



# Higher Education and the 2010 Elections

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## Context

The 2010 elections marked the 112th time in U.S. history that Americans went to the polls to elect representation at all levels of government. In all, they elected 435 members of the U.S. House of Representatives, 37 members of the U.S. Senate, 37 governors and more than 6,100 state legislators.

Anxious and frustrated voters made their voices heard this election cycle, engulfed in a gloomy national mood influenced by persistently high unemployment and a lackluster economic recovery. This was particularly ominous for incumbent Democrats given historical trends: In the past 110 years, the party that occupied the White House has lost seats at the state level in 25 of 27 elections. Exceptions were in 1934, amid FDR's New Deal, and in 2002, after the country rallied behind George W. Bush in the wake of the September 11 terrorist attacks.

With any election comes policy ramifications. This paper summarizes the election's outcomes and discusses potential implications at the state and federal level for higher education.

## New Political Power Dynamics

*At the federal level, successive changes in party control and slimmer majorities.*

General concerns about the U.S. economy and specific ones about government spending, deficits and debts spurred an energized base of fiscally conservative candidates running on platforms of reduced spending and smaller government. State level races exemplified this grassroots base of fiscal conservatism in that while 11,070 candidates ran for legislative seats this cycle—50 fewer than in 2008—there were 820 more Republicans.

Whether driven by anti-spending, anti-government, anti-establishment or anti-incumbent forces, voters' actions led to significant loss in party control for incumbents at both the federal and state level. At the federal level, the 2010 elections marked the third consecutive election cycle in which there was a change in party control in either Congress or the White House—a phenomenon not seen since the elections of 1946, 1948 and 1950. When the dust settled from the elections, Democrats had lost control of the U.S. House of Representatives after having controlled it for only the past four years;

this marked the shortest tenure of House control by either party in a half century. All told, Democrats lost 61 seats in the U.S. House and six in the U.S. Senate, although they maintained a slim majority in that chamber.

2010 Midterm Elections—Changes in Congressional Party Control			
U.S. House		U.S. Senate	
<b>Party Control 111<sup>th</sup> Congress</b>			
Democrats 255	Republicans 178	Democrats 59	Republicans 41
<b>Party Control 112<sup>th</sup> Congress</b>			
Democrats 189	Republicans 240	Democrats 53	Republicans 46

**Notes:** Pre-election: two vacancies in the U.S. House; U.S. Senate included two Independents who caucused with Democrats. Post-Election: As of November 12, 2010, six House seats and one Senate seat (Alaska) were still undecided.

*At the state level, a pendulum swing from the outer range of historical party control.*

Prior to the 2010 elections, Democrats held 55 percent of the nation’s 7,382 state legislative seats. This was the highest level since pre-1994, when Republicans last swept into office on a big wave of voter sentiment. The last three election cycles had been favorable to Democrats, with the party increasing its margins in state legislatures across the country each time. No party has increased its number of legislative seats in four consecutive cycles since 1928.

Voters’ choosing state-level Republican candidates exceeded the party’s congressional performance.

Out of the 46 states that held elections in November, Republicans picked up six governorships, 19 legislative chambers, and nearly 700 legislative seats previously held by Democrats—the party’s biggest gain at the state level since 1928. The Republican Party now has complete state government control (of both chambers and the governor’s office) in 20 states, compared to just eight states prior to the elections. Republicans now control about 53 percent of all state legislative seats.

Among the states demonstrating a sea change in state-level party control is **Wisconsin**, where Republicans took control of the governor’s office, both legislative chambers, one U.S. Senate seat and two congressional districts. This gave Republicans five of the state’s eight House seats. The GOP sweep also extended a 20-year trend of realignment by Southern legislatures. Symbolic of the shift are **Alabama** and **North Carolina**, where Republicans gained control of those states’ general assemblies for the first time since the 1870s.

