



# 2012 Election Analysis: Potential Implications for RDOs

National Association of Development Organizations

November 16, 2012



[NADO.org](http://NADO.org)

# 2012 Election Analysis: Potential Implications for RDOs

## Presentation Overview

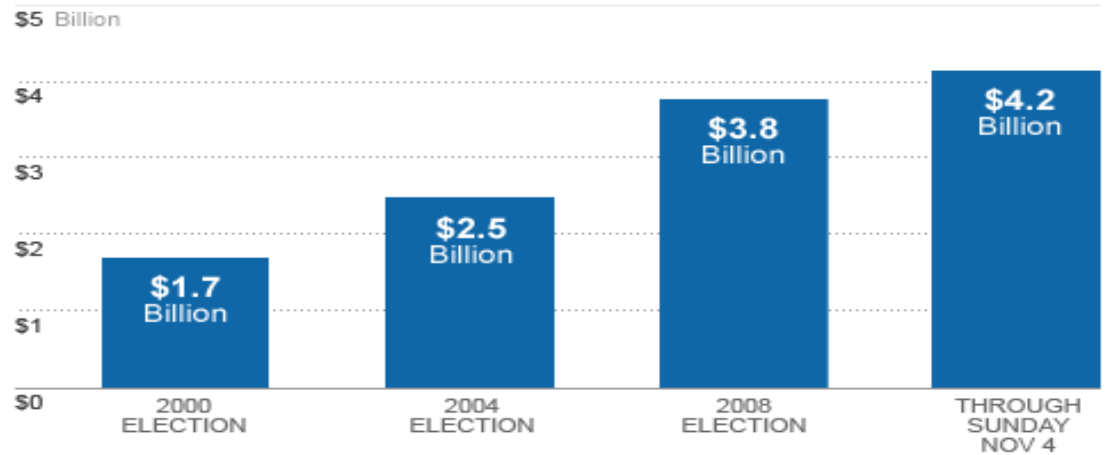
- ★ Cost of the 2012 Elections
- ★ Election 2012: What Was At Stake
- ★ Voter Concerns
- ★ Popular Vote Demographics
- ★ Geographic Breakdown of Voting
- ★ Impact on Key House and Senate Committees
- ★ What's Next?

# Most Expensive Election in U.S. History

Total Election Spending



**Most Expensive Election in US History**



SOURCE: CENTER FOR RESPONSIVE POLITICS

<http://money.cnn.com/2012/11/05/news/economy/campaign-finance/index.html>

Total Presidential Election Spending



 Blue Team

Candidate Spending	\$540,812,931
National Party Spending	\$263,223,785
Outside Spending	\$128,054,869
<b>Total</b>	<b>\$932,091,585</b>

 Red Team

Candidate Spending	\$336,399,297
National Party Spending	\$284,156,290
Outside Spending	\$408,163,058
<b>Total</b>	<b>\$1,028,718,645</b>

<http://www.opensecrets.org/pres12/index.php#out>

# Election 2012: What was at Stake

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★ **President**

★ **33 U.S. Senators**

★ **435 U.S. Representatives**

# Voter Concerns

- ✓ Voters cited the economy, unemployment, jobs, federal debt, and dissatisfaction with government as the biggest problems facing the U.S. today
- ✓ Exit polls indicated that 53% of voters blamed President Bush for the state of the U.S. economy instead of President Obama
- ✓ In Ohio, 59% of voters polled approve of the federal government's aid to U.S. automakers while 36% disapprove.

# Why Did Governor Romney Lose?

- ★ Won just 1 out of 10 swing states
- ★ Did not gain enough support from women and minorities
- ★ Did poorly among Hispanics
- ★ Low Romney support in cities and suburbs

# 2012 Presidential Race Popular Vote



- ★ President Obama won re-election with 332 votes in the Electoral College
- ★ President Obama won the popular vote with 51% to Governor Romney's 48%



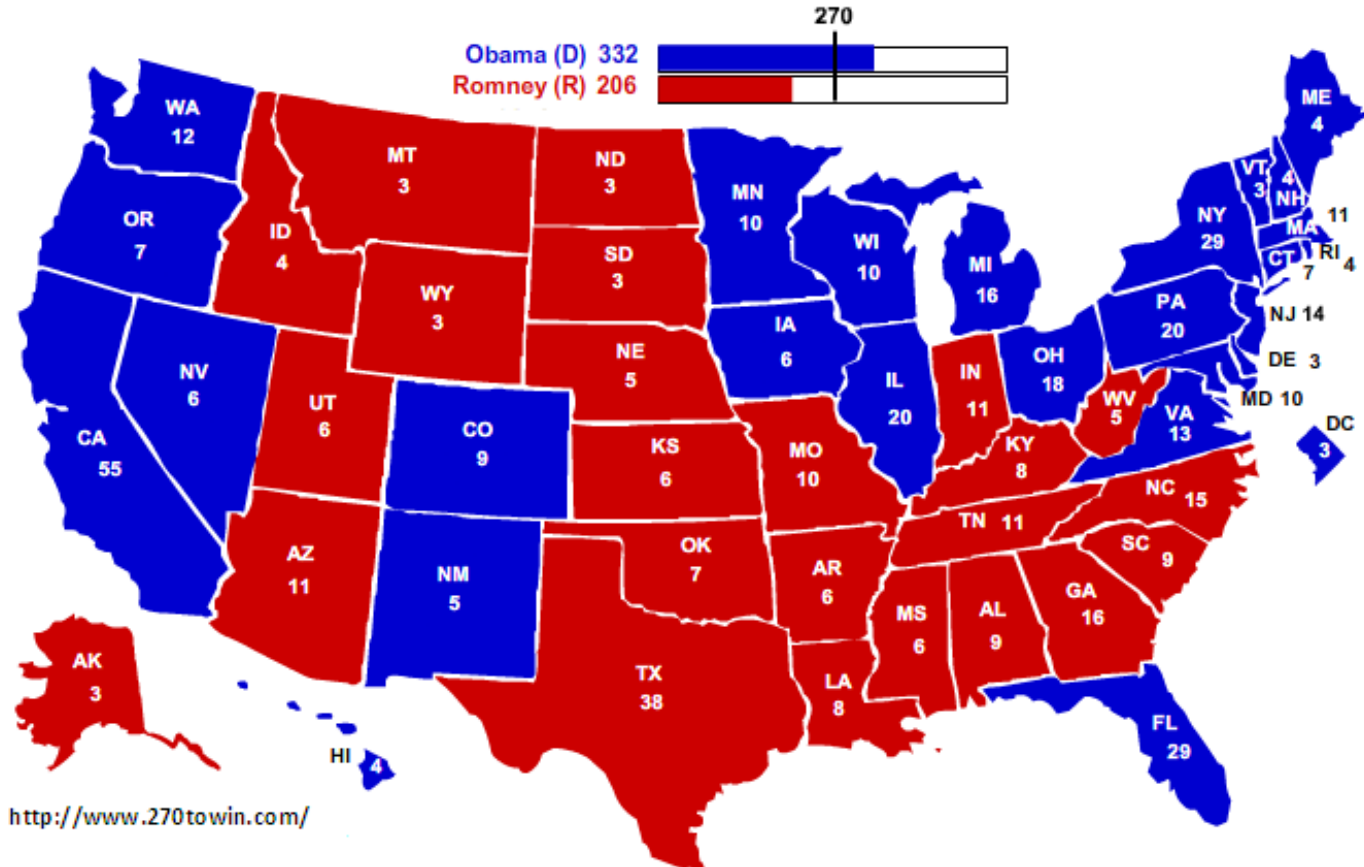
Obama



Romney

[http://www.cnn.com/election/2012/results/main?hpt=hp\\_inthenews](http://www.cnn.com/election/2012/results/main?hpt=hp_inthenews)

