

Election Report 2002

November 6, 2002

GREATER CLEVELAND GROWTH ASSOCIATION/COSE

The following results are as currently reported by the Ohio Secretary of State's office at 6:00 am November 6, 2002. All results are subject to official certification of the Secretary of State and various boards of elections.

Executive Summary

Ohio voters went to the polls yesterday and selected all of Ohio's statewide constitutional officers, two Supreme Court Justices, the entire Ohio House and 17 members of the Ohio Senate. There also was a statewide ballot initiative, a variety of hotly contested county races and numerous local initiatives, including Issue 4—the issue of whether or not to keep mayoral control of the schools in Cleveland. Nationwide, Congressional elections determined control of the U.S. House and Senate.

While everyone went into the evening expecting a more competitive environment, Republicans defied the odds and dominated the state elections. This total dominance is unprecedented in recent history. It has been nearly 200 years since the same party has held the Governor's office for 16 continuous years. The Republicans will also maintain control of both the House and Senate on state and federal levels.

This election will also impact other crucial issues facing the 125th General Assembly. With the Republican victories in the Supreme Court, tort reform and medical malpractice will move to the top of the legislative agenda. Other healthcare reform proposals will also rise on the priority list. A variety of social issues, such as concealed carry laws, were also issues in this election cycle. The use of these issues in the campaigns against incumbent Republicans may impact the fate of these issues.

Perhaps the most contentious elections were those for the two Supreme Court seats. More than \$10 million was spent between the campaigns and outside organizations. It is hard to underestimate the importance of these victories on several fronts. It may lead to the resolution of the *DeRolph* decision. The following is a brief summary of the results of Election Day 2002:

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COUNCIL OF SMALLER ENTERPRISES

- Locally, Issue 4 won with 72 percent voting for the measure.
- In Cuyahoga County, Peter Lawson-Jones and Jimmy Dimora won re-election for County Commissioner.
- In Ohio, all Republican state-wide candidates won, including Stratton and O'Connor for Ohio Supreme Court.
- The Ohio House and Senate remained in Republican control, with margins in the House 62-37 and the Senate 22-11.
- State Issue 1 (Drug Treatment Initiative) was defeated with 67 percent voting no on the issue statewide.
- Control of the U.S. House and Senate went to Republicans. Margins in the House are 227-203. The Senate has 47 Democrats, 51 Republicans, 1 Independent who organizes with Democrats and 1 Run-off Election (Louisiana -scheduled for Dec. 7th).

Election Report—November 6, 2002

Results as reported by the Ohio Secretary of State's office and County Boards of Elections at 6:00am, November 6, 2002. All results are subject to official certification of the Secretary of State and various Boards of Elections. Winners are bolded and highlighted in italics.

Table of Contents

Local Results.....	page 1-2
Statewide Results.....	page 2
Supreme Court.....	page 4
Ohio Senate.....	page 5
Ohio House.....	page 6
Congress.....	page 10-15
Governor Races.....	page 15
COSE/Growth Association PAC.....	page 16

Local Results

Cleveland Issue 4—PASSED—72 percent voting YES

Voter Turnout: Slightly more than 30 percent in Cleveland.

Improving the quality of the Cleveland Municipal School District (CMSD) is critical to the future prosperity of Greater Cleveland. In 1998, the Ohio Legislature decided that the CMSD would be governed by a board comprised of members appointed by the mayor of Cleveland. By many objective measures, the CMSD has shown steady improvement under this governance model. In addition to direct financial contributions made by the Growth Association and members of COSE, employees of COSE and the Growth Association participated in a phone bank that reached approximately 3,500 City of Cleveland voters.

What do the results mean for business?

The COSE Board of Directors and the Growth Association Board endorsed passage of Issue 4. Improving Cleveland's schools relates to the critical importance qualified high school graduates have on the success of businesses, small and large, in Northeast Ohio.

Summit Education Initiative: Issue 12—FAILED

53.78 voting NO

46.22 percent voting YES

Issue 12 was a proposal for a one-half percent sales tax which would have been distributed by a community improvement board for the purpose of providing additional revenue for permanent improvements for school districts. **This was not a property tax increase**, rather, it was a sales tax that would be distributed on a per-pupil basis to all 17 Summit County public school districts. The money would have been allocated countywide in exact proportion to the number of students per district – which would have meant that Akron would get about one-third of the funding and the suburbs would get two-thirds. Districts could then use their fund allotment to pay down existing improvement levies or bond issues –but the money could not be used for staff salaries. A panel of fiscal experts and community leaders appointed by the mayor of Akron and the Summit County Executive and approved by County Council would oversee distribution of the funds generated by the tax.

What do the results mean for business?

Issue 12 would have generated millions of dollars to improve schools without raising property taxes. Over its 30-year life, Issue 12 would have produced nearly \$1 billion in revenue that can be used by local school districts for construction of new buildings, renovation of existing buildings, maintenance, etc.

Community leaders believed passage of Issue 12 was vital to the future of Summit County because it would have ensured that every one of our public school systems had the funds to provide students and teachers with the tools they needed to reach their full potential and achieve academic excellence.