## Observations

**The outcomes of the 2010 elections will have both short-term and long-term policy implications.**

*At the state level, lawmakers’ approach to budget cutting and spending will have significant ramifications for public higher education.*

Job one for new and returning state lawmakers at the start of the next legislative session will center

2010 Elections—Changes in State-Level Party Control						
Governorships		State Legislatures			State Government (House, Senate & Governor)	
<b>Party Control—Pre-Election</b>						
Democrats 26	Republicans 23	Democrats 27	Republicans 14	Split 8	Democrats 16	Republicans 8
<b>Party Control—Post-Election</b>						
Democrats 20	Republicans 29	Democrats 17	Republicans 25	Split 6	Democrats 10	Republicans 20

**Notes:** Nebraska has an officially nonpartisan, unicameral legislature. Pre-election: one Independent governor (Charlie Crist, Florida). Post-election: Rhode Island Governor-elect Lincoln Chaffee is an Independent. As of November 12, 2010, party control of the New York Senate remained undecided.

on addressing current-year budget gaps and hammering out budget plans for fiscal year 2012, which begins next July 1 for 46 states. This will be followed by implementing structural budget reform necessary for states' long-term fiscal sustainability. Despite cutting tens of billions in spending over the past three years, states still face a collective shortfall of \$72 billion for the coming fiscal year, according to the National Conference of State Legislatures. How lawmakers balance state budgets—whether through spending cuts, tax increases or a combination of both—will likely have the greatest implications for state colleges and universities. The extent to which lawmakers further reduce higher education spending will continue to have a crucial impact on public universities' ability to keep tuition costs in check, meet enrollment capacity demands, increase degree production and address critical building and infrastructure needs, among other things.

A *Stateline* analysis of the governors' races found that at least 12 of the nation's new governors have ruled out tax hikes even as they face billions in collective deficits. All of them are Republicans except **New York** Democrat Andrew Cuomo. In **Nevada**, Governor-elect Brian Sandoval faces a budget deficit that could approach \$3 billion, equal to half the state's biennial budget. Elsewhere, newly elected Republican governors John Kasich in **Ohio** and Rick Scott in **Florida** have made "no new taxes" pledges in states anticipating multi-billion dollar budget shortfalls in the year ahead. And **Pennsylvania's** incoming Republican governor, Tom Corbett, has ruled out fee increases and tax hikes despite an expected \$5 billion budget gap next year.<sup>1</sup> Starting in January 2011, a full 40 percent of the U.S. population will be represented by governors who have vowed not to raise taxes, according to the *Stateline* analysis.

As gubernatorial and legislative transitions take place and the next legislative session gets underway, college and university leaders will be awaiting specific budget and policy proposals. Meanwhile, they will be ramping up efforts to communicate institutional priorities to the new wave of arriving lawmakers. Given the high turnover in this year's election—illustrated by the largest incoming

class of new governors since 1920—the task of communicating institutional, system and statewide higher education priorities in a persuasive and coordinated manner will require a concerted effort on the part of university officials. Take **Michigan**, for example, which will usher in the legislative session with a new governor, a state Senate comprised of 30 of 38 new members, and a state House with 61 newcomers in its 110-seat chamber. When figuring in the 28 new governors and new party leadership in House and Senate chambers, a total of 32 states will be working with new political leadership at the start of the legislative session. Competing for these lawmakers' time will make conveying both institutional and statewide higher education priorities an important and challenging task.

*This election's outcomes will have partisan and policy implications for the next decade, courtesy of reapportionment and redistricting.*

With the decennial census count now complete, reapportionment and redistricting are set to take place. Districts will be redrawn to account for population shifts that have occurred over the past decade. Governors and legislatures in 43 states have the authority to draw district maps for the U.S. House of Representatives, as well as district maps at the state and local levels. This allows those in power to draw boundaries that result in the minority party being crowded into as few seats as possible; a process known as gerrymandering. The new districts will be in place in time for the 2012 presidential election. According to Tim Storey, an elections analyst with the National Conference of State Legislatures, Republicans will have unchallenged control of the design of about 190 congressional districts next year, Democrats will control the drawing of 45 districts, and the balance of 200 districts will have lines redrawn in a bipartisan manner or by nonpartisan panels. The Democratic number could rise to around 70 if they end up with control of the New York state Senate, where final election outcomes are still pending.

The redistricting process challenges the traditional notion of democracy, given that it essentially allows political leaders to choose their voters

rather than having voters choose their leaders. This election, voters in two states made way for reform in redistricting. **California** approved a measure that lets a 14-member commission—rather than the legislature—draw the new lines for congressional districts. On the same ballot, voters rejected a competing measure that would have disbanded the commission voters approved in 2008 for drawing new lines for state offices.

**Florida** voters also approved two ballot measures aimed at depoliticizing the redistricting process for congressional and state districts. While the legislature will still maintain authority for redrawing new lines in Florida, the measures set out standards that must be followed, such as making the districts contiguous and following existing geographical boundaries when possible.