# 2012 Presidential Race Electoral Map



<http://www.270towin.com/>



# 2012 Presidential Race Swing States

## Battleground States

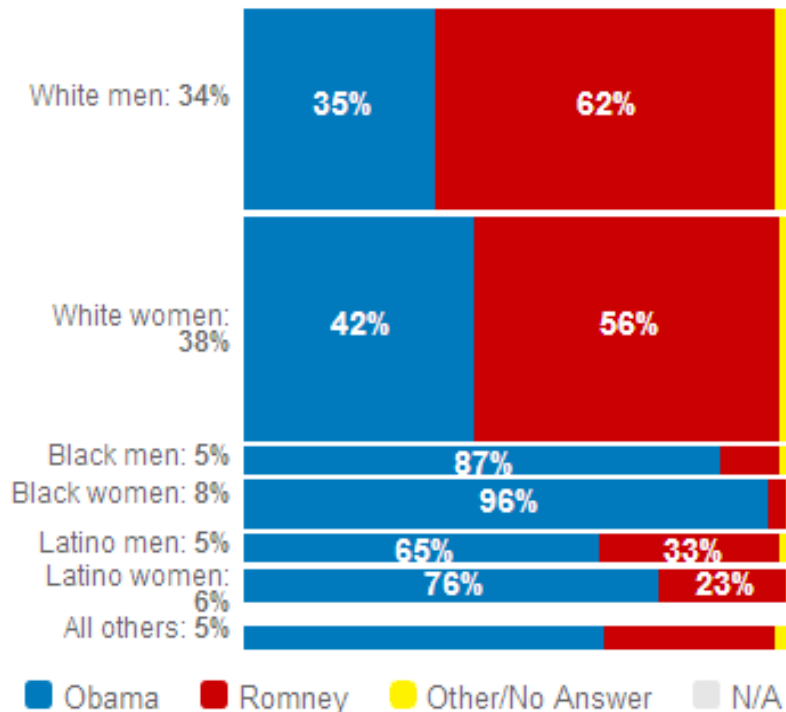
	OBAMA	ROMNEY
VIRGINIA 99% RPT.	✓ 50.8%	47.8%
FLORIDA 100% RPT.	✓ 50.0%	49.1%
N. CAROLINA 100% RPT.	48.4%	✓ 50.6%
OHIO 100% RPT.	✓ 50.1%	48.2%
NEW HAMPSHIRE 100% RPT.	✓ 52.2%	46.4%
COLORADO 100% RPT.	✓ 51.2%	46.5%
WISCONSIN 99% RPT.	✓ 52.8%	46.1%
IOWA 100% RPT.	✓ 52.1%	46.5%
NEVADA 100% RPT.	✓ 52.3%	45.7%

RPT. stands for reporting

[http://www.huffingtonpost.com/justin-launer/mitt-romney-loss\\_b\\_2121715.html](http://www.huffingtonpost.com/justin-launer/mitt-romney-loss_b_2121715.html)

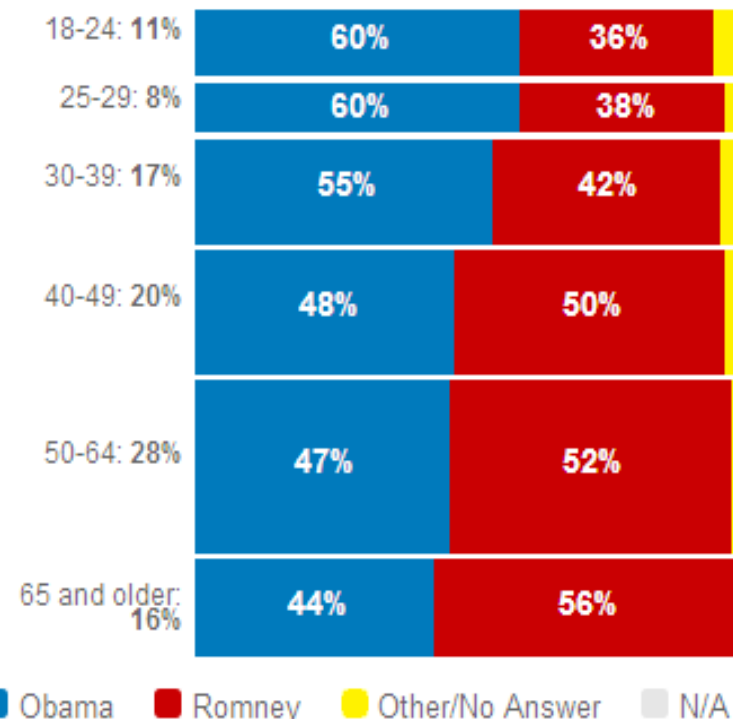
# 2012 Presidential Vote by Gender, Race, and Age

## Vote by Gender and Race



[http://www.cnn.com/election/2012/results/race/president?hpt=hp\\_inthenews#exit-polls](http://www.cnn.com/election/2012/results/race/president?hpt=hp_inthenews#exit-polls)

## Vote by Age



[http://www.cnn.com/election/2012/results/race/president?hpt=hp\\_inthenews#exit-polls](http://www.cnn.com/election/2012/results/race/president?hpt=hp_inthenews#exit-polls)

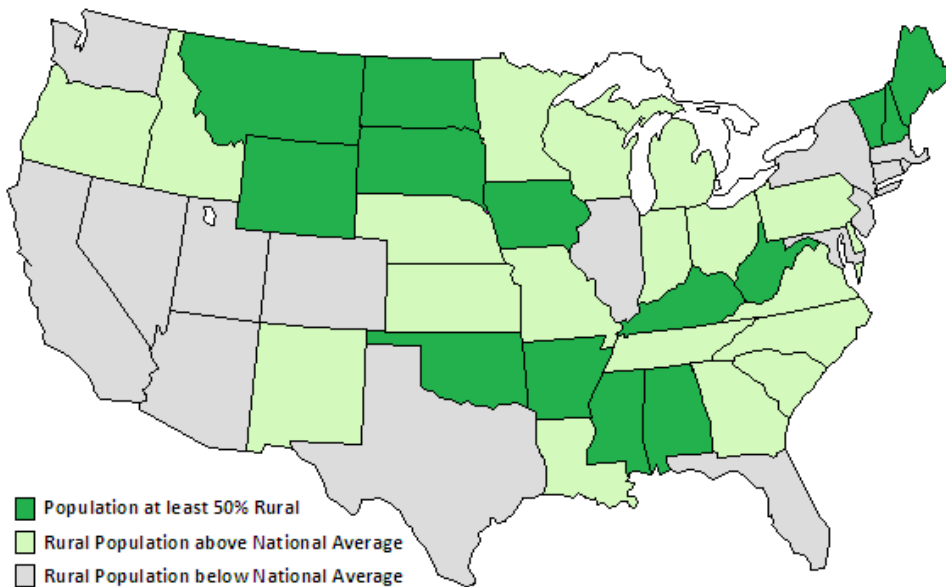
# 2012 Presidential Vote Urban, Suburban, Rural



