

Winstead Hosts Post-Election Analysis Webinar with Harvey Kronberg

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On Thursday December 10, Winstead PC hosted a webinar on post-election analysis featuring Harvey Kronberg, editor of Quorum Report, an online publication that covers the ins and outs of Texas state politics. During the webinar, Kronberg discussed a number of key topics that provide insight into the upcoming Texas legislative session and the state's political scene.

TOP TAKEAWAYS FROM THE DISCUSSION:

- 1) After the 2018 elections, it appeared that the traditional political landscape may be changing in Texas. Surprise Democratic successes in 2018 elevated the importance of the general election for the first time in two decades. Rather than focusing solely on the results of primary elections, Kronberg says that many Republicans in the House, as well as some statewide candidates, were getting concerned that going forward they would need to worry about general election results, too. In the 2020 election, there were record amounts of money going to Democratic challengers to "vulnerable" Republicans. However, following the results of the 2020 election, Kronberg notes massive Democratic funding yielded no real impact on Texas House elections. The outcome suggested that 2018 was an aberration and the action was now back in the Republican primary—not the 2022 general election. The re-ascendency of the Republican primary could well push Republicans once again further right.
- 2) Also, Kronberg says that though January 12 is an important day—as members are formally sworn into the Legislature—the most crucial date on the calendar is January 16 for those Republicans who faced well-funded challenges. This is when the ethics report is released where Republicans are able to find out who contributed to their challengers.
- 3) The biggest issue facing the legislature is with the budget. Kronberg says that there will likely be a \$15 billion shortfall in the wake of the COVID-19 pandemic, which is actually much smaller than some originally anticipated. Given that the state has about \$9 billion in its rainy day fund, and \$4 to 5 billion in delayed payments and transfers, Kronberg says that Texas has substantial resources to work with.
- 4) In talking with former revenue estimators, Kronberg says that oil and gas appears stable and the drop was compensated with the CARES Act. Additionally, sales tax also provided significant returns for the state even though it declined year over year. With increased economic development, such as Tesla building a factory outside of Austin—along with so much other new business coming in—there is recognition that it will be a budget cutting session, but less draconian than one might have expected given the pandemic.
- 5) Another major issue the legislature is slated to take up is redistricting. With the Georgia runoff elections coming up in January, Kronberg says it remains to be seen what will happen with redistricting, as a Democratic U.S. Senate will "put more teeth" in the Voting Rights Act which will likely have a direct effect on Texas map drawing. In general, Kronberg says there won't be numbers that can be relied upon for redistricting until after session, in July. One of the battles that Kronberg states will be on the horizon is urban versus rural districts, as he notes that Republicans will need to build districts that reach into rural areas where the Republican vote is most reliable. Even if there is no panic, it will be a budget cutting session with perhaps the most public attention paid to keeping expensive promises made to schools, teachers, and retired teachers last session.
- 6) Finally, Kronberg says this will also likely be a session where healthcare is tackled by the legislature. As the state continues its battle with the COVID-19 pandemic, Kronberg states that although it will be called something else, Medicaid expansion could be on the table.
- 7) The greatest unknown is the impact of the COVID-19 pandemic and preventing the session from becoming a spreader event. There will be changes to the rules and a much more limited process likely resulting in far fewer bills reaching the Governor's desk.



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