The 2010 elections saw Republicans take complete state government control (governor's office and state legislature) in bellwether states such as **Ohio, Michigan, Pennsylvania** and **Wisconsin**, giving the party a major advantage in advocating its policy and budget priorities in the decade ahead. At the congressional level, population shifts portend a political power migration from the generally moderate, Democratic Midwest states to more heavily Republican states in the South and Southwest. Most illustrative of this is a projected loss of two seats in Congress by **Ohio** and **New York**, and a gain of four seats by **Texas** and two by **Florida**. In sum, redistricting and reapportionment will increase the likelihood that policy choices reflecting this election's shifts in partisan power will be felt for several years.

### **When it came to state ballot issues, voters' anti-spending mantra was not as clear**

Voters elected many legislators who ran on a platform of reducing taxes, deficits and debt. When it came to weighing in on state ballot measures, however, voters' collective message was more ambiguous. They were more discerning about spending decisions that would have a clear and detrimental impact on the provision of public services.

There were 160 total measures that appeared in 37 states this cycle. Among them were 113 legislative referenda, referred to the ballot by legislatures; 29 more than in 2008. Forty-two citizen initiatives were on the ballot, 17 fewer than in 2008 and the lowest number in nearly a quarter century; a reflection of the economy's impact on citizens groups' ability to finance what can be very costly campaigns. Eighteen, or 43 percent, of the 42 citizen initiatives passed, extending the trend of about 40 percent being approved by voters in any given election cycle. Four measures (in **Iowa, Maryland, Michigan** and **Montana**) automatically posed at regular intervals by state constitutions asked voters whether a constitutional convention should be held. All four measures failed.

### *Economic issues dominate*

In this election, the hot social questions on states' ballots in prior election cycles were scuttled in favor of fiscal matters. For the first time in more than a decade, same-sex marriage was absent from any statewide ballot and the only abortion-related measure appeared in Colorado, where voters rejected it.

### *Increasing presence of outside spending, corporate interests*

At both the federal and state level, spending on candidates and issues skyrocketed in light of January's U.S. Supreme Court decision allowing unlimited campaign spending by corporations and outside groups. A Center for Responsive Politics analysis shows that spending by conservative groups topped \$187 million this year, up from \$19.6 million during the last midterm elections in 2006.

Dramatic growth in corporate spending is also shaping the landscape of state ballot initiatives. The citizen initiative process is often used as a grassroots tool to allow citizens to bypass state government when they are frustrated by state lawmakers' actions (or inaction, as is often the case). However, the process is increasingly used by industry to bypass state government in order to create policy that is friendlier to their goals and

bottom line, according to Jennie Drage Bowser, an expert on state ballot measures with the National Conference of State Legislatures.<sup>2</sup> Case in point: **Washington**, where voters had to decide whether to repeal a temporary tax on candy, bottled water and carbonated drinks. Backers of the repeal spent some \$17 million, with all but \$20,000 of it coming from a single contributor, the American Beverage Association. Opponents of the repeal raised just \$400,000 to defeat the measure.<sup>3</sup> The repeal passed, costing the state an anticipated \$352 million and local governments \$83 million in revenues over the next five years.

#### *Severe revenue-reducing measures rejected*

While about half of the tax cut measures appearing on states' ballots were approved by voters, a number of measures with great fiscal consequences were soundly rejected. Budget planners in **Colorado** are breathing a sigh of relief after citizens voted down a trio of tax-cutting measures that, if passed, would have cost the state more than \$2 billion annually out of a general fund of some \$7 billion. One of the rejected measures—a first of its kind nationally—would have banned state and local governments from taking on debt without voter approval. Public officials in **Massachusetts** are also breathing easier given that voters rejected a measure that would have rolled back a recent general sales tax increase from 6.25 percent to 3 percent. Had it passed, it would have doubled the state's anticipated budget deficit next year to \$5 billion. However, the state's voters did approve repealing a recent sales tax on alcohol, estimated to cost the state \$80 million annually.