County Commissioner Races:

Cuyahoga County

Peter Lawson Jones-D ***59.86 percent***
James Pilla-R ***40.14 percent***

This was an early target for the Republicans – including statewide Republicans. Republicans were out-worked, out-organized and outspent on the race. Republican’s hopes for establishing a presence in county government failed.

Jimmy Dimora-D ***72.30 percent***
Laverne Jones Gore-R ***27.70 percent***

Lake County

Daniel Troy-D ***56.29 percent***
Darryl Dunlap-R ***43.71 percent***

Geauga County

William Young-R ***64.91 percent***
Glen Quigley-D ***35.08 percent***

Lorain County

Eric Flynn-R ***49.99 percent***
Betty Blair-D ***50.01 percent***

Medina County

Sharon Ray-R ***56.03 percent***
Jim Dudek-D ***43.97 percent***

Franklin County

Dewey Stokes-R ***51 percent***
Mary Ellen O’Shaughnessy-D ***49 percent***
Although O’Shaughnessy was predicted to win, Dewey Stokes won, and will continue the 18-year Republican control of the Franklin County Commission.

State Results—Statewide Races

Governor:

Robert Taft-R
Statewide: 57.8 percent
Hagan-D: 38.2%

Cuyahoga County: 38.06 percent

Although he has been criticized for not moving quickly enough on certain projects or demonstrating bold leadership, Governor Bob Taft has shown his support of business issues in Northeast Ohio. During the campaign, Governor Taft held a comfortable margin. He has focused on improving Ohio’s climate for jobs creation by making his top priorities the configuration of the Shoreway and Innerbelt to make the Lakefront more accessible to downtown and Cleveland neighborhoods and has worked to nurture the bio-science and health science strengths in Northeast Ohio. Governor Taft has reached out to the Growth Association on many occasions to discuss issues on his agenda. We anticipate a close working relationship in his second term.

State Issue 1—FAILED

67.13% voting NO Statewide
(51.83% voting NO in Cuyahoga County)

This is a big win for the Governor and his team. The Governor’s campaign team out organized well-funded proponents and compiled an impressive coalition to defeat the issue.

What do the results mean for business?

Although proponents of the measure argued throughout the campaign that treatment costs less than incarceration, this program should not be funded through a 6,500-word Constitutional Amendment. Passage of Issue One would have presented a difficulty for drug-free workplace programs since records would be sealed. Opponents argued that a change to Ohio law of this magnitude does not belong in the form of a Constitutional Amendment and Judges already have the flexibility to order drug treatment in certain cases.

Statewide Results: Non-Judicial Races

Unquestionably, the most competitive non-judicial statewide race was that of State Treasurer. Incumbent Republican Joe Deters was in a tough race with Democrat Mary Boyle, a former Cuyahoga County Commissioner. The Republicans held onto commanding leads in all other statewide non-judicial races – Attorney General, Auditor and Secretary of State. *The following results are unofficial and are as reported by the Ohio Secretary of State’s office at 5:57am.*

Treasurer: Joseph T. Deters-R ***53.4 percent***

This has been the most competitive of the statewide non-judicial races. Over the past two weeks, the momentum gradually shifted to Deters.

Auditor: Betty Montgomery-R ***64.4 percent***

Again, no surprise. Montgomery has a strong reputation and is a solid campaigner. Four years ago, Betty was the state’s number one “voter getter.” She held onto that record.

Secretary of State: J. Kenneth Blackwell-R ***59.3 percent***

Initially, some pundits thought Flannery might emerge as a credible challenger.

Attorney General: Jim Petro-R ***64.2 percent***

No surprises here. Petro was always the heavy favorite.

Supreme Court

Maureen O’Connor ***57.2 percent***

Evelyn Stratton ***55.3 percent***

It was widely known this campaign season that the winners of the Ohio Supreme Court races would have a profound impact on a variety of issues currently under consideration such as school funding, medical malpractice, tort reform and insurance (workers’ compensation, property and casualty).

Lt. Governor O’Connor began the race with a significant lead over Judge Black largely due to her high name recognition. Throughout the campaign, she maintained a healthy lead. Justice Stratton and Judge Burnside began on a more even playing field. While most pundits initially thought that this would be the least competitive of the two Supreme Court races, it became the race that determined the ideological direction of the Court. Both started with very low name identification. Justice Stratton raised a bit more money than Judge Burnside, yet the independent expenditures and issue advocacy campaigns resulted in neither side having a clear financial advantage. The Growth Association and COSE did not contribute to any issue advocacy campaigns.

Ensuring Ohio’s strong economy demands justices who understand the important role of the Ohio Supreme Court. Maureen O’Connor and Evelyn Stratton are devoted to a healthy economic climate for Ohio. The stakes in this race were extremely high. Stratton and O’Connor victories result in a possibility of moving forward with medical malpractice and other tort reform initiatives.

