

State of the HUnion

First Quarter 2018

Welcome to the *State of the HUnion*. This newsletter provides you with election analysis, news on the PAC, fundraising numbers and who the HUPAC contributed to in 2018 so far. So dive in and take a look!

The 2018 midterm elections are approximately seven months away but, in Washington time, that's right around the corner! With the influx of retiring or resigning congressmen, combined with what some are perceiving as a "blue wave" across the nation, this year's elections promise to be both interesting and intense.

There are a total of 61 members of Congress who have decided not to seek reelection or to run for higher office, and the majority of those leaving office are Republican. Although the first midterm election cycle after a new president is inaugurated is rarely in the majority party's favor, the vacancies and lack of incumbents in certain districts and states give the Democrats a golden opportunity to capitalize. Additionally, as of April 8, FiveThirtyEight's general ballot poll shows Democrats leading Republicans 47-38. The margin between the parties' polling numbers was as high as 14 points in December.

Incumbents will also be feeling the impact of the "Trump effect." The Trump effect can have two different meanings, depending on the district or state. Candidates will either benefit from supporting the president and his policies, or their mere association with him will be trouble for their chances of obtaining (or remaining in) higher office, regardless of their own policy positions. An example of the former is the case of Senator Jeff Flake (R-AZ), who publicly criticized Trump, leading to a significant decrease in his approval rating (and Flake's eventual decision not to seek reelection). However, one must also look at the case in the heavily hyped Pennsylvania special election earlier this year, when Democrat Conor Lamb defeated Republican (and self-proclaimed "Trump before Trump Was Trump") Rick Saccone in a district that was very likely going to vote Republican, where Saccone's relationship with the president actually harmed his chances. In addition, Republicans in purple states may also have serious difficulties overcoming the Trump effect.

While the situation does look positive for Democrats looking to take back control of one (or both) chambers of Congress, Republican campaigners have a plan to combat the blue wave. GOP candidates, especially in districts where President Trump's approval rating is lower, will be stressing tax reform and the tax cut that was signed into law late last year. Many races classified as toss-ups will end up being decided by which side of the aisle pours the most money into the election. This was another monumental factor in in the Pennsylvania special election, where Lamb outspent Saccone by a significant margin.

Despite the unpredictability and the increase in the amount of swing districts, HUPAC, as always, will be closely monitoring congressional and electoral news in order to bring you the latest updates about what is going on here in Washington and around the country. This issue will be focused on three very tight Senate races taking place this November in Arizona, West Virginia and Montana. These races are certainly some of the best ones to watch over the course

of the year, and they are only going to get more interesting as the countdown to the midterms continues.

Arizona: This past October, Senator Jeff Flake (R-AZ) announced that he will not be seeking a second term. Since that moment, the 2018 Arizona Senate race has been observed closely by analysts. There are now several Republicans vying for the seat that has opened in the wake of Flake's announcement.

The list of candidates currently running in the Republican primary includes Rep. Martha McSally (R-AZ-02), Kelli Ward and Sheriff Joe Arpaio. Rep. McSally, an Air Force veteran, is the first female combat pilot in American history, and has represented Arizona's 2nd District for one term. While she has emphasized her relationship with President Trump, McSally is not an extreme conservative by any means and, with Washington experience, McSally is the ideal candidate for the GOP. However, former State Senator Kelli Ward, a candidate disdained by the Republican establishment, has mobilized the far-right base in Arizona, going after Flake (when he was running) and McSally for being "Washington insiders." The president gave Ward somewhat of an endorsement when Flake was still planning on running when he tweeted: "Great to see that Dr. Kelli Ward is running against Flake Jeff Flake, who is WEAK on borders, crime and a non-factor in Senate. He's toxic!" Sheriff Arpaio is a problematic candidate for the Republican Party as well; Arpaio is infamous for his large-scale practice of racial profiling, which led to several civil suits and a conviction on criminal charges (however, President Trump chose to pardon Arpaio, presumably because Arpaio supported the president early in the election cycle).

As far as the Democrats are concerned, Ward and Arpaio are the most desirable candidates to win the Republican primary, since they are the most likely to fail challenging the Democratic nominee, Rep. Krysten Sinema (R-AZ-09). Sinema, a former Green Party candidate, is a moderate Democrat who, through her voting record in the House, has positioned herself well in a red-state race. Analysts have rated this race as a toss-up. Once the Republican primary is held in August, the rating may change, but a Sinema v. McSally race would certainly be the most competitive.

West Virginia: Sen. Joe Manchin (D-WV) was voted into office in a 2010 special election and has defeated Republican opponents in two elections since, each by a large margin. However, there has been a conservative shift in the West Virginia electorate over the past eight years. Republicans have won every major political office in the state and President Trump defeated Hillary Clinton by 42 points in the 2016 election. All of these factors have led this once formerly solid Democratic seat to be rated as a toss-up.