#### *New funding streams denied*

Several state ballot measures this election cycle had the potential to raise significant revenues, all of which were rejected by voters. The most prominent effort to raise taxes took place in **Washington**, one of seven states without a personal income tax. Voters there rejected a measure that would have introduced the tax for the wealthiest 1.2 percent of tax filers, some 38,400 earners making above \$200,000. The measure would have simultaneously

lowered certain business and occupation taxes and cut property taxes by 20 percent. Had the measure been approved, it would have brought in \$11 billion over five years. **California** voters rejected three measures that could have generated an additional \$3.3 billion annually—one of which was the much-watched initiative aimed at legalizing marijuana. Elsewhere, a prohibition on real estate transfer taxes was approved by **Missouri** and **Montana** voters, even though neither state currently has the tax.

#### *Major spending commitments approved, but without revenue streams*

Much to the consternation of state budget planners, voters in some states approved measures that have huge price tags but lack revenue streams to pay for them. Most indicative of this is **Florida**, where voters rejected a measure that would have eased maximum K-12 class size requirements voters originally approved in 2002. Floridians sent a conflicting message, forcing an additional \$3 billion spending commitment over the next year—with estimates running as high as \$40 billion over the next decade—while at the same time electing a fiscally conservative state legislature and governor. Meanwhile, **Oregon** voters approved new minimum sentencing guidelines for sex offenders and drunk drivers, requiring lawmakers to find a projected \$30 million to cover associated costs that will be required by the fourth year of the law's implementation.

#### *Restricting lawmakers' ability to raise taxes, transfer money*

As if the poor economy and bleak recovery forecasts weren't enough, lawmakers in a few states will have their hands tied even further when it comes to crafting state budgets. By passing **California's** Proposition 26, state and local lawmakers will now need a two-thirds majority vote to pass regulatory fee increases. This comes on top of a two-thirds vote requirement for passage of most taxes. The passage of Proposition 22 means the state will be prohibited from borrowing or transferring funds earmarked for local government or transportation in order to balance the budget, thus reducing

discretionary spending by \$1 billion in the year ahead. One consolation was offered to lawmakers by California voters: a much-needed—as evidenced by the three-month-plus delay in passage of this year’s budget—relaxation of the current two-thirds vote requirement for passage of the state’s budget to a simple majority vote.

In **Washington**, where anti-tax sentiment played out most visibly when it came to ballot initiatives, the electorate voted to immediately re-impose the supermajority vote requirement for tax increases instead of allowing it to resume in July 2011. Earlier this year, the legislature had temporarily suspended the requirement in order to pass taxes needed to balance the budget. Thus, the simple majority vote on revenue-raising measures will not be at legislators’ disposal in crafting next year’s budget.

*Voters gave general support for infrastructure improvement—and state borrowing.*

Voters in five states considered 12 separate statewide bond measures totaling \$1.9 billion in proposed spending. The dollar figure was down significantly from 2008, when \$18.4 billion in proposed bonding was put before voters. One reason for this could be the significant investment in infrastructure by the American Recovery and Reinvestment Act of 2009, which funded several state infrastructure projects.

Ultimately, 10 bond measures in four states were approved, representing \$1.2 billion, or 65 percent, of the proposed bond monies (but down from 73 percent passed in the 2008 elections). Bond measures were passed in **Maine, New Mexico, Alaska** and **Rhode Island**, with a portion of the monies in the latter two states dedicated to higher education facility upgrades. New Mexico voters gave approval to bonds supporting building projects for senior citizen, library and public school facilities. However, they rejected a much costlier one earmarked for higher education capital improvement.

*Affirmative action ban extended*

**Arizona** voters approved a measure banning preferential treatment in public employment, education and contracting. This was the first time an affirmative action measure was put on a statewide ballot by the legislature, rather than by citizens’ initiatives. The state follows California, Michigan, Nebraska and Washington in passing such bans. Only one state, Colorado, has rejected a statewide measure banning consideration of race and ethnicity.

**At the federal level, an uncertain higher education policy forecast for the 112<sup>th</sup> session of Congress.**

*Tempered expectations*

The new Republican majority in the U.S. House of Representatives and a greatly reduced Democratic majority in the U.S. Senate will slow and limit the scope of the legislative agenda. The focus of the Administration and congressional leadership will be on finding common ground on bipartisan, cross-regional issues in the next session of Congress. Political analysts suggest policy issues that might gain traction—given the need for bipartisan consensus—could include energy, transportation and infrastructure, deficit reduction and education reform, with the latter largely in the form of the reauthorization of the Elementary and Secondary Education Act (ESEA, or the current iteration of the No Child Left Behind Act).

