



ENVIRONMENTAL LAW & POLICY CENTER

Protecting the Midwest's Environment and Natural Heritage

TO: ELPC Colleagues and Supporters

FROM: Howard Learner, Al Grosboll, David McEllis and Ann Mesnikoff

RE: **NOVEMBER 2018 ELECTIONS: MIDWEST ENVIRONMENTAL AND ENERGY IMPLICATIONS, AND WHAT'S NEXT**

DATE: December 6, 2018

The November 2018 election results are a stunning rebuke of President Trump as suburban independents, moderate Republicans, and other swing voters supported Democratic U.S. House candidates and Midwest gubernatorial and attorney general candidates. Some races were close (e.g., Wisconsin Governor and Attorney General), but many were not (e.g., Illinois and Michigan Governors and Attorneys General, and U.S. House races). There was, indeed, a “Blue Wave.” **Nationwide, Democrats outpolled Republican House candidates in 2018 by nearly 9 million votes, which is 3 times the size of Democrats’ popular vote margin in 2016.**

Democrats gained 40 net new seats in the U.S. House and will likely take control with a 235-200 member margin. As Democrats select the Speaker and House committee chairs, **many Midwest Representatives will now be in key new leadership positions for energy, environmental, and natural resource issues.** The Republicans’ loss of the House should significantly slow the Trump agenda, and it showed that the public wants more scrutiny of the Trump Administration.

Republicans gained two seats in the U.S. Senate as **Midwestern centrist Democratic Senators Joe Donnelley (IN), Heidi Heitkamp (ND) and Claire McCaskill (MO) were defeated, and more left-of-center Midwest Democrats all prevailed** -- Tammy Baldwin (WI), Sherrod Brown (OH), Amy Klobuchar (MN), Tina Smith (MN), and Debbie Stabenow (MI). Although Senators Donnelley, Heitkamp, and McCaskill were not climate change solutions leaders, their victorious Republican opponents will be aligned with President Trump and fossil fuel interests. The election results reflect the more pervasive political shift in Great Plains states – except for Democrat Laura Kelly’s election as Kansas Governor – to a U.S. Senate delegation that is entirely Republican. This greatly departs from the 50:50 split a decade ago when Senators Byron Dorgan, Kent Conrad, Tom Daschle, Tom Harkin, and others held office.

SEA CHANGE AMONG THE MIDWEST GOVERNORS AND ATTORNEYS GENERALS PROVIDE NEW OPPORTUNITIES FOR ENVIRONMENTAL PROGRESS

There will be seven new Midwest governors (six + Iowa Gov. Kim Reynolds winning her first election since stepping up from Lt. Gov.), including four new Democratic governors: Tony Evers (Wisconsin), JB Pritzker (Illinois), Tim Walz (following Mark Dayton (D) in Minnesota),

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and Gretchen Whitmer (Michigan). These four states also elected Democratic Attorneys General: Illinois AG Kwame Raoul (following Illinois AG Lisa Madigan (D), an environmental leader), Michigan AG Dana Nessel, Minnesota AG Keith Ellison, and Wisconsin AG Josh Kaul. They join long-time AG Tom Miller in Iowa. That's a profound overall Midwest shift.

This means new energy and opportunities for collaborations in regional bodies such as the Midwest Governors Association and Council of Great Lakes Governors (all Democrats plus Republicans Ohio Gov.-elect Mike DeWine, who chaired the Congressional Great Lakes Caucus, and Indiana Gov. Eric Holcomb). **Look for cross-state and cross-regional action for progress on clean energy development, toxic algae blooms, Great Lakes funding, Asian Carp and other invasive species across the region after the new governors initially focus on budgets, cabinet, and commission appointments and pressing first-year issues in their respective states.**

New Democratic Governors in Illinois, Michigan, and Wisconsin will likely move much more strongly and directionally differently on environmental and energy policy issues than did their Republican predecessors. Their policies will be more pro-environmental protection and pro-renewable energy and energy efficiency. Their state agencies' Clean Air Act and Clean Water Act implementation and enforcement will be stronger. These Governors will likely join with their new state AGs to challenge the Trump Administration's environmental rollbacks.

There is an opportunity for these Midwestern states to "race to the top" with policies to accelerate solar energy + energy storage, wind power and energy efficiency that are understood to be good for job creation, economic growth, and environmental progress together. All-in-all, these Governors care about the environment and will likely oppose the Trump Administration's policies on climate change and regulatory rollbacks.

