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Capital Snapshot: *2026 Midterm Elections Preview*

October 2026

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119th Congress Calendars

2026 Senate Calendar

- There are currently only 22 legislative session days scheduled for the remainder of 2026.
- The Senate is currently in its biennial election year October recess and will not return to session until November 9, six days after the November 3 midterm elections.
- The Senate's last day of session for the 119th Congress is currently scheduled for December 18, though this could be extended if:
 - Congress needs to pass an omnibus package or continuing resolution (CR) before the end of 2026; or
 - Republicans decide to pursue a Reconciliation 3.0 package.

UNITED STATES SENATE
119th Congress, 2nd Session

2026

TENTATIVE SCHEDULE

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				①	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	①6	17	18	19	20	21	15	16	17	18	19	20	21
18	①9	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28
25	26	27	28	29	30	31								29	30	31				
Senate Convenes January 5, 2026																				
APRIL							MAY							JUNE						
			1	2	3	4					1	2		1	2	3	4	5	6	
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	①9	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	②5	26	27	28	29	30	28	29	30				
							31													
JULY							AUGUST							SEPTEMBER						
			1	2	③	4					1			1	2	3	4	5		
5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	⑦	8	9	10	11	12
12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19
19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26
26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30			
							30	31												
OCTOBER							NOVEMBER							DECEMBER						
			1	2	3		1	2	3	4	5	6	7		1	2	3	4	5	
4	5	6	7	8	9	10	8	9	10	①1	12	13	14	6	7	8	9	10	11	12
11	①2	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	②6	27	28	20	21	22	23	24	②5	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

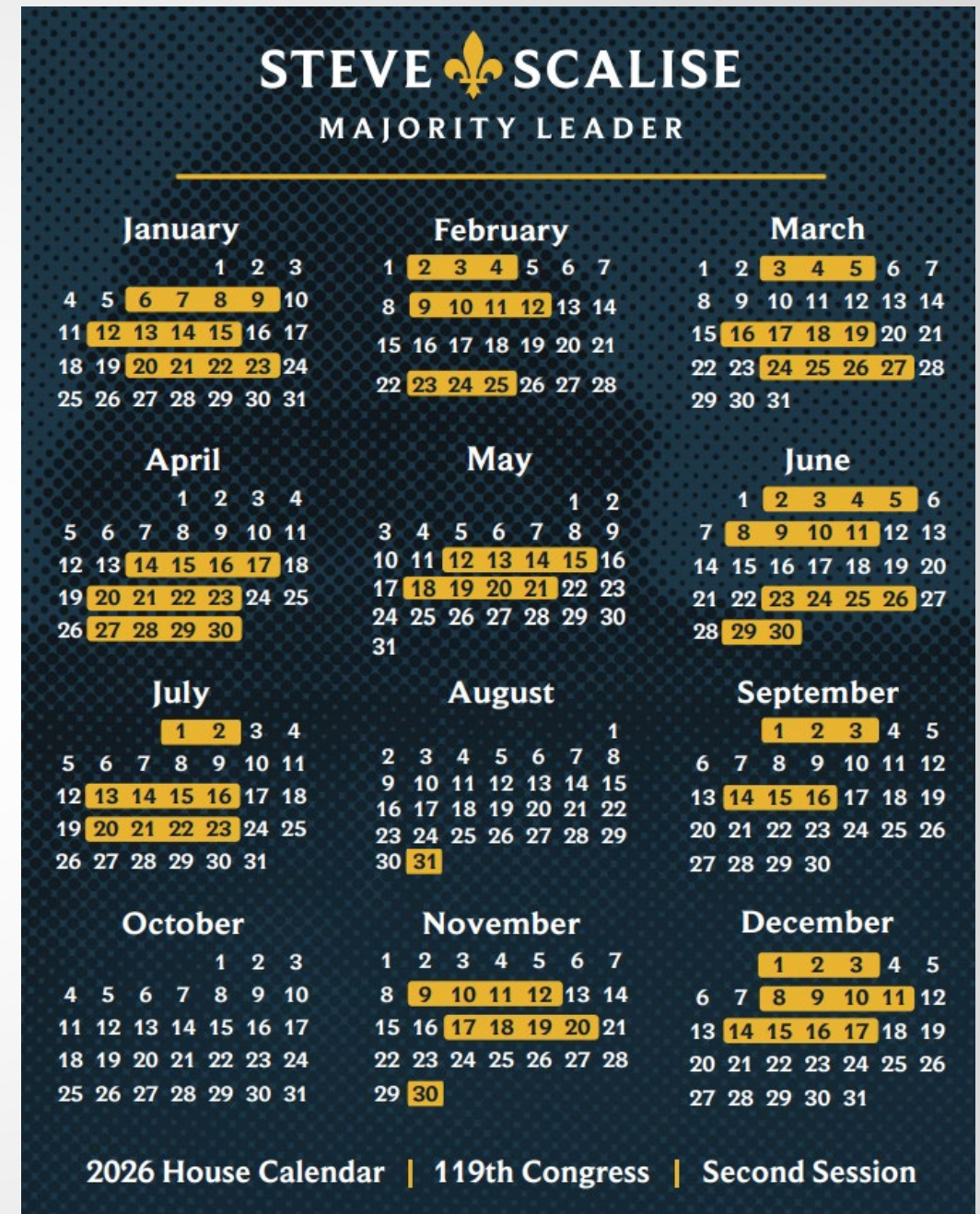
Red days = Senate not in session

○ = Federal Holiday

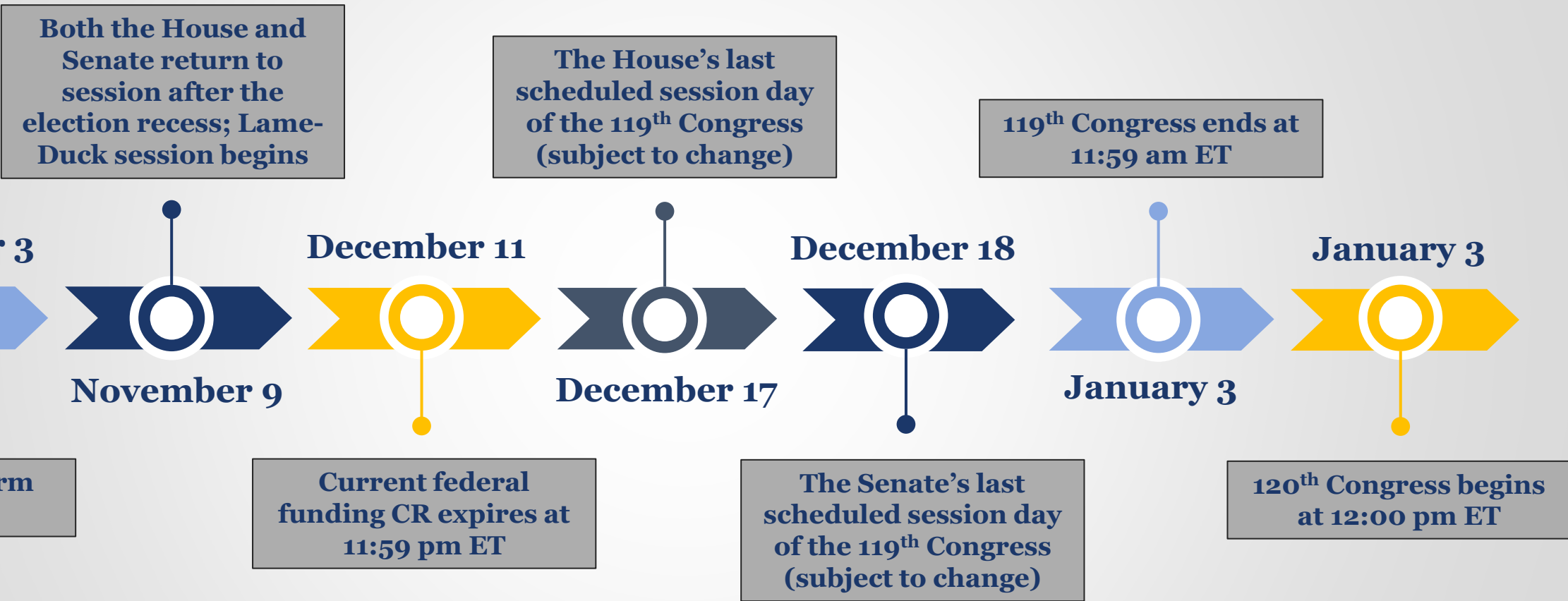
2ND SESSION CONVENES - JANUARY 5, 2026
TARGET ADJOURNMENT - DECEMBER 18, 2026

2026 House Calendar

- There are currently only 20 legislative session days [scheduled](#) for the remainder of 2026.
- The House is also currently in its biennial election year October recess and will not return to session until November 9, six days after the November 3 midterm elections.
- The House's last day of session for the 119th Congress is currently scheduled for December 17, though this could be extended if:
 - Congress needs to pass an omnibus package or CR before the end of 2026; or
 - Republicans decide to pursue a Reconciliation 3.0 package.



Congressional Key Dates for Election and Lame-Duck Season

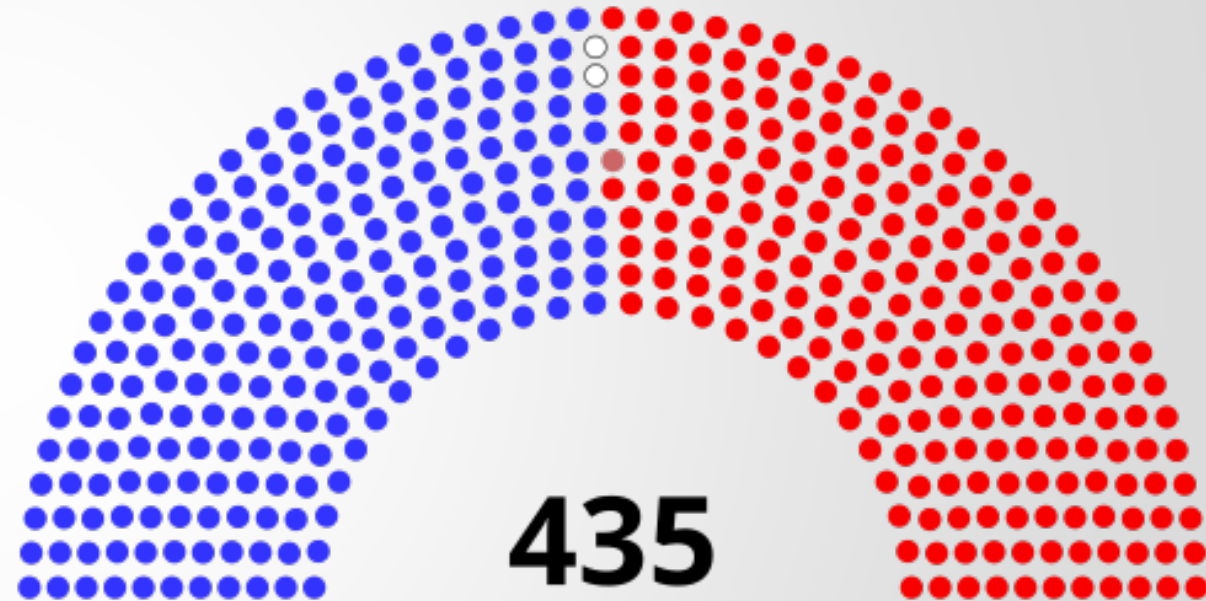




Overview of the Current Congress

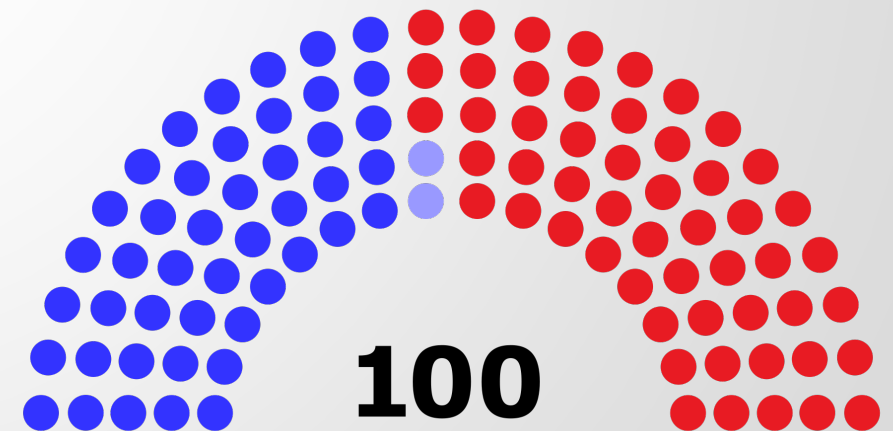
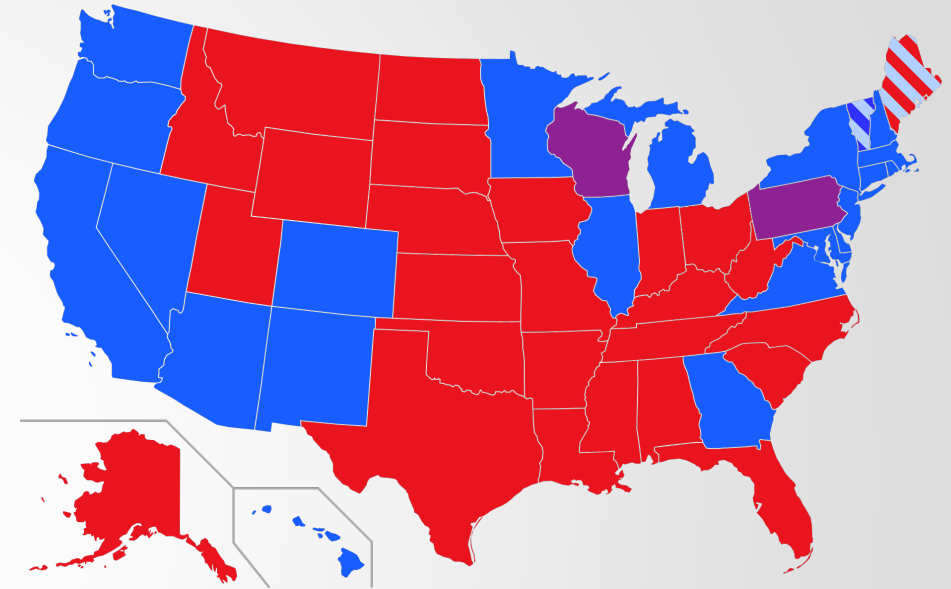
Current U.S. House – 119th Congress

- There are a total of 65 Members of the House who have announced their plans not to run for re-election in 2026, either to retire or to seek another public office, comprising 26 Democrats and 39 Republicans.
- The number of GOP retirements is the highest since 1930, the second-most being in President Trump's first midterm year of 2018.
- Eleven incumbents lost their respective primary elections: seven Democrats and four Republicans.
- Additionally, eight Members have already left office in the 119th Congress, while five Members have passed away.
- The House currently stands at **218 Republicans**, **1 Independent** (who caucuses with the Republicans), **214 Democrats**, and two vacancies. This is just a two-vote majority for House Republicans (ties result in a failed vote).
- The two vacant seats (TX-23 and FL-20) are highly unlikely at this point to be filled via special election for the remainder of the 119th Congress.



Current U.S. Senate – 119th Congress

- Republicans hold a 53-47 majority, which is the same majority they held when they last controlled the Senate in the 116th Congress.
- Two independent Senators caucus with the Democrats: Senator Angus King (I-ME) and Senator Bernie Sanders (I-VT).
- Vice President JD Vance, who also serves as the Senate President, can cast a tie-breaking vote if the final vote on any legislation or nominee is tied at 50-50.
- Senator Chuck Grassley (R-IA) is the President Pro Tempore of the Senate.
 - He previously held the position from January 2019 to January 2021.
- Eleven sitting Senators decided not to seek re-election in 2026.
 - This comprises seven Republicans and four Democrats.





Key Legislative and Policy Updates

Appropriations – State of Play



Senate Appropriations Committee
Vice Chair Patty Murray (D-WA)

- On September 2, President Trump signed into law a bipartisan CR ([P.L. 119-103](#)), extending government funding through December 11. The Senate passed the measure ([90-6](#)), and the House passed the Senate CR under suspension of the rules.
 - The bipartisan CR included policy riders addressing federal hemp restrictions and temporarily blocking the Office of Management and Budget’s (OMB) proposed [rulemaking](#) of the uniform guidance.
- The House Appropriations Committee advanced all 12 Fiscal Year (FY) 2027 bills, with the full House passing three measures before leaving for August recess including: Agriculture, Rural Development, Food and Drug, and Related Agencies (Ag-FDA; [H.R. 8646](#)); Military Construction, Veterans Affairs, and Related Agencies (MilCon-VA; [H.R. 8469](#)); and National Security, Department of State, and Related Programs ([H.R. 8595](#)).
 - The Energy and Water Development and Related Agencies ([H.R. 9022](#)) and Transportation, Housing and Urban Development ([H.R. 9170](#)) bills were originally slated for September floor action but did not receive votes before the House adjourned for the midterm elections.
- The Senate Appropriations Committee has not released or marked up any of its 12 FY27 bills. Chair Susan Collins (R-ME) and Vice Chair Patty Murray (D-WA) have not reached a bipartisan agreement on the FY27 topline funding levels, and it is unlikely that Senate spending bills will be released ahead of the midterms.

Appropriations – Impoundment and Reprogramming

- On September 25, OMB [announced](#) a pocket rescissions package of 11 proposals totaling \$810 million across seven agencies. This is the administration's third rescissions package since June 2025.
 - The [package](#) proposes rescissions of the following funds:
 - Department of Commerce (DOC): \$10 million for the Minority Business Development Agency programs directing grants to businesses based on the race of the business owner
 - Department of Homeland Security (DHS): \$15 million for the Alternatives to Detention-Case Management Pilot Program and \$10 million for the U.S. Citizenship and Immigration Services Citizenship and Integration Grant Program
 - Department of Education (ED): \$25 million for the Special Programs for Migrant Students and \$70 million for international education grants and fellowships
 - Department of Health and Human Services (HHS): \$567 million for the Refugee and Entrant Assistance account, \$28 million in research funding, and \$5 million for the Office of Minority Health
 - Department of Housing and Urban Development (HUD): \$56 million for nonprofits that provide housing counseling
 - Department of Justice (DOJ): \$15 million for the Community Relations Services program
 - Department of the Treasury: \$9 million for the Tropical Forest and Coral Reef Conservation Act (TFCCA) program, which provides debt forgiveness to countries making climate-change related investments.
 - Members from both parties, including [Chair Collins](#) and [Vice Chair Murray](#), condemned the Trump administration's use of pocket rescissions. On September 29, the Government Accountability Office (GAO) [concluded](#) the package violated the Impoundment Control Act (ICA; [P.L. 93-344](#)).
- On September 29, House Appropriations Committee Ranking Member Rosa DeLauro (D-CT) [announced](#) OMB had reprogrammed \$20 million in funding from the One Big Beautiful Bill Act ([P.L. 119-21](#)) for Customs and Border Protection (CBP) to DHS for a government-funded political ad supporting President Trump.
 - Democrats have strongly condemned the use of taxpayer dollars to fund political ads supporting the President, with Vice Chair Murray [introducing](#) the Penalties for Propaganda Act to make OMB funding contingent on the Trump administration following propaganda laws.



