington. We share the prediction that stormy seas lay ahead for the Obama Administration and the new Congress for the next two years. Many, if not most, of the deep-seated differences between the parties are likely to be resolved only by the voters’ decision whether to re-elect President Obama in 2012.

US HOUSE SCORE CARD — COMPETITIVE SEATS

DISTRICT	PARTY	WINNER	DISTRICT	PARTY	WINNER
AL-02	★	Martha Roby	NH-01	★	Frank Guinta
AZ-01	★	Paul Gosar	NJ-03	★	John Runyan
AZ-05	★	Dave Schweikert	NM-02	★	Steve Pearce
AZ-08	D	Gabrielle Giffords	NV-03	★	Joe Heck
CA-11	Too Close	Jerry McNerney/David Harmer	NY-01	D	Tim Bishop
CA-18	D	Dennis Cardoza	NY-13	★	Michael Grimm
CA-47	D	Loretta Sanchez	NY-19	★	Nan Hayworth
CO-03	★	Scott Tipton	NY-20	★	Chris Gibson
CO-04	★	Cory Gardner	NY-22	D	Maurice Hinchey
CT-04	Too Close	Jim Himes/Dan Debicella	NY-23	D	Bill Owens
CT-05	D	Chris Murphy	NY-24	★	Richard Hanna
FL-02	★	William Steve Southerland II	NY-25	Too Close	Dan Maffei/Ann Marie Buerkle
FL-08	★	Daniel Webster	OH-01	★	Steve Chabot
FL-22	★	Allen West	OH-06	★	Bill Johnson
FL-24	★	Sandy Adams	OH-13	D	Betty Sutton
GA-02	D	Sanford Bishop	OH-15	★	Steve Stivers
GA-08	★	Austin Scott	OH-16	★	Jim Renacci
IA-03	D	Leonard Boswell	OH-18	★	Bob Gibbs
ID-01	★	Raul Labrador	OR-05	D	Kurt Schrader
IL-08	Too Close	Melissa Bean/Joe Walsh	PA-03	★	Mike Kelly
IL-11	★	Adam Kinzinger	PA-04	D	Jason Altmire
IL-14	★	Randy Hultgren	PA-08	★	Mike Fitzpatrick
IL-17	★	Bobby Schilling	PA-10	★	Tom Marino
IN-02	D	Joe Donnelly	PA-11	★	Lou Barletta
IN-09	★	Todd Young	PA-12	D	Mark Critz
KY-06	Too Close	Ben Chandler/Andy Barr	SC-05	★	Mick Mulvaney
MD-01	★	Andy Harris	SD-AL	★	Kristi Noem
MI-07	★	Tim Walberg	TN-04	★	Scott DesJarlais
MI-09	Too Close	Gary Peters/Rocky Raczkowski	TX-17	★	Bill Flores
MI-15	D	John Dingell	TX-23	★	Francisco Canseco
MN-01	D	Tim Walz	VA-02	★	Scott Rigell
MN-08	★	Chip Cravaack	VA-05	★	Robert Hurt
MS-01	★	Alan Nunnelee	VA-09	★	Morgan Griffith
MS-04	★	Steven Palazzo	VA-11	Too Close	Gerry Connolly/Keith Fimian
NC-02	★	Renee Ellmers	WA-02	Too Close	Rick Larsen/John Koster
NC-07	D	Mike McIntyre	WI-08	★	Reid Ribble
NC-08	D	Larry Kissell	WV-01	★	David McKinley
ND-AL	★	Rick Berg	WV-03	D	Nick Rahall

KEY



= Incumbent Loss



= Democratic Pick Up



= Republican Pick Up



= Independent Pick Up

D = Democratic-Retained Seat

R = Republican-Retained Seat

I = Independent-Retained Seat

US HOUSE SCORE CARD — OPEN SEATS

DISTRICT	PARTY	WINNER	DISTRICT	PARTY	WINNER
AL-07	D	Terri Sewell	LA-03	★	Jeff Landry
AR-01	★	Rick Crawford	MA-10	D	Bill Keating
AR-02	★	Tim Griffin	MI-01	★	Dan Benishek
AR-03	R	Steve Womack	MI-02	R	Bill Huizenga
AZ-05	R	Ben Quayle	MI-03	R	Justin Amash
CA-19	R	Jeff Denham	MO-07	R	Billy Long
CA-33	D	Karen Bass	NH-02	★	Charlie Bass
DE-AL	★	John Carney	NY-29	★	Tom Reed
FL-12	R	Dennis Ross	OK-05	R	James Lankford
FL-17	D	Frederica Wilson	PA-07	★	Patrick Meehan
FL-21	R	Mario Diaz-Balart	RI-01	D	David Cicilline
GA-09	R	Tom Graves	SC-03	R	Jeff Duncan
IL-10	R	Robert Dold	TN-06	★	Diane Black
IN-04	R	Todd Rokita	TN-08	★	Steve Fincher
IN-08	★	Larry Bucshon	TN-03	R	Charles Fleischmann
KS-01	R	Tim Huelskamp	WA-03	★	Jaime Herrera
KS-03	★	Kevin Yoder	WI-07	★	Sean Duffy
KS-04	R	Mike Pompeo			

KEY

 = Incumbent Loss	★ = Democratic Pick Up	D = Democratic-Retained Seat
	★ = Republican Pick Up	R = Republican-Retained Seat
	★ = Independent Pick Up	I = Independent-Retained Seat

Northeast

- **Delaware** In one of three Democratic pickups, John Carney decisively defeated Republican Glen Urquhart to win the open seat created by the retirement of Republican Mike Castle.
- **New Hampshire** Republicans took back both New Hampshire seats, with Frank Guinta advancing past Democrat Carol Shea-Porter. Republican Charlie Bass will be returning to Congress after losing his seat in 2006 — defeating Democrat Ann Kuster to win the seat vacated by Democrat Paul Hodes.
- **New Jersey** Republican John Runyan, the former star offensive lineman for the Philadelphia Eagles, narrowly defeated first-term Democrat John Adler.
- **New York** Republicans made substantial gains in the Empire State, defeating five incumbent Democrats. Republican Richard Hanna defeated second-term Democrat Michael Arcuri. Two-term Democrat John Hall was unable to fend off Republican Nan Hayworth. Republican Mike Grimm narrowly defeated first-term Democrat Mike McMahon, while Scott Murphy, elected in a 2009 special election, was easily defeated by Republican Chris Gibson. Democrat Bill Owens, the winner of a 2009 special election, narrowly defeated Republican Matt Doheny. Republican Tom Reed easily defeated Democrat Matt Zeller for the open seat created by Eric Massa's resignation.
- **Pennsylvania** Democrats in the Keystone State also suffered massive losses, with five incumbents failing in their bids for reelection. Republican Lou Barletta was successful in his fourth attempt to defeat thirteen-term Democrat Paul Kanjorski, a senior member of the Financial Services Committee. In the Erie-based seat, first-term Democrat Kathy Dahlkemper was easily defeated by Republican Mike Kelly. Two Democratic Members of the class of 2006 also lost their re-election bids: Democrat Patrick Murphy was defeated by former Republican Congressman Mike Fitzpatrick and Democrat Chris Carney lost to former Republican US Attorney Tom Marino. Republican Patrick Meehan defeated Democrat Bryan Lentz for the open seat created by Congressman Joe Sestak's decision to run for the Senate.