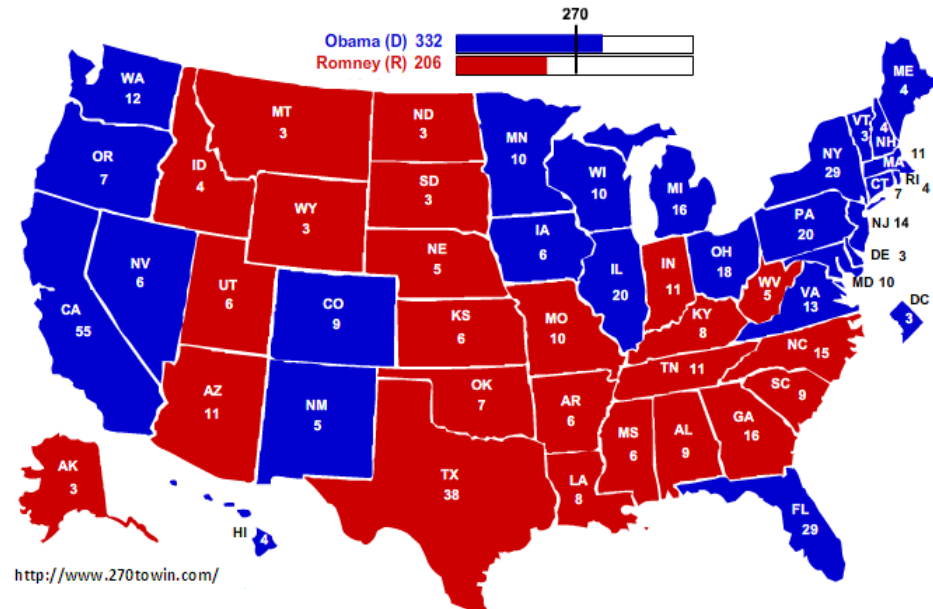
<http://elections.msnbc.msn.com/ns/politics/2012/all/president/#.UKWEfmcvQuA>

# 2012 Presidential Vote by Geography

- Rural voters favored Romney: 63% to Obama's 37%
- Democrats held and picked up Senate and Congressional seats in predominantly rural states and districts



<http://www.dailyonder.com/speak-your-piece-parse-rural-vote/2012/11/08/4970>



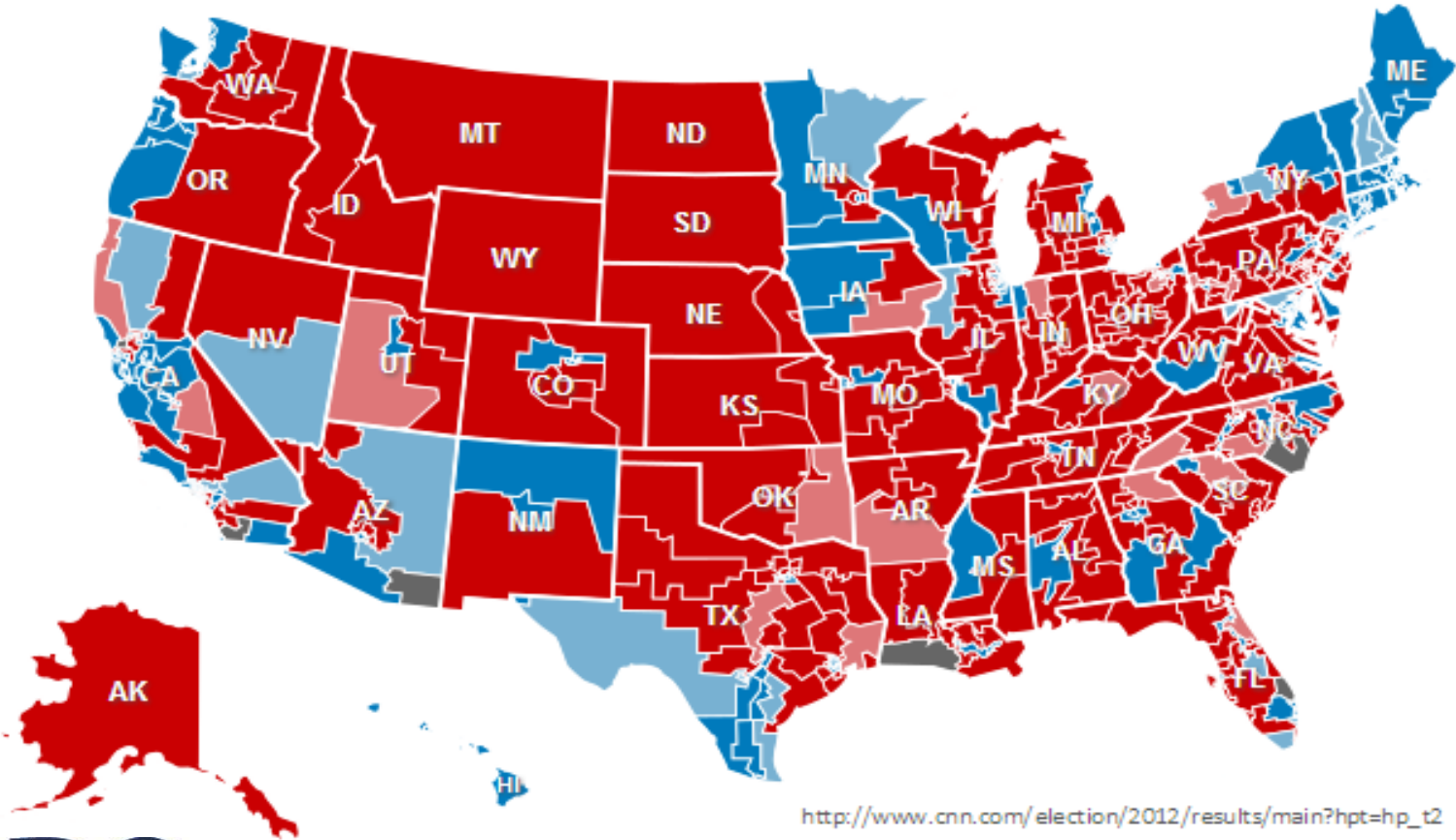
U.S. HOUSE



# U.S. House Results

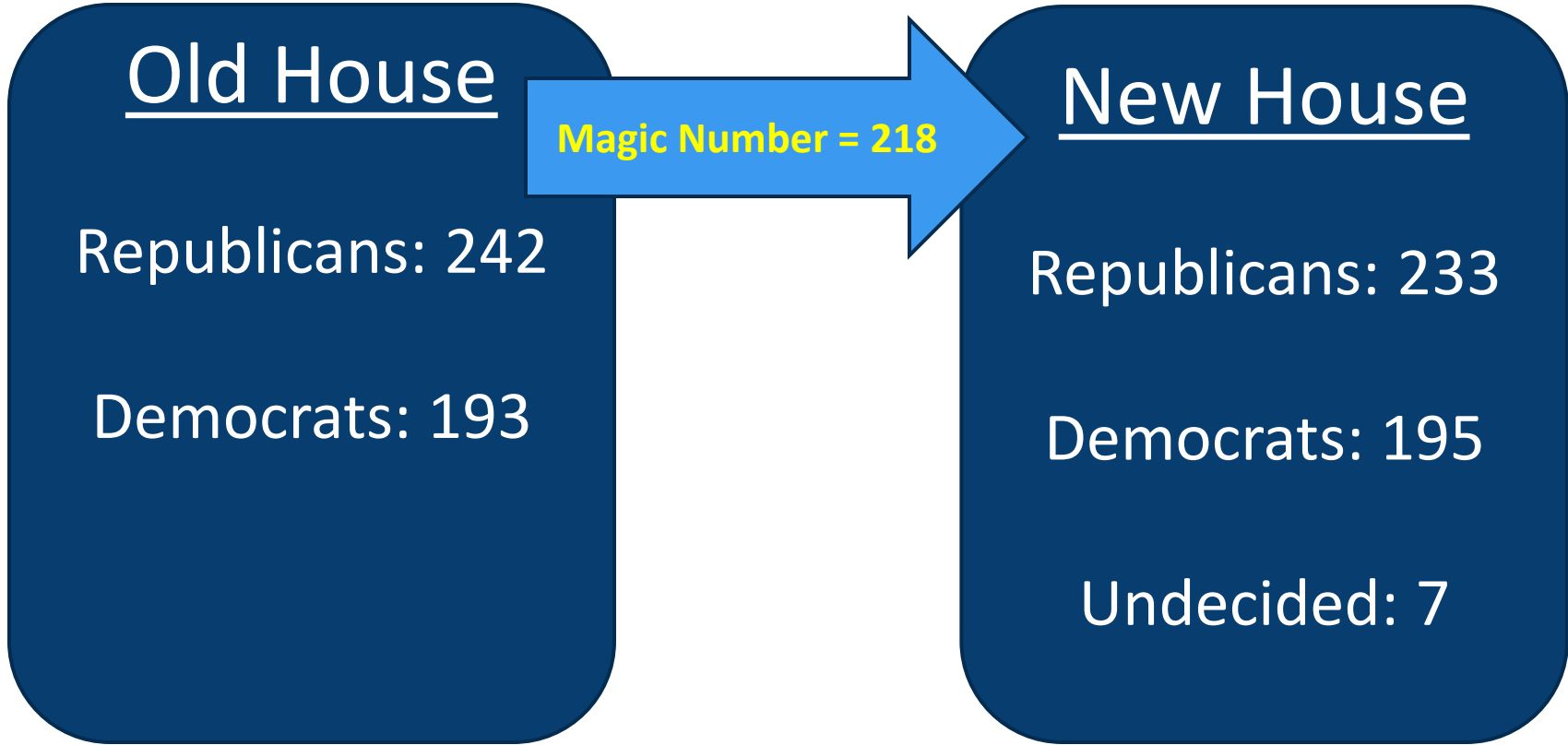
■ Democrats ■ Republicans ■ Still voting ■ Processing results