Senate Appropriations Committee
Chair Susan Collins (R-ME)

Appropriations –Lame-Duck Preview



Senate Majority Leader
John Thune (R-SD)

- Government funding will expire on December 11, leaving Congress a short window after the midterm elections to finalize a topline spending agreement and negotiate on final FY27 spending bills. If lawmakers cannot come to an agreement, Congress will need to pass another CR to avert a government shutdown.
 - Any negotiations on FY27 funding bills will need to address key policy riders, including an expected fight over whether to extend a block of OMB’s proposed rulemaking of the uniform guidance, potential guardrails to prevent the administration from future pocket rescissions, and addressing the federal hemp ban, among other issues.
- Whether Congress finalizes FY27 funding in the lame duck or punts to the 120th Congress will be heavily influenced by the election results.
 - House Appropriations Interior Subcommittee Chair Mike Simpson (R-ID) forecasted another CR to extend government funding another two or three weeks past the December 11 deadline to provide additional time for negotiations.
 - Senate Majority Leader John Thune (R-SD) has not ruled out making another attempt at budget reconciliation to address Republican priorities, including potentially supplemental defense spending and the debt ceiling after the election.
- **What’s Next:** Watch for the release of the Senate’s FY27 funding bills, how Congress responds to the administration’s pocket rescissions through the FY27 spending process, and if congressional leaders choose to pursue an omnibus or another CR before December 11.

Trade – Tariff Refund and Litigation Developments

- **IEEPA Tariff Refunds Continue.** On September 16, Judge Richard Eaton of the U.S. Court of International Trade (CIT) confirmed that CBP plans to deploy Consolidated Administration and Processing Entries (CAPE) Phase 3 on October 6. Phase 3 lets plaintiffs with court-ordered reliquidation claim refunds of unlawfully collected International Emergency Economic Powers Act (IEEPA) duties on finally liquidated entries. The CIT ordered another CAPE status report by October 6 and set a closed settlement conference for October 7.
 - As of September 11, CAPE had accepted about \$134.2 billion in potential refunds, including interest, and sent about \$122 billion to the Department of the Treasury.
- **Section 301 Litigation.** On September 30, the CIT heard oral arguments on the Trump administration’s Section 301 forced labor tariffs. Plaintiffs argued the tariffs are pretextual and lack country-specific findings. The government argued the Office of the United States Trade Representative (USTR) did perform a country-by-country analysis and “relied on data, economic principles, case studies, hearing testimony, and comments, as well as logic.”
 - The CIT ordered a supplemental briefing by October 16 on the statutory basis for USTR’s “unreasonable” determination; whether USTR had to consider countries’ economic development; how the legal basis affects any remedy; whether plaintiffs have standing to challenge all tariffs or only those on countries from which they import; whether state and private plaintiffs’ standing should be analyzed separately; and whether the court has jurisdiction over tariffs on countries from which no plaintiff imports.
- **Section 122 Litigation.** The CIT’s May 7, 2026, decision invalidating the Section 122 tariffs is on appeal at the Federal Circuit; no further action has occurred.



U.S. Court of International Trade

Trade – U.S.-China Summit



China President Xi Jinping [left] and President Donald Trump [right]

- President Trump and Chinese President Xi Jinping met in Washington, D.C., on September 23-25, the second of their four scheduled meetings in 2026.
 - They will meet next at the Asia-Pacific Economic Cooperation Leaders’ Meeting in Shenzhen, China, in mid-November, and at the G20 Summit in Doral, Florida, in mid-December.
- The leaders [agreed to extend](#) their October 2025 [trade deal](#) by two months, to January 10, 2027. According to a White House [fact sheet](#), both governments will grant “more favorable tariff treatment” to \$30 billion of “non-sensitive” goods from each country.
 - U.S. goods include agricultural products, seafood, wood, cosmetics, and medical devices; Chinese goods include small appliances, toys, holiday decorations, and children’s car seats.
 - China also agreed to “continue to work on U.S. concerns regarding supply chain shortages related to rare earths and other critical minerals.”
- On September 27, USTR released [working procedures](#) for the U.S.-China Board of Trade, [terms of reference](#) for the “30-for-30” favorable tariff treatment framework, and products [recommended](#) for it.

Trade – Canada and Mexico Developments

- Trade talks with Mexico and Canada are proceeding on bilateral tracks after the countries failed to renew the United States-Mexico-Canada Agreement (USMCA) in July.
- **Mexico Talks Delayed.** The United States and Mexico reportedly postponed their fourth round of negotiations on the USMCA to October. At a [press conference](#) on September 21, President Claudia Sheinbaum signaled the United States raised its demands for tariff relief.
 - The two sides may aim for a deal before the U.S. midterm elections.
- **Canada Negotiations.** On September 23, Canadian Prime Minister Mark Carney [told](#) reporters a U.S.-Canada deal remains possible if Canadian sovereignty is respected. He said Canada would not seek full European Union (EU) membership but would strengthen ties with Europe on critical minerals, energy, and satellites.
 - President Trump [reportedly](#) called the idea “laughable” and threatened “very serious tariffs” on the EU if he deems it a “hostile act.”
- On September 8, President Trump [signed](#) five proclamations imposing import bans and modifying the Section 338 tariffs on Canada, which respond to [retaliatory tariffs](#) effective the same day. The proclamations [add](#) new products to the 50% tariffs and remove others, such as salt, toilet paper, and fishing rods.
 - On September 9, the U.S. International Trade Commission published a [notice](#) seeking public comments on its Section 338 obligations, due November 9.



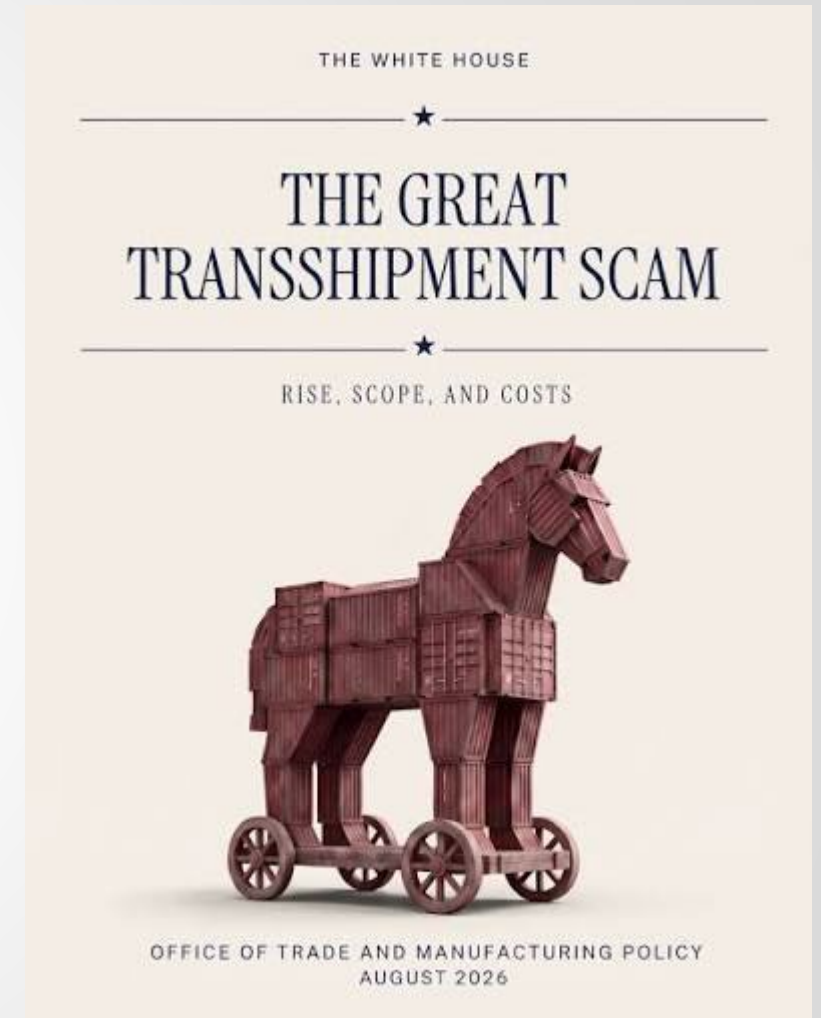
President Trump [left] and Mexico President Claudia Sheinbaum [right]

Trade – Sections 232 and 301 Developments

- **Polysilicon Tariffs.** On August 6, President Trump issued a [proclamation](#) under Section 232 imposing “minimum import prices” on polysilicon and certain derivatives and a 15% tariff on certain downstream polysilicon products, effective December 4, 2026. It also authorizes the Secretary of Commerce to establish an incentive program for companies investing in polysilicon and derivatives production.
 - On September 24, DOC’s Bureau of Industry and Security (BIS) [published](#) a temporary final rule to prevent stockpiling of polysilicon and derivatives. DOC will monitor importers and notify CBP of those importing unusually high volumes. Those importers will be blocked from further entries before December 4 unless they have a waiver.
- **Drone Tariffs.** On August 13, President Trump issued a [proclamation](#) under Section 232 imposing tariffs on unmanned aircraft systems (UAS), or drones, and their parts. The proclamation imposes 100% tariffs on UAS with a maximum takeoff weight over 25 kilograms and 25% tariffs on UAS of 25 kilograms or less, both effective September 3, 2026.
 - It also imposes 25% tariffs on certain UAS components, effective February 9, 2027, with more components possible “on a rolling basis.”
- **Pharmaceutical Tariff Guidance.** On September 23, BIS published a [notice](#) with implementation guidance and technical corrections to the April 2, 2026 [presidential proclamation](#) imposing Section 232 tariffs on pharmaceuticals. It defines which specialty drugs may qualify for exemptions and names the jurisdictions with “trade and security agreements” whose specialty drugs get automatic exemptions.
- **Section 301 German Drug Pricing Hearing.** On September 22, USTR [held](#) a public hearing on its Section 301 investigation into Germany’s drug pricing practices. [Drug companies](#) and [industry associations](#) testified that German policy shifts the cost of funding innovative medicines onto the United States and that Germany’s recent change to its proposed law is insufficient. [Other witnesses](#) urged USTR to make a negative determination and continue negotiating instead of imposing tariffs.

Trade – Trade and Tariff Developments

- **Trade Preference Programs Extended.** The FY27 CR ([P.L. 119-103](#)) President Trump signed on September 2 reauthorizes the African Growth and Opportunity Act, the Haiti Economic Lift Program, and the Haitian Hemispheric Opportunity through Partnership Encouragement program through December 31, 2028.
- **Transshipment Report.** On August 13, the White House Office of Trade and Manufacturing Policy released a [report](#), “The Great Transshipment Scam,” on alleged transshipment of goods that signals enhanced customs enforcement on China-linked supply chains.
- **Trade Crimes Bill Passage.** On August 31, the House passed the Protecting American Industry and Labor from International Trade Crimes (PAIL) Act ([H.R. 1869](#)) under suspension of the rules. The bill would require the DOJ to create a task force or similar structure within its Criminal Division to increase investigation and prosecution of trade-related crimes.
- **NTE Report Comment Period.** On September 14, USTR posted a [request for comments](#) for the 2027 National Trade Estimate Report on Foreign Trade Barriers, seeking input on “significant foreign barriers to, or distortions of, U.S. exports of goods and services and U.S. foreign direct investment,” with comments due October 29.



Great Transshipment Scam Report

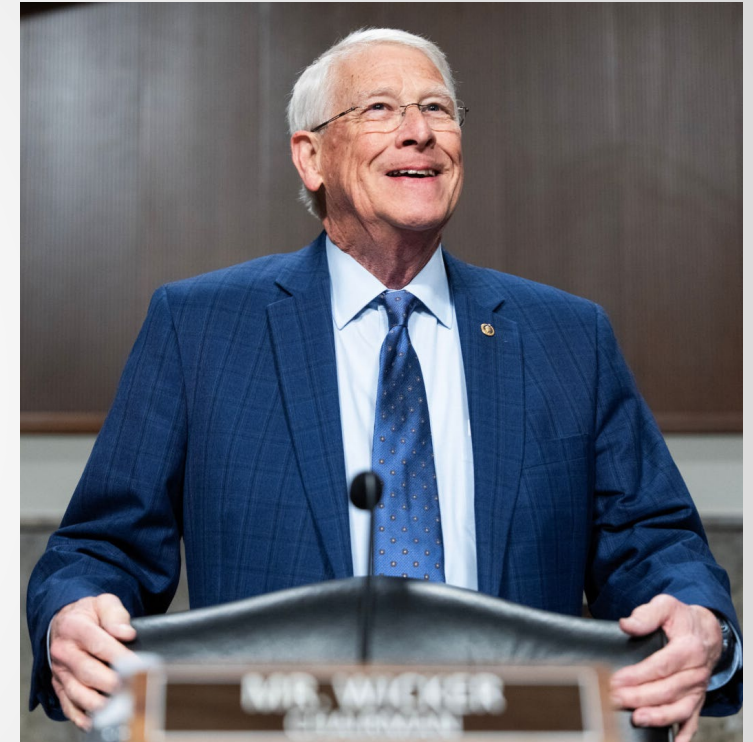
Defense – Iran War Developments

- The war in Iran has entered its eighth month. President Trump recently [claimed](#) he is “ensuring that Iran will be very quickly ended,” and that the Iranian government “is ready to fold up.” President Trump also projected the United States will win the war “right after the election,” if not sooner.
- On September 22, U.S. Special Envoy Steve Witkoff met with Iranian officials, including Foreign Minister Abbas Araghchi, on the sidelines of the United Nations General Assembly (UNGA) — the first contact between U.S. and Iranian officials since Vice President JD Vance met with an Iranian delegation in June to sign the now-nullified 14-point memorandum of understanding.
 - Following the meeting, an Iranian official [stated](#) that Iran would open the Strait of Hormuz in seven days if the United States eases its military presence and other economic pressures on the country. On September 26, President Trump [said](#) he had rejected the deal proposed by Iran.
- The USS Theodore Roosevelt Carrier Strike Group and USS Makin Island Amphibious Group are [reportedly](#) deploying to the Middle East as of October 2, which could bring total acknowledged U.S. forces in the region to roughly 20,000.



Defense – NDAA Update, Lame-Duck Preview

- Senate consideration of the FY27 National Defense Authorization Act (NDAA, [S. 4784](#)) remains stalled following failed floor votes in July. Instead of attempting floor consideration again, Senate Armed Services Committee (SASC) Chair Roger Wicker (R-MS) opted to move straight to the conference stage.
- HASC and SASC are expected to complete work on the FY27 NDAA during the lame-duck session.
 - Republicans will seek to advance certain partisan priorities in the NDAA before potentially losing control of one or both chambers, such as advancing President Trump’s “Golden Dome” missile defense system, funding the Trump administration’s border security efforts, officially renaming the Department of Defense to the Department of War, and supporting President Trump’s efforts to target “wokeism” and Diversity, Equity, and Inclusion (DEI) policies in the military.
- Lawmakers need to resolve the topline defense authorization level following the House approval of an unprecedented \$1.15 trillion budget.
- Democrats may seek to use the supplemental defense funding request as a bargaining chip to secure support for more economic and military aid to Ukraine.



Senate Armed Services Committee Chair
Roger Wicker (R-MS)

Tax – Congressional Developments

- **Senate Clears Bipartisan Tax Administration Package.** On September 30, the Senate passed the Taxpayer Assistance and Service Act (TAS Act, S. 5441) by unanimous consent. The bill, championed by Senate Finance Committee Chair Mike Crapo (R-ID) and Ranking Member Ron Wyden (D-OR), is a package of bipartisan reforms to the Internal Revenue Service (IRS), focused on digitization, call-wait-time transparency, penalty-approval safeguards, and tax preparer standards.
 - The House continues to pass bipartisan individual tax administration bills, including the End Tax Penalties on American Hostages Act (H.R. 9496), the Taxpayer Advocate Participation Act (H.R. 9498), and the Protecting Taxpayers from Ghost Preparers Act (H.R. 9499); and the Tax Relief for Fraud Victims Act (H.R. 9500) by a vote of 408-17.
- **House Ways and Means Committee Chair Jason Smith (R-MO) Pursues Bipartisan Legislation on the Taxation of Digital Assets.**
 - On September 16, the committee marked up and passed (38-5) the Digital Asset Tax Certainty Act (H.R. 10357), a package of bipartisan cryptocurrency tax proposals.
 - The package includes a *de minimis* exemption, extension of wash-sale, constructive-sale, and anti-abuse rules, a voluntary disclosure program to correct filings, simplified rules for charitable donations, and clarification that crypto lending is not a taxable event.



Rep. Jason Smith (R-MO),
Chair of the House Ways and
Means Committee

Tax – Administration Developments



James Gadwood,
nominated to serve as IRS
Chief Counsel



IRS CEO Frank Bisignano

- **Senate Finance Committee Advances Tax Administration and Related Judicial Nominees.**
 - On September 24, the Senate Finance Committee [voted](#) (14-13) along party lines to favorably report the nominations of [James Gadwood](#), to be Chief Counsel for the IRS and Assistant General Counsel in the Department of the Treasury, and [Andrew De Mello](#), to be a Judge of the United States Tax Court.
 - If confirmed by the full Senate, Gadwood would oversee the IRS' involvement in ongoing litigation over the Trump administration's immigration policies and [settlement](#) with President Trump, which included an audit-immunity shield. He would also oversee the writing and implementation of tax regulations enacted in the One Big Beautiful Bill Act (OBBBA, [P.L. 119-21](#)).
- **IRS Issues Guidance on Tax-Exempt Status for Private Universities.**
 - On September 4, the IRS [proposed regulations](#) to end the federal tax-exempt status for private schools failing to meet anti-discrimination requirements for institutions of higher education established in [Brown v. Board of Education](#), [Bob Jones University v. United States](#), and [Students for Fair Admissions v. Harvard](#).

Tax – Lame-Duck Preview

- **Tax Administration Slated for Lame-Duck Consideration in the House.** Returning in November, the House will consider the Senate-passed TAS Act, which includes several provisions identical to bills passed by the Ways and Means Committee.
 - Tax administration has long been a bipartisan issue for tax writers. Chair Crapo and Ranking Member Wyden have worked on the TAS Act across several Congresses.
 - However, due to the bill’s momentum, the House leadership may look to attach additional legislation to the package, possibly complicating passage.
- **Senate Signals Interest in Crypto Tax.** On September 30, Sen. Steve Daines (R-MT) [introduced](#) crypto tax legislation ([S. 5616](#), [text](#)). Sen. Daines’ bill is less broad than Chair Smith’s crypto tax package.
 - Sen. Daines, however, is retiring from Congress after this year. Absent another Senator stepping forward, Senate Finance Committee leadership is expected to spearhead proposals for taxing cryptocurrency.
 - Chair Crapo reported he is reviewing Chair Smith’s bill and may make changes, possibly teeing up the committees to conference the bills during the lame-duck session.



Sen. Steve Daines (R-MT), member of the Senate Finance Committee (retiring)

Financial Services – Congressional Developments

- **Senate Fails to Advance the CLARITY Act.** On September 15, the Senate failed to advance the Digital Asset Market Clarity Act (CLARITY Act, [H.R. 3633](#)) in a [49-50](#) procedural vote, leaving the crypto market-structure bill short of the 60 votes needed to move forward. Democrats voted as a bloc against advancement, while Republican Sens. Susan Collins (R-ME), Josh Hawley (R-MO), and Jerry Moran (R-KS) also opposed the motion.
 - Opposition from Democrats continues to center on the bill's ethics, stablecoin yield, and decentralized finance (DeFi) provisions.
 - Several Senate Democrats [said](#) the failed vote was a setback but not the end of the effort and indicated they remain open to bipartisan talks.
- **Senate Democrats Block Congressional Stock Trading Ban.** On September 30, the Senate failed to reach the 60 votes ([53-47](#)) necessary to approve the Stop Insider Trading Act ([H.R. 7008](#)), which prohibits members of Congress and their spouses and dependent children from purchasing stocks and requires public notice before these individuals may sell stocks.
 - The bill passed the House with bipartisan support ([232-198](#)) in July. Senate Democrats blocked the bill based on the recent inclusion of voter ID requirements.
- **Prediction Markets Draw Congressional Interest Amid Split Rulings.** On September 23, Senate Banking Committee Ranking Member Elizabeth Warren (D-MA) [led](#) committee Democrats in [calling](#) for a hearing on prediction markets, after [reports](#) indicated industry executives would meet with Chair Tim Scott (R-SC) and committee Republicans.
- **HFSC Advances CFPB Overhaul Bill.** On September 16, the House Financial Services Committee (HFSC) [advanced](#) the Consumer Financial Protection Accountability and Reform Act of 2026 ([H.R. 10184](#)) along party lines ([28-21](#)) to reform the Consumer Financial Protection Bureau (CFPB).
 - The package would bring the CFPB into the regular congressional appropriations process, establish a dedicated Inspector General, and require periodic reviews of major rules to assess whether their benefits justify their costs.