Each of the new Governors faces some high-priority issues for first-year action:

- **On Clean Water Policy Issues:** Look for fresh perspectives on: Decommissioning the Enbridge Line 5 oil pipeline in the Straits of Mackinac, while the Snyder Administration and Michigan legislature are now trying to lock-in their tunnel proposal; Addressing solutions to agricultural run-off that creates harmful algae blooms in Ohio's western Lake Erie waters; Reducing nutrient pollution of Wisconsin waterways; Blocking Asian carp entry into Lake Michigan in Illinois. Throughout the Midwest, governors will be dealing with safe drinking water issues.
- **On Clean Air Policy Issues:** For example, Illinois will soon decide whether to support Vistra's call for subsidies and pollution limit changes for its economically uncompetitive coal plants in central/southern Illinois.
- **On Clean Energy Opportunity Issues:** Many of the new governors are likely to want to step up and show leadership for accelerating solar energy + storage and wind power in their states and potential regional collaborations. Ohio will have to deal with FirstEnergy Solutions' bankruptcy and requested bailout of its economically uncompetitive coal and nuclear plants in Northern Ohio, and the Ohio Valley Electric Corporation's requested subsidies for its coal plants in southern Ohio and Indiana. Ohio energy politics is influenced by regional differences. It's relatively easy for Gov.-elect DeWine and state legislators to say

that they want to help FirstEnergy, again, but who will pay the very hefty price tag for the bailout? Nobody wants to be responsible for **their** constituents and **their** businesses and residential consumers being forced to pay higher utility bills. Clean energy development is popular, and we expect to see the new governors looking for opportunities to lead.

Controlling governors' offices is important for three reasons extending beyond particular state policy issues. First, the next census will be conducted in 2020 and the new governors will have a say in the new 2022 Congressional and state legislative maps. This will be especially important in creating more checks and balances in Michigan and Wisconsin, which currently have very gerrymandered legislative district maps.

Second, having governors who differ from President Trump on environmental, conservation and energy issues is especially important. They have the opportunity to both push back against misguided federal policies and step up with more pro-environmental, pro-clean energy, and pro-conservation agendas.

Third, the political party in control of the state's highest office generally has an impact on the upcoming Presidential races. The governor has a party organization and structure to help the party's Presidential candidate and make it easier to motivate the party's base.

Midwest State Legislatures: There were no major legislative changes, except in Minnesota where the Democratic Farmer Labor Party (DFL) achieved a run of victories gaining 18 seats and a new 75-59 House majority. There was one Minnesota Senate seat up for a special election, and Republicans maintained their one-vote majority of 34-33. Illinois Democrats gained seats in the State Senate and House, achieving supermajorities in both chambers. Otherwise, the Midwest state legislative bodies remained under Republican control. In a particularly worrisome turn of events, the legislatures in Michigan and Wisconsin are now attempting to lock in existing policies and constrain the powers of incoming Democratic governors and attorneys general.

MIDWESTERN DEMOCRATS WILL CHAIR KEY U.S. HOUSE COMMITTEES AND APPROPRIATIONS SUBCOMMITTEES

Initial media attention about Democrats taking control of the House focused on implications for President Trump, but there are important new opportunities for better environmental, energy, and natural resources conservation appropriations and program policies. **There are now 40 more Democrat members in the U.S. House. This means more committee members, more leadership, and more favorable votes for clean energy, clean air, clean water, and climate change solutions.**

Midwesterners are taking over key Committee and Subcommittee leadership positions:

- **Rep. Cheri Bustos (IL-17)** has stepped into House leadership with her election as Chair of the DCCC. She will have added influence on the Agriculture Committee and will be helpful in advancing the Farm Bill's Clean Energy and Conservation programs.
- **Rep. Marcia Fudge (OH-11)** is in line to Chair the Agriculture Subcommittee on Conservation and Forestry.

- **Rep. Marci Kaptur (OH-9)** is set to become Chair of the House Appropriations Subcommittee on Energy and Water Development. She has been an ally on clean energy issues and a strong supporter of western Lake Erie clean-up and Great Lakes Restoration Initiative funding.
- **Rep. Betty McCollum (MN-4)** is set to become Chair of the House Appropriations Subcommittee on Interior, Environment, and Related Agencies. She is a strong environmental supporter with increased power over key federal environmental and natural resources agencies' appropriations.
- **Rep. Collin Peterson (MN-7)** is set to become the new Chair of the House Agriculture Committee. He should provide more support for the Farm Bill's Conservation Title and (Clean) Energy Title programs.
- **Rep. Mike Quigley (IL-5)** is set to become Chair of the House Appropriations Subcommittee on Financial Services. He is a strong supporter of public transportation and Great Lakes protection.
- **Rep. Bobby Rush (IL-1)** will be the likely Vice Chair on the House Energy and Commerce Committee and is set to become Chair of the Energy Subcommittee. He is a strong supporter for better public health and energy efficiency.
- **Rep. Jan Schakowsky (IL-9)** is set to become Chair of the House Energy and Commerce Committee's Subcommittee on Digital Commerce and Consumer Protection or Subcommittee on Health. She is a strong supporter for better health care, environmental protection, and clean energy acceleration.