*Incoming House leadership: Advocates of the for-profit education sector*

Calls for spending restraint by the new House leadership and the recent passage of major higher education legislation make additional overhaul of higher education policy unlikely in the next session of Congress. Implementation of the Administration’s recently promulgated “gainful employment” rules, which aim to address issues primarily observed at for-profit providers whose graduates carry burdensome debt, could face some pushback

from House Speaker-elect John Boehner (R-OH), a long-time supporter of the for-profit industry. Rep. Boehner, a former chairman of the House Education and Labor Committee, had called for the elimination of the so-called “90-10 Rule,” which requires for-profit education providers to receive at least 10 percent of their revenues from sources other than Title IV federal aid funds. Within the House Education committee, Rep. John Kline (R-MN) is the likely choice to replace current chairman George Miller (D-CA). Kline, too, opposes the Department of Education’s proposed gainful employment rules.

In the Senate, Tom Harkin (D-IA), continuing as chair of the Health, Education, Labor and Pensions (HELP) Committee, with the support of the Majority Whip, Senator Richard Durbin (D-IL), will likely forge ahead with the committee’s investigation of fraud and abuse in the for-profit sector. In addition to the examination of the for-profit sector, Senate majority leader Harry Reid (D-NV) has vowed to continue supporting passage of the DREAM Act, which would provide a path to citizenship—through participation in higher education or military service—for young adults who were brought to the U.S. illegally as children. Contentiousness over immigration makes prospects for the legislation’s passage in the next session of Congress appear unlikely on its own merits, but a provision with the same intent could be included in a more comprehensive reform package.

*Funding for college affordability, scientific research and educational attainment programs could be affected.*

The congressional Republican leadership has laid out a “Pledge to America” that calls for paring back non-security spending to 2008 levels and capping growth in new domestic spending. While this pledge promises to roll back spending by at least \$100 billion next year, it does not specify what programs would be affected. The new political dynamics in Congress mean that additional federal investment in emergency education aid to states—i.e., a second stimulus package—will face extremely difficult hurdles.

Spending on student aid programs, in particular the Pell Grant Program, as well as college-preparatory programs and scientific research monies directed to universities have long enjoyed strong, bipartisan support in Congress. The degree to which this will remain the case is unclear. A key funding issue will be addressing the current year \$5.7 billion shortfall in the Pell Grant Program, and future demands that will require a doubling of the program’s funds. While President Barack Obama has pledged to oppose cuts to education and research, the odds of continued congressional funding at hoped-for levels for his signature education efforts—the American Graduation Initiative and the Access and Completion fund—are much longer.

Scientific research funding could be affected as well, with either cuts or flat funding for the National Institutes of Health (NIH) and National Science Foundation (NSF). Also to be determined in the 112th session is the impact on congressionally-directed research and capital construction grants. Both political parties have called for an end to earmarks, but with little effect historically.

## **Conclusion**

The Republican wave that swept the country’s elections—ushering into office thousands of lawmakers who ran on reduced spending platforms—has increased the likelihood that funding and policy priorities affecting higher education at both the federal and state level will look quite different in the foreseeable future. Lawmakers’ priorities for student aid, college preparatory programs, scientific research, and investment in college deferred maintenance and capital construction needs will be discerned in the months ahead. Given the dull prospects for near-term economic recovery and a strong distaste by most incoming lawmakers for raising revenue through new taxes, government spending to support higher education will continue to be constrained.

At the state level, the near-term focus will be on mending broken budgets and addressing

perennial and systemic deficits. For college and university leaders, the 2010 elections—as in any election cycle—provide no reprieve when it comes to advocating for higher education’s interests. Congress’ and states’ legislative sessions must begin anew with higher education officials establishing relationships with members of Congress, governors and legislative leaders who are new to their offices. Persuasively conveying policy and funding priorities to advance the mission of higher education, individually and collectively, will be at the forefront of college and university leaders’ agendas.

### **Endnotes**

<sup>1</sup>Facing big deficits, a dozen new governors rule out tax hikes. Stateline: November 4, 2010.

<sup>2</sup>Fiscal, not social issues, draw ballot attention. Stateline: September 30, 2010.

<sup>3</sup>2010 Ballot measures: Pre-election overview: National Conference of State Legislatures. Updated October 12, 2010.

### **Sources**

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