Ohio General Assembly

The GOP tide spilled over into races for the Ohio Senate Tuesday, carrying troubled incumbents across the finish line and giving a big victory to the Senate GOP’s top challenger, Rep. John Carey. Based on the results, Republicans will have a **22-11 majority in the Senate next year.** House Republicans defied both history and these gloomy forecasts by adding three additional seats Tuesday to their already comfortable majority. **The House GOP will enjoy a 62-37 advantage** when the 125th General Assembly convenes in January. This three-seat pickup gives the GOP a 25-seat margin, which represents the largest disparity in partisan control of the Ohio House since Democrats had an equal number of seats twenty years ago.

The Democratic caucuses did a reasonably good job at raising money even though the Republican caucuses maintained a significant fundraising advantage. The Democrats were also able to recruit better candidates than they have in the recent past. A combination of some money, reasonably good candidates and issues that were resonating in more localized races energized Democrats at the legislative level. Republicans, who controlled the drawing of the apportionment process and drew the new legislative districts, were well financed with formidable incumbents.

Interestingly, most of the competitive races were in districts with either an even or favorable Republican index.¹ The outcome of some of these races based on the index factors are worth noting. Therefore, the following listing of Ohio Senate and House races are key competitive statewide races. A listing of all Northeast Ohio General Assembly races may be found at the end of this section.

Ohio Senate—Competitive Races Statewide

Only odd numbered Senate districts were up for consideration this year. In addition, Ohio Senate District lines were redrawn in 2002 to reflect 2000 Census changes. While many of the districts remained relatively similar to districts over the past 10 years, some changed quite drastically. For this reason, areas of representation are noted under each district to reflect these changes. *The following results are unofficial and are as reported by the Ohio Secretary of State's office at 5:57am.*

Ohio Senate District 13:

Jeffry Armbruster-R

50.28 percent

Sue Morano-D

49.72 percent

Senate District 13 includes Huron County, Lorain County and parts of Seneca County.

Armbruster was narrowly elected four years ago and faced a well-financed opponent. This was thought to be the Democrats' best chance for a pick up. Taxes, an AG's investigation of Armbruster's conduct with respect to the operation of his filling stations, and health care were all issues in the campaign. This was the Democrat's best chance for a pick up in the Ohio Senate.

What do the results mean for business?

Sen. Jeffry Armbruster believes in providing incentives to new and existing businesses in Ohio. Armbruster is working toward providing venture capital for "early seed ventures" in Ohio through Senate Bill 180.

Ohio Senate District 27:

Kevin Coughlin-R

52.96 percent

Tom Bevan-D

47.04 percent

Senate District 27 represents Summit County.

This is an evenly divided district where Democrats mounted an aggressive, well-funded effort. Bevan, a trial attorney, was challenging appointed incumbent Coughlin, who also is a primary sponsor of medical malpractice legislation. Coughlin will be a key player in medical malpractice and tort reform.

Ohio Senate District 3

David Goodman-R

58.09 percent

Debra Payne-D

41.91 percent

Senate District 3 includes the northern and eastern parts of Franklin County and Columbus.

¹ Index – the percentage of Republicans and Democrats in a given district – is determined by the election actual outcome of five selected races. It is not the number of registered Republicans, Democrats or Independents.

Initially, few thought this would be a competitive race. However, Goodman was not well known in the district, and Payne ran an aggressive well financed campaign focusing on Goodman’s support of tax increases and higher education budget cuts. Goodman, sponsor of SB 281 (medical malpractice reform,) will be a leader in the tort reform effort.

Ohio Senate District 17

John Carey-R

53.87percent

Michael Shoemaker-D

46.13 percent

Senate District 17 includes Southern/Central Ohio.

Carey, who was challenging incumbent Shoemaker, is a member of the Ohio House. Even though the Democrats had a 57% to 43% advantage in the index, the Republicans were hopeful to gain the seat.

Ohio Senate District 5

Tom Roberts-D

52.34 percent

Mike Osgood-R

47.66 percent

Senate Districts 5 includes Miami County, parts of Darke County and Montgomery County.

Republicans also had hoped to pull an upset in this race against Roberts, who was appointed last year to succeed Rhine McLin. Despite an aggressive effort, Republicans were unable to overcome a 58% Democrat index and an impressive effort by Democrats to preserve the seat.

Northeast Ohio Senate Results

The following is a list of winners in slightly less competitive Senate races in Northeast Ohio.

Senator -Elect’s Name	Election Night Percentages	District—Area Represented	Background Information
C.J. Prentiss-D	82.37 %	Senate District 21 includes the east side of Cleveland.	Sen. Prentiss has served eight years in the House and four years in the Senate.
Dan Brady-D Richard Ress-R	66.91% 33.09 %	Senate District 23 includes the near west and southern sides of Cleveland, including Brook Park, Lakewood and Parma.	Sen. Brady received his B.A. from Ohio University. This will be his third term in the Senate.
Eric Fingerhut-D	84.52 %	Senate District 25 encompasses eastern Cuyahoga County.	Sen. Eric Fingerhut previously served as Ohio Senator and U.S. Congressman. Sen. Fingerhut looks toward “increasing the impact of state colleges and universities on the state’s economy” and “promoting quality of life issues.” The Senator is one of the most highly respected members of his caucus and is considered to be one of the most knowledgeable and thoughtful members.