In addition, Rep. Mark Pocan (D-WI), co-chair of the Progressive Caucus (78 members) and a supporter of Driftless Area protection, serves on the House Appropriations Committee, and Midwesterner Fred Upton (R-MI), former Chair of the House Energy and Commerce Committee, will continue to serve as a senior and influential committee member. Many Midwesterners also serve on the House Transportation and Infrastructure Committee, which is central if bipartisan transportation infrastructure legislation advances in the next Congress.

Several new House Democratic members should be strong supporters of actions on climate change solutions: **Sean Casten (IL-6)**, clean energy businessman, ran on climate change and clean energy issues in winning against incumbent Republican Peter Roskam in a Chicago suburban district once represented by Rep. Henry Hyde. **Lauren Underwood (IL-14)**, a nurse and public health specialist, won in another Chicago suburban district once represented by former Republican House Speaker Dennis Hastert. **Elissa Slotkin (MI-8)** defeated incumbent Republican Mike Bishop, and energy efficiency advocate **Andy Levin (MI-9)** and **Haley Stevens (MI-11)** won in open seats. **Cindy Axne (IA-3)** and **Abby Finkenauer (IA-1)** defeated Republican incumbents in shifting the Iowa delegation. All should be positive on advancing climate change solutions. Four House seats changed in Minnesota with two shifting to DFL-Democrats **Angie Craig (MN-2)** and **Dean Phillips (MN-3)** and two shifting to Republicans **Jim Hagedorn (MN-1)** and **Pete Stauber (MN-8)**.

Better Congressional Oversight. One of the most problematic aspects of the past two years has been the total lack of oversight. With the White House and both chambers of Congress under one party control, there has been limited accountability. As former USEPA Administrator Scott Pruitt was misusing government funds, acting in cahoots with lobbyists for polluters, and eliminating

environmental rules by fiat, Congress should have stepped up and stepped in. Pruitt is gone, and Congress may be focusing more on Interior Secretary Zinke.

Throughout the Trump Administration, agencies have eviscerated or diluted important rules intended to protect public health, the environment, and the nation's natural resources. The current Department of the Interior has facilitated private land grab deals in some cases. The House Democratic majority should provide more checks and balances with more proactive accountability on both substance and process.

The Federal Budget. For two years, the nation's business and policies have been dominated by one party's priorities. The divided Congress will bring a more inclusive group of bipartisan members to the budget and appropriations tables with less focus on environmentally detrimental riders. In particular, ELPC believes that there are opportunities to go on the offense to gain increased funding for Great Lakes Restoration Initiative and other Great Lakes program funding and for clean energy funding and tax credit incentives. The forecast brightens for a more robust transportation infrastructure funding program without attacks on NEPA and other anti-environmental "riders" on appropriations measures.

THREE KEY STATES FOR 2020: MICHIGAN, PENNSYLVANIA, AND WISCONSIN

President Trump won his November 2016 election by breaching the hoped-for Democratic "Blue Wall" in Michigan, Pennsylvania, and Wisconsin by a combined total of about 78,000 votes. Democrats now control the Governors' offices in these three states, and the three incumbent Democratic Senators achieved strong wins in the U.S. Senate races. Senator Debbie Stabenow won reelection in Michigan, defeating her opponent by a 6.5% margin, Senator Bob Casey defeated his opponent by a 13% margin in Pennsylvania, and Senator Tammy Baldwin defeated her opponent by an 11% margin in Wisconsin. Democrats also flipped two Republican House seats in Michigan and three in Pennsylvania. Conversely, Republicans solidified their hold on Ohio with an election sweep, except for incumbent Democratic Senator Sherrod Brown's victory by a 6.4% margin.

MIDWEST STATE-BY-STATE RESULTS

Illinois

While there was significant focus on the race for Governor, four Congressional battles drew a lot of attention (and money) in Illinois. All of the state's executive offices, the entire Illinois House, and one-third of the Illinois Senate were on the ballot.

