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## WASHINGTON POLICY STRATEGY

# Potomac Perspective

**Brian Gardner**  
Chief Washington Policy Strategist  
[bgardner@stifel.com](mailto:bgardner@stifel.com)



The successful outcome of much of Donald Trump's or Kamala Harris's agendas will rest with Congress. In this note, we therefore look at where the race to control Congress stands. The Senate map favors Republicans, while the House looks like a toss-up. We suspect that a coattail effect will exist, leaving control of the House falling whichever way the presidential race goes.

The 2024 congressional elections could be especially important, as recent Supreme Court decisions have limited the ability of administrative agencies to stretch the bounds of federal statutes. The Court has, thus, placed the responsibility for creating new policy back in the Congress. Also, most of Vice President Kamala Harris's and former President Donald Trump's more impactful proposals will need congressional approval, so control of Congress will be vital to their respective agendas. In addition, the Senate has the constitutional role of approving the heads of executive branch agencies. Even in the post-Chevron doctrine era, these positions have an important role to play in drafting and implementing policy. With less than 80 days until the election, it appears Republicans have a good chance at winning the Senate majority. The contest for control of the House, however, is too close to call and might mirror the outcome of the presidential election.

### 2024 Senate Election

Thirty-four Senate seats are being contested this year. Republicans have an advantage, as Democrats are defending 23 seats while the GOP is defending only 11 seats. Simply put, Republicans have more pickup opportunities. The GOP advantage is further magnified by the fact that a couple of Democratic seats are in red states, which present solid opportunities for Republican gains. At the same time, Republicans face almost no risk of losing any of their seats. Despite the cyclical advantage for Republicans, however, Democratic candidates have been running ahead of the national ticket, so Republican gains might be limited.

Currently, the West Virginia seat is a virtual lock to flip to the GOP. This would be the Republicans' 50<sup>th</sup> seat and would give the party the Senate majority if Mr. Trump is elected, as his Vice President would break any ties. Republicans would need an additional seat if Ms. Harris wins the presidency. The most vulnerable Democratic incumbent is Montana Senator Jon Tester, who represents a state Trump is likely to win by a double-digit margin. This leaves Tester in a challenging position, as there are fewer ticket splitters among the voters than in past eras. If Montana flips, Democrats would need to offset the loss with a pickup of their own, but they have few, if any, such opportunities. A Tester win would increase the likelihood of a 50-50 Senate.

The following are two tables which show key Senate races, the current RealClearPolitics poll average in the races, and our current forecast, which is a Republican gain of two seats. Some states have only recently held their primaries, so we are in the early stages of the general election in several of these races, and there could be shifts over the next 12 weeks.

**TABLE 1: KEY STATES HELD BY DEMOCRATS**

STATE	DEMOCRAT CANDIDATE	REPUBLICAN CANDIDATE	RCP AVERAGE (AS OF AUGUST, 18 2024)	STIFEL WASHINGTON POLICY STRATEGY GROUP'S RATING
Arizona	Gallego (Sinema retiring)	Lake	Gallego +5.0.	Leans Democrat
Michigan	Slotkin (Stabenow retiring)	Rogers	Slotkin +5.5	Leans Democrat
Maryland	Alsobrooks (Cardin retiring)	Hogan	Alsobrooks +9.0	Likely Democrat
Montana	Tester	Sheehy	Sheehy +4.4	Leans Republican
Nevada	Rosen	Brown	Rosen +7.8	Leans Democrat
Ohio	Brown	Moreno	Brown +5.0	Leans Democrat
Pennsylvania	Casey	McCormick	Casey +7.8	Leans Democrat
Wisconsin	Baldwin	Hovde	Baldwin +6.2	Leans Democrat
West Virginia	Elliott (Manchin retiring)	Justice	N/A	Safe Republican

Source: RealClearPolitics and Stifel Washington Policy Strategy Group

**TABLE 2: KEY STATES HELD BY REPUBLICANS**

STATE	REPUBLICAN CANDIDATE	DEMOCRAT CANDIDATE	RCP AVERAGE (AS OF AUGUST, 18 2024)	STIFEL WASHINGTON POLICY STRATEGY GROUP'S RATING
Florida	Rick Scott	Mucarsel-Powell	Scott +5.7	Likely Republican
Texas	Cruz	Allred	Cruz +7.6	Likely Republican
<b>Current forecast</b>	<b>R+2</b>			

Source: RealClearPolitics and Stifel Washington Policy Strategy Group

## 2024 House Election

Few House races are likely to be competitive, so control of the House will come down to just a handful of races. There is a dearth of polling in the key races, the generic poll ballot suggests the race for control of the House will be close, as Democrats currently hold a slim 0.5-point lead according to the RCP average. Given the close split of the current House, we suspect the result of the 2024 House election could coincide with the presidential race. It seems likely that whichever party wins the House will have a majority of 10 seats or less.

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