Ohio House—Competitive Races

All 99 seats in the House were up for election this year; however, as usual, just a handful were in play. Ohio House District lines were redrawn in 2002 to reflect 2000 Census changes. While many of the districts remained relatively similar to districts over the past 10 years, some changed quite drastically. For this reason, areas of representation are noted under each district to reflect these changes. *The following results are unofficial and are as reported by the Ohio Secretary of State’s office at 5:57am.*

Ohio House District 17

Jim Trakas-R

63.02 percent

Blair Melling-D

36.98 percent

House District 17 includes southern and eastern portions of Cuyahoga County, including Chagrin Falls, Independence, Moreland Hills, Pepper Pike and Solon.

Trakas, a member of the House Leadership team, fought a very well organized and financed opponent in this nearly evenly split district. Issues were increasing taxes and concealed carry.

Ohio House District 18

Thomas Patton-R ***53.30 percent***

Sue Adams-D 46.70 percent

House District 18 includes Berea, Olmsted Falls, Olmsted Twp., North Royalton and Strongsville.

This is an open seat in an evenly split district. Patton, a former Democrat and union leader, is a pickup for the Republicans.

Ohio House District 21

Linda Reidelbach-R ***55.09 percent***

Lori Tyack-D 44.91 percent

House District 21 includes parts of northern Franklin County.

This was a surprise win. Tyack is a strong political name in Franklin County and Reidelbach's staunch conservative profile is not consistent with the districts more traditional suburban Republicans. The House Republican caucus invested heavily in the campaign.

Ohio House District 57

Jeff Manning-R ***55.37 percent***

David Bruening-D 44.63 percent

House District 57 represents northeast Lorain County.

This is an evenly divided district, which the Democrats viewed as a long shot opportunity for a pickup.

Ohio House District 1

Chuck Blasdel-R ***56.76 percent***

Frank Rivelle-D 43.24 percent

House District 1 includes Columbiana County in Eastern Ohio.

Another evenly split district, which the Democrats viewed as a possible pickup.

Ohio House District 28

James Raussen-R ***59.02 percent***

Wayne Coates-D 40.98 percent

House District 28 includes Hamilton County (Southern Ohio).

This is a pickup for Republicans, as Coates was forced into a new district as a result of redistricting. The district now has a 58% Republican district.

Ohio House District 72

Merle G. Kearns-R ***57.33 percent***

Ron Rhine-D 42.67 percent

House District 72 includes Clark County.

These are two incumbents running against one another as a result of redistricting. The new district has slightly more Democrats than Republicans; however, Kearns was the favorite going in to the race.

Northeast Ohio House Results

The following is a list of winners in slightly less competitive House races in Northeast Ohio. *The postings are as of 6:20 AM from the Secretary of State. Results are unofficial.*

Representative - Elect's Name	Election Night Percentages	District—Area Represented	Background Information
Ed Jerse-D	79.29%	House District 7 includes Euclid, Richmond Heights and South Euclid.	Rep. Jerse sat on the Euclid City Council and was Euclid Mayor in 1995, but withdrew upon appointment to Ohio House. He is supportive of technology transfer and expansion of research and development capacities at universities.
Lance Mason-D	100.00%	Ohio House District 8 includes eastern suburbs of Cleveland including areas such as Beachwood, Highland Hills, Orange and Shaker Heights.	Rep. Mason understands that investing in technology, public schools and higher education is important to Ohio's economy. This will be his second term in office.
Claudette Woodard-D	82.38%	House District 9 includes the near east side of Cleveland.	Rep. Woodard was first elected to this seat in 2000.
Shirley Smith-D	100.00%	House District 10 includes part of Bratenahl, and downtown Cleveland.	Rep. Smith is a full time legislator. She has completed one term in the Ohio House.
Annie Key-D	77.93%	House District 11 includes part of Cleveland, Brooklyn Heights, Cuyahoga Heights and Newburgh Heights.	Representative Annie Key was first elected into the Ohio House in 2000.
Michael DeBose-D	86.40%	House District 12 includes part of Cleveland, Garfield Heights and Maple Heights.	Rep. DeBose was appointed to fulfill the term of Rep. John Barnes in 2001.
Michael Skindell-D	63.69%	House District 13 includes the near west side of Cleveland and Lakewood. This was an open seat vacated by Bryan Flannery, who was a candidate for Ohio Secretary of State.	Michael Skindell has served two terms on Lakewood City Council. He is employed as an attorney and also serves as a hearing officer for the Ohio Department of Health.
Dale Miller-D	70.88%	House District 14 includes parts of Cleveland, Parma Heights and Brook Park.	Rep. Miller has served three terms in the Ohio House.
Dean DePiero-D	100.00%	House District 15 covers Parma (part), Linndale, Brooklyn and Middleburg Heights.	DePiero is a practicing attorney and is the Minority Leader in the House. He has served two terms in the House. Rep. DePiero strongly supports economic development; primary, secondary and higher education funding and prescription drug reform.
Sally Conway Kilbane-R	57.97%	House District 16 includes Bay Village, Fairview Park, North Olmsted, Rocky River and Westlake.	Rep. Sally Conway Kilbane is devoted to improving educational outcomes and is directly involved in tax reform. She intends to work toward "creating a simpler, fairer tax code that will be more conducive to economic growth." She has served two terms in the House.
Bryan Williams - R	57.72%	House District 41 includes parts of Summit County including Macedonia and Fairlawn.	Rep. Williams has served three terms in the Ohio House.
John Widowfield-R	55.64%	House District 42 includes Hudson, Stow and Cuyahoga Falls (part).	Rep. Widowfield served two terms on the Cuyahoga Falls City Council and one term in the House.