Midwest

- **Illinois** First-term Democrat Debbie Halvorson and two-term Members Phil Hare and Bill Foster all lost their Republican-leaning districts which had voted for Obama over McCain in 2008.
- **Indiana** Democrats were unable to hold the seat of Brad Ellsworth who ran for the Senate. Representative Baron Hill also lost re-election to Todd Young. In one bright spot for Democrats, incumbent Joe Donnelly retained his seat in the face of significant opposition from Republican challenger Jackie Walorski.
- **Kansas** Republican Kevin Yoder won the open seat in eastern Kansas created by the retirement of Democrat Dennis Moore.
- **Michigan** First-term "majority maker" Mark Schauer was defeated by former Republican Congressman Tim Walberg. Republican Dan Benishek won the Upper Peninsula open seat over Democrat Gary McDowell.
- **Minnesota** In one of three major blows to incumbent Democrats in the Midwest, Transportation and Infrastructure Committee Chairman Jim Oberstar lost his re-election bid to Republican Chip Cravaack, a relative newcomer to the political scene.
- **Missouri** House Armed Services Committee Chairman Ike Skelton, a 17-term veteran of the House was defeated by former state representative Republican Vicky Hartzler.
- **North Dakota** State Senator Rick Berg mounted a strong campaign in this traditionally red state to unseat nine-term Democrat Earl Pomeroy.
- **Ohio** Republicans picked up five seats in Ohio by defeating "Majority Maker" incumbents throughout the state. Two-term Democrat incumbents Charlie Wilson and Zack Space both lost, along with one-term Members John Boccieri, Mary Jo Kilroy, and Steve Driehaus.
- **South Dakota** One of the 21 Blue Dogs defeated in 2010, three-term Democrat Stephanie Herseth-Sandlin, one of the leaders of that caucus, lost to Republican State House Assistant Majority Leader Kristi Noem.

- **Wisconsin** Republicans picked up two seats in Wisconsin. Republican Sean Duffy defeated Julie Lassa in the open seat that was created by the retirement of House Appropriations Committee Chairman David Obey. Republican Reid Ribble also defeated one-term Democrat Steve Kagen.

South

- **Alabama** Republican Martha Roby defeated Democrat Bobby Bright, a one-term “Majority Maker” whose 2008 election marked the first time a Democrat had won this seat in over four decades.
- **Arkansas** Republicans prevailed in districts that had voted for McCain in 2008 but had reliably sent Democrats to Congress for decades. Republican Rick Crawford defeated Democrat Chad Causey. Former US Attorney Tim Griffin, a Republican, easily defeated Democrat State Senator Joyce Elliott to win retiring Congressman Vic Snyder’s seat.
- **Florida** In one of the most closely watched races this cycle, Republican State Sen. Daniel Webster defeated outspoken one-term Democrat Alan Grayson. Republican State Representative Sandy Adams also defeated one-term Democrat Suzanne Kosmas. Retired Army Colonel Alan West prevailed over second-term Democrat Ron Klein. In the panhandle, seven-term Democrat Allen Boyd, a senior Blue Dog, was defeated by Republican Steve Southerland.
- **Georgia** Four-term Democrat Jim Marshall was defeated by Republican State Representative Austin Scott in an increasingly conservative district. Nine-term Democrat Sanford Bishop eked out a much narrower than expected victory over Republican State Representative Mike Keown in a district where Bishop had received at least 67% of the vote in every election since 2001.
- **Louisiana** Democratic State Representative Cedric Richmond’s victory over incumbent Republican Anh “Joseph” Cao returned to Democratic control the New Orleans-based district that Cao won in a stunning 2008 upset. Republican Jeff Landry defeated Democrat Ravi Sangisetty to win an open seat that had been held by Democrat Charlie Melancon.
- **Mississippi** Republican State Senator Alan Nunnelee defeated first-term Democrat Travis Childers. After winning ten terms by wide margins in this very conservative district, Democrat Gene Taylor, a leader of the Blue Dog Caucus, was defeated by Republican State Representative Steven Palazzo.
- **North Carolina** Seven-term Democrat Bob Etheridge lost to Republican Renee Ellmers, a registered nurse.
- **South Carolina** In a major victory for Republicans, State Senator Nick Mulvaney defeated 14-term House Budget Committee Chairman John Spratt. Republican State Representative Tim Scott won an open seat, making him the first African-American Republican to be elected to Congress from the South since Reconstruction.
- **Tennessee** Republicans picked up the seats that had been vacated by retiring conservative Democrats Bart Gordon and John Tanner. Four-term Democrat Lincoln Davis was defeated by Dr. Scott DesJarlais.
- **Virginia** In a reversal of the sweeping gains made by Democrats in Virginia in 2008, Republicans handily defeated first-term “Majority Makers” Glenn Nye and Tom Perriello. In the wake of his vote for energy “cap and trade” legislation, 14-term coal country Democrat Rick Boucher was defeated by Virginia House Republican Majority Leader Morgan Griffith.

West

- **Arizona** Republican David Schweikert defeated two-term Democrat Harry Mitchell in the Phoenix seat and Republican Paul Gosar defeated “Majority Maker” Ann Kirkpatrick in the Northern Arizona district.
- **Colorado** State House Republican Whip Cory Gardner easily defeated first-term Democrat Betsy Markey in the eastern Colorado district. Republican Scott Tipton also defeated three-term Democrat incumbent John Salazar, brother of Secretary of the Interior Ken Salazar.
- **Hawaii** In one of the few Democratic pickups, State Senate President Colleen Hanabusa defeated Republican Charles Djou (who had won the seat in a special election this past summer).
- **Idaho** Republican State Representative Raul Labrador easily defeated one-term Democrat Walt Minnick.
- **Nevada** Republican Joe Heck prevailed over one-term “Majority Maker” Dina Titus.
- **New Mexico** Former Republican Congressman Steve Pearce defeated “Majority Maker” Democrat Harry Teague to win back the seat Pearce had lost in 2008.
- **Texas** One of the most senior conservative Democrats, ten-term Congressman Chet Edwards, lost to Republican Bill Flores. Five-term Democrat Ciro Rodriguez also lost to Francisco “Quico” Canseco.
- **Washington** Republican Diane Herrera won the seat vacated by the retiring Brian Baird.

US Senate: Success and Failure of the Tea Party Movement

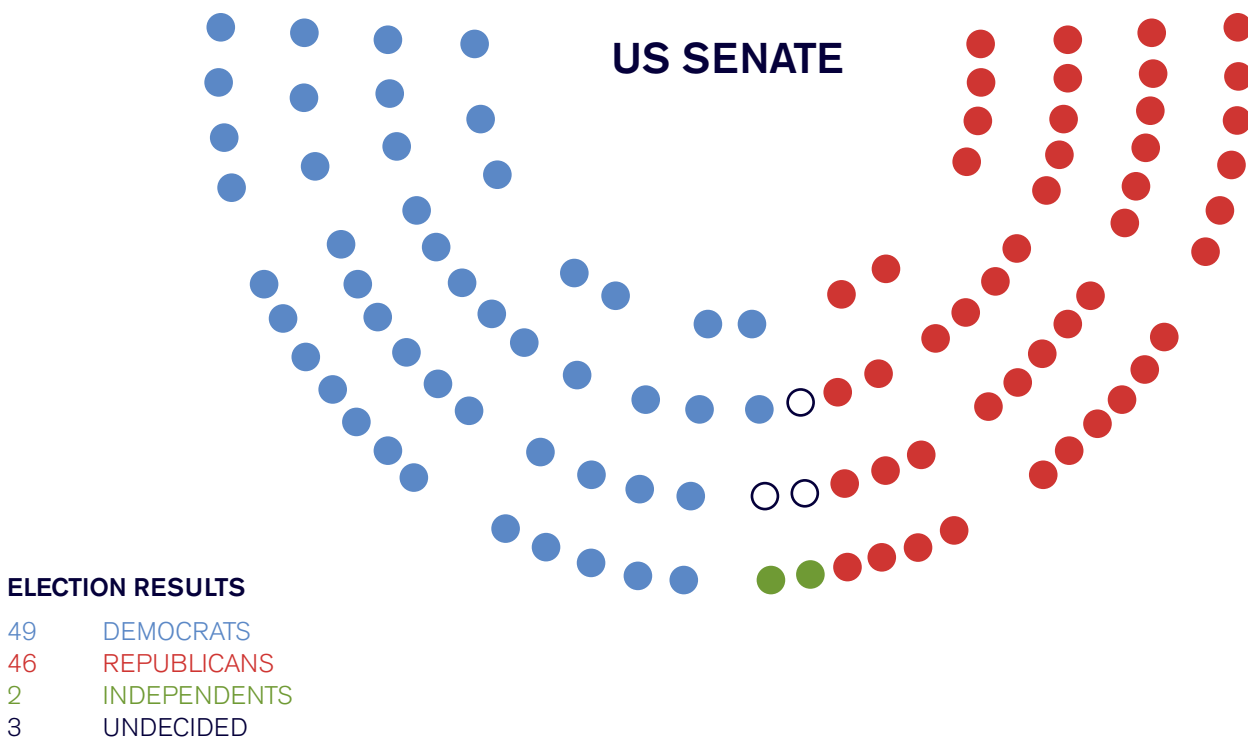
Republicans made major gains in the Senate, picking up at least six seats, including seats in Republican strongholds such as North Dakota and Arkansas and in blue states like Pennsylvania and Wisconsin. Strong turnout allowed Democrats to retain enough seats to keep control of the body for the next two years. While Democrats will maintain their majority status and committee chairmanships, their margin will be much smaller and significantly short of 60, the number needed to break a filibuster. Republicans will hold at least 46 seats.