U.S. House: Illinois has 18 Congressional Districts with 11 Democrats and 7 Republicans. Four races were seriously contested. Democrats gained two Chicago suburban seats long held by Republicans. Clean energy businessman Sean Casten defeated six-term incumbent Peter Roskam in the 6th Congressional District by a 7% margin, and nurse and public health specialist Lauren Underwood defeated four-term incumbent Randy Hultgren in the 14th Congressional District by a 5% margin.

Governor's Office: Democrats took back the Illinois Governor's Office, with Democratic challenger businessman J.B. Pritzker winning by a landslide 16% margin over incumbent Republican Governor Bruce Rauner. He won election four years ago promising to "shake things up" in Illinois government, but unfortunately, the state's finances spiraled further out of control. Unhappy voters sent a strong message.

Statewide Offices: Democrats swept the Governor, Lt. Governor, Attorney General, Secretary of State, Treasurer, and Comptroller races.

Legislature: Both legislative chambers started the night with Democratic majorities, which expanded. Illinois Senate Democrats began with a 37-22 supermajority and picked up three additional seats. Illinois House Democrats started with 67 seats and picked up seven seats to gain a 74-44 supermajority.

Indiana

The big race in Indiana was the battle for the U.S. Senate seat in which Republican Mike Braun defeated incumbent centrist Democrat Joe Donnelly by a 6% margin. Republican Governor Eric Holcomb was not up for election in 2018, and there were no competitive Congressional races. Both the Indiana State Senate and House were controlled by Republican majorities, which did not change.

Iowa

The focus in Iowa was on the Governor's race and two Congressional seats.

U.S. House: Iowa's four congressional districts were represented by one Democrat and three Republicans, and that has now flipped. Democrats defeated two incumbent Republican incumbents in the two highlighted competitive races. Abby Finkenauer (D) defeated two-term incumbent Rod Blum (R) in the 1st Congressional District by a 5% margin, and Cindy Axne (D) defeated two-term incumbent David Young (R) in the 3rd Congressional District by a 2% margin.

Governor's Office: In 2017, six-term Governor Terry Branstad was appointed to be the U.S. Ambassador to China, so Lt. Governor Kim Reynolds became Governor. Businessman and clean energy supporter Fred Hubbell (who is a member of ELPC's Iowa Advisory Council) won the Democratic primary. The hotly-contested November election came down to the wire, but Reynolds came on strong to win a narrow victory over Hubbell by a 2.8% margin reflecting her strong rural support.

Legislature: The Iowa legislature is controlled by Republicans. In the House, Democrats picked up four seats to narrow the GOP majority to 54-46. In the Senate, Republicans gained two seats to achieve a 32-18 majority.

Michigan

Michigan swung Democratic in the marquee contested races for U.S. Senate and House seats, and Governor and Attorney General.

U.S. Senate: Democratic incumbent Senator Debbie Stabenow has been a good friend to environmentalists, especially on the Senate Agriculture Committee. She defeated Republican Challenger John James by a 6.5% margin.

U.S. House: Michigan has 14 Congressional Districts with 9 Republican representatives and 5 Democrats. Three democratic races were competitive. Seven-term incumbent Tim Walberg (R-7) won re-election over challenger Gretchen Driskell (D) by a 7.6% margin in the 7th Congressional District. Democrats gained two seats as Elissa Slotkin (D) defeated two-term incumbent Mike Bishop (R) in the 8th Congressional District by a 4% margin, and Haley Stevens (D) won the Dave Trott (R) open seat defeating Lena Epstein (R) in the 11th Congressional District by a 6.6% margin. Clean energy businessman Andy Levin (D) won the Sander Levin (D) open seat in the 9th Congressional District.

Governor's Office: The marquee race between Republican Attorney General Bill Schuette and Democrat State Senator Gretchen Whitmer highlighted environmental issues. Whitmer won the hotly-contested Governor election by a 9.5% margin. Joined by newly-elected Attorney General Dana Nessel, this new leadership should be much more supportive of environmental progress.

Legislature: Michigan Republicans controlled both chambers, but Democrats picked up five seats in the Senate shaving the Republican majority to 22-16 and flipped five seats in the House cutting the Republican majority to 58-52.

Minnesota

Two U.S. Senate seats and the Governor's office were all won by Democrats, as the four contested U.S. House races were split between the parties. Democrats won 18 net seats to gain state House majority control.

U.S. Senate: Incumbent Democrat Amy Klobuchar was heavily favored over Republican State Representative Jim Newberger for her third term. She prevailed by a 24% margin.

U.S. Senate (Special Election): Last year, Senator Al Franken resigned his Senate seat and was replaced by Democrat Tina Smith, who ran in 2108 to hold her seat against challenger Republican State Senator Karin Housley. Initially this race appeared close, but Senator Smith won by a 10.6% margin.