Mary Taylor-R	53.62%	House District 43 encompasses central Summit and southern Portage Counties.	Mary Taylor received her B.S. in Accounting and Master of Taxation from the University of Akron.
Barbara Sykes-D	100%	House District 44 represents Akron.	Rep. Sykes has served one term in the Ohio House.
Robert Otterman-D	70.35%	House District 45 includes Barberton, parts of Coventry Twp. and Akron.	Rep. Robert Otterman has served one term in the Ohio House.
Joseph Koziura-D	70.88%	House District 56 represents north-central Lorain County.	Rep. Koziura served as Mayor of the City of Lorain from 1996-2000. He served part of one term in the Ohio House.
Jamie Callender-R	62.87%	House District 62 represents western Lake County.	Rep. Callender has been a state representative for three terms.
Ron Young-R	61.76%	House District 63 includes the eastern part of Lake County, including Fairport Harbor, Mentor, Painesville and Perry.	Young places importance on making higher education more affordable and creating a more “business friendly” Ohio.
Kathleen Chandler-D	55.44%	House District 68 includes Aurora, Kent and Ravenna.	This was Ann Womer-Benjamin’s district. Chandler received her B.A. and M.A. from Michigan State University and her M.P.A. from Kent State University.
Charles Calvert-R	60.12%	House District 69 represents Medina County.	Rep. Charles Calvert places a strong emphasis on attracting, expanding and retaining high-tech companies in Ohio. Calvert wants to be involved in the review of the taxation system in order to assist in simplification and reform.
Tim Grendell-R	69.67%	House District 98 includes Geauga County and Highland Heights, Mayfield, Mayfield Heights, and Gates Mills in Cuyahoga County.	Rep. Grendell supports budget control to “reduce state spending [and] keep taxes down;” job retention to “help Ohio businesses stay in Ohio and grow;” and economic development to “provide state funds and tax incentives to bring new business and jobs to Northeast Ohio.”

U.S. Senate Races

Pre-Election, the U.S. Senate had 49 Democrats, 49 Republicans and 2 Independents (1 who organizes with Democrats).

Post-Election, there are 46 Democrats, 51 Republicans, 1 Independent who organizes with Democrats (Jeffords), 1 Run-off Election (Louisiana-scheduled for Dec. 7th), and 1 Undecided (South Dakota) (all as of 6:00am).

There were 34 seats that were up for election in the U.S. Senate. Of those:

- Seven seats were “open” where there were no incumbents running; of those seven open seats, five were held by Republicans and two (Minnesota, New Jersey) were held by Democrats in the last election
- 15 seats were currently held by Republicans
- 12 seats were currently held by Democrats

Most Competitive Races—U.S. Senate

Missouri: Talent – R

50 percent

Carnahan–D

49 percent

This was a special election to permanently fill the seat vacated by Gov. Mel Carnahan who was elected after a plane crash ended his life just prior to the 2000 election. His wife, Jean Carnahan, was appointed to the seat to fill a two-year term, and ran against Republican Congressman Jim Talent to keep the seat. This race was of particular importance because of its “special election” status. Talent’s victory in this race means that as soon as the election results are certified, the Republicans will take control of the Senate and depending upon the timing of the certification, Republicans could have control in the lame-duck session beginning next week.

Minnesota: Coleman – R

50 percent

Mondale-D

46 percent

Incumbent Democratic Senator Paul Wellstone was running in a very close race against former St. Paul Mayor Norm Coleman. Former Vice-President Walter Mondale replaced Wellstone on the ballot, setting up one of the more unusual circumstances in recent election history. Because of the circumstances surrounding this election, Coleman may be able to take his seat once the election results are certified. In the meantime, Independent Senator Dean Barkley has been appointed to the seat. With court challenges already filed in the State, it is possible that this isn’t over yet.

South Dakota: Tim Johnson

Incumbent Democratic Senator Tim Johnson ran a very close race against Republican Congressman John Thune. This race took on national significance because it became something of a referendum on Democratic Majority Leader Tom Daschle – also from South Dakota. Pundits felt that if Daschle couldn’t help Johnson keep this seat, it would hurt him if he considers to run for President in ’04.

Arkansas: Pryor – D

56 percent

Hutchison-R

44 percent

Incumbent Republican Senator Tim Hutchison struggled in his re-election bid against State Attorney General Mark Pryor (son of former Senator David Pryor). This was largely due to personal ethics that were raised during the campaign. Among Democrats, this was seen as one of the most vulnerable Republican held seats and turned out to be the one Republican seat that was taken by the Democrats.