The narrow Democratic majority in the Senate will likely mean more legislative gridlock on major issues, unless both parties forge a path to bipartisanship. Republicans have the votes to block Democratic tax and budget initiatives, while Democrats may not see any political or policy reason to take up Republican proposals that pass the House.

With conservative Tea Party victors Rand Paul (KY) and Marco Rubio (FL) joining Senators DeMint (SC) and Coburn (OK), the Senate may even have trouble completing routine bills and nominations.

The two parties in the Senate have major policy differences and include few moderates who could cross the aisle to make a deal to garner 60 votes. This gridlock leads to the conclusion that the status quo will most likely prevail. Practically speaking, House Republican efforts to repeal the health care or financial regulatory reform laws wholesale will not succeed in the Senate.

While the GOP did not capture the Senate this cycle, winning the majority is in its sights for 2012. During the 2012 cycle, 23 Democrats will be up for reelection, while only ten Republicans risk losing their jobs. Several of these Democrats are considered vulnerable at this point (despite the two-year wait until the election) and only a few of the Republicans are at risk.



US SENATE SCORE CARD

STATE	PARTY	WINNER	STATE	PARTY	WINNER
AK	Too Close	Lisa Murkowski/Joe Miller	MO*	R	Roy Blunt
AL	R	Richard Shelby	NC	R	Richard Burr
AR		John Boozman	ND*		John Hoeven
AZ	R	John McCain	NE	D	Harry Reid
CA	D	Barbara Boxer	NH*	R	Kelly Ayotte
CO	Too Close	Michael Bennet/Ken Buck	NY	D	Chuck Schumer
CT*	D	Richard Blumenthal	NY	D	Kirsten Gillibrand
DE*	D	Chris Coons	OH*	R	Rob Portman
FL*	R	Marco Rubio	OK	R	Tom Coburn
GA	R	John Isakson	OR	D	Ron Wyden
HI	D	Dan Inouye	PE*		Pat Toomey
IA	R	Chuck Grassley	SC	R	Jim DeMint
ID	R	Mike Crapo	SD	R	John Thune
IL*		Mark Kirk	UT*	R	Mike Lee
IN*		Dan Coats	VT	D	Pat Leahy
KS*	R	Jerry Moran	WA	Too Close	Patty Murray/Dino Rossi
KY*	R	Rand Paul	WI		Ron Johnson
LA	R	David Vitter	WV*	D	Joe Manchin III
MD	D	Barbara Mikulski			

KEY

- * = Open Seat
-  = Democratic Pick Up
- D = Democratic-Retained Seat
-  = Incumbent Loss
-  = Republican Pick Up
- R = Republican-Retained Seat
-  = Independent Pick Up
- I = Independent-Retained Seat

Key Races

Alaska At publication time, there is no announced winner in the three-way contest between Republican nominee Joe Miller, Democratic nominee Scott McAdams, and write-in candidate and eight-year Republican incumbent Lisa Murkowski. Murkowski's appears to be leading with her write-in campaign, with Miller closely trailing. This campaign signified the internal GOP tension between its moderate and Tea Party factions. While Murkowski is a moderate incumbent and the ranking member of the Senate Energy Committee, Joe Miller challenged her for the Republican nomination and won an upset victory, helped in large part by the support of Sarah Palin.

Arkansas Five-term Congressman John Boozman easily defeated incumbent Senator Blanche Lincoln, Chair of the Senate Agriculture Committee. Lincoln was consistently down in the polls by double digits in the months leading up to the election. In a state where McCain took 58% of the vote, Lincoln's vote for health care reform seemed to seal her fate.

California Senator Barbara Boxer, chair of the Senate Environment and Public Works Committee, defeated former HP CEO and McCain advisor Carly Fiorina, despite recent polls that showed the race almost even. Boxer, who won her fourth term, fought back an aggressive challenge by Fiorina who focused on economic issues and Boxer's liberal voting record. Republicans were unsuccessful in their bid to win a Senate race in California for the first time since 1988.

Colorado At publication time, the race between incumbent Democrat Michael Bennet and challenger Ken Buck is too close to call. Governor Bill Ritter appointed Bennet to the Senate seat in January 2009 when Ken Salazar became Interior Secretary. While Bennet was viewed as an underdog to potential Republican nominee Jane Norton, the former Lt. Governor, Ken Buck upset Norton in the Republican primary with the backing of the Tea Party.

Delaware New Castle County Executive Democrat Chris Coons easily won election to Vice President Biden's former Senate seat by defeating Tea Party favorite Christine O'Donnell. Nine-term Republican Congressman Mike Castle, a moderate and former Governor, was heavily favored to beat Coons and win this seat. However, O'Donnell upset Castle in the Republican primary, moving this seat from a likely Republican gain to a safe Democratic seat.

Florida Republican Marco Rubio, former speaker of the Florida State House, easily won a three-way race between incumbent Governor Charlie Crist (running as an independent) and Democratic Congressman Kendrick Meek. After Republican Senator Mel Martinez opted not to run for re-election, Republican leaders urged Crist to enter the race. However, Crist drew a tough primary challenge from the conservative former House Speaker Rubio, who surged ahead in the polls. Crist eventually dropped out of the Republican primary and decided to run for Senate as an independent, creating the three-way race. Meek, a former police officer with a liberal voting record, trailed far behind in the polls to both Rubio and Crist throughout the summer.

Illinois Five-term Republican Congressman Mark Kirk narrowly defeated Democratic Illinois state treasurer, Alexi Giannoulias, to take the seat that President Obama vacated in 2008 and currently held by Roland Burris. Senator-elect Kirk will take office as soon as the Senate resumes its lame duck session on November 15th, giving Republicans more leverage during this upcoming session.

Kentucky Dr. Rand Paul, backed by the Tea Party, easily beat state Attorney General Jack Conway in an increasingly negative campaign, keeping the Kentucky seat in Republican hands.

Nevada Senate Majority Leader Harry Reid fought off a fierce challenge, surprising many political pundits with his resounding victory over Sharron Angle. Reid was considered highly vulnerable earlier this year because of his sagging poll ratings and the state of Nevada's economy. However, his fortunes changed when controversial former state assemblywoman Sharron Angle won the Republican nomination. Angle, a Tea Party candidate, had a long record of controversial positions about Social Security, Medicare, and the minimum wage. Reid was able to capitalize on Angle's policy positions and public statements and change the tone of the election away from a referendum on him and President Obama.

Pennsylvania Former Republican Congressman Pat Toomey triumphed over two-term Democratic Congressman Joe Sestak to win the seat of Democrat Arlen Specter, who famously switched parties in 2009. Pennsylvania, a competitive but blue state, saw multiple Republican victories statewide.