U.S. House: Minnesota has eight congressional districts, five Democratic and three Republican. Four Minnesota congressional districts were highly competitive:

- In Minnesota's 1st Congressional District, an open seat created when Democrat Tim Walz chose to run for Governor, Republican Jim Hagedorn defeated DFL Dan Feehan by a very close 0.45% margin, thus flipping this seat to Republicans.
- In Minnesota's 2nd Congressional District, first-term incumbent Republican Jason Lewis was defeated by DFL Angie Craig by a 5.5% margin, thus flipping this seat to Democrats.
- In Minnesota's 3rd Congressional District, five-term incumbent Republican Eric Paulsen was defeated by DFL Dean Phillips by an 11.4% margin. This was a second flip to the Democrats.

- In Minnesota's 8th Congressional District, an open seat was created when Democrat Rick Nolan stepped down to run for Lt. Governor. Republican St. Louis County Commissioner Peter Stauber defeated Democrat former State Representative Joe Radinovich by a 5.5% margin. This was a second flip to the Republicans.

Governor's Office: Incumbent Democrat Mark Dayton was term-limited. Minnesota Democratic Congressman Tim Walz faced off against Republican State Representative Jeff Johnson (R). Walz defeated Johnson by an 11.4% margin,

Legislature: The DFL took control of the House, gaining 18 seats to achieve a new 75-59 majority. Only one State Senate seat was up for election in November 2018. Republicans kept narrow control of the State Senate by 34-33.

North Dakota

The main focus in North Dakota was the U.S. Senate seat held by Democrat Heidi Heitkamp, which Republicans captured. The Governor is in mid-term and North Dakota has one Congressional House seat that is solidly Republican. Both legislative chambers are dominated by the Republicans.

U.S. Senate: Six years ago, centrist Democrat Heidi Heitkamp won an open Senate seat in a state which President Trump then won by a large margin in 2016. Heading into the 2018 elections, Senator Heitkamp was considered to be the U.S. Senate's most vulnerable incumbent Democratic Senator, and she was defeated by Republican Congressman Kevin Cramer by an 11% margin.

U.S. House: North Dakota has one Congressional seat. Incumbent Kevin Cramer ran for U.S. Senate, opening this seat. Republican Kelly Armstrong was strongly favored to win over Democrat Max Schneider, and prevailed by a large margin.

Ohio

Republicans largely swept the November elections in Ohio, with the notable exception of Democrat Sherrod Brown's victory in the U.S. Senate race.

U.S. Senate: Incumbent Democrat Sherrod Brown was viewed as potentially vulnerable early on, but his campaign was strong and he prevailed in winning a third term over Republican Congressman Jim Renacci by a 6.4% margin.

U.S. House: There were no changes among Ohio's U.S. House delegation.

Governor's Office: Incumbent Republican Governor John Kasich was term-limited. Former U.S. Senator Mike DeWine (R) faced off against former Ohio Attorney General Richard Cordray (D), and prevailed by a 4.3% margin.

Legislature: Both chambers of the Ohio legislature have "veto-proof" Republican margins, and that did not change in the November 2018 elections.

Wisconsin

Wisconsin is a center of national attention because of both the legacy of two-term Governor Scott Walker's anti-labor and anti-environmental policies, and President Trump's stunning victory in Wisconsin in the November 2018 election. Democrats won the contested U.S. Senate, Governor, and Attorney General elections, while Republicans retained their state legislature majorities.

Governor's Office: Incumbent Republican Governor Scott Walker ran for a third term against Democrat State Superintendent of Public Instruction Tony Evers in a national marquee race, which Evers won by a 1.2 % margin (31,000 votes). Democrat Josh Kaul also won a close race for Attorney General over incumbent Republican Brad Schimel. These victories are game changers for Wisconsin.

U.S. Senate: Incumbent Democrat Tammy Baldwin was viewed as potentially vulnerable early on, but her campaign was strong. She prevailed in winning a second term over Republican State Senator Leah Vukmir by an 11% margin.

U.S. House: There were no changes among Wisconsin's U.S. House delegation.

Legislature: Both chambers of the Wisconsin Legislature are controlled by Republicans, and that did not change in the November 2018 elections.

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The November 2018 elections were mostly a "Blue Wave" for our nation and, especially, in the pivotal swing states of the Midwest. The policy differences will likely be substantial and compelling in the Midwest states and have significant national importance leading up to the 2020 Presidential election cycle. The ELPC team would be pleased to discuss these implications in more detail with our colleagues and supporters.