Sen. Tim Scott (R-SC),
Chairman of the Senate
Banking Committee



Rep. Bryan Steil (R-WI), sponsor
of H.R. 7008, the Stop Insider
Trading Act

Financial Services – Administration Developments

- **Commissioner Pierce Departs SEC.** Securities and Exchange Commission (SEC) Commissioner Hester Peirce [announced](#) she was leaving the agency, effective October 2, 2026. Her departure would leave the SEC with only Chair Paul Atkins and Commissioner Mark Uyeda, on what is ordinarily a five-member commission. The White House has reportedly considered potential successors, with former SEC staffer and current Council of Economic Advisers General Counsel Steven Levine emerging as a possibility.
- **Department of the Treasury Announces New Counselor to the Secretary.** On September 28, Treasury Secretary Bessent [announced](#) Dr. David Zervos will join the agency as a Counselor in the Office of the Secretary. While they did not specify a policy portfolio for his counselor role, his background suggests the position will draw heavily on his expertise in macroeconomic policy and financial markets.
- **SEC Launches “Innovation Exemption” for Onchain Trading of Tokenized U.S. Stocks.** On September 17, the SEC [issued](#) a temporary “Innovation Exemption” allowing qualifying Tokenized Securities Venues (TSV) to facilitate trading of tokenized U.S.-listed stocks using permissioned automated market makers and liquidity pools without registering as national securities exchanges.
 - The exemption is [intended](#) to be a temporary bridge, following the failed vote on the CLARITY Act, while the SEC considers permanent rulemaking.
- **SEC Proposes Crypto Framework.** On August 18, the SEC [proposed](#) “Regulation Crypto Assets,” a new framework that would create tailored securities offering rules for certain investment contracts involving crypto assets. The proposal builds on the SEC’s March 2026 [interpretation](#) clarifying how federal securities laws apply to crypto assets and crypto-related transactions.
 - SEC Chair Paul Atkins [framed](#) the proposal as part of the SEC’s broader effort to provide crypto market clarity, onshore innovation, and create clear pathways for crypto entrepreneurs to raise capital under federal securities laws while Congress continues work on a broader market-structure framework.



SEC Commissioner
Hester Peirce



Dr. David Zervos,
Counselor to the
Treasury Secretary

Financial Services – Lame-Duck Preview

- **Crypto Market Structure Faces an Uncertain Path.** Senate Banking Committee Republicans will continue to push the CLARITY Act, despite failing to advance a negotiated version of the bill ahead of the October recess period.
 - White House Crypto Adviser Patrick Witt and Department of the Treasury Assistant Secretary Luke Pettit [said](#) the focus has shifted to regulators.
 - A revived bill would again need 60 Senate votes, and Democratic objections on ethics have not been resolved.
- **Republicans Push for CFPB Overhaul.** HFSC Republicans will look to advance the Consumer Financial Protection Accountability and Reform Act of 2026 ([H.R. 10184](#)), after it cleared the committee in September.
 - It's not expected to reach the Senate's 60-vote threshold for enactment.
- **Senate Looks to Advance Nominees.** Unless Republicans succeed in holding both chambers in the midterm elections, Senate Republicans will pursue an en-bloc nomination package to confirm a slate of Trump administration nominees before the end of the 119th Congress.



Rep. French Hill (R-AR),
Chairman of the House Financial
Services Committee

Artificial Intelligence – Administration Developments

- The Trump administration has faced increased pressure to regulate artificial intelligence (AI) due to growing [public skepticism](#) of the technology, and Anthropic CEO Dario Amodei's and OpenAI CEO Sam Altman's call for a "pacing" of the development of leading AI models due to safety concerns.
 - Despite this pressure, President Trump continues to advocate for new data centers, [calling](#) them "the Golden Goose."
 - After initial pushback against regulating AI, President Trump [announced](#) he would be creating a new AI force and appointing a new AI czar. The announcement has little detail on how the new AI force will be set up and blindsided many people on Capitol Hill and in the tech industry.
- President Trump also hosted Chinese President Xi Jinping, during which the two leaders discussed AI safety. While Democratic members [urged](#) President Trump to seek a deal with President Xi to slow down AI development, the Trump administration has shown little appetite for any binding arrangement that would create global regulation on AI.



Anthropic CEO Dario Amodei with President Trump and Speaker Mike Johnson (R-LA)

Artificial Intelligence – Congressional Developments



Sens. Amy Klobuchar (D-MN) and
Ted Cruz (R-TX)

- In late September, Speaker Mike Johnson changed his tone on AI regulation, expressing support for voluntary measures to increase “oversight” and “transparency” of the AI industry, including “external auditing.”
- House and Senate Democrats have begun laying the groundwork for a potential select committee on AI for the 120th Congress should they win majorities in November.
 - Reps. Ted Lieu (D-CA) and Bill Foster (D-IL) [met](#) with House Minority Leader Hakeem Jeffries (D-NY) in early September to discuss the creation of the committee, and Sen. Ruben Gallego (D-AZ) introduced a [resolution](#) to establish such a committee later in the month.
- On September 16, the House passed the Ratepayer Protection Act ([H.R. 9340](#)) by a [417-3](#) vote. The bill would create voluntary standards for states to adopt to ensure tech companies pay for the costs of new data centers. The bill was later blocked by Senate Democrats who said the bill did not go far enough to protect consumers.
- [Reports](#) indicate Sen. Amy Klobuchar (D-MN), Senate Commerce Committee Chairman Ted Cruz (R-TX), and Senate Majority Leader John Thune (R-SD) are drafting an AI safety bill. According to reports, they view this as the only measure with a chance of moving before 2027. Sen. Cruz [said](#) the legislation would address catastrophic risks involving biological or nuclear threats, while Sen. Klobuchar [said](#) that she is working toward a bipartisan agreement on guardrails for AI system risks.
- On September 16, the House Committee on Energy and Commerce advanced 16 bills, including two AI bills:
 - The Open-Source AI Leadership Act ([H.R. 10152](#)) was advanced 26-21 and would require the DOC to assess and publish information about risks related to the use of certain foreign adversary AI models.
 - The AI for Secure Networks Act ([H.R. 7294](#)) advanced 37-0 and would require the National Telecommunications and Information Administration (NTIA) to study and report to Congress on the impact of AI technology on the security of telecommunications networks.

Artificial Intelligence – Lame-Duck Preview

- Any lame-duck bill will likely be narrow and focus on advanced models, such as the FRONTIER Act ([H.R. 9925](#)) and the potential forthcoming legislation from Sens. Cruz, Thune, and Klobuchar.
 - However, President Trump has expressed skepticism, and House Speaker Mike Johnson (R-LA) has declared that the industry is too little understood by Congress to write laws governing the sector.
- Other regulatory areas with bipartisan support that may make progress include AI companions/chatbots and kids' online safety.
 - The Kids' Online Safety Act (KOSA, [H.R. 7757/S. 1748](#)) continues to have disagreements on the “Duty of Care” provisions. House Republicans may be more willing to make compromises on their version of the bill prior to losing control of the chamber in January. Notably, the House-passed version did receive significant support from Democrats, signaling intraparty disagreements over the bill and lessening the likelihood of passage during the lame duck.
- China hawks from both parties will likely try to insert AI chip export restrictions into the yearly must-pass NDAA.



Sen. Josh Hawley (R-MO)

Technology – Congressional Developments



House E&C Chair Brett Guthrie (R-KY) and Ranking Member Frank Pallone (D-NJ), lead sponsors of H.R. 10453

- On August 6, Sens. Slotkin (D-MI) and Pete Ricketts (R-NE) introduced the Biotech Investment National Security Act (BINSa, [S. 5316](#)), which would add biotechnology to the sectors reviewed under the Comprehensive Outbound Investment National Security (COINS) Act ([P.L. 119-60](#)) – covering U.S. licensing deals, joint ventures, and equity investments with covered Chinese entities in biologics manufacturing, clinical research, and pharmaceutical development.
 - Reps. Moolenaar (R-MI) and Dingell (D-MI) introduced companion legislation ([H.R. 9102](#)) in June 2026.
- In a September 1 [markup](#), the House Energy and Commerce (E&C) Subcommittee on Communications and Technology advanced the Guarding the U.S. Against Adversarial Robotics Dominance) Act ([H.R. 9129](#)) by voice vote.
 - The bill would add certain Chinese-linked humanoid and quadruped robotics communications equipment and services to the Federal Communications Commission (FCC) [Covered List](#).
- On September 16, House E&C Chair Brett Guthrie (R-KY) and Ranking Member Frank Pallone (D-NJ) introduced the Communications and Technology Transparency Act ([H.R. 10453](#)), which would expand the technologies eligible for the FCC Covered List and streamline the process for identifying and prohibiting malicious imported technologies and equipment.
 - It would also bar entities on the Covered List and their affiliates from receiving FCC authorizations.

Technology – Congressional Developments

- On September 16, the House E&C Committee [advanced](#) 16 bills aimed at advancing American technology dominance and strengthening communications networks. Notable bills passed by the committee include:
 - Memory Chip Competitiveness Assessment Act ([H.R. 10170](#)), which would direct the DOC to report on the advanced memory technology marketplace
 - Chip Equipment Quality, Usefulness, and Integrity Protection (EQUIP) Act ([H.R. 6207](#)), which would prohibit companies receiving certain federal funds from purchasing specified semiconductor manufacturing equipment made by foreign entities of concern
 - American Quantum Competitiveness Act ([H.R. 10163](#)), which would direct the Secretary of Commerce to promote trusted quantum supply chains and U.S. commercial leadership in quantum technology
 - Proper Leadership to Align Networks (PLAN) for Broadband Act ([H.R. 2805](#)), which would direct the Assistant Secretary of Commerce for Communications and Information to develop a National Strategy to Close the Digital Divide
- On September 28, House Select Committee on China Chair Moolenaar (R-MI) sent a [letter](#) to Secretary of State Marco Rubio raising concerns about increased South Korea-China engagement over the past several months, including recent export control cooperation efforts.
 - Chair Moolenaar argues the U.S. government should closely monitor shifts in Korea's alignment vis-à-vis China, citing increasingly frequent leader-level engagement, growing Korean semiconductor investment in China, and Korea's alleged discriminatory treatment of U.S. companies relative to China-based competitors.

Technology – Administration Developments



White House Office of Science and Technology
Policy Director Michael Kratsios

- On August 13, BIS issued a [final rule](#) easing export controls on many commercial unmanned aerial vehicles (UAVs, or drones), related parts and components, and associated software and technology.
 - The rule reduces controls on drones with a maximum endurance of three hours or less, provided they lack certain missile- and military-related capabilities and do not incorporate specified lasers, thermal imaging equipment, or navigation systems.
- On August 18, the White House Office of Science and Technology Policy [published](#) a National Security Science and Technology Strategy that sets priorities to support the [2025 National Security Strategy](#).
 - The strategy aims to maintain American technological dominance, streamline contracting requirements and administrative burdens, and further scrutinize foreign investments. It seeks to “eliminate or streamline outdated [export] controls,” and expand the Committee on Foreign Investment in the United States’ ability to oversee critical technology investments, as well as to monitor high-risk greenfield investments.

Technology – Lame-Duck Preview

- Sens. Bernie Moreno (R-OH) and Elissa Slotkin (D-MI), and Reps. John Moolenaar (R-MI) and Debbie Dingell (D-MI) are seeking floor consideration of the Connected Vehicle Security Act ([S. 4429/H.R. 8730](#)) when Congress returns on November 9.
 - The bill would prohibit the import, sale, and operation of connected vehicles, software, and hardware linked to China and other foreign adversaries.
 - It has broad bipartisan support in both chambers, with 57 cosponsors (36 R, 21 D) in the Senate and 131 cosponsors (72 R, 59 D) in the House.
- Lawmakers will seek to advance new anti-China technology controls via the FY27 NDAA.
 - Relevant provisions in the House version include: a prohibition on acquiring humanoid robotic systems that were produced or developed by China and other adversaries and a prohibition on acquiring photovoltaic cells, modules, and inverters from China and other adversaries.



Sen. Bernie Moreno (R-OH), lead Republican sponsor of S. 4429

Data Privacy – Administration Developments



NIST Director Arvind Raman

- On September 15, the Cybersecurity and Infrastructure Security Agency (CISA) and NIST published a [report](#) with final implementation guidelines to help cloud service providers maintain the security of tokens and token management.
- On September 18, NIST [awarded](#) over \$1.7 million in cooperative agreements to advance cybersecurity workforce development by aligning education and training with the workforce needs of local businesses and nonprofits. Nine educational and community organizations across eight states will receive awards up to \$200,000 under NIST's National Initiative for Cybersecurity Education (NICE) program.

Data Privacy – Congressional Developments

- On September 24, Sens. Mark Warner (D-VA) and Ted Cruz (R-TX) introduced the [Telecommunications Cybersecurity and Resilience Act \(S. 5508\)](#), which would establish a public-private working group within the NTIA tasked with developing telecom-specific cybersecurity best practices and creating a network of independent third-party assessors to certify implementation.
- Lawmakers are becoming increasingly concerned about the privacy implications associated with AI-powered surveillance cameras used across the country.
 - On September 17, Sens. Adam Schiff (D-CA) and Ron Wyden (D-OR) sent a [letter](#) to Flock Safety CEO Garrett Langley inquiring about alleged abuse of Flock’ surveillance platforms and what kind of safeguards are in place.
 - On September 30, Sen. Josh Hawley (R-MO) [announced](#) plans to introduce legislation that would establish guardrails for AI-powered cameras, including limits on data retention, a prohibition on facial recognition technology, and a prohibition on selling vehicle location data to non-governmental entities. As Senate Judiciary Subcommittee on Crime and Counterterrorism Chair, Sen. Hawley also recently [launched](#) an investigation into how Flock and its competitors collect, retain, and disseminate the data generated by their surveillance cameras.
 - On October 2, Sens. Bernie Sanders (I-VT) and Jeff Merkley (D-OR) and Rep. Alexandria Ocasio-Cortez (D-NY) [introduced](#) the [Ban Flock Act \(H.R. 10691\)](#), which would prohibit federal agencies from using automatic license plate readers and block federal funding from state and local governments that use the technology.

Data Privacy – Lame-Duck Preview



Sen. Marsha Blackburn (R-TN), lead Republican sponsor of S. 1748

- **KOSA:** Lawmakers must reconcile the House’s Kids Internet and Digital Safety (KIDS) Act ([H.R. 7757](#)), bundling the Kids Online Safety Act ([H.R. 6484](#)) with a dozen-plus children’s online safety bills, with the Senate’s version of KOSA ([S. 1748](#)).
 - Key differences between the House and Senate include: (1) a “duty of care” requiring companies to act with reasonable caution to prevent foreseeable harm; and (2) preemption of state child safety and AI laws.
- **FISA Renewal:** Lawmakers may attempt to use the NDAA or FY27 appropriations to renew Foreign Intelligence Surveillance Act (FISA) Section 702 authorities, which expired in June. Section 702 surveillance can continue until March 2027 despite the lapse.
 - FISA Section 702 allows the intelligence community to collect, analyze, and appropriately share foreign intelligence information about national security threats.
 - Lawmakers will seek to attach FISA to an end-of-year package because it would be more difficult to pass a stand-alone renewal bill next year, regardless of who controls Congress.
- **CISA Renewal:** The Cybersecurity Information Sharing Act, which enhances cyber threat information sharing between companies and the government, expires December 11 under the recent continuing resolution; bipartisan members are seeking long-term reauthorization.

Health Care – Congressional Developments

- Prior to the October recess, the Senate Finance Committee [voted](#) 15-12 to advance Chris Klomp's nomination to serve as Deputy Secretary of HHS, with Sen. Sheldon Whitehouse (D-RI) voting with Republicans.
- The Senate Health, Education, Labor, and Pensions (HELP) Committee [voted](#) along party lines to advance the nominations of Dr. Nicole Saphier to serve as U.S. Surgeon General and Dr. Timothy Westlake to serve as Assistant Secretary for Mental Health and Substance Use within the Substance Abuse and Mental Health Services Administration (SAMHSA).
- On September 24, the Senate HELP Committee [held a confirmation hearing](#) for Dr. Heidi Overton to serve as Commissioner of the Food and Drug Administration (FDA).
 - The hearing centered on bipartisan scrutiny of federal vaccine policies, concerns regarding FDA's reversal on flavored vape restrictions, and partisan divide over abortion drugs.
 - Chairman Bill Cassidy (R-LA) indicated he could delay consideration of her nomination through the end of this Congress absent firmer commitments regarding vaccine policy and the FDA's independence from political interference.
- On September 29, House E&C Committee Chair Brett Guthrie (R-KY) [released](#) a package of 14 health care fraud-focused bills.
 - Given the limited number of legislative days remaining this year, it remains unclear whether the package will be included in a broader lame-duck legislative package at the end of the year.
 - Looking ahead to the next Congress, E&C Republicans are likely to continue prioritizing addressing fraud, waste, and abuse in federal programs to align with the work of the White House Task Force to Eliminate Fraud.
- **What's Next:** The November midterm elections will impact the timing of the Senate's floor votes on nominations and any other legislative packages considered during the lame-duck session in late November through December.



Dr. Heidi Overton testifies before the Senate HELP Committee

Health Care – Administration Developments

- On September 10, President Trump [announced](#) \$500-per-person refunds for nearly one million Affordable Care Act marketplace enrollees in 30 states who do not receive the Premium Tax Credit.
 - The announcement follows the expiration of the enhanced Premium Tax Credits at the end of 2025. The White House attributed the refunds to surplus exchange user fees and said checks would begin going out in October.
- On September 16, the FDA [held a public meeting](#) on the reauthorization of the Prescription Drug User Fee Agreement (PDUFA VIII) and, on September 25, [published](#) its commitment letter for the reauthorization of the Biosimilar User Fee Agreement (BsUFA IV).
- On September 25, the White House [proposed rescissions](#) for FY26, including \$32.8 million of unspent funds from the Agency for Healthcare Research and Quality (AHRQ) and the Office of Minority Health.
 - The GAO [concluded](#) that the rescissions proposal did not authorize withholding the funds beyond their expiration at the end of FY26 on September 30, 2026.
 - Senate Appropriations Chair Susan Collins (R-ME) has [called](#) withholding the appropriated funds unlawful, while the White House [maintains](#) that the law permits withholding them.
- On September 30, CMS finalized the [Global Benchmark for Efficient Drug Pricing](#) (GLOBE) Model, a Trump administration priority for implementing most-favored-nation-drug (MFN) pricing for certain Medicare Part B drugs.
 - On September 18, President Trump [announced](#) that all 50 states, plus Washington, D.C. and Puerto Rico, had agreed to participate in the [GENERating cost Reductions fOr U.S. Medicaid](#) (GENEROUS) Medicaid Model covering Medicaid plans.
 - The GENEROUS and [Guarding U.S. Medicare Against Rising Drug Costs](#)) Models have yet to be finalized for Medicare Part D drugs.
- **What’s Next:** Expect the Trump administration to continue finalizing its MFN pricing policies and pursue codification into law in 2027.