Washington At publication time, three-term Democratic incumbent Parry Murray is locked in a close race with Republican real estate executive Dino Rossi. Murray is a member of the Senate leadership and a senior member of the Appropriations Committee, which oversees defense spending, an integral part of Washington state's economy. This was Rossi's third attempt at winning statewide office, having lost races for governor in 2004 and 2008.

West Virginia Incumbent Democratic Governor Joe Manchin soundly defeated Republican John Raese to complete the term of the late Senator Robert Byrd. West Virginia law provided for the election to replace Senator Byrd to be held in November 2012. However, the West Virginia legislature moved the election up to 2010. Governor Manchin, a popular social conservative, promised to govern from the middle and work with both parties to reform Washington.

The 112th Congress

Last night's election will have a profound impact on the legislative agenda of the 112th Congress. Republicans gained a sizable majority in the House and increased the size of their minority in the Senate to the point where they can functionally block any objectionable legislation. The GOP is once again in a central role in the development of legislative policy. Given their perceived mandate to reduce the size of government and its oversight role over the private sector, Republicans will likely move to reduce the size and number of federal regulatory regimes and to roll back portions of health care and financial services reform as well as obligated funds from the economic stimulus law.

All of this legislative activity will take place in the shadow of the 2012 Presidential and congressional elections. With a hotly contested presidential election (and GOP primary) and a positive electoral map for Senate Republicans, the 112th Congress will be buffeted by electoral pressures.

Appropriations

The House and the Senate will return after the election with only one must pass item to address, the Continuing Resolution, which will keep the current government running at fiscal 2010 levels until it expires on December 3rd. Congress must decide whether it will try to complete an omnibus appropriations bill for FY 2011 or extend work on the final appropriations bills into next year. Only two of the 12 FY 2011 bills (Military Construction-Veterans Affairs and Transportation-Housing and Urban Development) have been passed by the House, whereas the full Senate has not passed any of their 12 bills. Republicans, particularly conservatives, in both the House and Senate have pushed to delay an omnibus bill and have indicated they want Congress to extend current levels until 2011, when the new Congress is sworn in. Democrats would prefer to complete the bills during the lame duck session which would enable them to set the spending priorities. Many House Republicans voluntarily declined to seek earmarks in the last Congress, an effort that was outlined by Minority Leader John Boehner and 40 Republicans in a letter to Speaker Pelosi. Earmark reform was also an issue in many of the campaigns this year and was debated among candidates at length. It remains to be seen whether the House Republicans will continue their moratorium on earmarks requests and how the newly elected members in both chambers will decide to address the issue.

Tax and Budget

Reexamination of budget and tax priorities will be a major focus of the 112th Congress. With government spending and deficits a key issue in House and Senate races across America, policymaking in these areas will likely dominate the House and Senate agenda in the immediate term. In fact,

House Republicans have already committed to passing small legislative initiatives on a weekly basis to cut federal spending. In addition to efforts to reduce overall federal spending, the 112th will also likely return in the House (and potentially the Senate) to regular order in the budget and appropriation processes, with the production of a congressional budget resolution and the 12 appropriations bills. Given Republicans calls for commitment to fiscal discipline, it will be difficult for them to allow funding of the federal government be conducted outside of this process.

Tax policy will be the other key piece of the budget legislating in the next Congress. How the tax policy debate unfolds will be very much affected by what Congress is able to accomplish in the coming lame duck session. With the 2001 and 2003 tax cuts, the estate tax, and the 2009-2010 "tax extenders" issues still not resolved, these issues may form the centerpiece of tax policy in 2011. If these expiring tax provisions are settled in the lame duck, Congress will be able to move to efforts at tax reform in the next Congress. Fundamentally, the coming fight over extension of the expiring tax provisions will set the tone for the rest of 2011, including whether any tax reform can be undertaken in a bipartisan way. Unless both parties are willing to work together to find a common solution, the tax reform debate will be a continuation of 2010's partisan, message-oriented fights rather than a real attempt to find a common legislative approach.

Health Care

While passage of health care reform dominated the health care agenda of the 111th Congress, implementation, oversight, and reform of the nascent law will mark the 112th Congress's approach to health care policy. With a divided House and Senate, the "repeal and replace" cries in the

campaigns of many Members-elect will not ultimately prove to be successful.

In the House, the new Republican majority is expected to move quickly to reform the health care law (and likely attempt an outright appeal). New GOP committee chairs will hold oversight hearings and demand the presence of Administration officials responsible for implementation of health reform. Legislative efforts at reforming the law will be sought as new Members of Congress seek to deliver on their campaign promises, and interest groups with skin in the game will promote their agendas, emboldened by the public outcry against health reform. Early legislative efforts could involve repeal or reform of the expanded IRS Form 1099 reporting requirements, the individual mandate to obtain health insurance and the employer penalty for failing to provide insurance, and the Independent Payment Advisory Board.

The Senate, with its reduced Senate Democratic majority, is unlikely to pass any significant modification to the health reform law or hold partisan oversight hearings on the Administration's implementation efforts. However, many Senate Democrats (and Senators-elect) have expressed disapproval of certain provisions of the law, such as the expanded 1099 reporting. Therefore, small changes to the law made by the House and supported by a critical mass of interest groups could pave the way for Senate action — even if opposed by the Democratic leadership.

In addition to these health care reform issues, the divided Congress will be faced with other health care policy decisions. Most notably, the Medicare physician fee schedule will produce a substantial cut to physician reimbursement. Avoiding this cut and possibly reforming the payment system will cost a substantial amount of money. Other health care provisions that traditionally receive annual extensions will likely move at some point during the 2011, providing another legislative vehicle for health care policy.

Energy and Environment

It is clear that comprehensive cap-and-trade legislation will no longer be an overarching issue as Congress continues to look at ways to lessen U.S. dependence on fossil fuels and reduce greenhouse emissions. Instead, Congressional

focus will likely be on the utilities' transition to natural gas and in finding ways to address conservation, energy efficiency measures, transmission, and smart grid technology issues. Therefore, the debate will likely move away from mandating fuel choice and toward providing solutions on how to use less energy. The new Congress will also likely have an increased interest in oil and gas production and accelerating nuclear energy development.

It is also expected that the House of Representatives will increase regulatory oversight of not only the EPA, but the broader Administration as well, including programs created by the stimulus and other programs initiated in the last two years.

Financial Services

The new Congress will be focused on targeted changes to the Dodd-Frank Act and on efforts to reform the government sponsored enterprises (GSEs). Though some Members have called for full repeal of Dodd-Frank, it is highly unlikely that the legislation will be fully rolled back. Instead, Republicans will focus on those portions of the legislation considered as most overreaching, notably the establishment of the Bureau of Consumer Financial Protection (BCFP) and regulation of derivatives. Additionally, given the hundreds of outstanding rule makings created by the legislation, much attention will focus on ensuring that agencies conduct administrative action in a positive manner.

Hand in hand with oversight and targeted changes to Dodd-Frank will be efforts to reform the GSEs. Throughout debate on regulatory reform, Republicans focused on this area and are likely to attempt move one or more pieces of legislation to unwind the federal involvement in the GSEs and reform the housing finance system in 2011.

Other Issues

Numerous other issues will likely be addressed by the 112th Congress, though formal or informal plans or agendas for them have not been announced. In particular, technology, agriculture and trade policy are likely to draw congressional scrutiny.

Technology. The outlook for technology-related legislation in the 112th is unclear. What is apparent is that the prospects for movement of net neutrality legislation in the next Congress are dim, with 90 of 95 public supporters losing their elections. With significant changes coming to the Energy and Commerce Committee and specifically, the Communications, Technology and the Internet Subcommittee, it will likely be some time before a clearer agenda emerges.

Agriculture. A new Farm Bill will also have to be produced in the next Congress. With Republican focus on spending, the legislation will likely draw the attention of budget hawks and be the subject of difficult and likely protracted negotiating.

