2012 Election Analysis: Potential Implications for RDOs

National Association of Development Organizations

November 16, 2012
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

Most Expensive Election in US History

Total Presidential Election Spending


Blue Team

<table>
<thead>
<tr>
<th>Spending Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate Spending</td>
<td>$540,812,931</td>
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<tr>
<td>National Party Spending</td>
<td>$263,223,785</td>
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<tr>
<td>Outside Spending</td>
<td>$128,054,869</td>
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<tr>
<td>Total</td>
<td>$932,091,585</td>
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Red Team

<table>
<thead>
<tr>
<th>Spending Category</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Candidate Spending</td>
<td>$336,399,297</td>
</tr>
<tr>
<td>National Party Spending</td>
<td>$284,156,290</td>
</tr>
<tr>
<td>Outside Spending</td>
<td>$408,163,058</td>
</tr>
<tr>
<td>Total</td>
<td>$1,028,718,645</td>
</tr>
</tbody>
</table>

http://www.opensecrets.org/pres12/index.php#out
Election 2012: What was at Stake

★ 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%

[Image of electoral votes with Obama's 332 Electoral Votes and Romney's 206 Electoral Votes, along with their popular vote percentages and total votes.]

NADO.org

2012 Presidential Race Electoral Map


NADO.org
## 2012 Presidential Race Swing States

<table>
<thead>
<tr>
<th>Battleground States</th>
<th>OBAMA</th>
<th>ROMNEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIRGINIA, 99% RPT.</td>
<td>✔ 50.8%</td>
<td>47.8%</td>
</tr>
<tr>
<td>FLORIDA, 100% RPT.</td>
<td>✔ 50.0%</td>
<td>49.1%</td>
</tr>
<tr>
<td>N. CAROLINA, 100% RPT.</td>
<td>48.4%</td>
<td>✔ 50.6%</td>
</tr>
<tr>
<td>OHIO, 100% RPT.</td>
<td>✔ 50.1%</td>
<td>48.2%</td>
</tr>
<tr>
<td>NEW HAMPSHIRE, 100% RPT.</td>
<td>✔ 52.2%</td>
<td>46.4%</td>
</tr>
<tr>
<td>COLORADO, 100% RPT.</td>
<td>✔ 51.2%</td>
<td>46.5%</td>
</tr>
<tr>
<td>WISCONSIN, 99% RPT.</td>
<td>✔ 52.8%</td>
<td>46.1%</td>
</tr>
<tr>
<td>IOWA, 100% RPT.</td>
<td>✔ 52.1%</td>
<td>46.5%</td>
</tr>
<tr>
<td>NEVADA, 100% RPT.</td>
<td>✔ 52.3%</td>
<td>45.7%</td>
</tr>
</tbody>
</table>

RPT. stands for reporting


2012 Presidential Vote by Gender, Race, and Age

Vote by Gender and Race

- White men: 34%
  - Obama: 35%
  - Romney: 62%
- White women: 38%
  - Obama: 42%
  - Romney: 56%
- Black men: 5%
  - Obama: 87%
  - Romney: 96%
- Black women: 8%
  - Obama: 96%
  - Romney: 8%
- Latino men: 5%
  - Obama: 65%
  - Romney: 33%
- Latino women: 6%
  - Obama: 76%
  - Romney: 23%
- All others: 5%
  - Obama: 76%
  - Romney: 23%

Vote by Age

- 18-24: 11%
  - Obama: 60%
  - Romney: 36%
  - Other/No Answer: 8%
  - N/A: 5%
- 25-29: 8%
  - Obama: 60%
  - Romney: 38%
  - Other/No Answer: 8%
  - N/A: 4%
- 30-39: 17%
  - Obama: 55%
  - Romney: 42%
  - Other/No Answer: 8%
  - N/A: 5%
- 40-49: 20%
  - Obama: 48%
  - Romney: 50%
  - Other/No Answer: 8%
  - N/A: 4%
- 50-64: 28%
  - Obama: 47%
  - Romney: 52%
  - Other/No Answer: 8%
  - N/A: 3%
- 65 and older: 16%
  - Obama: 44%
  - Romney: 56%
  - Other/No Answer: 8%
  - N/A: 2%

2012 Presidential Vote Urban, Suburban, Rural

- City over 50,000: Obama 60%, Romney 40%
- Suburbs: Obama 50%, Romney 50%
- Small city and Rural: Obama 40%, Romney 60%