*Note: Lighter colors indicate party change*



[http://www.cnn.com/election/2012/results/main?hpt=hp\\_t2](http://www.cnn.com/election/2012/results/main?hpt=hp_t2)

# U.S. House: The New Numbers



Data is current as of  
November 15, 2012

# Overview U.S. House

## ■ The Final Analysis

### ▲ GOP will retain control of the House

- ★ Democrats gained a net of 9 seats
- ★ Republicans lost a net of 3 seats
- ★ Members with close ties to NADO were re-elected
- ★ Blue Dog Democrats continued to see losses



# House Leadership: Republican Control

<b>Speaker</b>	<b>John Boehner (OH)</b>
<b>Majority Leader</b>	<b>Eric Cantor (VA)</b>
<b>Majority Whip</b>	<b>Kevin McCarthy (CA)</b>
<b>Agriculture</b>	<b>Frank Lucas (OK)</b>
<b>Appropriations</b>	<b>Hal Rogers (KY)</b>
<b>Armed Services</b>	<b>Buck McKeon (CA)</b>
<b>Budget</b>	<b>Paul Ryan (WI)</b>
<b>Financial Services</b>	<b>Spencer Bachus (AL)* likely replacement Jeb Hensarling (TX)</b>
<b>Natural Resources</b>	<b>Doc Hastings (WA)</b>
<b>Small Business</b>	<b>Sam Graves (MO)</b>
<b>Transportation</b>	<b>John Mica (FL)* likely replacement Bill Shuster (PA)</b>
<b>Ways &amp; Means</b>	<b>Dave Camp (MI)</b>

\* Not official; based on reports of chair replacement

# Key Committee Change: House Appropriations Committee

## Republicans

Hal Rogers (KY), Chair  
~~Jerry Lewis (CA)~~  
C.W. Bill Young (FL)  
Frank Wolf (VA)  
Jack Kingston (GA)  
Rodney Frelinghuysen (NJ)  
Tom Latham (IA)  
Robert Aderholt (AL)  
Jo Ann Emerson (MO)  
Kay Granger (TX)  
Mike Simpson (ID)  
John Culberson (TX)  
~~Denny Rehberg (MT)~~  
John Carter (TX)

Rodney Alexander (LA)  
Ken Calvert (CA)  
Jo Bonner (AL)  
~~Steve LaTourette (OH)~~  
Tom Cole (OK)  
~~Jeff Flake (AZ)~~  
Steve Womack (AR)  
Mario Diaz-Balart (FL)  
Tom Graves (GA)  
Kevin Yoder (KS)  
~~Steve Austria (OH)~~  
Charles Dent (PA)  
Alan Nunnelee (MS)  
Cynthia Lummis (WY)

## Democrats

~~Norman D. Dicks (WA), Ranking~~  
Marcy Kaptur (OH)  
Pete Visclosky (IN)  
Nita Lowey (NY)  
José Serrano (NY)  
Rosa DeLauro (CT)  
Jim Moran (VA)  
~~John Oliver (MA)~~  
Ed Pastor (AZ)  
David Price (NC)  
~~Maurice Hinchey (NY)~~  
Lucille Roybal-Allard (CA)  
Sam Farr (CA)  
Jesse Jackson, Jr. (IL)\* legal troubles, may lose seat

Chaka Fattah (PA)  
~~Steve Rothman (NJ)~~  
Sanford Bishop (GA)  
Barbara Lee (CA)  
Adam Schiff (CA)  
Michael Honda (CA)  
Betty McCollum (MN)

Strike-through indicates loss or retirement

## Key Issues

- 12 annual federal spending bills for more than \$1 trillion in discretionary programs

# Key Subcommittee Change: Appropriations Committee

## Commerce-Justice-Science Appropriations

### Republicans

Frank R. Wolf (VA), Chair

John Culberson (TX)

Robert B. Aderholt (AL)

Jo Bonner (AL)

Tom Graves (GA)

Kevin Yoder (KS)

Hal Rodgers (KY), Ex Officio

### Democrats

Chaka Fattah (PA)\* possible departure

Adam Schiff (CA)

Michael Honda (CA)

José E. Serrano (NY)

### Key Budget Issues

- EDA
- Census
- Local law enforcement

# Key Subcommittee Change: Appropriations Committee

## Transportation-HUD Appropriations

### Republicans

**Tom Latham (IA), Chair\*** possible departure

**Frank R. Wolf (VA)**

**John R. Carter (TX)**

~~**Steven C. LaTourette (OH)**~~

**Mario Diaz-Balart (FL)**

**Charles Dent (PA)**

**Steve Womack (AR)**

### Democrats

~~**John W. Olver (MA), Ranking**~~

**Ed Pastor (AZ)**

**Marcy Kaptur (OH)**

**David E. Price (NC)**

### Key Budget Issues

- MAP-21
- Aviation
- HUD

# Key Subcommittee Change: Appropriations Committee

## Energy & Water Development Appropriations

### Republicans

Rodney Frelinghuysen (NJ), Chair

~~Jerry Lewis (CA)~~

Michael K. Simpson (ID)

~~Dennis R. Rehberg (MT)~~

Rodney Alexander (LA)

Steve Womack (AR)

Alan Nunnelee (MS)

### Democrats

Peter J. Visclosky (IN), Ranking

Ed Pastor (AZ)

Chaka Fattah (PA)

Steve Israel (NY)

~~John W. Olver (MA)~~

### Key Budget Issues

- Appalachian Regional Commission
- Delta Regional Authority
- Denali Commission
- Corp of Engineers

# Key Committee Changes: House Agriculture Committee

## Republicans

Frank D. Lucas (OK), Chair  
Bob Goodlatte (VA)  
~~Timothy V. Johnson (IL)~~  
Steve King (IA)  
Randy Neugebauer (TX)  
K. Michael Conaway (TX)  
Jeff Fortenberry (NE)  
~~Jean Schmidt (OH)~~  
Glenn Thompson (PA)  
Thomas J. Rooney (FL)  
Marlin Stutzman (IN)  
Bob Gibbs (OH)  
Austin Scott (GA)  
Scott R. Tipton (CO)  
Steve Southerland (FL)  
Rick Crawford (AR)