Health Care – Lame-Duck Preview

- The health care priorities that are the ripest for inclusion in a possible year-end package include price transparency measures, prior authorization reforms, reform of the independent dispute resolution (IDR) process under the No Surprises Act, and bills intended to expedite market access for generic drugs and biosimilars.
 - A potential CR for funding the federal government may include a “doc fix” — a short-term funding patch aimed at offsetting cuts to the Conversion Factor (CF) proposed by the Centers for Medicare and Medicaid Services (CMS) in the 2027 Physician Fee Schedule (PFS).
- Earlier this year, OMB [proposed a rule](#) that would give political appointees more control over federal grantmaking, including National Institutes of Health (NIH) grant award processes, but the September CR delayed its implementation.
 - Senate Appropriations leaders, Sens. Susan Collins (R-ME) and Patty Murray (D-WA), [are reportedly pushing](#) for the inclusion of similar language blocking political control over grantmaking in FY27 funding legislation, which will likely be passed during the lame-duck session.



Sen. Susan Collins (R-ME)

Education – Congressional Developments

- Rep. Suzanne Bonamici (D-OR) released two legislative packages signaling Democratic priorities for K-12 education and AI in the 120th Congress. The legislation also provides insight into Rep. Bonamici's priorities as she seeks the top Democratic spot on the House Education and Workforce Committee.
 - **K-12:** The Transforming Education for the Future Act ([H.R. 10421](#)) bundles longstanding Democratic priorities, including fully funding the Individuals with Disabilities Education Act, tripling funding for high-poverty schools, free universal preschool through a federal-state partnership, and free school meals.
 - **AI:** The Artificial Intelligence Education and Workforce Readiness Act ([H.R. 10515](#)) would create a federal framework to protect students, educators, and workers and help them safely use AI as they move through their education and careers.
- House Education and Workforce Committee Ranking Member Bobby Scott (D-VA) is facing two challengers for the top spot on the committee next Congress. Reps. Bonamici and Jahana Hayes (D-CT) have both announced they will be challenging Rep. Scott for the position.
- House Republicans continue to focus on antisemitism on college campuses:
 - On September 3, the House passed the bipartisan Protect Economic and Academic Freedom Act ([H.R. 4795](#)) by a vote of [237-169](#). Led by Reps. Virginia Foxx (R-NC) and Josh Gottheimer (D-NJ), the bill would restrict federal student aid for institutions that engage in commercial boycotts of major strategic partners of the United States, including Israel.
 - On September 8, Reps. Gottheimer and Elise Stefanik (R-NY) [launched](#) a bipartisan Combating Antisemitism on College Campuses Caucus to coordinate congressional oversight, advance legislation on addressing antisemitism, and share best practices among universities.
- On September 24, the Senate HELP Committee failed to advance the bipartisan No Aid for Ghost Students Act of 2026 ([S. 4428](#)), which aims to protect the student aid system from identity fraud, after adopting an amendment in markup from Ranking Member Bernie Sanders (I-VT) barring the garnishment of Social Security benefits to collect student loan debt. Chair Bill Cassidy (R-LA) said members would keep working on the bill, and any changes would need to be reconciled with the [House-passed measure](#) before enactment.



Rep. Suzanne Bonamici (D-OR)

Education – Administration Developments



Education Secretary Linda McMahon

- On September 29, ED [rescinded](#) the [vacated](#) 2024 Title IX rule, restoring the Trump administration's 2020 [framework](#) with some minor technical changes.
- In late August, ED released a [notice of proposed rulemaking](#) (NPRM), which would amend the Education Department General Administrative Regulations (EDGAR) to streamline grant administration and incentivize lower indirect cost (IDC) rates, advancing the administration's continued goal to reduce costs after its proposed caps on IDCs were blocked in the courts and by Congress.
 - The rule mirrors OMB's Uniform Guidance [proposal](#), which was temporarily blocked from implementation in the recently passed CR.
 - Despite pushback from Congress and the courts, the administration is likely to continue pursuing alternative avenues to implement its priorities on awarding grants.
- On August 14, the FCC released an [NPRM](#) and a further NPRM, calling into question the future of the E-Rate program, which supports broadband expansion in rural and low-income schools, and expressing concerns over excess screen time in the classroom.
 - Separately, ED [published](#) a Dear Colleague Letter (DCL) with guidance for school districts, states, educators, families, and education technology providers on the responsible use of technology in the classroom. While the DCL makes a clear distinction between educational and recreational screen time, expect increased scrutiny of screen time headed into the next Congress.

Education – Lame-Duck Forecast

- FY27 appropriations negotiations will be a key focus for education policymakers during the lame-duck session, with the CR expiring December 11.
 - The House Labor, Health and Human Services, Education, and Related Agencies bill ([H.R. 9260](#)) proposes roughly a 10% cut to ED funding. Appropriators will need to address during the spending negotiations the projected \$17 billion Pell Grant shortfall and other key policy riders regarding OMB's uniform guidance and Democrats' efforts to place restrictions on ED's interagency agreements.
- Outside of funding, outgoing chair of the Senate HELP Committee, Sen. Cassidy, is expected to advocate for his priorities, including the READ Act ([S. 4689/H.R. 10031](#)), which may gain traction due to bipartisan concern over declining reading scores, and the College Transparency Act ([S. 2511/H.R. 4806](#)), which would create a secure, privacy-protected student-level data system to track higher education enrollment, completion, and post-college earnings.
- Legislation on college sports will be a key debate, as well, after the Senate passed the Protect College Sports Act ([S. 4668](#)) (PCSA) in September by a vote of 77-22. It would create a federal framework for college athletics that includes a revenue-sharing cap, preempts conflicting state laws on Name, Image, and Likeness (NIL) and transfer eligibility, and grants conferences a limited antitrust exemption for media-rights pooling.
 - The bill faces an uphill battle in the House, with members on both sides expressing their reservations.
- Republicans will continue pushing for passage of the DETERRENT Act ([H.R. 1048/S. 1296](#)), which would strengthen disclosure requirements for foreign gifts and contracts to institutions.
 - The bill has already passed the House, 241-169, and would need to find additional Democratic support in the Senate during the lame-duck session.
- In August, ED [announced](#) a national call to action for university presidents and governing boards to make a clear public statement outlining commitments to implementing reforms that will help restore public trust in higher education. The department asked for statements by the end of 2026; as such, we may begin to see institutions respond during the lame-duck session.



Senate HELP Committee
Chairman Bill Cassidy

Energy and Environment – Permitting Reform

- On September 30, Senate energy and environmental leaders introduced the Bipartisan American Affordability and Jobs Act of 2026 (BAAJA, S. 5653), a long-awaited permitting reform deal.
 - The bill includes Republican-led revisions to the National Environmental Policy Act (NEPA) and other environmental reviews, while meeting Democrats' demands for permitting certainty for renewable energy projects.
 - It would also require data centers to cover associated energy costs, a key concern for Senate Democrats.
- Senate Majority Leader John Thune (R-SD) reportedly promised a vote on the bill after the midterm elections.
 - Democrats may oppose the bill due to concerns over the Trump administration's stance on renewable energy.



Senate Environment and Public Works Committee Chair Shelley Moore Capito (R-WV) and Ranking Member Sheldon Whitehouse (D-RI), alongside Senate Energy and Natural Resources Committee Chair Mike Lee (R-UT) and Ranking Member Martin Heinrich (D-NM), spent nearly a year negotiating the deal.

Energy and Environment – Deregulatory Agenda

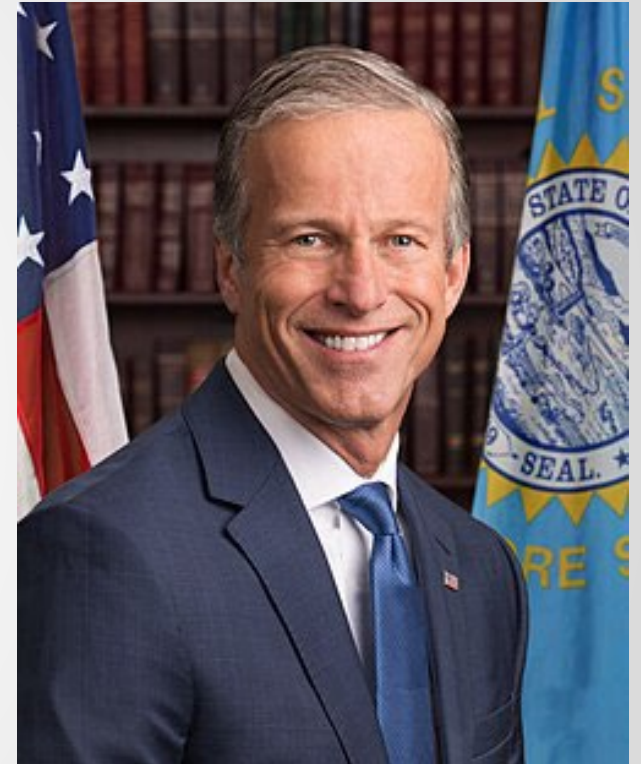
- On September 14, EPA [announced](#) its “largest power sector deregulatory action in U.S. history”— a [repeal](#) of fossil fuel-fired power plant emissions standards issued under the Biden administration.
 - The Trump administration argued the Biden-era rule exceeded EPA’s authority under the Clean Air Act.
 - The administration also asserts carbon capture and gas co-firing requirements are not the best system of emissions reduction.
 - Democrat-led states and cities have filed a lawsuit challenging the rulemaking.



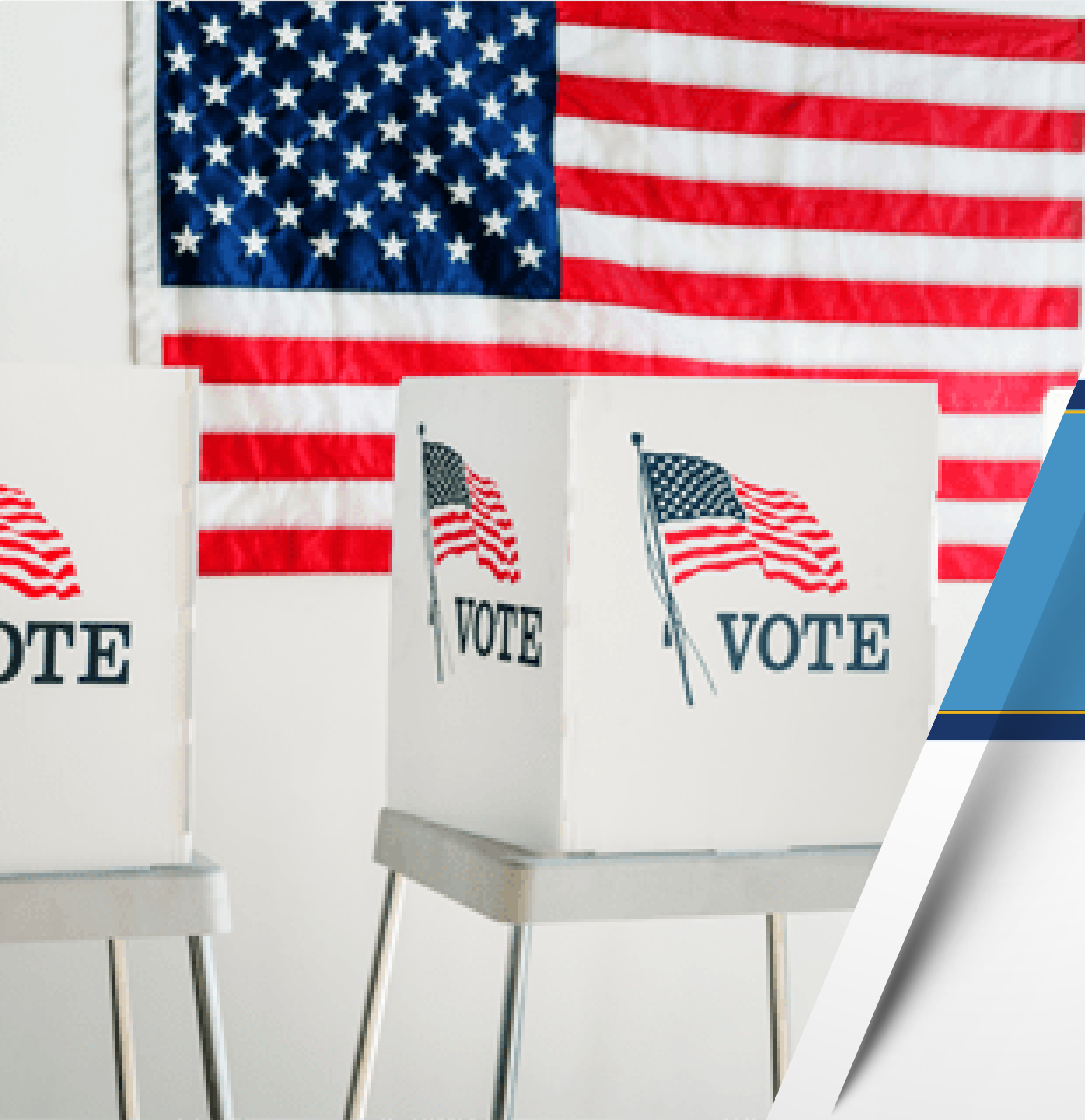
Environmental Protection Agency (EPA)
Administrator Lee Zeldin

Energy and Environment – Lame-Duck Preview

- Permitting Reform
 - Leader Thune has promised a BAAJA vote after the midterms.
- Data Centers
 - The Senate did not pass data center legislation before the October recess.
 - Democrats said voluntary pledges in the House-passed Ratepayer Protection Act ([H.R. 9340](#)) fall short on protecting ratepayers.
 - Voter concerns will carry into the lame-duck session.
- Farm Bill
 - The Senate must pass the Agricultural Act of 2026 ([S. 5526](#)) or pass an extension again in the lame-duck session.
 - Disputes remain over nutrition assistance cuts, crop insurance, E-15, and Prop 12.
- Toxic Substances Control Act (TSCA)
 - TSCA fees expire December 11, after an extension was included in the CR.
 - Both sides back renewal, but disagree on scope. Republicans also want changes to EPA's new chemicals review.



Senate Majority Leader
John Thune (R-SD)



Deep Dive Preview of the 2026 Midterm Elections

House Outlook for 2026 Midterms

- All 435 House seats are up for election this year.
- Democrats need to flip a net of just 3 seats in 2026 to win control of the House (218 is needed for a simple majority), not considering redistricted seats.
- **171** seats are currently projected as “Safe R,” while **202** seats are rated as Safe, Likely, or Leans R.
- **182** seats are rated as “Safe D,” while **213** seats are rated as Safe, Likely, or Leans D.
- On average, since the 1930s, the party in power loses 24-28 House seats in the midterms.
 - Republicans are likely to gain 9-15 seats via mid-decade redistricting, while Democrats are expected to gain just 4-6 new seats.
 - Democrats currently lead in generic congressional ballot polls by an average of 8-9%.
- Only 20-25 toss-up seats are expected out of the 435, most of which are currently held by Republicans.
- Democrats are favored to win control of the House, but due to high political polarization, net redistricting gains for Republicans, and limited toss-up seats, the 2026 midterms for the House are expected to be very competitive despite the party in power usually losing seats in the midterms.

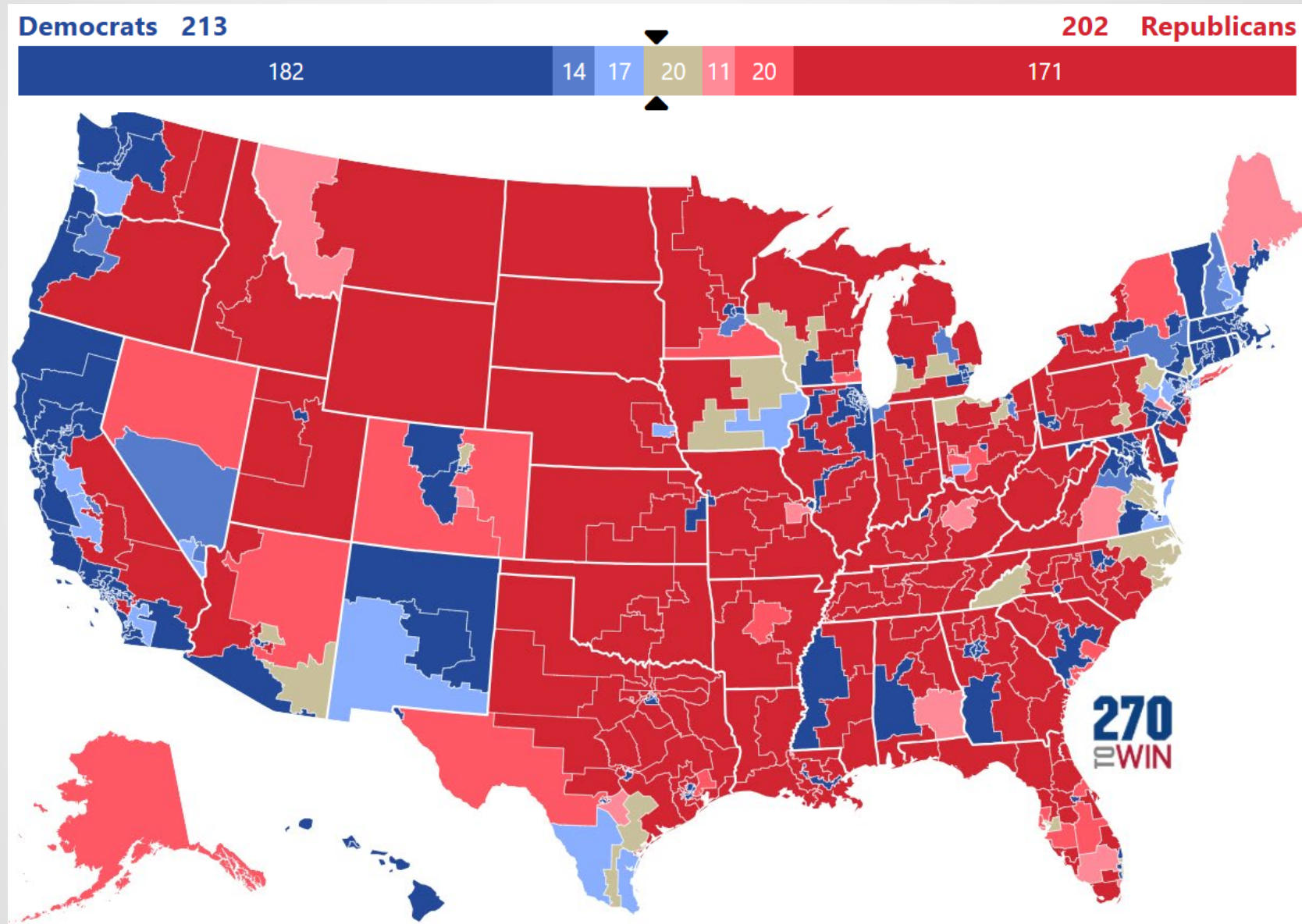


2026 Redistricting Recap and Summary

- This current mid-decade congressional redistricting wave is the most significant in modern U.S. history. Typically, most states only redistrict once per decade, after the 10-year census.
- To date, nine states have enacted new congressional maps: California, Florida, Louisiana, North Carolina, Ohio, Tennessee, Texas, Alabama, and Utah.
- Georgia and Mississippi both have indicated they have tentative plans to draw new maps that will add new Republican seats, but their respective maps would not be implemented until 2028.
- Missouri will also vote on a new congressional map this November that would add a Republican seat. If passed, the map would be implemented for the 2028 election.
- Republicans are likely to achieve a net gain of 5-9 seats over Democrats for 2026 via mid-decade redistricting.
- Partisan redistricting will likely lead to even fewer moderate districts and toss-up seats.
- This would impact the political and legislative dynamics by further increasing political and ideological polarization in Congress.