Trade. With the new Republican House majority, there will likely be a renewed focus on trade and trade agreements. Outstanding free trade agreements with Panama, Columbia, and South Korea must be disposed of, and the Republican House may move to pass one or more of these. However, it is unclear if the new majority will be openly free trade-oriented or if some protectionism will arise. As with all issues, trade agreements will also be subject to a difficult environment in the Senate and Administration.

Senate Democratic Leadership

With Senate Majority Leader Harry Reid (NV) winning the nation's marquee Senate matchup, President Obama will have a lifeline in Congress's upper chamber. Democratic Leadership will likely remain stable in the 112th Congress with Senators Reid and Richard Durbin (IL) expected to remain as the top Democratic Leaders. Reid's reelection against Tea Party favorite Sharon Angle avoided a possible show down between Charles Schumer (NY) and Majority Whip Durbin for Minority Leader.

Democratic Senatorial Campaign Committee Chairman Robert Menendez (NJ) cannot serve in that role given his 2012 race. Potential successors include Mark Begich (AK) or Mark Warner (VA).

DEMOCRATIC SENATE LEADERSHIP CANDIDATES	
POSITION	DEMOCRAT
Majority Leader	Harry Reid (NV)
Majority Whip	Dick Durbin (IL)
Vice Chair	Chuck Schumer (NY)
Conference Chair	Patty Murray (WA)
DSCC	Mark Warner (VA) Tom Udall (NM) Mark Begich (AK)

Senate Republican Leadership

Mitch McConnell (KY) is expected to remain Minority Leader and the rest of the Republican Leadership should remain intact. McConnell will be a key player in responding to an aggressive House Republican agenda and White House resistance to new initiatives on taxes, health care and the scope of federal government. The new divided government could produce some movement to middle ground, or, more likely, it could be a recipe for gridlock.

REPUBLICAN SENATE LEADERSHIP CANDIDATES	
POSITION	REPUBLICAN
Minority Leader	Mitch McConnell (KY)
Assistant Minority Leader	Jon Kyl (AZ)
Republican Conference Chair	Lamar Alexander (TN)
Republican Conference Vice Chair	John Barrasso (WY)
Republican Policy Committee	John Thune (SD)
NRSC	John Cornyn (TX)

House Republican Leadership

Riding a wave of discontent with President Obama and concerns about the expanded role of government, House Republicans will preside over a more conservative House that includes a net pick-up of over 60 seats. Minority Leader John Boehner (OH) is poised to become Speaker of the House without serious challenge. Minority Whip Eric Cantor (VA) will likely ascend to House Majority Leader.

With a much larger Republican Caucus, it is difficult to determine who will secure leadership positions. The Republican Conference could produce a slate of candidates, or there could be competitive races for the individual positions. With Cantor's jump to Leader, his Whip position could be filled by Kevin McCarthy (CA) or Pete Sessions (TX). And with Mike Pence expected to seek the Indiana governorship or Republican Presidential nomination in 2012, a crowded field is lined up to serve as Republican Conference Chair including Michele Bachman (MN), Marsha Blackburn (TN), Jason Chaffetz (UT), Jeb Hensarling (TX), and Kathy McMorris-Rogers (WA).

REPUBLICAN HOUSE LEADERSHIP CANDIDATES	
POSITION	REPUBLICAN
Speaker	John Boehner (OH)
Majority Leader	Eric Cantor (VA)
Majority Whip	McCarthy (CA), Sessions (TX)
Conference Chair	Bachmann (MN), Blackburn (TN) Chaffetz (UT), Hensarling (TX) McMorris (WA)

House Democratic Leadership

The poor Democratic performance in both the open and contested House seats proved to be a devastating blow to President Obama and Speaker Pelosi who found themselves at the center of “nationalized” Congressional campaigns. With Republicans taking control of the House, they will add an elected leadership post while Democrats lose the Speaker position

There has been speculation that Speaker Pelosi (CA) will bow out of the Democratic minority leadership. Majority Leader Steny Hoyer (MD), who lost his 2008 race for Speaker, will seek to move into the Minority Leader post if Pelosi steps down. With heavy losses in the moderate Democratic ranks, a more progressive Democratic Caucus may favor Caucus Chairman John Larson (CT) for Minority Leader. If Pelosi decides to stay on as Minority Leader, Hoyer would have to decide whether to mount a challenge for the spot. An open race for the Minority Leader post could also include Democratic Congressional Chairman Chris Van Hollen (MD) or Caucus Vice Chairman Xavier Becerra (CA).

Majority Whip James Clyburn (SC) is expected to be Whip in the 112th Congress. If Hoyer does not prevail in a run for Minority Leader, he will have to decide whether to pursue the Minority Whip spot.

The party's number 3 elected post of Caucus Chair could pit John Larson, who currently holds the post, against challengers like Van Hollen. Younger members currently not part of the elected leadership, such as Joe Crowley (NY) or Debbie Wasserman Schultz (FL) may also seek to enter this race.

DEMOCRATIC HOUSE LEADERSHIP CANDIDATES	
POSITION	DEMOCRAT
Minority Leader	Nancy Pelosi (CA), Steny Hoyer (MD), John Larson (CT), Xavier Becerra (CA)
Minority Whip	James Clyburn (SC)
Caucus Chairman	Joe Crowley (NY), Chris Van Hollen (MD), John Larson (CT)
DCCC	Debbie Wasserman Schultz (FL), Joe Crowley (NY), Steve Israel (NY)

POTENTIAL COMMITTEE LEADERSHIP — SENATE

COMMITTEE	POTENTIAL CHAIR	POTENTIAL RANKING MEMBER
Agriculture, Nutrition and Forestry	Debbie Stabenow (MI)	Saxby Chambliss (GA)
Appropriations	Daniel Inouye (HI)	Thad Cochran (MI)
Armed Services	Carl Levin (MI)	John McCain (AZ)
Banking	Tim Johnson (SD)	Richard Shelby (AL)
Budget	Kent Conrad (ND)	Jeff Sessions (AL)
Commerce, Science, Transportation	Jay Rockefeller (WV)	Kay Bailey Hutchison (TX)
Energy and Natural Resources	Jeff Bingaman (NM)	Richard Burr (NC) Lisa Murkowski (AK)
Environment and Public Works	Barbara Boxer (CA)	Jim Inhofe (OK)
Finance	Max Baucus (MT)	Orrin Hatch (UT)
Foreign Relations	John Kerry (MA)	Richard Lugar (IN)
Health, Education, Labor and Pensions	Tom Harkin (IA)	Mike Enzi (WY)
Homeland Security and Govt. Affairs	Joe Lieberman (CT)	Susan Collins (ME)
Judiciary	Pat Leahy (VT)	Chuck Grassley (IA)
Rules and Administration	Chuck Schumer (NY)	Lamar Alexander (TN)
Small Business and Entrepreneurship	Mary Landrieu (LA)	Olympia Snowe (ME)
Veterans' Affairs	Daniel Akaka (HI)	Johnny Isakson (GA)
Indian Affairs	Maria Cantwell (WA)	John Barrasso (WY)
Select Ethics	Barbara Boxer (CA)	Pat Roberts (KS) Jim Risch (ID)
Select Intelligence	Dianne Feinstein (CA)	Tom Coburn (OK)
Special Aging	Herb Kohl (WI)	Bob Corker (TN)