Martha Roby (AL)  
Tim Huelskamp (KS)  
Scott DesJarlais (TN)  
Renee Ellmers (NC)  
Christopher Gibson (NY)  
Randy Hultgren (IL)  
Vicky Hartzler (MO)  
~~Robert Schilling (IL)~~  
Reid Ribble (WI)  
Kristi Noem (SD)

## Key Issues

- Farm Bill Reauthorization
- Rural Development
- Broadband

## Democrats

Collin C. Peterson (MN), Ranking  
~~Tim Holden (PA)~~  
Mike McIntyre (NC)  
~~Leonard L. Boswell (IA)~~  
~~Joe Baca (CA)~~  
David Scott (GA)  
Henry Cuellar (TX)  
Jim Costa (CA)  
Timothy J. Walz (MN)  
Kurt Schrader (OR)  
~~Larry Kissell (NC)~~  
Bill Owens (NY)  
Chellie Pingree (ME)  
Joe Courtney (CT)  
Gregorio Sablan (NMI)  
Terri Sewell (AL)  
James McGovern (MA)

# Key Committee Changes: House Transportation Committee

## Republicans

John L. Mica (FL), Chair

Thomas E. Petri (WI)

Howard Coble (NC)

John J. Duncan, Jr. (TN)

Frank A. LoBiondo (NJ)

Gary G. Miller (CA)

~~Timothy V. Johnson (IL)~~

Sam Graves (MO)

Bill Shuster (PA) \*likely chair

Don Young (AK)

Rick Crawford (AR)

Duncan Hunter (CA)

Jeff Denham (CA)

Steve Southerland (FL)

~~Chip Cravaack (MN)~~

~~Frank Guinta (NH)~~

Jaime Herrera Beutler (WA)

Shelley Moore Capito (WV)

Lou Barletta (PA)

~~Jean Schmidt (OH)~~

Candice S. Miller (MI)

Randy Hultgren (IL)

Larry Bucshon (IN)

~~Jeff Landry (LA)~~

Andy Harris (MD)

Billy Long (MO)

Richard Hanna (NY)

Bob Gibbs (OH)

Reid Ribble (WI)

James Lankford (OK)

Patrick Meehan (PA)

Chuck Fleischmann (TN)

Blake Farenthold (TX)

## Key Issues

- EDA reauthorization
- MAP-21 reauthorization
- Aviation reauthorization
- Federal-state regional commissions reauthorization

# Key Committee Changes: House Transportation Committee

## Democrats

~~Nick J. Rahall (WV), Ranking~~

Peter A. DeFazio (OR)\*likely Ranking

~~Jerry F. Costello (IL)~~

Eleanor Holmes Norton (DC)

Jerrold Nadler (NY)

Corrine Brown (FL)

~~Bob Filner (CA)~~

Eddie Bernice Johnson (TX)

Elijah E. Cummings (MD)

~~Leonard L. Boswell (IA)~~

~~Tim Holden (PA)~~

Rick Larsen (WA)

Michael E. Capuano (MA)

Timothy H. Bishop (NY)

Michael H. Michaud (ME)

~~Russ Carnahan (MO)~~

Grace F. Napolitano (CA)

Daniel Lipinski (IL)

~~Mazie Hirono (HI)~~

~~Jason Altmire (PA)~~

Timothy J. Walz (MN)

~~Heath Shuler (NC)~~

Steve Cohen (TN)

Laura Richardson (CA)

Albio Sires (NJ)

Donna F. Edwards (MD)

## Key Issues

- EDA reauthorization
- MAP-21 reauthorization
- Aviation reauthorization
- Federal-state regional commissions reauthorization



# Key Committee Changes: House Financial Services Committee

## Republicans

Spencer Bachus (AL), Chair-term limited  
Jeb Hensarling (TX)\*likely chair  
Peter King (NY)  
Edward R. Royce(CA)  
Frank D. Lucas (OK)  
~~Ron Paul (TX)~~  
~~Donald A. Manzullo (IL)~~  
Walter B. Jones (NC)  
~~Judy Biggert (IL)~~  
Gary G. Miller (CA)  
Shelley Moore Capito (WV)  
Scott Garrett (NJ)  
Lynn Westmoreland (GA)  
Blaine Luetkemeyer (MO)  
Bill Hiza (MI)  
Sean Duffy (WI)  
~~Nan A.S. Hayworth (NY)~~  
Michael Grimm (NY)  
~~Francisco "Quico" Canseco (TX)~~  
Steve Stivers (OH)

Randy Neugebauer (TX)  
Stevan Pearce (NM)  
Patrick T. McHenry (NC)  
John Campbell (CA)  
Michele Bachmann (MN)  
Kenny Marchant (TX)  
~~Thaddeus McCotter (MI)~~  
Kevin McCarthy (CA)  
Bill Posey (FL)  
Michael Fitzpatrick (PA)  
James Renacci (OH)  
Robert Hurt (VA)  
~~Robert Dold (IL)~~  
David Schweikert (AZ)  
Stephen Lee Fincher (TN)  
~~Frank Guinta (NH)~~

## Key Issues

- HUD CDBG Authorization
- CDFI Authorization
- Livable Communities

# House Financial Services Committee

## Democrats

~~Barney Frank (MA)~~, Ranking  
Maxine Waters (CA)\*likely ranking  
Carolyn B. Maloney (NY)  
Luis V. Gutierrez (IL)  
Nydia M. Velázquez (NY)  
Melvin L. Watt (NC)  
Gary L. Ackerman (NY)  
~~Brad Sherman (CA)~~  
Gregory W. Meeks (NY)  
Michael E. Capuano (MA)  
Rubén Hinojosa (TX)  
William Lacy Clay (MO)  
Carolyn McCarthy (NY)  
Joe Baca (CA)  
~~Stephen F. Lynch (MA)~~  
Brad Miller (NC)  
~~David Scott (GA)~~  
Al Green (TX)  
Emanuel Cleaver (MO)

Gwen Moore (WI)  
Keith Ellison, (MN)  
Ed Perlmutter (CO)  
~~Joe Donnelly (IN)~~  
Andre Carson (IN)  
Jim Himes (CT)  
Gary Peters (MI)  
John Carney (DE)