State	Net New Seats
Texas	Republicans +3-5
Ohio	Republicans +0-2
North Carolina	Republicans +0-1
Florida	Republicans +3-4
Tennessee	Republicans +1
Louisiana	Republicans +1
Alabama	Republicans +1
California	Democrats +3-5
Utah	Democrats +1

House Outlook for 2026 Midterms – Current Ratings



House Outlook for 2026 Midterms – Early Ratings of Key Races

Democrats		
TOSS-UP (4)	LEANS DEMOCRATIC (17)	LIKELY DEMOCRATIC (14)
Kathy Castor (FL-14)	Adam Gray (CA-13)	Jim Costa (CA-21)
Jared Moskowitz (FL-25)	David Valadao (CA-22)	Kevin Kiley (CA-6)*
Don Davis (NC-1)	CA-48 Open (Issa)	Derek Tran (CA-45)
Marcy Kaptur (OH-9)	M. Miller-Meeks (IA-1)	Frank Mrvan (IN-1)
	NE-2 Open (Bacon)	MN-2 Open (Craig)
	NH-1 Open (Pappas)	K. McDonald Rivet (MI-8)
	Tom Kean Jr. (NJ-7)	Maggie Goodlander (NH-2)
	Gabe Vasquez (NM-2)	Nellie Pou (NJ-9)
	Susie Lee (NV-3)	Steven Horsford (NV-4)
	Laura Gillen (NY-4)	Dina Titus (NV-1)
	Tom Suozzi (NY-3)	Josh Riley (NY-19)
	Greg Landsman (OH-1)	Janelle Bynum (OR-5)
	Ryan Mackenzie (PA-7)	Emilia Sykes (OH-13)
	Henry Cuellar (TX-28)	Eugene Vindman (VA-7)
	Vicente Gonzalez (TX-34)	
	Jen Kiggans (VA-2)	
	M. Gluesenkamp Perez (WA-3)	

SAFE DEM PICKUP (3)
CA-1 New
CA-41 New
UT-1 New

Total seats rated Safe Democratic: 182

Total seats rated Safe, Likely, or Leans D: 213

Republicans		
TOSS-UP (16)	LEANS REPUBLICAN (11)	LIKELY REPUBLICAN (21)
Juan Ciscomani (AZ-6)	Shomari Figures (AL-2)	Nick Begich (AK-AL)
AZ-1 Open (Schweikert)	Jeff Crank (CO-5)	French Hill (AR-2)
Gabe Evans (CO-8)	María Elvira Salazar (FL-27)	Eli Crane (AZ-2)
Zach Nunn (IA-3)	FL-22 New	Lauren Boebert (CO-4)
IA-2 Open (Hinson)	KY-6 Open (Barr)	Jeff Hurd (CO-3)
Tom Barrett (MI-7)	ME-2 Open (Golden)	Gus Bilirakis (FL-12)
Bill Huizenga (MI-4)	Ann Wagner (MO-2)	Anna Paulina Luna (FL-13)
MI-10 Open (James)	MT-1 Open (Zinke)	FL-7 Open (Mills)
NC-11 Open (Edwards)	Brian Fitzpatrick (PA-1)	Darren Soto (FL-9)
Mike Lawler (NY-17)	TX-35 New	FL-16 Open (Buchanan)
Max Miller (OH-7)	John McGuire (VA-5)	Brad Finstad (MN-1)
Rob Bresnahan (PA-8)		Greg Murphy (NC-3)
Scott Perry (PA-10)		NV-2 Open (Amodei)
Monica De La Cruz (TX-15)		Nick LaLota (NY-1)
Rob Wittman (VA-1)		NY-21 Open (Stefanik)
Derrick Van Orden (WI-3)		Mike Carey (OH-15)
		Mike Turner (OH-10)
		SC-1 Open (Mace)
		TX-9 New
		TX-23 Vacant (Gonzales)
		Bryan Steil (WI-1)

SAFE GOP PICKUP (3)
LA-6 New
TN-9 Open (Cohen)
TX-32 New

Total seats rated Safe Republican: 170

Total seats rated Safe, Likely, or Leans R: 202

Key 2026 House Races – Toss-Ups – Republican Incumbents

District	Democratic Nominee	Republican Nominee	Rating
Arizona-06	JoAnna Mendoza	Rep. Juan Ciscomani (inc.)	Toss-Up
Arizona-01	Amish Shah	Jay Feely	Toss-Up
Colorado-08	State Rep. Manny Rutinel	Rep. Gabe Evans (inc.)	Toss-Up
Iowa-03	State Sen. Sarah Trone Garriott	Rep. Zach Nunn (inc.)	Toss-Up
Iowa-02	State Rep. Lindsay James	Former State Rep. Joe Mitchell	Toss-Up
Michigan-07	William Lawrence	Rep. Tom Barrett (inc.)	Toss-Up
Michigan-04	State Sen. Sean McCann	Rep. Bill Huizenga (inc.)	Toss-Up

Key 2026 House Races – Toss-Ups – Republican Incumbents

District	Democratic Nominee	Republican Nominee	Rating
Michigan-10	Christina Hines	Mike Bouchard	Toss-Up
North Carolina-11	Jamie Ager	State Rep. Jennifer Balkcom	Toss-Up
New York-17	Cait Conley	Rep. Mike Lawler (inc.)	Toss-Up
Ohio-07	Brian Poindexter	Rep. Max Miller (inc.)	Toss-Up
Pennsylvania-08	Scranton Mayor Paige Cognito	Rep. Rob Bresnahan (inc.)	Toss-Up
Pennsylvania-10	Janelle Stelson	Rep. Scott Perry (inc.)	Toss-Up
Texas-15	Bobby Pulido	Rep. Monica De La Cruz (inc.)	Toss-Up
Virginia-01	Shannon Taylor	Rep. Rob Wittman (inc.)	Toss-Up
Wisconsin-03	Rebecca Cooke	Rep. Derrick Van Orden (inc.)	Toss-Up

Key 2026 House Races – Toss-Ups – Democratic Incumbents

District	Democratic Nominee	Republican Nominee	Rating
Florida-14	Rep. Kathy Castor (inc.)	Former State Rep. Mike Beltran	Toss-Up
Florida-25	Rep. Jared Moskowitz (inc.)	Scott Singer	Toss-Up
North Carolina-01	Rep. Don Davis (inc.)	Former Asst. Secretary of Defense Laurie Buckhout	Toss-Up
Ohio-09	Rep. Marcy Kaptur (inc.)	Former State Rep. Derek Merrin	Toss-Up

Key 2026 House Races – “Leans Republican” Seats

District	Democratic Nominee	Republican Nominee	Rating
Alabama-02	Rep. Shomari Figures (inc.)	State Rep. Rhett Marques	Leans R
Colorado-05	Jessica Killin	Rep. Jeff Crank (inc.)	Leans R
Florida-27	Elliott Rodriguez	Rep. María Elvira Salazar (inc.)	Leans R
Florida-22	Pia Dandiya	Casey Askar	Leans R
Kentucky-06	Zach Dembo	Former State Sen. Ralph Alvarado	Leans R
Maine-02	State Auditor Matthew Dunlap	Former Governor Paul LePage	Leans R

Key 2026 House Races – “Leans Republican” Seats

District	Democratic Nominee	Republican Nominee	Rating
Missouri-02	Fred Wellman	Rep. Ann Wagner (inc.)	Leans R
Montana-01	Sam Forstag	Aaron Flint	Leans R
Pennsylvania-01	Bob Harvie	Rep. Brian Fitzpatrick (inc.)	Leans R
Texas-35	Johnny Garcia	Carlos De La Cruz	Leans R
Virginia-05	County Attorney Shannon Taylor	Rep. Rob Wittman (inc.)	Leans R

Key 2026 House Races – “Leans Democratic” Seats

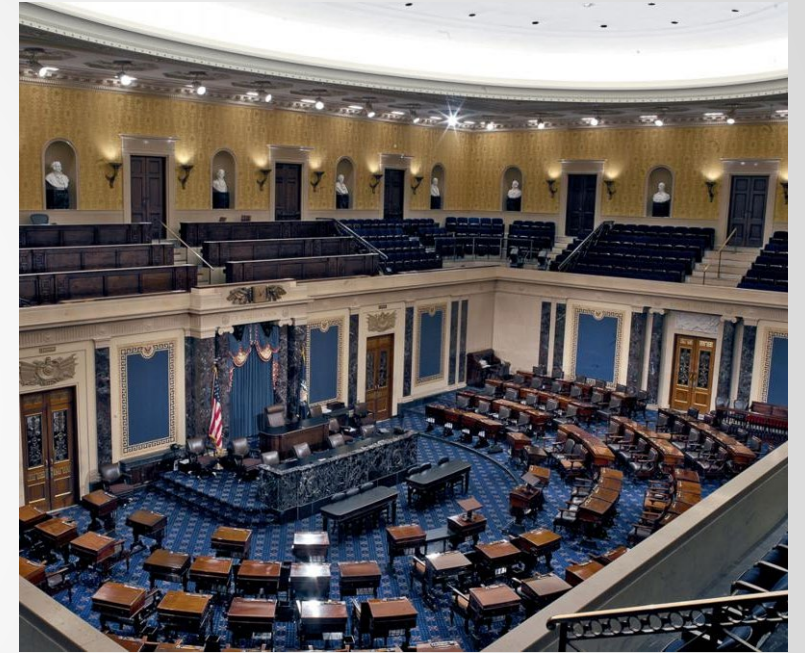
District	Democratic Nominee	Republican Nominee	Rating
California-13	Rep. Adam Gray (inc.)	Former Stockton Mayor Kevin Lincoln	Leans D
California-22	Randy Villegas	Rep. David Valadao (inc.)	Leans D
California-48	San Diego City Councilmember Marni von Wilpert	San Diego County Supervisor Jim Desmond	Leans D
Iowa-01	Former State Rep. Christina Bohannon	Rep. Mariannette Miller-Meeks (inc.)	Leans D
Nebraska-02	Denise Powell	Brinker Harding	Leans D
New Hampshire-01	TBD	TBD	Leans D
New Jersey-07	Rebecca Bennett	Rep. Tom Kean Jr. (inc.)	Leans D
New Mexico-02	Rep. Gabe Vasquez (inc.)	Greg Cunningham	Leans D

Key 2026 House Races – “Leans Democratic” Seats

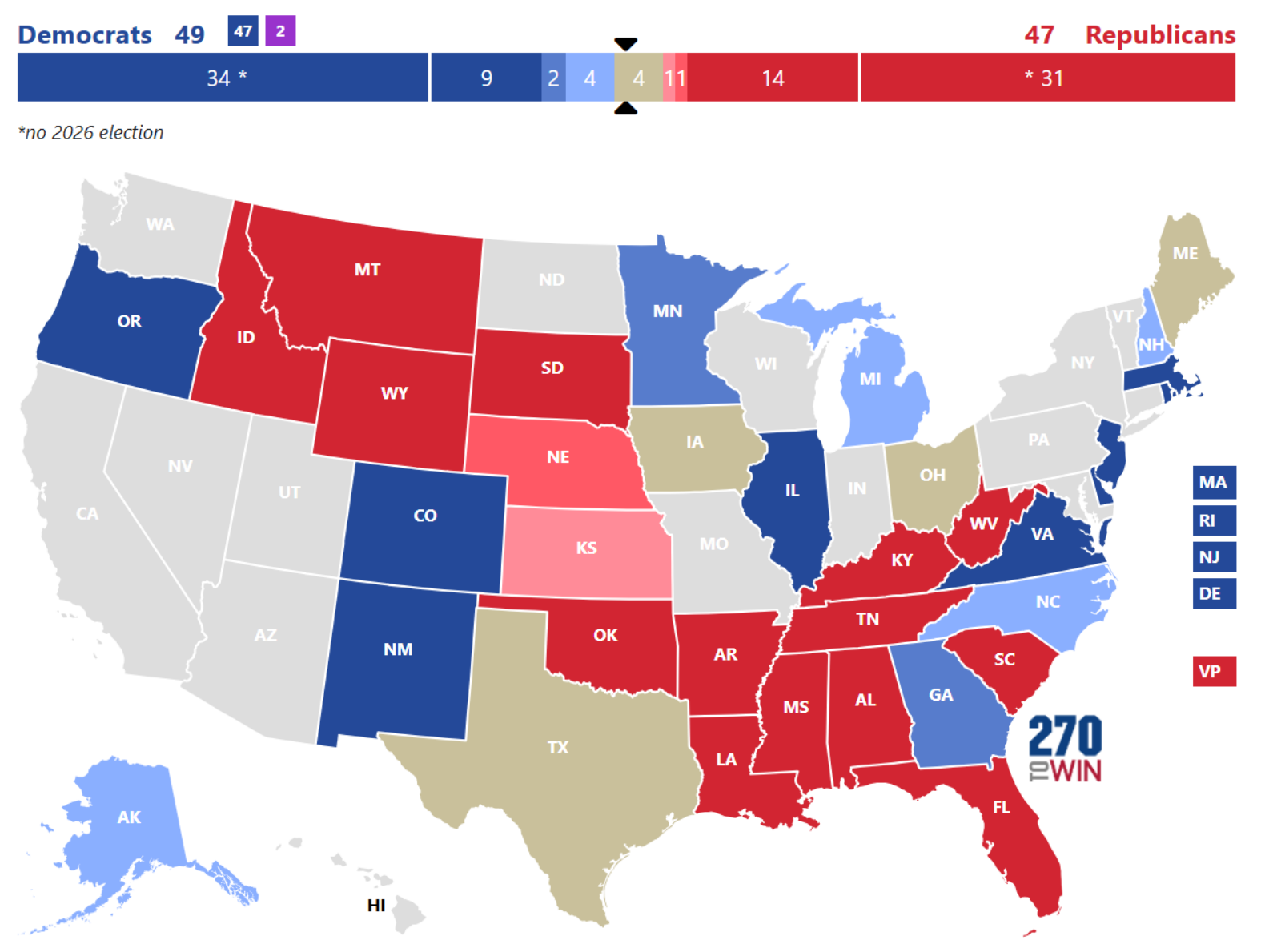
District	Democratic Nominee	Republican Nominee	Rating
Nevada-03	Rep. Susie Lee (inc.)	Martin O'Donnell	Leans D
New York-04	Rep. Laura Gillen (inc.)	Jeanine Driscoll	Leans D
New York-03	Rep. Tom Suozzi (inc.)	Former State Assemblyman Mike LiPetri	Leans D
Ohio-01	Rep. Greg Landsman (inc.)	Eric Conroy	Leans D
Pennsylvania-07	Bob Brooks	Rep. Ryan Mackenzie (inc.)	Leans D
Texas-28	Rep. Henry Cuellar (inc.)	Tano Tijerina	Leans D
Texas-34	Rep. Vicente Gonzalez (inc.)	Eric Flores	Leans D
Virginia-02	Former Rep. Elaine Luria	Rep. Jen Kiggans (inc.)	Leans D
Washington-03	Rep. Marie Gluesenkamp Perez (inc.)	WA State Senate Minority Leader John Braun	Leans D

Senate Outlook for 2026 Midterms

- 33 Senate seats are up for regular election this year, while two Senate seats are being contested in special elections.
- Currently: **53 Republicans** and **47 Democrats** (includes **2 Independents**)
- President Trump's party has lost an average of four Senate seats in the midterms since 1934, but this trend is not entirely consistent, especially recently.
 - For example, in 2018, during President Trump's first term, while Democrats achieved a net gain of 41 seats in the House, Republicans gained a net of two seats in the Senate.
- It is expected that there will be four Toss-Up seats in the Senate in the 2026 midterms; Republicans will be defending all four of these seats.
 - Maine, Ohio, Texas, Iowa.
- Democrats would need to win three out of four toss-up seats to capture a **51-49** majority. *Three of these seats are in states that President Trump won by double digits in 2024 (Ohio, Texas, and Iowa).*
- If the Senate is 50-50, Republicans would still control the chamber, since Vice President JD Vance (R) is the Senate President through January 2029.
- Even in what is projected to be a pro-Democratic year, due to a favorable map for Republicans, the race for control of the Senate is a **Toss-Up**.



Senate Outlook for 2026 Midterms – Current Ratings



Key Competitive 2026 Senate Races (Seats Currently Held by Democrats)

State	Democratic Nominee	Republican Nominee	Race Rating
Michigan	Abdul El-Sayed	Former Rep. Mike Rogers	Leans D
New Hampshire	Rep. Chris Pappas	Former Sen. John Sununu	Leans D
Georgia	Sen. Jon Ossoff (inc.)	Rep. Mike Collins	Likely D
Minnesota	Lt. Gov. Peggy Flanagan	Michele Tafoya	Likely D

Sources: Center for Politics, Sabato's Crystal Ball

Key Competitive 2026 Senate Races (Seats Currently Held by Republicans)

State	Democratic Nominee	Republican Nominee	Race Rating
North Carolina	Former Governor Roy Cooper	Former RNC Chair Michael Whatley	Leans D
Alaska	Former Rep. Mary Peltola	Sen. Dan Sullivan (inc.)	Leans D
Maine	Former Maine Senate President Troy Jackson	Sen. Susan Collins (inc.)	Toss-Up
Ohio*	Former Sen. Sherrod Brown	Sen. Jon Husted (inc.)	Toss-Up
Texas	State Rep. James Talarico	Texas Attorney General Ken Paxton	Toss-Up
Iowa	State Rep. Josh Turek	Rep. Ashley Hinson	Toss-Up
Kansas	Adam Hamilton	Sen. Roger Marshall (inc.)	Leans R
Nebraska	Dan Osborn (Independent)	Sen. Pete Ricketts (inc.)	Likely R
South Carolina	Annie Andrews	Sen. Darline Graham (inc.)	Likely R

* = Special election to finish the final two years of the current term of the Senate seat formerly held by Vice President JD Vance.

Sources: Center for Politics, Sabato's Crystal Ball

Key Senate Races: Maine



Troy Jackson (D)

Former Maine
State Senate President



Sen. Susan Collins (R)

Incumbent

- **Race Rating:**
 - UVA Crystal Ball: **Toss-up**
 - Cook Political Report: **Toss-up**
 - VoteHub: **Tilt D**
- **Polling (Silver Bulletin):**
 - Jackson: 49.1%
 - Collins: 46.7%
 - Jackson +2.4%
- **Analysis:**
 - Sen. Collins is in her fifth term and has twice won re-election in what were blue years.
 - In 2008, when former President Barack Obama won Maine by 17.5%, Sen. Collins won re-election by nearly 23%.
 - In 2020, when former President Joe Biden won the state by 9%, Sen. Collins won re-election by 8.5%.
 - Maine Democrats are on their second nominee of this year, as their first nominee, Graham Platner, suspended his campaign after sexual assault allegations surfaced.
 - The new Democratic nominee is former Maine State Senate President Troy Jackson. His state senate district voted for President Donald Trump by nearly 20%.
 - This contest will likely be very close and is thus rated as a “Toss-up.”