POTENTIAL COMMITTEE LEADERSHIP — HOUSE

COMMITTEE	REPUBLICAN CHAIR	DEMOCRATIC RANKING MEMBER
Agriculture	Frank Lucas (OK)	Collin Peterson (MN)
Appropriations	Harold Rogers (KY) Jerry Lewis (CA)	Norm Dicks (WA)
Armed Services	Buck McKeon (CA)	Silvestre Reyes (TX) Adam Smith (WA)
Budget	Paul Ryan (WI)	Bobby Scott (IL) Rosa DeLauro (CT) Allyson Schwartz (PA)
Ed & Labor	John Kline (MN)	George Miller (CA)
Energy & Commerce	Fred Upton (MI) John Shimkus (IL)	Henry Waxman (CA)
Foreign Affairs	Ileana Ros-Lehtinen (FL)	Howard Berman (CA)
Financial Services	Spencer Bachus (AL) Ed Royce (CA)	Barney Frank (MA)
Judiciary	Lamar Smith (TX)	John Conyers (MI) Jerry Nadler (NY)
Homeland Security	Peter King (NY)	Bennie Thompson (MS)
Natural Resources	Doc Hastings (WA) Elton Gallegly (CA)	Nick Rahall (WV) Frank Pallone (NJ)
Gov Reform	Darrell Issa (CA)	Ed Towns (MD)
Rules	David Dreier (CA)	Louise Slaughter (NY) Jim McGovern (MA)
Science	Ralph Hall (TX) Dana Rohrabacher (CA)	Jerry Costello (IL)
Small Business	Sam Graves (MO) Roscoe Bartlett (MD)	Nydia Velazquez (NY)
Ethics	Jo Bonner (AL)	Zoe Lofgren (CA)
Transportation	John Mica (FL)	Nick Rahall (WV) Peter DeFazio (OR) Jerry Costello (IL)
Veterans	Cliff Stearns (FL) Jeff Miller (FL)	Bob Filner (CA)
Ways and Means	David Camp (MI)	Sander Levin (MI) Richard Neal (MA)
Intel	Mac Thornberry (TX) Elton Gallegly (CA) Mike Rogers (MI)	Silvestre Reyes (TX)

Moving Away from Washington: Navigating the New State Landscape

Democrats headed in to the election controlling the governor's mansion in 26 states, as opposed to the Republicans' 24. Republicans capitalized on voter unrest with a lagging economy and unpopular policies pushed by Democrats in Washington, D.C. to unseat incumbent Democrats in Iowa and Ohio. In Hawaii, Neil Abercrombie bucked the national trend and was the only Democrat to unseat an incumbent Republican. Of the 37 states that cast ballots for governor, 21 elected Republicans and 8 elected Democrats, resulting in a net gain of at least eight governors for the Republican Party. A closely contested race in Minnesota has triggered a mandatory recount. Other races still too close to call in Illinois, Maine, and Oregon, are potentially headed that way, though Republicans hold tentative leads in three of five match ups.

GOVERNOR SNAPSHOT		
	CURRENT	2011
Democrat	26	15
Republican	24	29
Independent		1
Undecided		5

A heightened importance was placed on the gubernatorial elections because the victors will shape the next four Congresses through reapportionment and redistricting in 2011. In most states, congressional redistricting is the responsibility of the state legislature, with Governors holding veto power. The GOP positioned itself to expand its majority in the U.S. House by sweeping gubernatorial posts in nine of thirteen states that will add or lose congressional seats beginning in 2012.

Republicans won a two-pronged victory in Florida with Rick Scott's victory over State Chief Financial Officer Alex Sink. Thanks to decennial reapportionment, Florida will pick up two seats in the U.S. House in 2012. Republicans maintained their control of the state House and Senate and Mr. Scott's victory will all but guarantee two new congressional seats for the GOP in 2012. Mr. Scott got involved in politics for the first time in 2009 when he started Conservatives for Patients' Rights, which was created to defeat President Obama's government-run public option health care plan. Ms. Sink and husband Bill McBride, a lawyer who ran unsuccessfully as the Democratic nominee against Republican Governor Jeb Bush in 2002, will hold

the dubious distinction of being the first married couple to have lost races for Florida governor.

New York Attorney General Andrew Cuomo surprised no one by soundly defeating Republican firebrand Carl Paladino. New York, which is likely to surrender two congressional seats to reapportionment, is the only state that stands to gain or lose more than a single House seat where Democrats find themselves in the drivers seat. Mr. Cuomo followed in the footsteps of his father, Mario Cuomo, who occupied the office for three terms, from 1983 to 1994.

After his inauguration in January, Democrat Jerry Brown will hold the distinction as being both the youngest and oldest governor in California history. Mr. Brown defeated former eBay CEO Meg Whitman, who spent more than \$142 million of her own money on the campaign, one of the most expensive self-funded campaigns in history. Many political experts believe Ms. Whitman, who finished a distant 13 points back, only remained competitive because of her massive financial advantage. Mr. Brown, who has already served two terms as governor of the Golden State, was able to seek a third term because his previous service was prior to the 1990 gubernatorial term limit law.

GOVERNOR SCORE CARD

STATE	PARTY	WINNER	STATE	PARTY	WINNER
AK	R	Sean Parnell	MN*		Tom Emmer/Mark Dayton
AL*	R	Robert Bentley	NE	R	Dave Heineman
AR	D	Mike Beebe	NH	D	John Lynch
AZ	R	Jan Brewer	NM	★R	Susana Martinez
CA*	★D	Jerry Brown	NV	R	Brian Sandoval
CO	D	John Hickenlooper	NY	D	Andrew Cuomo
CT*	D	Dan Malloy	OH	★R	John Kasich
FL*	R	Rick Scott	OK	★R	Mary Fallin
GA	R	Nathan Deal	OR*		Chris Dudley/John Kitzhaber
HI	★D	Neil Abercrombie	PA	★R	Tom Corbett
IA	★R	Terry Branstad	RI	★I	Lincoln Chafee
ID	R	Butch Otter	SC	R	Nikki Haley
IL*		Bill Brady/Pat Quinn	SD	R	Dennis Daugaard
KS	R	Sam Brownback	TN	★R	Bill Haslam
MA	D	Deval Patrick	TX	R	Rick Perry
MD	D	Martin O'Malley	UT	R	Gary Herbert
ME*		Paul LePage/Elizabeth Mitchell	VT*	D	Peter Shumlin
MI	★R	Rick Snyder	WI	★R	Scott Walker
			WY	★R	Matt Mead

KEY

* = Open Seat

● = Incumbent Loss

★D = Democratic Pick Up

★R = Republican Pick Up

★I = Independent Pick Up

D = Democratic-Retained Seat

R = Republican-Retained Seat

I = Independent-Retained Seat

State Attorneys General

Traditionally, state attorneys general enforce state laws in addition to focusing consumer protection issues. There are times when state attorneys general engage in a partnership where they also work more closely with the Department of Justice and other Federal officials to jointly police and enforce various consumer protection matters. It is one reason why state attorneys general races warrant special attention this election cycle. AG's have also taken an active role in environmental matters stemming from the Deep

Horizon oil rig disaster, as well as active litigation seeking to overturn aspects of the Patient Protection and Affordable Care Act.

Heading into this election, Democrats controlled 31 state attorneys general offices and Republicans held 19 offices. Of the 30 state attorneys general races on the ballot in '10, Democrats controlled 19 offices and Republicans held 11. 10 of the attorney general races were open seats and in 5 races — Arkansas, Delaware, Idaho, Maryland, and Nebraska —the incumbent attorney general ran unopposed.

STATE ATTORNEYS GENERAL SNAPSHOT		
	CURRENT	2011
Democrat	31	26
Republican	19	24

ATTORNEYS GENERAL STATE SCORE CARD

STATE	PARTY	WINNER	STATE	PARTY	WINNER
AL	R	Luther Strange	MI	R	Bill Schuette
AZ		Tom Horne	MN	D	Lori Swanson
AR	D	Dustin McDaniell	NE	R	John Bruning
CA*		Steve Cooley/Bill Sorrell	NV	D	Catherine Cortez Masto
CO	R	John W. Suthers	NM	D	Gary King
CT	D	George C. Jepsen	NY	D	Eric Schneiderman
DE	D	Beau Biden	ND	R	Wayne Stenehjem
FL	R	Pam Bondi	OH		Richard Michael DeWine
GA		Samuel S. Olens	OK		Scott Pruitt
ID	R	Lawrence Wasden	RI	D	Peter Killmartin
IL	D	Lisa Madigan	SC	R	Michael Alan Wilson
IA	D	Tom Miller	SD	R	Marty J. Jackley
KS		Derek Schmidt	TX	R	Greg Abbot
MD	D	Doug Gansler	VT	D	Bill Sorrell
MA	D	Martha Coakley	WI	R	J.B. Van Hollen

KEY

- * = Open Seat
-  = Incumbent Loss
-  = Democratic Pick Up
-  = Republican Pick Up
-  = Independent Pick Up
- D = Democratic-Retained Seat
- R = Republican-Retained Seat
- I = Independent-Retained Seat

State Legislatures

With the Constitutional duty of decennial redistricting looming, 46 states held elections for the control of 99 legislative chambers this year. The four states not engaged were Louisiana, Mississippi, New Jersey and Virginia. Democrats went into election day seeking to defend gains from the last three cycles, but ended up surrendering control of at least 15 chambers. They also lost supermajorities in several state bodies, including the Illinois State Senate.