Colorado: Strickland – D

51 percent

Allard-R 45 percent
In a rematch of the 1996 Senate Race, incumbent Republican Wayne Allard ran against Democrat attorney Tom Strickland in a very close race. Allard won the '96 race with 51 percent of the vote and this race was also close.

New Hampshire: Sununu – R 51 percent
Shaheen-D 47 percent
Incumbent Republican Senator Bob Smith lost his primary race to Congressman John Sununu, who faced Democratic Governor Jeanne Shaheen in the General Election battle. Upset with the primary campaign, Smith did not support Sununu until very late. As in Arkansas, the Democrats felt that if they could take this seat, they would have a strong chance to maintain the majority in the Senate, which they were able to do.

Louisiana: Landrieu – D 46 percent
Suzanne Haik Terrell-R 27 percent
John Cooksey-R 14 percent
Although incumbent Democratic Senator Mary Landrieu soundly beat all of her challengers, she reached only 46 percent in the polls. This is significant because Louisiana law states that a candidate must win at least 50 percent of the vote on election day. If a candidate fails to reach that mark, the top two candidates must have a run-off in December. Campaign finance laws will not apply to this race, meaning that soft money can be spent, which could create an interesting scenario over the next month.

Texas: Cornyn – R 55 percent
Kirk-D 44 percent
Retiring Republican Senator Phil Gramm felt that his party would safely hold this seat with Texas Attorney General John Cornyn succeeding him. Yet, former Dallas Mayor Ron Kirk made this a close race. Much like in South Dakota where pundits are saying the race was a referendum on Tom Daschle, the Texas race has become somewhat of a referendum on President Bush, and the Democrats feel a win here would have given them some momentum heading into the '04 Presidential election.

What Does it all mean?

Republican control of the Senate will result in a variety of changes, including new committee chairmanships, a different agenda with different priorities, and an emphasis on getting judicial nominations confirmed. Even so, it is important to keep in mind that because of Senate rules, a party only has “true” control of the Senate if they have 60 or more votes on an issue. Without reaching the 60-vote plateau, the minority party has the ability to extend debate, or filibuster indefinitely.

In the short term, we can look for Republicans to use their new advantage in the lame-duck session not only to pass appropriations bills, but to pass the Homeland Security Bill and to confirm several judges before the end of the year. Democrats may try to use procedural hurdles to attempt to prevent items from moving forward.

In the long term, look for the following items to move to the front of the agenda on the Hill:

- Expand tax cuts and make current tax cuts permanent
- Pass a healthcare agenda with an emphasis on private markets
- Attempt to pass substantial tort reform
- Pursuit of a free trade agenda
- A variety of regulatory relief and financial privacy measures
- Pursue passage of drilling in ANWAR

These issues will all be countered by Democrats as they try to push their own agenda, including a scaling back of the tax cuts, an increase in the minimum wage, government expanded health care initiatives, and more rigorous environmental regulations.

U.S. House Races

Going in to yesterday's balloting, there was a handful of most-watched House races. **Ultimately, the Republicans kept control of the House 227-203.**

House Republicans defied history yesterday and gained seats in a mid-term election with a Republican President. This vote will be seen as a strong victory for President Bush, since a President's party almost always loses seat in a mid-term election. In sixteen key races we had been following as pivotal, Republicans picked up eleven of the seats. A continued majority for Republicans in the U.S. House of Representatives will mean the 108th Congress will see a resumption of attempts to lower taxes and reduce regulations on the business community. Some issue highlights:

- **Patients' Bill of Rights.** A new version of Patients' Bill of Rights (PBOR) legislation will once again be introduced. In the last Congress, the House of Representatives passed a version of the bill based upon a compromise worked out between the White House and long-time PBOR champion Rep. Charlie Norwood (R-GA). The Senate passed a different bill, and the differences were never resolved. Expect the Republican majority to use this previous bill as the basis for a new bill in the 108th. A Republican Senate makes an eventual compromise, and a more moderate bill, more likely.
- **Association Health Plans.** On several occasions over the last four years, the House has passed legislation that would create Association Health Plans (AHPs). These AHPs are likely to continue to be the centerpiece of the House GOP strategy for reducing health insurance costs for small businesses.
- **Tax Cut Permanency.** Unburdened by the procedural rules of the Senate, the Republican House will continue to pursue permanency for the tax cuts passed in 2001, which otherwise expire after ten years.
- **Fundamental Tax Reform.** With the White House floating the potential for a proposal on a fundamental overhaul of the Code, House members may begin choosing up sides on this issue. However, no bills will be passed until 2005, at the earliest.
- **Bankruptcy Reform.** Though stymied this fall by election-year politics, a broad consensus exists on the need to reform bankruptcy law. The House could act as early as this year (in a lame-duck session) on this significant legislation.
- **Social Security.** The politics of Social Security have been thoroughly overhauled during this election cycle. The plummeting of the stock market this year has forced many fence-sitters to go on record against Social Security "privatization." Early in the Bush Administration, many had thought the 108th Congress would be the right time for a push on a privatization bill. Those plans have now been almost entirely swept away, despite the Republican victory.