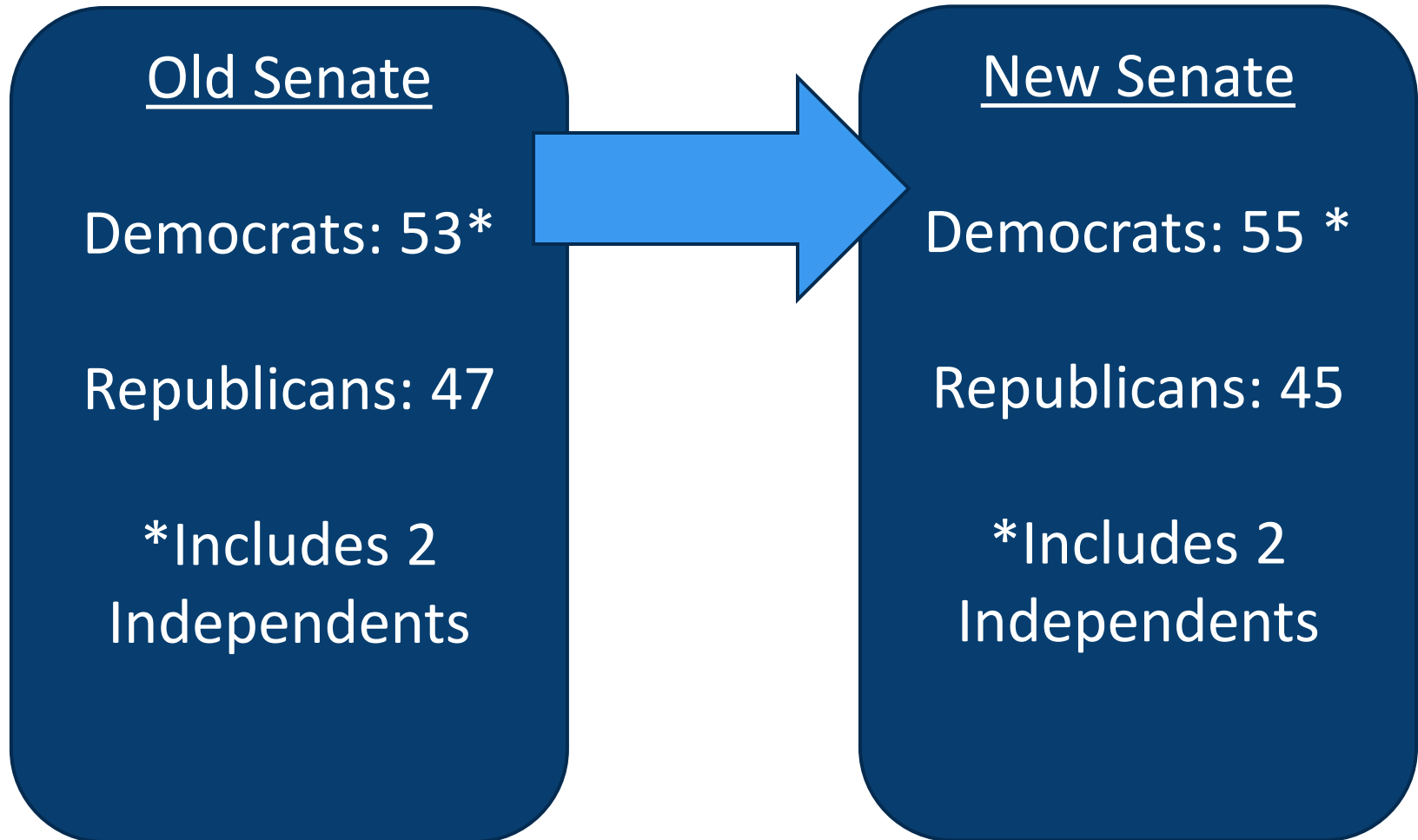
## Key Issues

- HUD CDBG Authorization
- CDFI Authorization
- Livable Communities

# U.S. SENATE

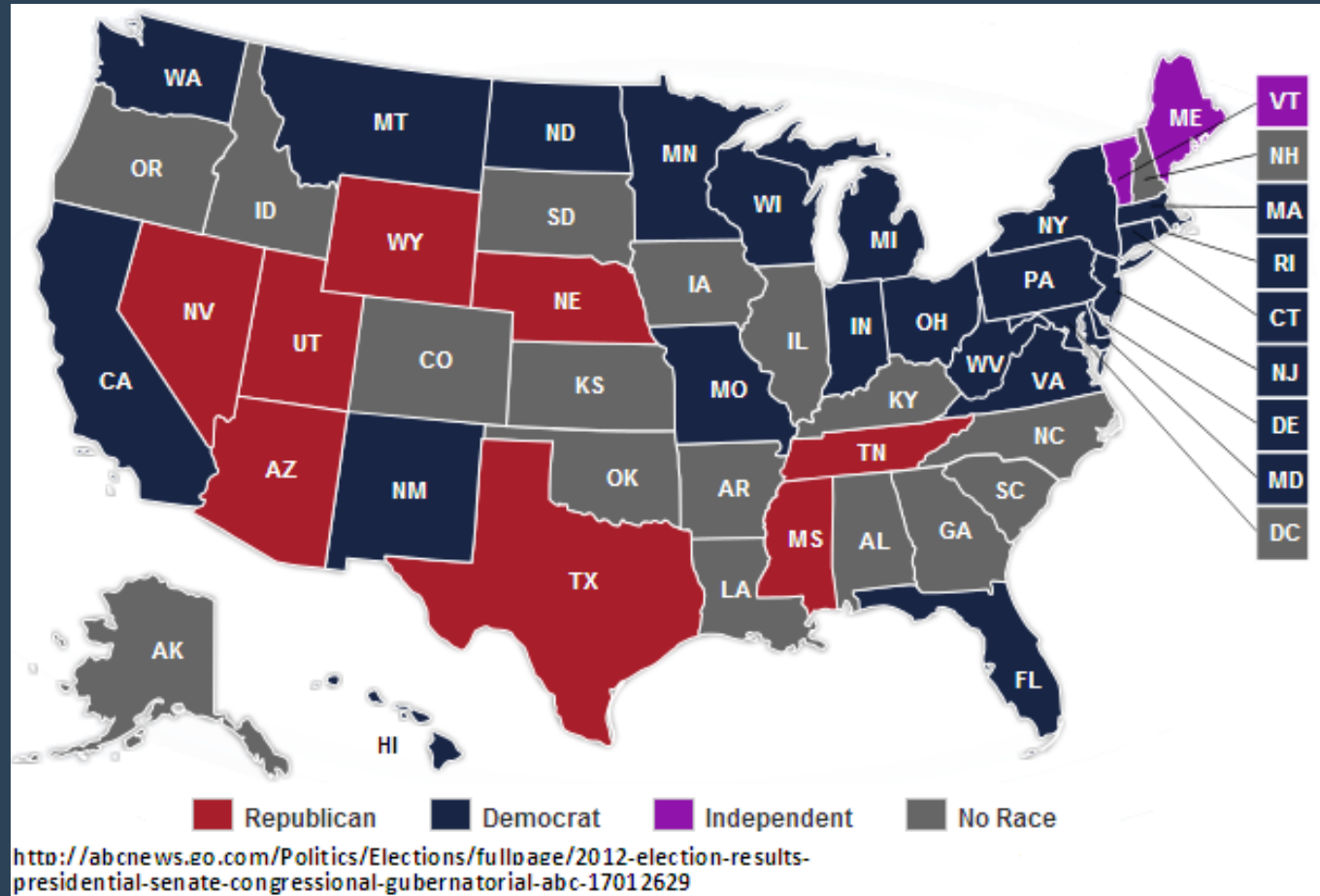


# U.S. Senate: The New Numbers



# OVERVIEW: U.S. SENATE

Party  
Breakdown:  
55 D's\*  
45 R's  
*\* Includes 2 I's*



# New U.S. Senators

## ■ New Democratic Senate Members (Including 7 Open Seats)

- Tammy Baldwin (WI)
- Joe Donnelly (IN)\*
- Martin Heinrich (NM)
- Heidi Heitkamp (ND)
- Mazie Hirono (HI)
- Tim Kaine (VA)
- Angus King-Independent-(ME)
- Chris Murphy (CT)\*
- Elizabeth Warren (MA)\*

\* - *Pickups (3)*

## ■ New Republican Senate Members (Including 3 Open Seats)

- Ted Cruz (TX)
- Deb Fischer (NE)\*
- Jeff Flake (AZ)
- Dean Heller (NV)

\* - *Pickups (1)*

# Senate Leadership: Democratic Control

## DEMOCRATS

Majority Leader: Harry Reid (NV)

Democratic Whip: Dick Durbin (IL)

Democratic Policy Committee Chair: *Schumer* (NY)

## REPUBLICANS

Minority Leader: Mitch McConnell (KY)

Minority Whip: ~~Jon Kyl (AZ)~~ - *retired*

Republican Policy Committee Chair: John Thune (SD)

# Key Committee Changes: Senate Appropriations Committee

## Democrats

Daniel Inouye (HI), Chair  
Patrick Leahy (VT)  
Tom Harkin (IA)  
Barbara Mikulski (MD)  
Herb Kohl (WI)  
Patty Murray (WA)  
Dianne Feinstein (CA)  
Dick Durbin (IL)  
Tim Johnson (SD)  
Mary Landrieu (LA)  
Jack Reed (RI)  
Frank Lautenberg (NJ)  
Ben Nelson (NE)  
Mark Pryor (AR)  
Jon Tester (MT)  
Sherrod Brown (OH)