Democrats started the day in charge of 61 of the 99 Chambers in play, holding 55% of the country's 7,382 statehouse seats. Razor thin margins either way meant that in fully 27 legislative houses, a shift of just five seats would swing control on election day. These included bodies in presidential battleground states such as the Ohio House (D 53/R 46), Pennsylvania House (D 104/R 98), Michigan Senate (R 22/D 16), and the Wisconsin House (D 52/R 46) and Senate (D 18/R 15).

Among those who made the trek to the polls, voters stayed focused and determined to have their say, staying in the

voting booth to vote in the “down ballot” races. Consistent with Republican gains nationally, the GOP used voter unrest with the lagging economy and the policies of President Obama and Speaker Pelosi to swing control of the local legislative bodies that will shape the 2013 Congress.

In Ohio, which will lose two seats to reapportionment, Republicans added control of both the House and governor's mansion to their majority in the Senate. Republicans in Alabama and North Carolina took majorities in both chambers from the Democrats. In Pennsylvania the GOP ousted Democrat control of the House and maintained their majority in the Senate.

In many states the Republicans advanced existing majorities, including Florida, Kansas, Missouri, North Carolina, and Tennessee. Missouri, once heralded as a presidential bellwether, became even more “red” as Republicans expanded to a 26–8 Senate majority. Democrats in the Show-me State's Senate are now limited to the St. Louis and Kansas City metropolitan areas.

Ballot Initiatives

This year's elections included 184 ballot measures in 38 states. Oklahoma had the highest number of ballot initiatives with 11, followed by Arizona and Louisiana with 10, and California, Colorado, New Mexico, and Washington each with nine. Many of this year's measures dealt with the usual social issues--gambling, abortion, immigration, marriage--but these issues did not dominate the measures around the country the way they have in years past. Proposals on ballots ran the gamut from the right to hunt, trap, and fish for wildlife (Arkansas) to legalizing medical marijuana (Arizona) to a Governor Recall Amendment (Illinois).

The topics most commonly found on this year's ballot measures related to fiscal policy matters. Ballot initiatives dealing with taxes proved to be the most popular with 39 measures, the administration of government next with 25 measures, followed by bond issues totaling 21, and 15 state budget initiatives scattered across various states. This theme of addressing fiscal matters was consistent with the mood of many voters around the country who were focused primarily on the economy, jobs creation, and cutting the size of government.

In the past, ballot initiatives generally have resulted in a minor increase in voter turnout, and it is reasonable to conclude that this year was no exception. What type of voter is motivated by a ballot initiative to come out and vote is difficult to ascertain. As a result, it is difficult to predict or measure the impact ballot initiatives have on party or voter turnout, making it nearly impossible to gauge the impact these voters have on elected officials' races.

California California's Proposition 19, which would have made it legal to grow and possess marijuana for personal use, failed. Taxing marijuana would have raised an estimated \$1.4 billion.

Californian voters also appeared ready to do away with a requirement that two-thirds of the Legislature approve state budgets. The measure was leading in early results. This could help end the state's budget gridlock.

Massachusetts Massachusetts had probably the most dramatic tax measure, cutting the state sales tax to 3% from 6.25% and reducing revenue by \$2.5 billion. The measure once led in polls, but was failing by 15 percentage points with half the vote counted.

Colorado Colorado voters, by more than a 2-to-1 ratio, rejected three proposals to slash taxes, spending and borrowing.

Colorado also rejected a proposal to ban abortion, the only abortion measure on a state ballot.

Indiana Hoosiers approved limiting how fast property taxes can rise and placing higher tax rates on business property than on homes. The caps, recently approved as state law, now become part of the Indiana Constitution, making them harder to change.

Florida Voters passed a resolution supporting a constitutional amendment to require the federal government to balance its budget without raising taxes.

Illinois Illinois gave thumbs up to a constitutional amendment that lets citizens recall a governor.

Washington Washington state voters rejected an income tax that would have taxed couples earning \$400,000 a year. It was supported by Bill Gates Sr., father of the Microsoft founder, and opposed by Microsoft chief executive Steve Ballmer.

Other key ballot measures:

- **Card-check.** South Carolina and South Dakota approved requiring union elections to be done by secret ballot. Arizona and Utah voters also were considering similar measures. Business groups supported the measures; unions opposed them.
- **Health care.** Arizona and Oklahoma voters approved letting residents withdraw from the federal health care overhaul. Colorado voters rejected the idea.
- **Smoking.** South Dakota approved a ban on smoking in bars and casinos. The business community had asked voters to overturn the smoking ban, approved by legislators in 2009.
- **More legislators.** The votes have not yet been counted on an Alaska initiative that would increase the number of legislators from 60 to 66 so that districts can better reflect the large, sparsely populated state. Alaska now averages one legislator per 10,000 square miles.
- **R.I.P.P.** Voters rejected 78% to 22% shortening the state's official name from "State of Rhode Island and Providence Plantations" to just "Rhode Island." Supporters found the word "plantations" offensive.

Spotlight On Insurance: Changes Expected in 2011

Voters in California, Georgia, Kansas, and Oklahoma all elected Insurance Commissioners this year. While Kansas retained its incumbent, Sandy Praeger, each of the other three states chose a new Commissioner.

State Insurance Commissioners play an important role in developing the public policy for a variety of key issues, including significant input with respect to the implementation of the federal health reform law. Changes in the chief insurance regulator positions in a state likely will impact that state's ability to comply with upcoming federal deadlines.

While eleven states elect their Insurance Commissioners, four yesterday, the balance are appointed. There were 33 states that had gubernatorial elections in 2010 in which the Insurance Commissioner is appointed. With changover in many of these states, the landscape for regulation is likely to be altered.

California In the open California Insurance Commissioners race, Dave Jones (D) defeated Mike Villines (R).

Insurance Commissioner-elect Dave Jones (D) is serving his third term representing the 9th District (Sacramento) in the California State Assembly. He currently chairs the Assembly Health Committee and serves on the Appropriations, Judiciary (former Chair) and Accountability & Administrative Review Committees. Previously, Jones was a Sacramento City Council member and worked as a legal aid attorney with Legal Services of Northern California providing free legal assistance to the poor.

Georgia In the open Georgia Insurance Commissioner race, Ralph Hudgens (R) defeated Mary Squires (D).

Hudgens owns and operates several successful businesses and understands first-hand how insurance premiums impact companies of all sizes. His public service began with an appointment in the first Bush administration. He went on to be elected to the Georgia House of Representatives in 1996 where he served until his election to the State Senate in 2002, where he is currently in office.

Kansas In Kansas, incumbent Insurance Commissioner Sandy Praeger won her Republican primary and ran unopposed. She will be serving her third term as the Kansas Insurance Commissioner. Praeger was the President of the National Association of Insurance Commissioners (NAIC) in 2008 and currently is a key player in implementing health care reform law on both the national and state level. She serves as chair of the NAIC Health Insurance and Managed Care Committee, vice chair of the International Insurance Relations Committee, member of the Executive Committee for International Association of Insurance Supervisors (IAIS), and a member of other NAIC Committees and task forces.