Leadership Changes

This year has brought the retirement of two of the top four leaders of the U.S. House Republicans: Majority Leader Dick Armey (R-TX) and Conference Chairman J.C. Watts (R-OK). Most insiders believe that Rep. Deborah Pryce (R-OH) is the odds-on favorite to replace Watts, while Majority Whip Tom DeLay (R-TX) will move up to replace Armey. The new Majority Whip is likely to be Rep. Roy Blunt (R-MO), who had previously served as DeLay's deputy. Speaker of the House Dennis Hastert (R-IL) is the only top Republican leader expected to remain in his current job. Pryce's

elevation would place an Ohio Member in the House GOP leadership for the first time since Rep. John Boehner (R-OH) stepped down from the Conference Chairman's job after the 1998 elections.

On the Democratic side, the leadership structure is already largely in place. With Rep. Dick Gephardt (D-MO) firmly in the top job, House Democrats earlier this year selected Rep. Nancy Pelosi (D-CA) to succeed Rep. David Bonior (D-MI), who vacated his post to run for Governor of Michigan, as their number two leader. One potential caveat: Dick Gephardt's potential run for the Presidency could affect his decision about remaining a leader of his party. If Gephardt were to step down to run for President, it would set off a frenzy for leadership of the House Democrats.

Elections Bring Little Change to Key Committees

The following House committees have jurisdiction over key business issues. The major leaders of each listed committee were reelected, and are expected to continue in their current roles in the next Congress. However, no committee position is officially determined until the new Congress convenes and elects its leadership.

▪ **Appropriations**

Bill Young (R-FL), Chair

Ralph Regula (R-OH), Vice Chairman

David Obey (D-WI), Ranking Member

Ohio, and the Greater Cleveland Growth Association are in a strong position to continue to secure federal dollars for priority projects. Although Republicans tend to spend less than the Democrats, Ohio's strategically placed Members controlling much of the funding is helpful. We have 2 Cardinals - with Congressman Regula chairing the Labor, Health and Human Services, and Education Appropriations Subcommittee and Congressman Hobson chairing the Military Construction Appropriations Subcommittee and also serving on the VA-HUD and Independent Agencies Appropriations Subcommittee that funds NASA.

▪ **Education and the Workforce**

John Boehner (R-OH), Chair

George Miller (D-CA), Ranking Member

This Committee has primary jurisdiction over federal education policy, employee benefits law, including ERISA, and all major labor relations and workforce protection laws. As such, this committee has primary jurisdiction over Association Health Plan legislation, which should be expected to emerge again in 2003. Since major education reform legislation passed in the last Congress, those issues will receive less prominence in the next Congress.

▪ **Energy and Commerce**

Billy Tauzin (R-IL), Chair

John Dingell (D-MI), Ranking Member

Energy and Commerce has broad jurisdiction over energy issues, the Clean Air Act, telecommunications and Internet issues, public health, and consumer protections. In the last Congress, Tauzin and Dingell teamed-up to promote legislation to deregulate broadband. This Tauzin-Dingell bill passed the House, but was not taken-up by the Senate. The Committee should be expected to continue to pursue this agenda in the next Congress.

▪ **Small Business**

Don Manzullo (R-IL), Chair

Nydia Velazquez (D-NY), Ranking Member

The Small Business Committee leaders have generally conducted business in a bi-partisan and collegial way. Given the continued stability in leadership, the Committee will continue to provide a platform for small business concerns, pursue needed changes to the SBA guaranteed loan programs, and work toward strengthening the independence of the SBA's Office of Advocacy.

- **Ways and Means**

Bill Thomas (R-CA), Chair

Charles Rangel (D-NY), Ranking Member

The Ways and Means Committee has been marked by stark party-line votes and on-going conflict between the strong personalities of Thomas and Rangel. The constant controversy largely stems from the fact that the Committee deals with some of the biggest issues facing the country: tax policy, Social Security, health care programs, and trade issues. The controversy will not let up in the new Congress. The Bush Administration is expected to release a proposal for tax simplification, which will be dealt with by Ways and Means, and may even draft principles for a fundamental overhaul of the tax code. In addition, the Republican majority is expected to continue to pursue permanence of the 2001 Bush tax cuts and perhaps move ahead with additional tax cuts to stimulate economic growth.

Northeast Ohio Congressional Results

The following is a list of winners in Congressional races in Northeast Ohio.

District 10: *Dennis J. Kucinich-D*

74.08 percent

District 10 includes the west and south side of Cleveland, including areas such as Lakewood, Rocky River, Fairview Park, North Olmsted, Bay Village, Berea, Middleburg Heights, Parma, Independence, and Cuyahoga Heights. Congressman Kucinich sits on the Education and Workforce Committee in the House.