## Republicans

Thad Cochran (MS), Ranking  
Mitch McConnell (KY)  
Richard Shelby (AL)\*likely  
ranking  
~~Kay Bailey Hutchison (TX)~~  
Lamar Alexander (TN)  
Susan Collins (ME)  
Lisa Murkowski (AK)  
Lindsey Graham (SC)  
Mark Kirk (IL)  
Dan Coats (IN)  
Roy Blunt (MO)  
Jerry Moran (KS)  
John Hoeven (ND)  
Ron Johnson (WI)

## Key Issues

- 12 annual federal spending bills for more than \$1 trillion in discretionary programs



# Key Subcommittee Changes: Senate Appropriations Committee

## Transportation-HUD Appropriations

### Democrats

Patty Murray (WA), Chair\*

possible departure

Barbara Mikulski (MD)

~~Herb Kohl (WI)~~

Richard Durbin (IL)

Patrick Leahy (VT)

Tom Harkin (IA)

Dianne Feinstein (CA)

Tim Johnson (SD)

Frank Lautenberg (NJ)

Mark Pryor (AR)

### Republicans

Susan Collins (ME), Ranking

Richard Shelby (AL)

~~Kay Bailey Hutchison (TX)~~

Mark Kirk (IL)

Dan Coats (IN)

Jerry Moran (KS)

Roy Blunt (MO)

Ron Johnson (WI)

### Key Budget Issues

- MAP-21
- Aviation
- HUD

# Key Subcommittee Changes: Senate Appropriations Committee

## Energy and Water Appropriations

### Democrats

Dianne Feinstein (CA), Chair  
Patty Murray (WA)  
Tim Johnson (SD)  
Mary Landrieu (LA)  
Jack Reed (RI)  
Frank Lautenberg (NJ)  
Tom Harkin (IA)  
Jon Tester (MT)  
Richard Durbin (IL)

### Republicans

Lamar Alexander (TN), Ranking  
Thad Cochran (MS)  
Mitch McConnell (KY)  
~~Kay Bailey Hutchison (TX)~~  
Richard Shelby (AL)  
Susan Collins (ME)  
Lisa Murkowski (AK)  
Lindsey Graham (SC)

### Key Budget Issues

- Appalachian Regional Commission
- Delta Regional Authority
- Denali Commission
- Corp of Engineers

# Key Committee Changes: Senate Environment and Public Works Committee

## Democrats

Barbara Boxer (CA), Chair  
Max Baucus (MT)  
Thomas R. Carper (DE)  
Frank R. Lautenberg (NJ)  
Benjamin L. Cardin (MD)  
Bernard Sanders (I-VT)  
Sheldon Whitehouse (RI)  
Tom Udall (NM)  
Jeff Merkley (OR)  
Kirsten Gillibrand (NY)

## Republicans

James M. Inhofe (OK), Ranking-term limited  
David Vitter (LA)\* likely Ranking  
John Barrasso (WY)  
Mike Crapo (ID)  
Lamar Alexander (TN)  
Mike Johanns (NE)  
John Boozman (AR)

## Key Issues

- EDA reauthorization
- MAP-21 reauthorization
- Aviation reauthorization
- Federal-state regional commissions reauthorization

# Key Committee Changes: Senate Committee on Banking, Housing, and Urban Affairs

## Democrats

Tim Johnson (SD), Chair

Jack Reed (RI)

Charles E. Schumer (NY)

Robert Menendez (NJ)

~~Daniel K. Akaka (HI)~~

Sherrod Brown (OH)

Jon Tester (MT)

~~Herb Kohl (WI)~~

Mark Warner (VA)

Jeff Merkley (OR)

Michael Bennet (CO)

Kay Hagan (NC)

## Republicans

Richard C. Shelby (AL), Ranking

Mike Crapo (ID)\* likely ranking

Bob Corker (TN)

Jim DeMint (SC)

David Vitter (LA)

Mike Johanns (NE)

Patrick Toomey (PA)

Mark Kirk (IL)

Jerry Moran (KS)

Roger Wicker (MS)

## Key Issues

- HUD CDBG Authorization
- Livable Communities

# Key Committee Changes: Senate Committee on Agriculture, Nutrition, and Forestry

## Democrats

Debbie Stabenow (MI), Chair

Patrick J. Leahy (VT)

Tom Harkin (IA)

~~Kent Conrad (ND)~~

Max Baucus (MT)

~~E. Benjamin Nelson (NE)~~

Sherrod Brown (OH)

Robert Casey, Jr. (PA)

Amy Klobuchar (MN)

Michael Bennet (CO)

Kirsten Gillibrand (NY)

## Republicans

Pat Roberts (KS), Ranking

~~Richard G. Lugar (IN)~~

Thad Cochran (MS)

Mitch McConnell (KY)

Saxby Chambliss (GA)

Mike Johanns (NE)

John Boozman (AR)

Charles Grassley (IA)

John Thune (SD)

John Hoeven (ND)