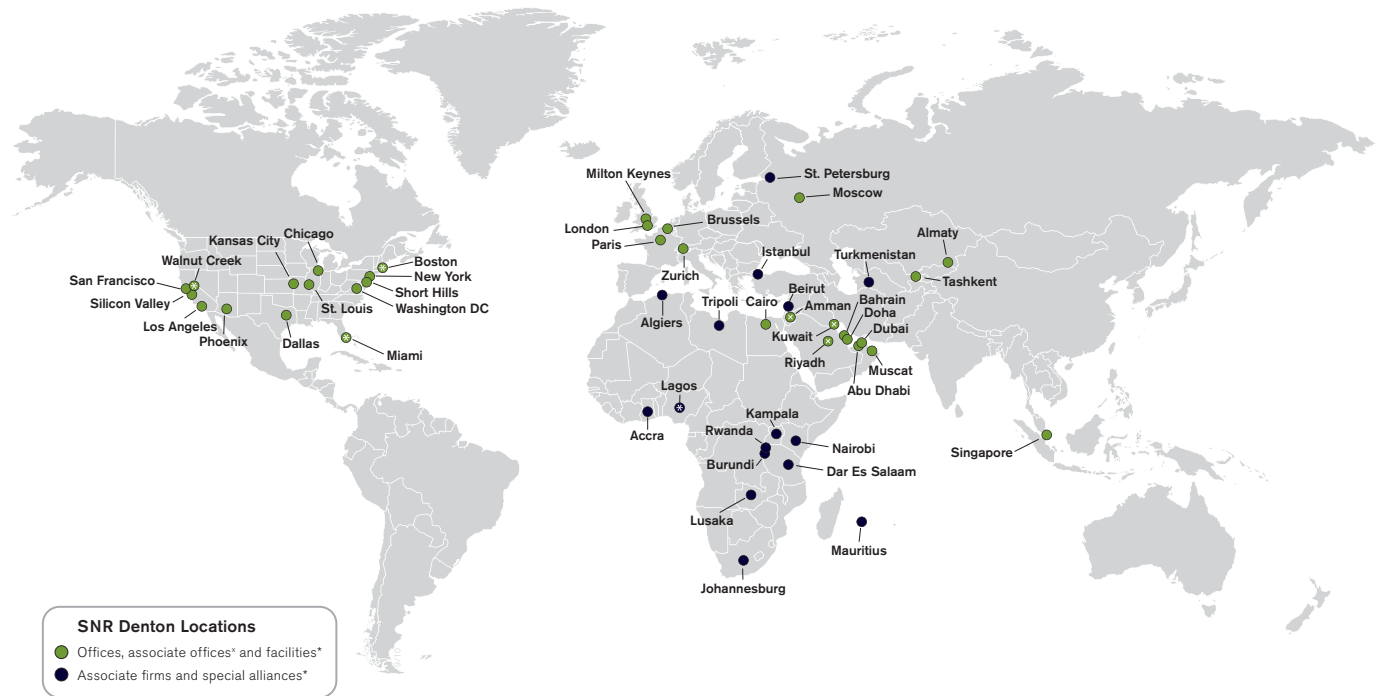
Oklahoma In Oklahoma, a battle between incumbent Democrat Insurance Commissioner Kim Holland and Republican John Doak resulted in a victory for Doak.

Commissioner-elect Doak (R) started his own Farmer's Insurance agency branch in Tulsa. After six years with Farmer's Insurance, Doak began working on the executive level in the insurance industry. He has served as an executive at Marsh, Aon Risk Services, HNI Risk Services, and Ascension Insurance, where he was senior vice president of acquisitions.

Other States Even in those states where there is a change in the Governor's office, whether or not there will be a new Insurance Commissioner will await 2011. In addition, other changes such as resignations, changes in Administration leadership, and membership in the NAIC may change the regulatory environment. Current projections indicate the potential of at least 17 new Insurance Commissioners in 2010–2011.

INSURANCE COMMISSIONERS STATE SCORE CARD		
STATE	PARTY	WINNER
CA*		Dave Jones
GA*	R	Ralph Hudgens
KS	R	Sandy Praeger
OK		John Doak
KEY		
* = Open Seat	 = Democratic Pick Up	D = Democratic-Retained Seat
 = Incumbent Loss	 = Republican Pick Up	R = Republican-Retained Seat
	 = Independent Pick Up	I = Independent-Retained Seat

Our Locations



About SNR Denton

SNR Denton is a client-centered international legal practice focused on quality. As a top 25 legal services provider by lawyers and professionals worldwide, we serve clients in key business and financial centers from 48 locations in 32 countries, through offices, associate firms and special alliances across the US, UK, Europe, the Middle East, Russia and the CIS, South-East Asia and Africa. Joining the complementary top-tier practices of its founding firms—Sonnenschein Nath & Rosenthal LLP and Denton Wilde Sapte LLP—SNR Denton offers business, government and institutional clients premier service and a disciplined focus to meet evolving needs in eight key industry sectors: Energy, Transport and Infrastructure; Financial Institutions and Funds; Government; Health and Life Sciences; Insurance; Manufacturing; Real Estate, Retail and Hotels; and Technology, Media and Telecommunications. Please visit snrdenton.com for more information and Legal Notices.

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Election Insight



2010

Live Panel Discussions are scheduled in the days following the election. We invite you to join us in person at one of our events in locations across the country where we will host a panel of experienced political analysts, journalists, and public servants who will be discussing the impact of US election results at the federal, state and local level.

Schedule of Live Panel Discussions

Thursday, November 4, 2010

New York

Panel Discussion and Breakfast Reception
8:00 - 9:30 a.m. EDT
McGraw-Hill Building, 24th Floor
1221 Avenue of the Americas
New York, NY 10020-1089

Panelists include:

Mat Lapinski

SNR Denton Senior Managing Director
Chair of the NRSC Network Fundraising Program

Jimmy Williams

SNR Denton Principal
Frequent MSNBC Political Contributor

Chicago

Panel Discussion and Lunch Reception
12:30 - 2:00 p.m. CDT
233 South Wacker Drive
Suite 7800
Chicago, IL 60606-6404

Panelists include:

Barbara Flynn Currie

Majority Leader of the Illinois House of Representatives

Andy Shaw

Executive Director of the Better Government Association
ABC 7 Anchor and Political Reporter, 1983-2009

St. Louis

Panel Discussion and Cocktail Reception
6:00 - 7:30 p.m. CDT
One Metropolitan Square
31st Floor
St. Louis, MO 63102-2741

Panelists include:

Governor Bob Holden

Governor, State of Missouri, 2001-2005
Founder and Director, The Holden Public Policy Forum at Webster University

Ann L. Wagner

Chair of the Roy Blunt for US Senate Campaign
US Ambassador to Luxembourg, 2005-2010
Chair, Missouri Republican Party, 1999-2005

Friday, November 5, 2010

Los Angeles

Panel Discussion and Breakfast Reception
8:00 - 9:30 a.m. PDT
601 S. Figueroa Street
Suite 2500
Los Angeles, CA 90017-5704

Panelists include:

Rod Pacheco

District Attorney, Riverside County, 2007-2010
California State Assembly, 1996-2002
Republican Leader in California State Assembly, 1998-1999

Darry Sragow

SNR Denton Partner
Senior Democratic Strategist and Political Advisor

Wednesday, November 10, 2010

Silicon Valley

Panel Discussion and Breakfast Reception
8:30 - 10:00 a.m. PST
1530 Page Mill Rd.
Suite 200
Palo Alto, CA 94304-1125

Panelists include:

Rod Pacheco

District Attorney, Riverside County, 2007-2010
California State Assembly, 1996-2002
Republican Leader in California State Assembly, 1998-1999

Darry Sragow

SNR Denton Partner
Senior Democratic Strategist and Political Advisor

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