District 11: *Stephanie Tubbs Jones-D*

76.21 percent

District 11 includes the east side of Cleveland, including areas such as Bratenahl, Euclid, Richmond Heights, East Cleveland, Cleveland Heights, Lyndurst, Mayfield Heights, University Heights, Shaker Heights, Beachwood, Pepper Pike, Orange, Bedford, Highland Heights and Warrensville Heights.

Congresswoman Stephanie Tubbs Jones represents eastern Cuyahoga County. Tubbs Jones received her undergraduate degree and her J.D. from Case Western Reserve University. She has been instrumental in helping retain funding for NASA Glenn. She also serves on the House Small Business Committee.

District 13: *Sherrod Brown-D*

68.99 percent

District 13 no longer includes Geauga County. It now covers northern Lorain and Medina Counties and the western side of Summit County. Congressman Brown sits on the Energy and Commerce Committee in the House.

District 14: *Steven LaTourette-R*

72.16 percent

District 14 includes Geauga, Ashtabula and Lake counties, in addition to the eastern Cuyahoga County suburbs and parts of Summit, Portage and Trumbull Counties. Congressman LaTourette serves on the powerful Transportation and Infrastructure Committee and has a consistent pro-business voting record. He received his B.A. from the University of Michigan and his J.D. from Cleveland State University.

District 17: *Tim Ryan-D*

51.09 percent

The 17th Congressional District includes Portage and Trumbull counties, parts of Akron and the Mahoning Valley.

Other Congressional Races/Results in Ohio

District	Congressman-Elect	Election Night Percentages
District 1 (Cincinnati)	Chabot	64.94%
District 2 (Southwest Ohio)	Portman	74.13%
District 3 (Dayton area)	Turner	58.78%
District 4 (North central Ohio)	Oxley	67.48%
District 5 (Ohio/Indiana line to Huron County)	Gillmor	67.13%
District 6 (Ohio River from Lawrence County to Youngstown)	Strickland	59.41%
District 7 (Central Ohio)	Hobson	67.65%
District 8 (Miami County area)	Boehner	70.81%
District 9 (Toledo area to western Lorain County)	Kaptur	73.79%
District 12 (Delaware County)	Tiberi	67.51%
District 15 (Central Ohio)	Pryce	67.81%
District 16 (Wayne/Stark County)	Regula	68.71%
District 18 (Southeast Ohio)	Ney	100.00%

Governor Races

Pre-Election, there are 21 Democratic, 27 Republican and 2 Independent Governors nationwide.

Post-Election, there are 24 Republicans and 25 Democrats (Alabama incumbent Governor has called for a recount).

There are 36 Governor's races this year. Of those

- Twenty seats are open where there are no incumbents running;
- Of these twenty open seats, twelve were held by Republicans, six were held by Democrats and two were held by Independents.
- Eleven seats are held by Republicans;
- Five seats are held by Democrats.

Heading into the election, it looked as if the Democrats were set to pick up a solid majority of the Governorships around the country. As it turned out, the Governorships are closely split, showing the evenly divided electorate. One interesting area to look at, however, is the Midwest, where Ohio is set to become the only State with a Republican Governor. Wisconsin, Illinois, Indiana, Kentucky, West Virginia, Pennsylvania, and Michigan will all have Democratic Governors beginning in the New Year.

Other than the policies set forth in individual states, the Governors are extremely important when looking at the 2004 Presidential race that begins this morning. The ability of a Governor to mobilize a strong grass roots organization and to set a statewide campaign in motion is a huge advantage to a Presidential candidate. Here are results of some of the more noteworthy races:

California-D

Governor Gray Davis-D ***52 percent***
Bill Simon-R 48 percent

In a race between two extremely unpopular people, Davis was able to hang on.

Florida-R

Governor Jeb Bush-R ***56 percent***
Bill McBride-D 43 percent

The President did everything he could to help his brother win this one, which is a must State for him to get re-elected.

Georgia-R

Perdue-R ***52 percent***
Barnes-D 46 percent

In a huge upset, this set the trend for Republican gains across the country as Governor-elect Perdue beat the incumbent.

Maryland-R

Kathleen Kennedy Townsend-D 48 percent
Bob Ehrlich-R ***51 percent***

Maryland elects a Republican Governor for the first time in 30 years.

Join the PAC!

The COSE/GREATER CLEVELAND GROWTH ASSOCIATION POLITICAL ACTION COMMITTEE (PAC) is a volunteer, nonpartisan organization including members of COSE and the Greater Cleveland Growth Association who make contributions that support political campaigns. The PAC is a legally registered entity in the state of Ohio and is just one of the many advocacy tools available to help the organization facilitate economic growth and jobs creation in Greater Cleveland for both large and small businesses. Being a member of the PAC allows you to help promote our business agenda in the legislative process and will provide you access to PAC events. For more information or to join the PAC, go to www.cose.org/advocacy/PAC.

How much you contribute is entirely up to you. There is no minimum amount, however, individual contributions are limited to \$5,000 in any one year. Send your contribution to Deanne Dixon at the Growth Association, Tower City Center, 50 Public Square, Suite 200, Cleveland, Ohio 44113-2291. She can be reached at (216) 592-2342 or via *e-mail* at ddixon@clevegrowth.com.