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

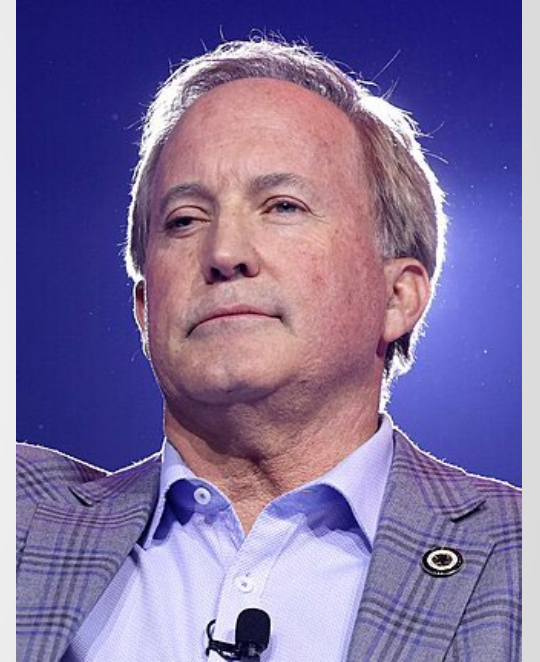
Key Senate Races: Texas

- **Race Rating:**
 - UVA Crystal Ball: **Toss-up**
 - Cook Political Report: **Toss-up**
 - VoteHub: **Leans D**
- **Polling (Silver Bulletin):**
 - Talarico: 49.0%
 - Paxton: 45.5%
 - Talarico +3.4%
- **Analysis:**
 - Texas is traditionally a very Republican state (President Trump won the state by 14% in 2024), but this election appears to be highly competitive.
 - State Rep. Talarico has led in most polling, even reaching 50%+ in multiple polls over the past couple of weeks.
 - Texas Attorney General Ken Paxton has been struggling to gain momentum after a grueling primary against Sen. John Cornyn (R-TX).
 - However, because of Texas' strong Republican lean, this race is still in the "Toss-up" category.



James Talarico (D)

Texas State Representative



Ken Paxton (R)

Texas Attorney General

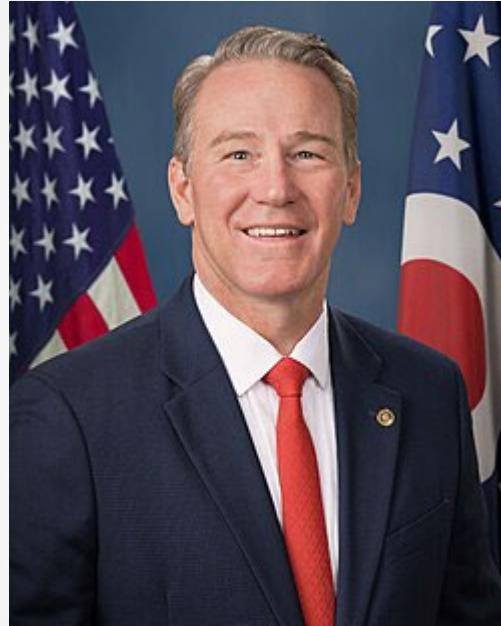
Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Ohio



Sherrod Brown (D)

Former U.S. Senator



Sen. Jon Husted (R)

Incumbent

- **Race Rating:**
 - UVA Crystal Ball: **Toss-up**
 - Cook Political Report: **Toss-up**
 - VoteHub: **Leans D**
- **Polling (Silver Bulletin):**
 - Brown: 48.4%
 - Husted: 44.1%
 - Brown +4.3%
- **Analysis:**
 - This race features a relatively popular former Lieutenant Governor (Sen. Husted) and a relatively popular former U.S. Senator (Sen. Brown).
 - Ohio has shifted from a swing state to a red-leaning state – President Trump won the state all three times, including by over 11% in 2024.
 - However, given that former Sen. Brown won statewide elections to the Senate three times, his high name recognition, and a projected friendly environment for Democrats this year, this contest has shifted left to be a “Toss-up.”

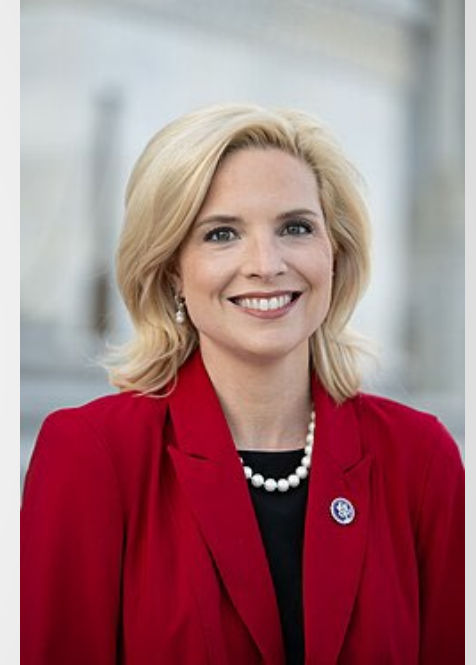
Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Iowa

- **Race Rating:**
 - UVA Crystal Ball: **Toss-up**
 - Cook Political Report: **Toss-up**
 - VoteHub: **Tilt R**
- **Polling (Silver Bulletin):**
 - Turek: 46.6%
 - Hinson: 45.3%
 - Turek +1.3%
- **Analysis:**
 - This contest had been in the Likely to Leans R category for most of this year, but tightening polling in recent weeks has shifted this race to a “Toss-up.”
 - State Rep. Turek has even led in a few recent polls and received 50% in a Marist poll.
 - Despite recent leads for Turek in some polls, Rep. Hinson is still a good recruit for Republicans in a state that, like Ohio, has shifted right from a swing state to a Republican-leaning state.
 - President Trump won Iowa by over 13% in 2024.



Josh Turek (D)
Iowa State Representative



Rep. Ashley Hinson (R)
U.S. Representative

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Alaska



Mary Peltola (D)
Former U.S. Representative



Sen. Dan Sullivan (R)
Incumbent

- **Race Rating:**
 - UVA Crystal Ball: **Leans D**
 - Cook Political Report: **Toss-up**
 - VoteHub: **Leans D**
- **Polling (Silver Bulletin):**
 - Peltola: 48.1%
 - Sullivan: 44.7%
 - Peltola +3.3%
- **Analysis:**
 - Sen. Sullivan is seeking his third term.
 - Despite Alaska's Republican lean – President Trump won the state by 13% in 2024 – former Rep. Peltola has demonstrated she can win statewide in Alaska under its ranked-choice voting system.
 - She won a special election to the U.S. House in 2022 and then re-election later that same year, though she lost to now-Rep. Nick Begich (R) in 2024.
 - While this is expected to be a blue-leaning election, this race could still be a “Toss-up” given the state's general Republican lean.

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Michigan

- **Race Rating:**
 - UVA Crystal Ball: **Leans D**
 - Cook Political Report: **Toss-up**
 - VoteHub: **Leans D**
- **Polling (Silver Bulletin):**
 - El-Sayed: 48.1%
 - Rogers: 44.3%
 - El-Sayed +3.8%
- **Analysis:**
 - Abdul El-Sayed – a progressive – won a very close primary contest against the more moderate Rep. Haley Stevens (D-MI).
 - Former Rep. Mike Rogers won the Republican primary unopposed, consolidating support early on.
 - President Trump won Michigan two out of three times, including by 1.5% in 2024.
 - Rep. Rogers lost the state’s 2024 Senate race by only 0.3%.
 - While El-Sayed has led most recent polls and is the slight favorite, this race is still winnable for either party.



Abdul El-Sayed (D)

Former County
Health Director



Mike Rogers (R)

Former U.S. Congressman

Sources: UVA Center for Politics, Sabato’s Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: New Hampshire



Rep. Chris Pappas (D)
U.S. Representative



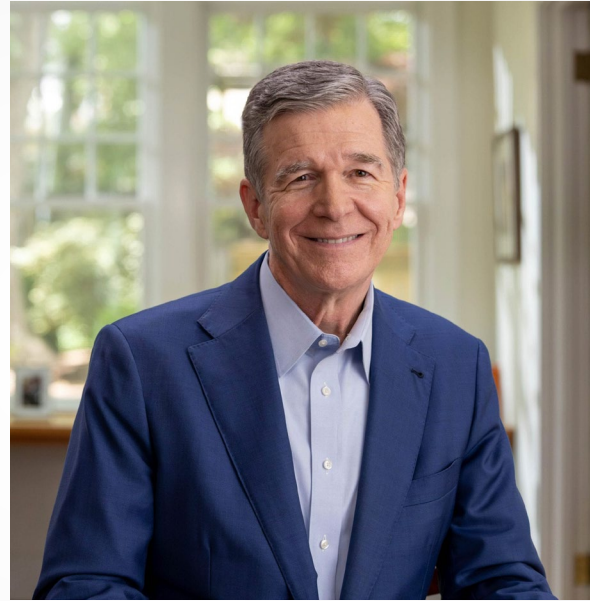
John Sununu (R)
Former U.S. Senator

- **Race Rating:**
 - UVA Crystal Ball: **Leans D**
 - Cook Political Report: **Leans D**
 - VoteHub: **Likely D**
- **Polling (Silver Bulletin):**
 - Pappas: 48.1%
 - Sununu: 41.0%
 - Pappas +7.1%
- **Analysis:**
 - While New Hampshire usually votes blue at the federal level, Republicans have found success at the state level, in an otherwise very blue New England.
 - Former Sen. Sununu comes from the state's well-known Sununu family, including popular former Governor Chris Sununu.
 - However, Rep. Pappas has won four straight elections in the generally competitive NH-1 congressional district.
 - Recent polling has tightened a bit. While Rep. Pappas is still the slight favorite, former Sen. Sununu still has a chance to win given his name recognition in the state.

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

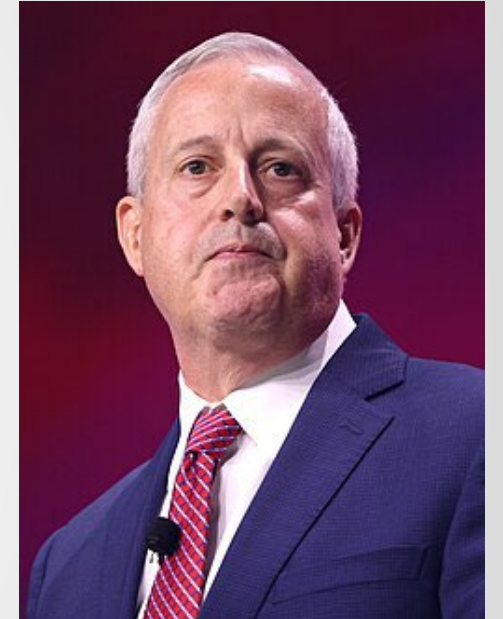
- **Race Rating:**
 - UVA Crystal Ball: **Leans D**
 - Cook Political Report: **Likely D**
 - VoteHub: **Solid D**
- **Polling (Silver Bulletin):**
 - Cooper: 50.8%
 - Whatley: 41.5%
 - Cooper +9.3%
- **Analysis:**
 - While North Carolina is still a swing state at the federal level, it is the only swing state that President Trump won all three times, including by 3.2% in 2024.
 - However, Democrats have won the state's last three gubernatorial elections, all of which took place concurrently with the past three presidential elections.
 - Former Governor Cooper won two of these past three elections (2016 and 2020).
 - He leads former RNC Chair Michael Whatley in all recent polling and is even above 50% in the polling averages.

Key Senate Races: North Carolina



Roy Cooper (D)

Former Governor of
North Carolina



Michael Whatley (R)

Former Chair, Republican
National Committee (RNC)

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Kansas



Adam Hamilton (D)

United Methodist Minister



**Sen. Roger Marshall
(R)**

Incumbent

- **Race Rating:**
 - UVA Crystal Ball: **Leans R**
 - Cook Political Report: **Toss-up**
 - VoteHub: **Leans R**
- **Polling (Silver Bulletin):**
 - Hamilton: 46.1%
 - Marshall: 45.3%
 - Hamilton +0.8%
- **Analysis:**
 - Kansas is still generally a solid red state: President Trump won the state by 16% in 2024.
 - However, Democrats have won the state's last two gubernatorial elections (2018 and 2022), and this year's gubernatorial election will likely be close, too, though Republicans are slightly favored in that contest.
 - Mr. Hamilton – the Democratic nominee – is the senior pastor of a Kansas United Methodist church that is the largest United Methodist congregation in the United States. This gives him strong name recognition.
 - Sen. Marshall is still favored to win a second term, but the race has suddenly become competitive.

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Georgia

- **Race Rating:**
 - UVA Crystal Ball: **Likely D**
 - Cook Political Report: **Likely D**
 - VoteHub: **Solid D**
- **Polling** (Silver Bulletin):
 - Ossoff: 51.8%
 - Collins: 43.1%
 - Ossoff +8.7%
- **Analysis:**
 - Georgia became a swing state in 2020 after former President Joe Biden’s very narrow win in the state that year, though President Trump reclaimed the state by over 2% in 2024, and the state still leans slightly red.
 - Sen. Ossoff has proven to be a popular incumbent, though, especially relative to Georgia’s political lean, partially due to strong constituent services.
 - This race is currently rated as “Likely D.”



Sen. Jon Ossoff (D)

U.S. Senator



Rep. Mike Collins (R)

U.S. Representative

Sources: UVA Center for Politics, Sabato’s Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Minnesota



Peggy Flanagan (D)
Lieutenant Governor of
Minnesota



Michele Tafoya (R)
Former Sports Reporter

- **Race Rating:**
 - UVA Crystal Ball: **Likely D**
 - Cook Political Report: **Likely D**
 - VoteHub: **Likely D**
- **Polling (Silver Bulletin):**
 - Flanagan: 45.5%
 - Tafoya: 42.9%
 - Flanagan +2.6%
- **Analysis:**
 - Minnesota has tightened at the presidential level in the Trump era, though the state has remained blue.
 - Democrats have continued to win gubernatorial and U.S. Senate elections by comfortable margins in the state.
 - However, recent polling is indicating a much closer U.S. Senate race this time, with Ms. Tafoya narrowing the gap against Lt. Gov. Flanagan.
 - Ms. Flanagan, a progressive, defeated the more moderate Rep. Angie Craig (D) in the primary, and it is possible some independent and moderate voters are shifting their support to Ms. Tafoya.
 - The race is still rated as Likely D but could shift right to Leans D soon.

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: Nebraska

- **Race Rating:**
 - UVA Crystal Ball: **Likely R**
 - Cook Political Report: **Likely R**
 - VoteHub: **Leans R**
- **Polling (Silver Bulletin):**
 - Osborn: 45.7%
 - Ricketts: 46.3%
 - Ricketts +0.6%
- **Analysis:**
 - Nebraska is a solidly red state: President Trump won it by 25%, 19%, and 20.5% in 2016, 2020, and 2024, respectively.
 - Sen. Ricketts is likely to win re-election this year, but there are a couple of factors as to why this race is Likely R but not Safe R.
 - Democrats did not nominate a candidate in this race, instead endorsing independent Dan Osborn.
 - Mr. Osborn also ran in the state's 2024 U.S. Senate contest. While President Trump won the state by 20.5% that year, Mr. Osborn only lost the Senate race by 6.5%, suggesting a decent amount of crossover appeal in a year that was more pro-Republican than this year will be.



Dan Osborn (I)
U.S. Navy Veteran;
Labor Union Leader



Sen. Pete Ricketts (R)
Incumbent

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

Key Senate Races: South Carolina



Annie Andrews (D)

Pediatrician



Darline Graham (R)

Incumbent

Sources: UVA Center for Politics, Sabato's Crystal Ball;
Cook Political Report; Silver Bulletin; VoteHub

- **Race Rating:**

- UVA Crystal Ball: **Likely R**
- Cook Political Report: **Likely R**
- VoteHub: **Likely R**

- **Polling (Silver Bulletin):**

- Graham: 45.3%
- Andrews: 42.7%
- Graham +2.5%

- **Analysis:**

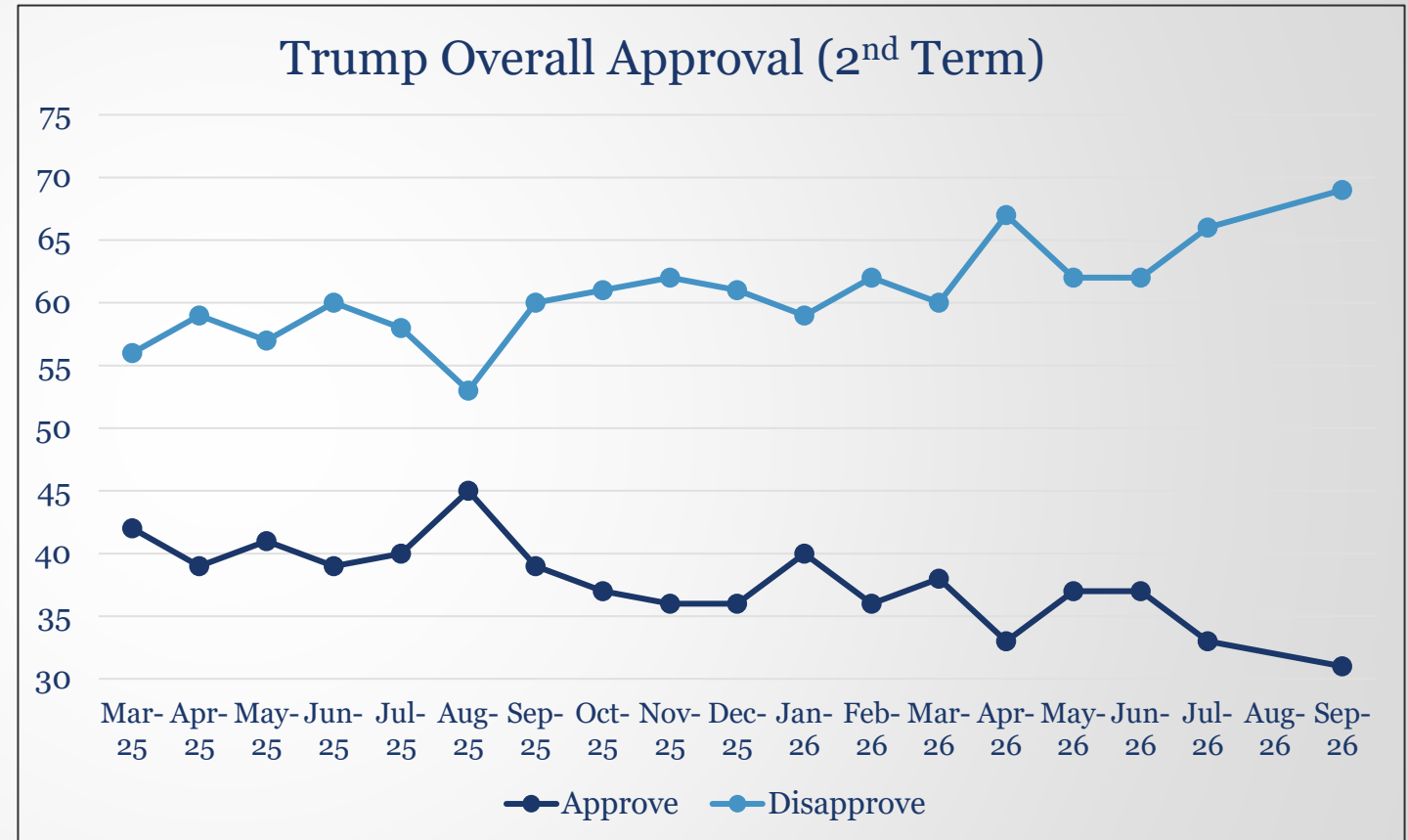
- Longtime Senator Lindsey Graham (R-SC) won re-nomination in June 2026 but suddenly passed away on July 11.
- Darline Graham, the sister of the late Senator Lindsey Graham, was appointed to the seat for the remainder of this term, and then secured the nomination for the election for a full six-year term in a special election runoff in August.
- The Democratic nominee – Annie Andrews – is a pediatrician who has never held political office before. She was the Democratic nominee for South Carolina's 1st congressional district in 2022, but lost to Rep. Nancy Mace (R-SC) by 14%.
- While South Carolina is generally a solid red state, recent polling has indicated a tightening U.S. Senate race here. Sen. Graham remains likely to win.
- The winner of this race will be the first woman elected to the Senate from South Carolina.