## Key Issues

- Farm Bill Reauthorization
- Rural Development
- Rural Broadband

# WHAT'S NEXT?

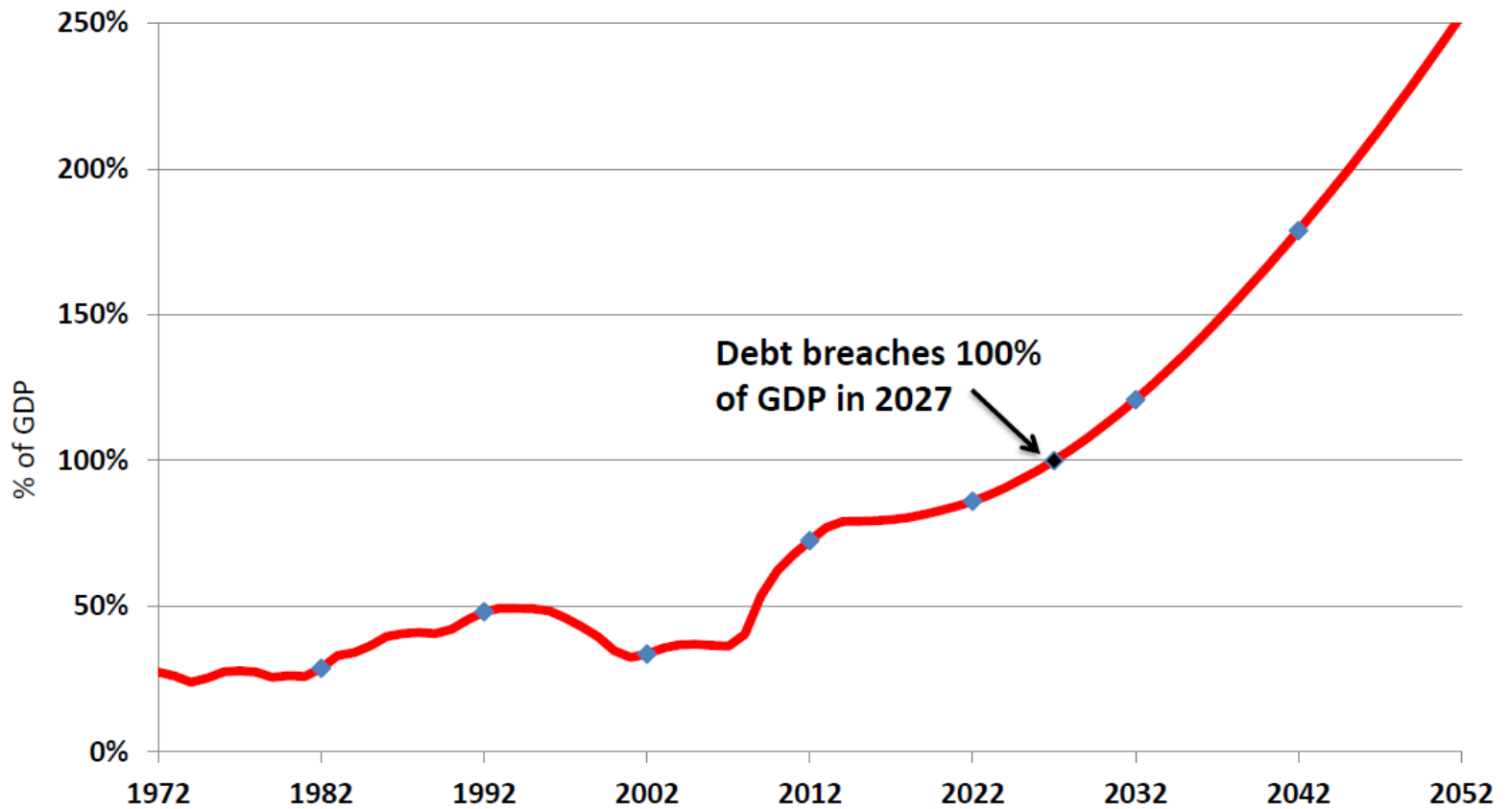
# The Fiscal Cliff

- The Bush Tax Cuts Expire
- Sequestration
- The Debt Ceiling
  - Treasury can shift funds to postpone until February
- AMT
- End of Unemployment Insurance
- End of Doc fix
- Increase in Capital Gains taxes
  - 15% to 39%

# The Consequences

- ❑ If an adequate solution to the tax issues are not found --- if no agreement is reached and all of the 2001 and 2003 Bush tax cuts and the payroll tax holiday are allowed to expire taxpayers would pay an additional \$500 billion in taxes next year.
- ❑ CBO has stated that if this occurs it would lead to negative growth for the first two quarters of next year and the unemployment rate would move above 9% by the end of the year.





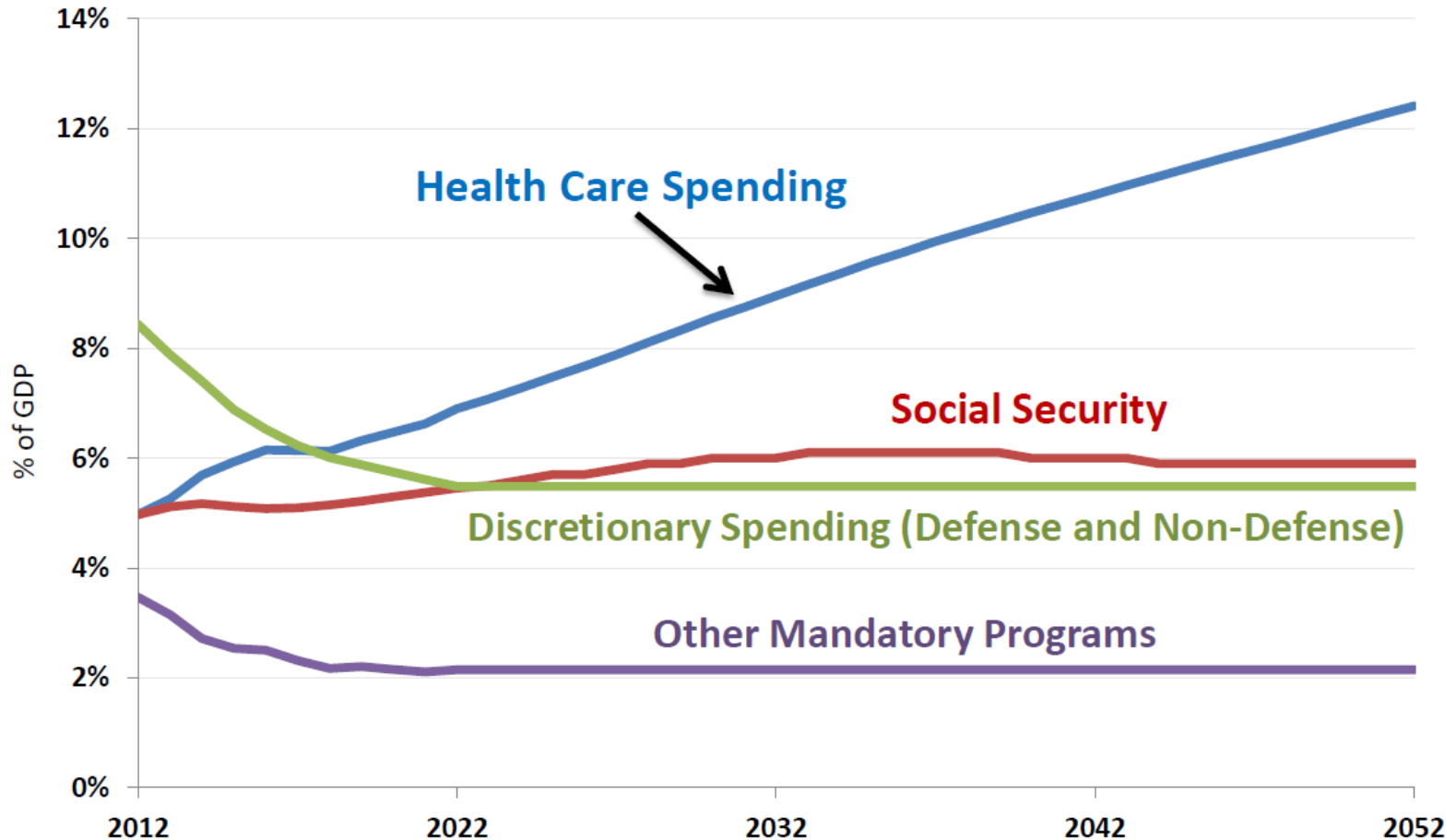
## Federal Budget Picture

*Absent reforms, U.S. debt is set to skyrocket in the coming decades*

Regional Strategies. Partnerships. Solutions.

NADO.org

# Health Care Costs Are the Primary Driver of the Debt



Sources: Congressional Budget Office's Alternative Fiscal Scenario (January 2012), additionally assuming that troops overseas decline to 45,000 by 2015; Bipartisan Policy Center extrapolations

# The Fiscal Cliff

## Major Points of Conflict

- Taxes and Entitlements
- President Obama on Taxes
  - Increase tax rates on \$250,000 and over and any cuts in spending should be matched by some form of revenue increase
- Speaker Boehner on Taxes
  - Limit Deductions - no tax rate increase
- Entitlement Reform – Medicare and Social Security
- Obama barnstorming around the country!!!
- The next five weeks-divided Government/Can We Govern

# Sequestration

- Non Defense Discretionary Spending – 8.2%
- Defense/Intel-Homeland Spending – 9.4%

# Sequestration: How Did We Get Here?

Reached *Old* Federal Debt Ceiling



Budget Control Act of 2011 (S. 365) Enacted



Failure of Super Committee to Find Savings



Sequester Required by Law

# A Perfect Storm

## Concurrent Fiscal Pressures Cause Legislative Bottleneck



# Other Possible Issues in Lame Duck

- Farm Bill reauthorization
- Cybersecurity
- Sandy – Hurricane emergency supplemental
- Omnibus

# The Fiscal Cliff Can Be Avoided

## Two Possible Options

- An agreement is reached to increase tax rates on those earning over \$250K, to postpone sequestration and include some entitlement reform. Or
- An agreement is reached to temporarily extend existing rates, postpone sequestration and agree to negotiate comprehensive tax and entitlement reform early next year.





**National Association of Development Organizations (NADO)**

**and the NADO Research Foundation**

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