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
U.S. House: The New Numbers

Old House
- Republicans: 242
- Democrats: 193

New House
- Republicans: 233
- Democrats: 195
- Undecided: 7

Magic Number = 218

Data is current as of November 15, 2012
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

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

* Not official; based on reports of chair replacement
### Key Committee Change:

#### House Appropriations Committee

<table>
<thead>
<tr>
<th>Republicans</th>
<th>Democrats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hal Rogers (KY), Chair</td>
<td>Norman D. Dicks (WA), Ranking</td>
</tr>
<tr>
<td>Jerry Lewis (CA)</td>
<td>Steve Rothman (NJ)</td>
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<tr>
<td>C.W. Bill Young (FL)</td>
<td>Sanford Bishop (GA)</td>
</tr>
<tr>
<td>Frank Wolf (VA)</td>
<td>Barbara Lee (CA)</td>
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<tr>
<td>Jack Kingston (GA)</td>
<td>Adam Schiff (CA)</td>
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<tr>
<td>Rodney Frelinghuysen (NJ)</td>
<td>Michael Honda (CA)</td>
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<tr>
<td>Tom Latham (IA)</td>
<td>Betty McCollum (MN)</td>
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<tr>
<td>Robert Aderholt (AL)</td>
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<tr>
<td>Jo Ann Emerson (MO)</td>
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<tr>
<td>Kay Granger (TX)</td>
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<tr>
<td>Mike Simpson (ID)</td>
<td></td>
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<tr>
<td>John Culberson (TX)</td>
<td></td>
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<tr>
<td>Denny Rehberg (MT)</td>
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<tr>
<td>John Carter (TX)</td>
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<tr>
<td>Rodney Alexander (LA)</td>
<td>Chaka Fattah (PA)</td>
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<tr>
<td>Ken Calvert (CA)</td>
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<tr>
<td>Jo Bonner (AL)</td>
<td></td>
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<tr>
<td>Steve LaTourette (OH)</td>
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<tr>
<td>Tom Cole (OK)</td>
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<td>Jeff Flake (AZ)</td>
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<tr>
<td>Steve Womack (AR)</td>
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<tr>
<td>Mario Diaz-Balart (FL)</td>
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<tr>
<td>Tom Graves (GA)</td>
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<tr>
<td>Kevin Yoder (KS)</td>
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<td>Steve Austria (OH)</td>
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<tr>
<td>Charles Dent (PA)</td>
<td>Ed Pastor (AZ)</td>
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<tr>
<td>Alan Nunnelee (MS)</td>
<td>David Price (NC)</td>
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<tr>
<td>Cynthia Lummis (WY)</td>
<td>Maurice Hinchey (NY)</td>
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<td>Lucille Roybal-Allard (CA)</td>
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<td></td>
<td>Sam Farr (CA)</td>
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<tr>
<td></td>
<td>Jesse Jackson, Jr. (IL)* legal troubles, may lose seat</td>
</tr>
</tbody>
</table>

*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

Democrats
John W. Olver (MA), Ranking
Ed Pastor (AZ)
Marcy Kaptur (OH)
David E. Price (NC)

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)

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

**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)

**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
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

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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 K. 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

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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 Hizenga (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)
Kendall 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
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

Old Senate

Democrats: 53*
Republicans: 47
*Includes 2 Independents

New Senate

Democrats: 55 *
Republicans: 45
*Includes 2 Independents
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

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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

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WHAT’S NEXT?


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

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A Perfect Storm

Concurrent Fiscal Pressures Cause Legislative Bottleneck

Nov 6, 2012
Election Day

Nov 13, 2012
Lame Duck Session Begins

Jan 1, 2013
Lame Duck Ends

Dec 31, 2012
☑ Bush-era tax cuts expire
☑ Emergency unemployment benefits end
☑ Payroll Tax Holiday ends
☑ Alternative Minimum Tax exemptions end

Jan 2, 2013
If no action, sequester takes effect
✓ $54.6B in defense cuts
✓ $54.6B in non-defense cuts

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.
The Grand Bargain

Lame Duck

A 3 to 6 month bridge (AMT)

Breathing Room to Negotiate

Comprehensive Tax and Entitlement Reform

Advocacy | Education | Networking | Research

National Association of Development Organizations (NADO)

and the NADO Research Foundation

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