Current Public Opinion Polling

*Polling results may vary from poll to poll based on polling methodology and reporting.
Results reported here are for context only.

President Trump's Approval Rating

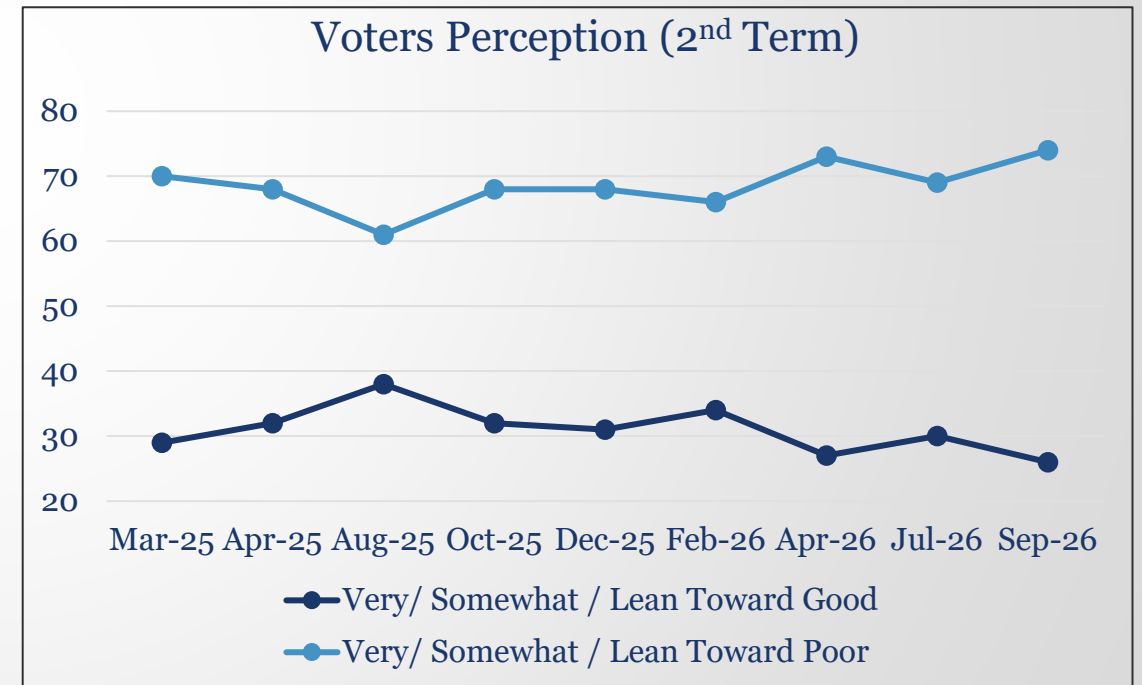
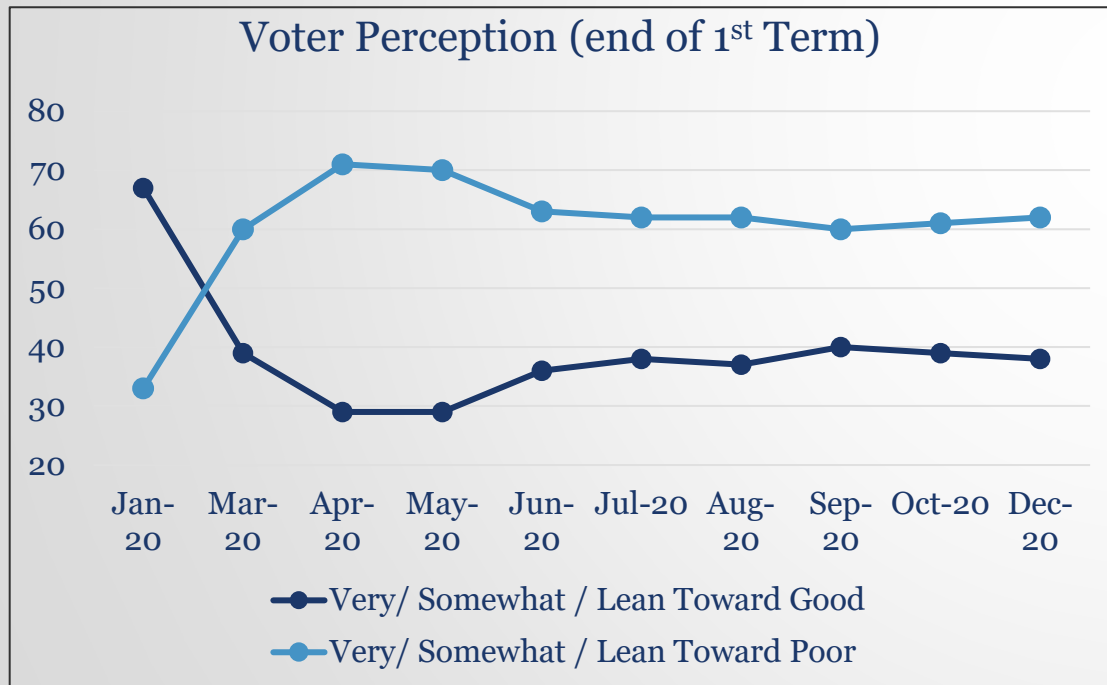
- President Trump's approval rating is currently 31%, according to the September 2026 Associated Press-NORC (AP-NORC) [poll](#).
- President Trump had a 42% approval rating in the first AP-NORC poll of his second term (March 2025).
- President Trump's approval rating never got higher than 43% in the AP-NORC poll during his first term (January 2017 to January 2021).
- In August 2025, he reached his highest approval rating across his two terms, 45%, according to the AP-NORC poll.
- President Trump's current disapproval rating is 69%, his highest disapproval rating across both terms.



Source: AP-NORC Poll, September 24-28, 2026
2,140 adults; Online and telephone interviews
Margin of sampling error: +/- 2.9 percentage points

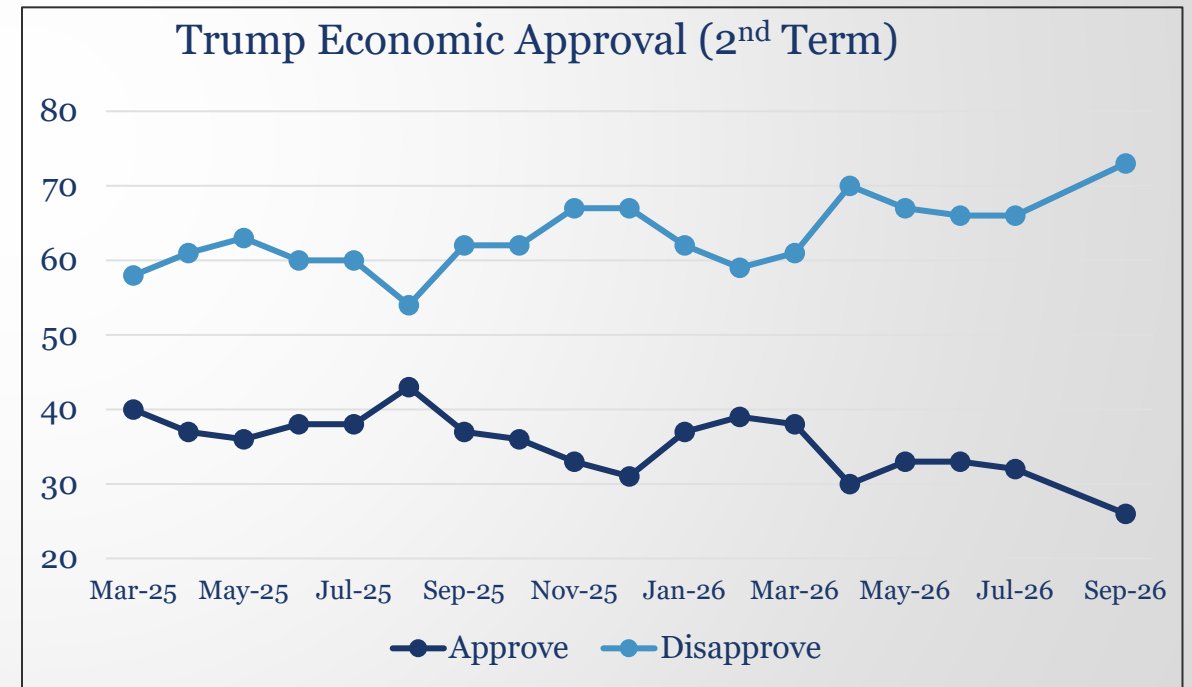
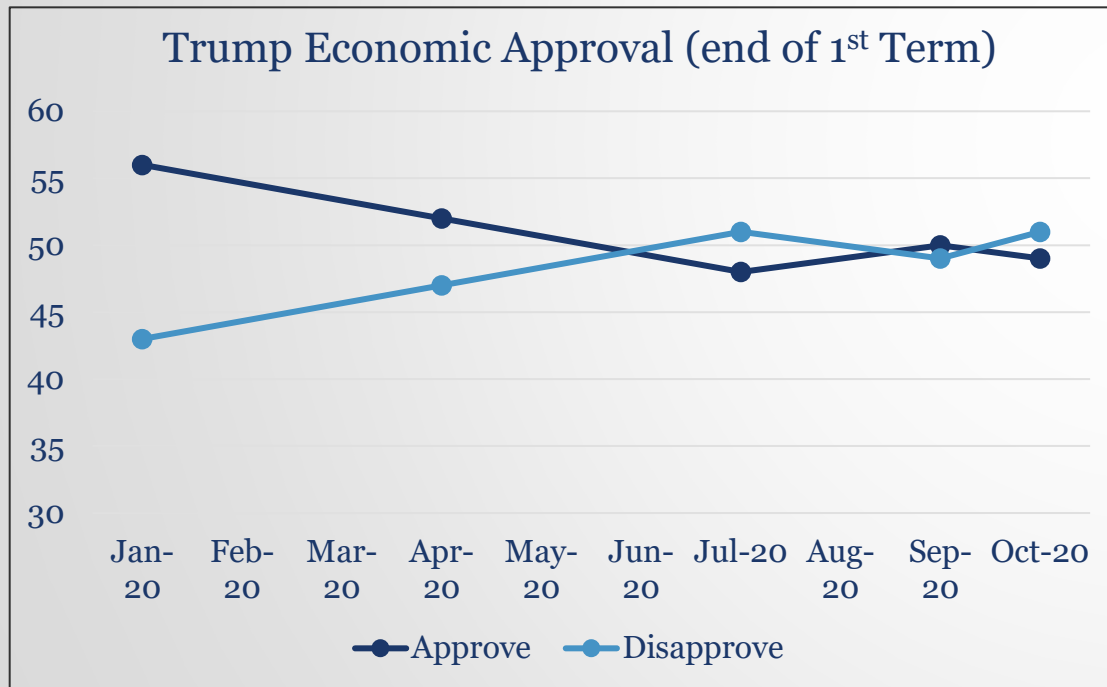
Voters' Perception of the U.S. Economy

- In the poll, surveyed Americans were asked, “How would you describe the nation’s economy these days? Would you say...”
- A majority of voters perceive the economy as very, somewhat, or leaning towards poor (74%), with 26% of voters viewing the economy as very, somewhat, or leaning towards good.
- President Trump enjoyed strong economic ratings in early 2020, though those numbers decreased as the COVID-19 pandemic progressed and worsened.



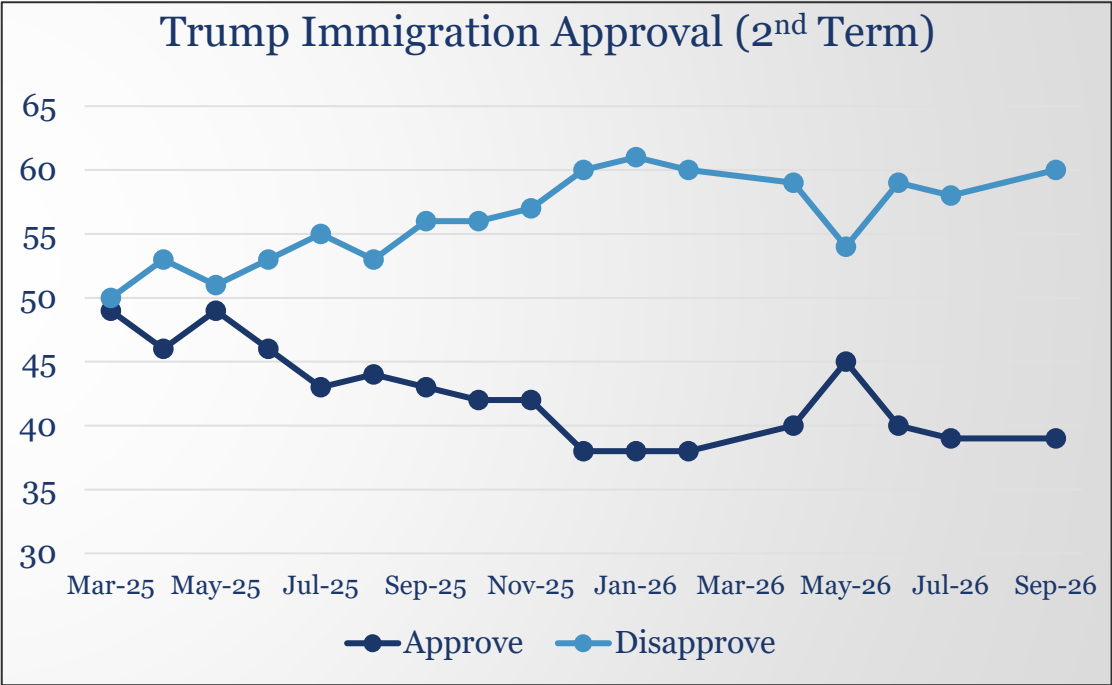
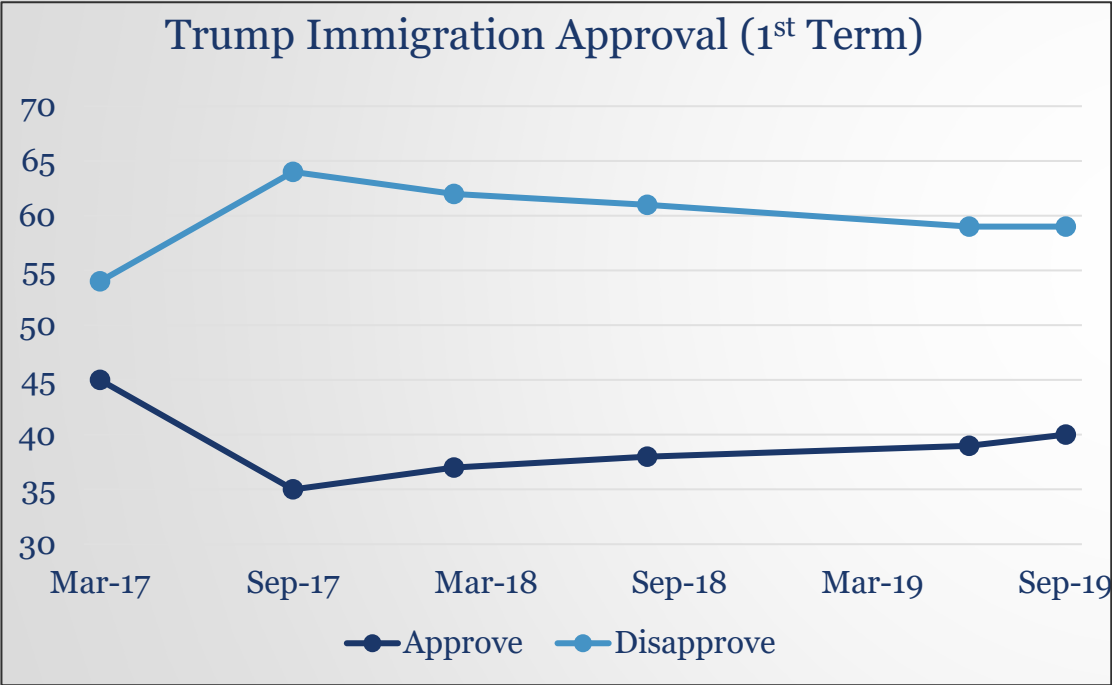
President Trump's Approval Rating on the Economy

- President Trump currently has low approval ratings on the economy, with just 26% of Americans approving of his handling of the economy.
- 73% disapprove of the president's economic policies, his highest economic disapproval rating to date in either of his two terms in office.
- President Trump enjoyed strong economic ratings in early 2020, though those numbers decreased as the COVID-19 pandemic progressed and worsened. Still, he hovered near 50% on the economy for most of the second half of 2020.



President Trump's Approval Rating on Immigration

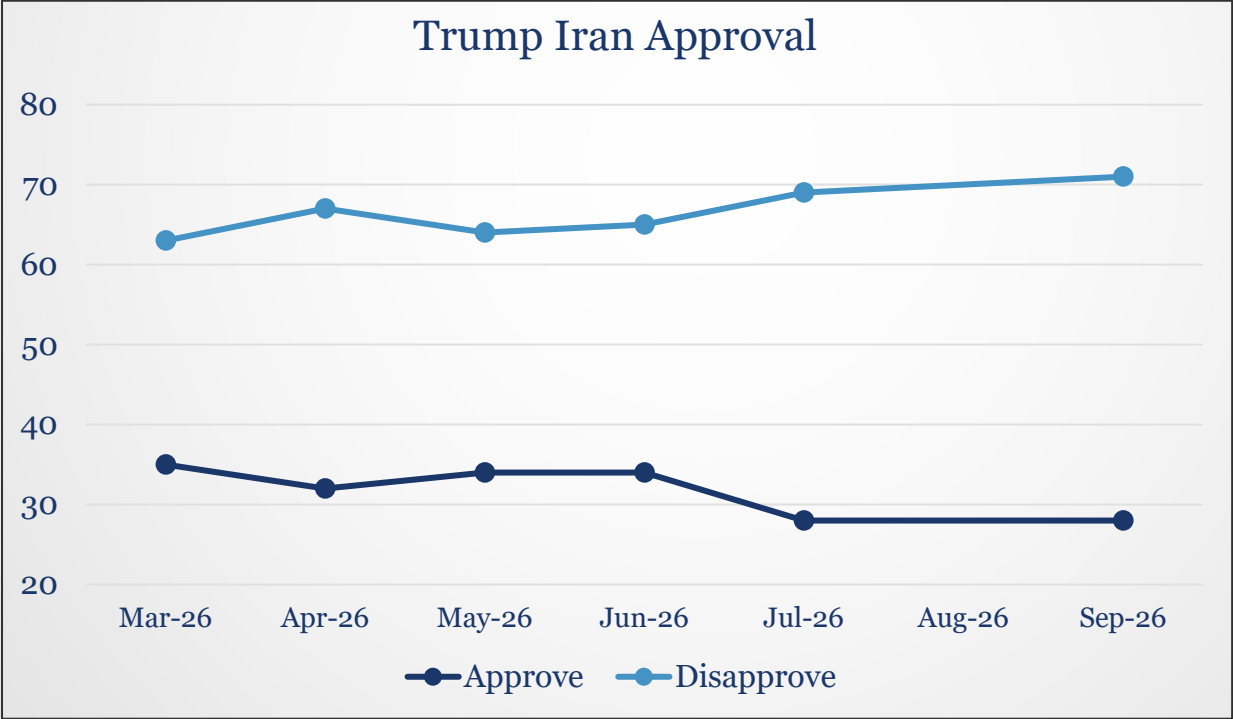
- In what used to be one of President Trump's strongest issue areas during the 2024 campaign and at the start of his second term in winter 2025, the President has seen his approval ratings on immigration continue to worsen throughout the last nine months (39% approve; 60% disapprove).



Source: AP-NORC Poll, September 24-28, 2026
2,140 adults; Online and telephone interviews
Margin of sampling error: +/- 2.9 percentage points

President Trump's Approval Rating on Iran

- President Trump's approval rating pertaining to the conflict with Iran sits at 28%, the same rating as in July. This is a departure from his approval rating over the past couple of months, with May at 34%, April at 32%, and March at 35%.
- 71% of the American public disapprove of the president's handling of the Iran conflict, indicating that a solid majority of Americans do not agree with President Trump's decision-making on this matter.



Source: AP-NORC Poll, September 24-28, 2026
2,140 adults; Online and telephone interviews
Margin of sampling error: +/- 2.9 percentage points 80

Voters' Cost of Living Sentiment

- In the poll, surveyed Americans were asked, “How concerned are you about being able to afford each of the following in the next few months?”

	Extremely / very concerned	Somewhat concerned	Not too / not at all concerned
Groceries	48%	25%	26%
Gas	49%	23%	27%
Electricity	41%	26%	32%
Your rent or mortgage	35%	20%	44%

Source: AP-NORC Poll, September 24-28, 2026
2,140 adults; Online and telephone interviews
Margin of sampling error: +/- 2.9 percentage points

Voters' Perception of Daily Lives

- In the poll, surveyed Americans were asked, “Overall, would you say that each of the following is better off or worse off than it was when Donald Trump became president in 2025, or has there not been much difference?”

		Much / somewhat better off	Not much difference	Somewhat / much worse off
You and your family	September 2026	22%	31%	46%
	January 2026	25%	37%	38%
The country as a whole	September 2026	26%	14%	60%
	January 2026	30%	16%	53%
The national economy	September 2026	23%	15%	61%
	January 2026	29%	18%	53%
The economy in your local area	September 2026	20%	24%	55%

Source: AP-NORC Poll, September 24-28, 2026
2,140 adults; Online and telephone interviews
Margin of sampling error: +/- 2.9 percentage points

Voters' Perception of Trump Administration Actions

- In the poll, surveyed Americans were asked, “When it comes to each of the following, would you say Donald Trump has gone too far, not gone far enough, or been about right?”

	Gone too far	Not far enough	About right	Do not know / skipped
Deporting immigrants living in the U.S. illegally	55%	19%	25%	1%
Imposing new tariffs on other countries	64%	9%	26%	1%
Remodeling the White House, Kennedy Center, and other landmarks in Washington, D.C.	68%	7%	24%	2%
Trying to influence or change state voting procedures	61%	16%	21%	2%

Voters' Perception of President Trump's Second Term

- In the poll, surveyed Americans were asked, “Do you think Donald Trump’s handling of each of the following during his second term has gone better than you expected, worse than you expected, or has it been about what you expected?”

	Better than expected	Worse than expected	About as expected
Cost of living	7%	69%	23%
Immigration	23%	48%	28%
Foreign policy	16%	55%	27%
Trade negotiations with other countries	17%	58%	24%

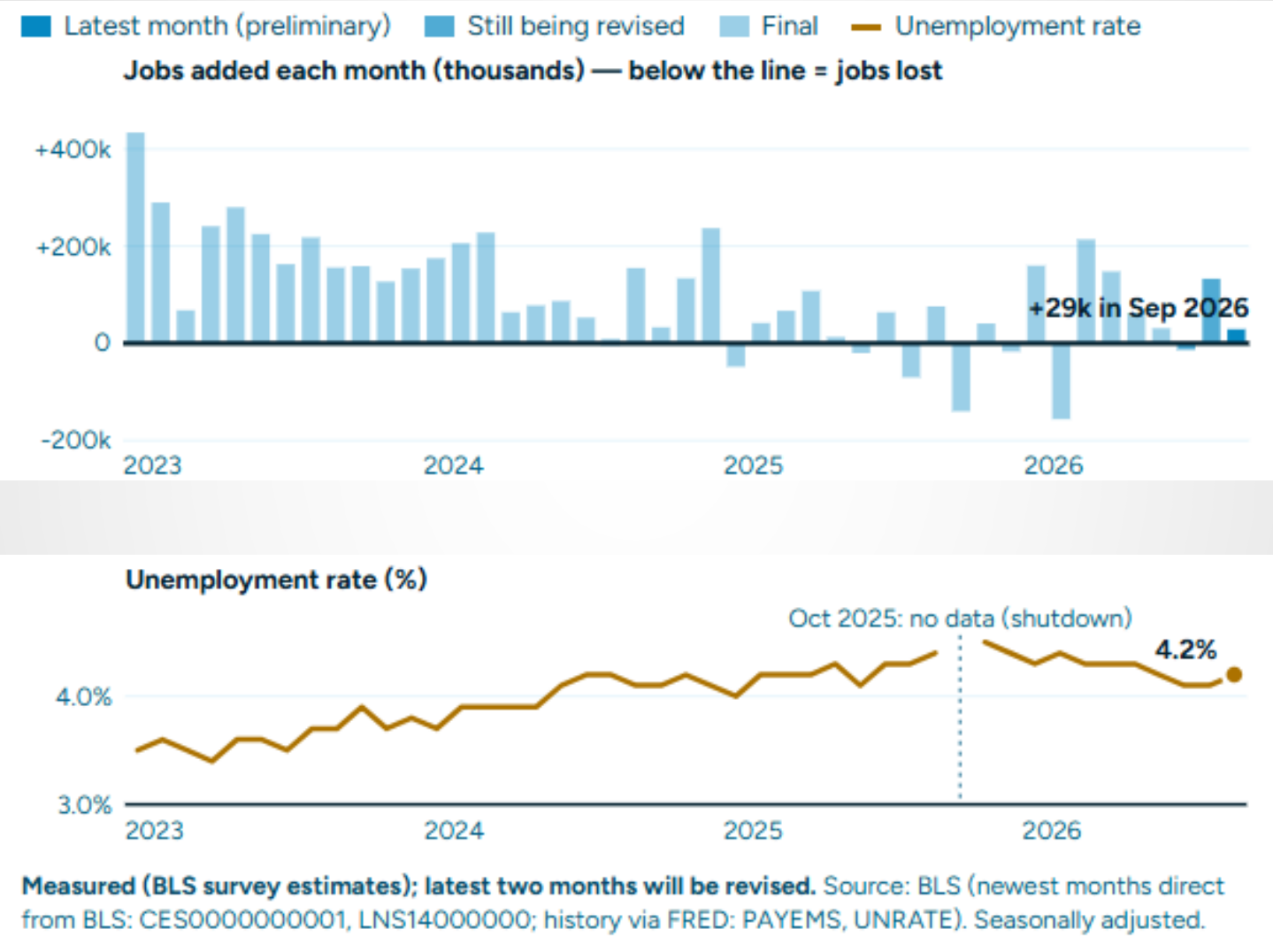
Economic Factors That Could Impact the Future Political Landscape for the Midterm Elections

Most Recent Jobs Report – September 2026

- On October 2, the Department of Labor's Bureau of Labor Statistics (BLS) [announced](#) that total nonfarm payroll employment increased by **+29,000** in September.
 - Economists at Dow Jones estimated an *increase* of 84,000 jobs, meaning September job growth came in well below expectations.
 - The unemployment rate came in at 4.2%, rising 0.1% from the previous month (4.1% in August 2026); it has not fallen below 4% since April 2024.
 - In the previous report, issued on September 4, BLS [announced](#) total nonfarm payroll employment increased by +162,000 in August.
- Health care contributed the most (**+17,000**), followed by construction (**+11,000**) and manufacturing (**+9,000**).
- Government employment fell the furthest (**-17,000**), while temporary help services (**-11,000**) and information services (**-10,000**) declined.
 - Worries over the impact AI may have on jobs were reported as a likely contributing factor.
- The report included downward revisions of prior jobs reports:
 - The August total, which had been much stronger than economists had anticipated, was cut by **-29,000** to **+133,000**.
 - July's total switched from a gain of +21,000 to a loss, as payrolls fell to **-10,000**. These revisions totaled **-60,000** fewer jobs than previously reported.
- The average job gains per month in 2026 are now **45,000**. The average monthly job gains in 2025 were just **10,000**.
- Average hourly earnings edged up slightly (+0.1%) for the month and 3.0% on an annual basis.
 - However, the 3.0% wage gains mark a five-year low, and remain below about 3.4% inflation.
 - This was the weakest monthly gain since December 2025.
- Strong private sector data somewhat offset the light jobs report, with ADP saying +90,000 jobs were added in September, much better than the 68,000 consensus estimate from economists for this report.

***The October 2026 jobs report is scheduled to be released on Friday, November 6, 2026, at 8:30 a.m. Eastern Time.*

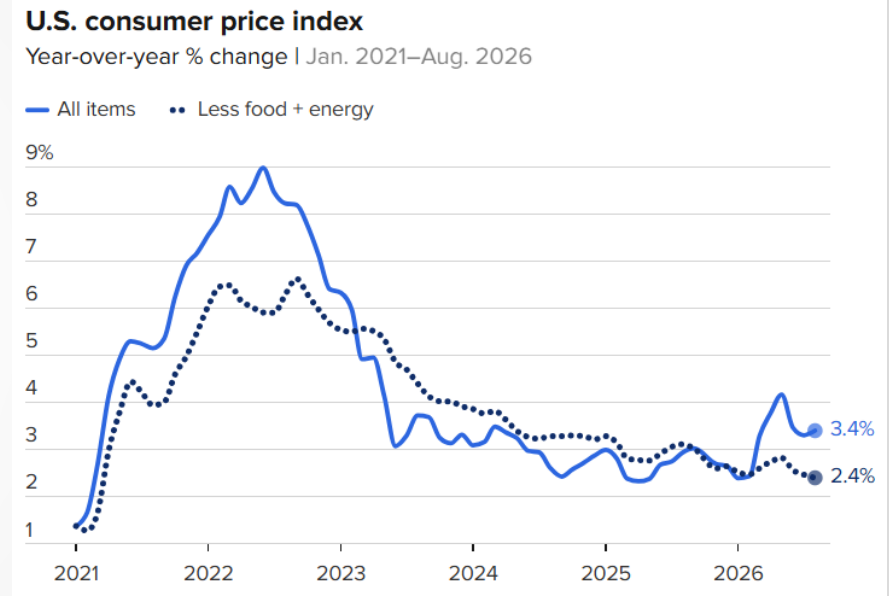
September 2026 Jobs Report – Key Data and Trends



September 2026 Inflation Report

- On September 11, the BLS [announced](#) the Consumer Price Index (CPI) *increased* 0.4% in August 2026 on a seasonally adjusted basis.
- The BLS also reported that the CPI increased by 3.4% from August 2025.
 - Both figures were in line with experts' forecasts.
- The annual inflation reading of 3.4% is down from the 4.2% reading earlier this year in May.
 - Shortly thereafter, the Federal Reserve (Fed) raised its benchmark interest rate by 25 basis points to a target range of 3.75%-4%, its first increase since 2023.
- “Core CPI,” which excludes food and energy prices, increased 0.3% in August 2026, and was up 2.4% on an annual basis from August 2025.
 - The monthly increase was slightly larger than economists expected.

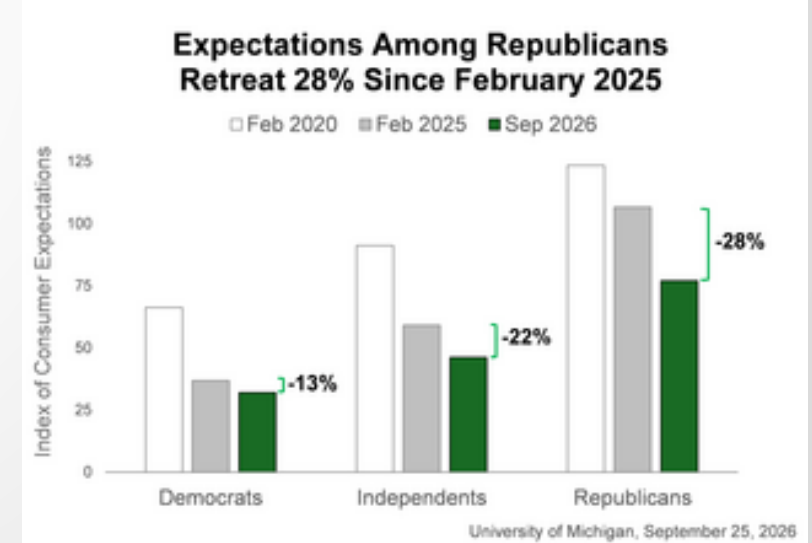
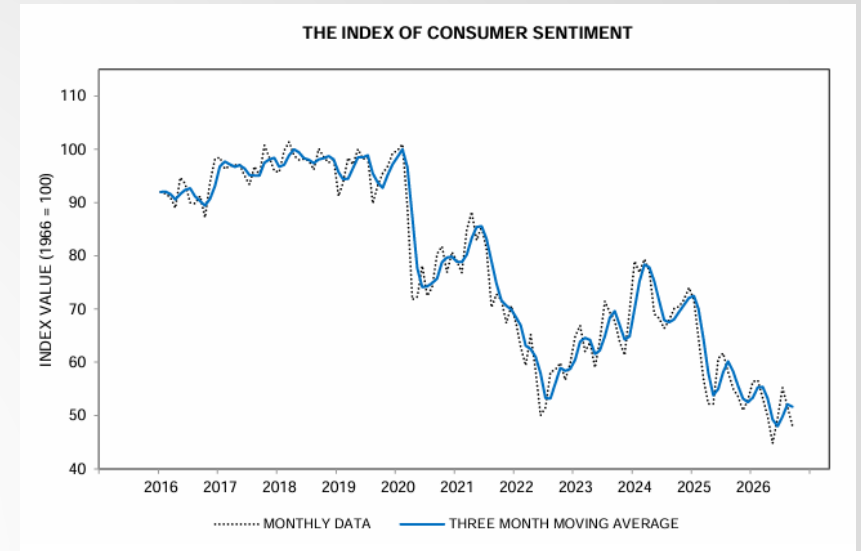
** The Consumer Price Index for September 2026 is scheduled to be released on October 14, 2026, at 8:30 A.M. Eastern Time.*



Sources: U.S. Bureau of Labor Statistics, Dept. of Labor; CNBC

Consumer Sentiment Report

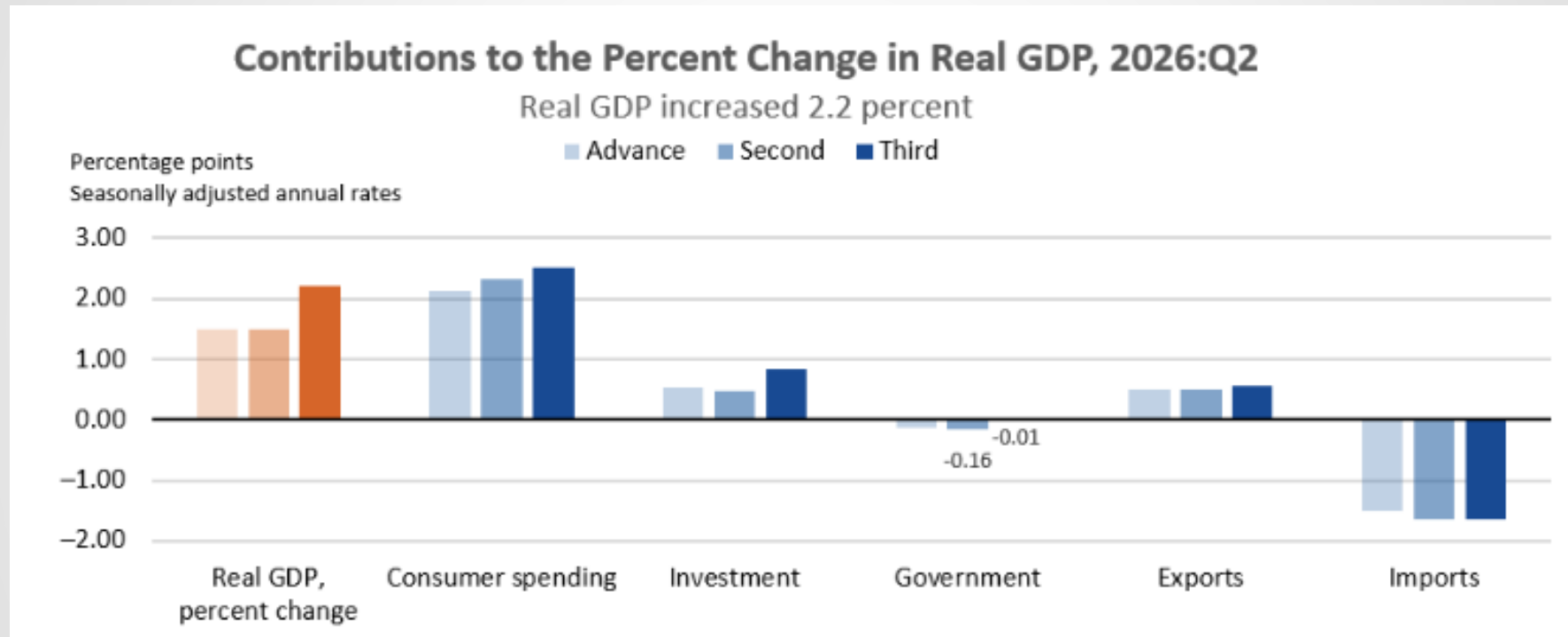
- Consumer sentiment for September 2026 fell to 48.1, which is a 7.0% decline from August 2026 (51.7).
 - This is an annual decrease of 12.7% from September 2025 (55.1).
 - 44.8 in May 2026 was a record-low consumer sentiment (readings began in 1952), lower than the previous all-time low from April 2026.
- The Index of Consumer Sentiment varies by political party.
 - 35.6 among Democrats (-4.6 from August 2026).
 - 47.7 among Independents (-0.3 from August 2026).
 - 77.2 among Republicans (-4.8 from August 2026).
- Expectations for personal finances, labor markets, inflation, and business conditions:
 - Year-ahead inflation expectations jumped from 4.0% last month to 4.6% this month, the highest reading since June.
 - The current reading significantly exceeds the 3.4% from February before the Iran conflict began.
 - Long-run inflation expectations slightly increased to 3.4%, ending three consecutive months at 3.3%. These expectations remain higher than their 2024 range of 2.8% to 3.2%.



GDP Reports and Economic Outlook

- On September 30, the DOC's Bureau of Economic Analysis (BEA) [released](#) its “third estimate” of U.S. real gross domestic product (GDP) for the second quarter (Q2) of 2026. The BEA estimates that real GDP increased at an annual rate of 2.2%, coming in well above the Q2 2026 second [estimate](#) of 1.5%.
 - This tally came in above economists' forecasts of 1.8%.
 - The leading industry contributors to the increase in real GDP were real estate and rental and leasing, information, durable goods manufacturing, and finance and insurance.
 - The leading offsets were decreases in transportation and warehousing, retail trade, and nondurable goods manufacturing.
 - Real final sales, a key indicator of real demand, increased 4.6% in the second quarter, compared with the previous estimated increase of 4.2%.
- The price index for gross domestic purchases increased by 5.6% in Q2 2026, compared to the 3.2% for Q1 2026. This estimate marks a significant increase from the Q3 2025 figure (3.1%) and the Q4 2025 figure (3.4%).
- The PCE price index, which is a key inflation variable for the Federal Reserve, was revised down to 5.0% in Q2 2026, compared to the 5.3% noted in the Q2 2026 second estimate.
- The PCE price index excluding food and energy increased 3.3%.
 - This total was also revised down 0.3% from the Q2 2026 second estimate.

Recent Real GDP Growth



Thank you



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