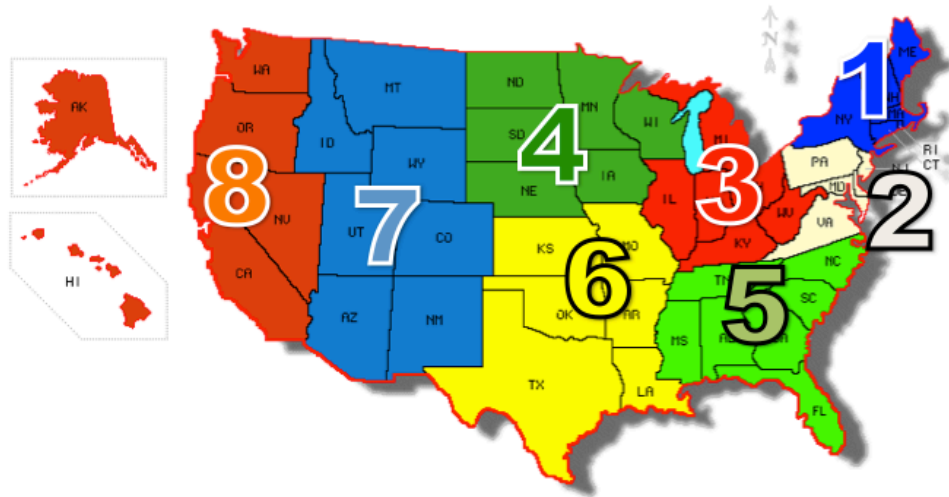
There are six candidates seeking the Republican nomination and the opportunity to defeat Manchin in the midterm election, including West Virginia Attorney General Patrick Morrisey, Rep. Evan Jenkins (R-WV-03) and former coal CEO Don Blankenship. Morrisey and Jenkins were present during Donald Trump's visit to White Sulphur Spring this month, where the president criticized incumbent Sen. Manchin for opposing overhaul of the Tax Code as well as voting against the repeal of the Affordable Care Act. While the Republican establishment would have no problem getting behind Morrisey or Jenkins, Blankenship would certainly be a problematic candidate. The former head of Massey Energy served one year in federal prison after an explosion in one of his coal mines killed 29 workers but has made an unlikely comeback,

presenting himself as a native West Virginian who fought against President Obama, the EPA and federal prosecutors. However, Blankenship is still hated by many in the state, and his nomination may guarantee Sen. Manchin another term.

Montana: The Montana senate race is currently rated as “Likely Democrat” by the Cook Political Report, but Republicans still see Sen. Jon Tester’s (D-MT) seat as conquerable. Tester, despite being a Democrat, is using one of the aforementioned definitions of Trump effect to his advantage. Tester’s campaign relies partially on his willingness to work with the president. In a series of campaign ads last month, Tester stressed the amount of bipartisan efforts he has taken part in, including the sponsoring of 13 bills that the president signed into law. Considering Donald Trump won by 20 points in Montana during the 2016 election, it is no surprise that Tester is choosing to cultivate this image of himself. To combat this, the National Republican Senate Campaign claimed that the record shows Tester voted against Trump’s position on bills 64% of the time, saying that “he’s been a pretty vocal critic of Trump.” Another strategy Tester’s campaign has implemented is putting emphasis on his close ties to his state. As a former farmer and teacher, Tester is a “third-generation Montanan” whose experience mirrors the experience of others Montana residents – at least a lot more than some of his opponents.

There are several Republican candidates looking for the chance to unseat Tester, including Troy Downing, Matt Rosendale and Russ Fagg. Downing, an Air Force veteran and CEO of a self-storage company, was a virtually unknown candidate before self-funding his campaign and airing television ads months prior to any of his opponents. Rosendale is a Montana State auditor who boasts endorsements by Sens. Rand Paul (R-KY), Mike Lee (R-UT) and Ted Cruz (R-TX). Fagg, former district court judge and chairman in the Montana State Legislature, is the only native Montanan out of the three prospective nominees. Most strategists agree that the Republican primary, which is going to be held in June, will come down to Rosendale and Fagg.

HUPAC Contributions by Region



Through the First Quarter of 2018 (Jan 1-Mar 31)
Individual Member Contributions

	2017 thru Q1	2018 thru Q1	Pct Increase
Region 1	\$7,468	\$9,829	31%
Region 2	\$20,390	\$25,260	24%
Region 3	\$39,222	\$37,968	-3%
Region 4	\$21,382	\$17,382	-19%
Region 5	\$30,966	\$34,125	10%
Region 6	\$31,150	\$30,848	-1%
Region 7	\$14,144	\$17,480	24%
Region 8	\$53,896	\$46,623	-13%
Total	\$218,618	\$219,515	0.4%

HUPAC Disbursements for Q1 2018

January 2018

Date	PAC Name	Amount	Description	Region
1/8/2018	New Democrat Coalition	\$5,000.00	2018 Membership	
1/8/2018	Handel for Congress Inc.	\$500.00	1/11 Local Reception	5
1/16/2018	Cathy McMorris Rodgers for Congress	\$1,000.00	1/17 Lunch	8
1/16/2018	Moderate Democrats PAC	\$5,000.00	2018 Membership 1/19 Lunch	
1/16/2018	Democratic Congressional Campaign Committee	\$15,000.00	2018 Membership 1/17 Dinner	
1/23/2018	Democratic Senatorial Campaign Committee	\$15,000.00	2018 Membership 1/25 Breakfast	
1/23/2018	PETER NORBECK LEADERSHIP PAC	\$1,000.00	1/24 Lunch	4
1/26/2018	Clarke for Congress	\$1,000.00	1/30 Lunch	1
	Total	\$43,500.00		
	Democratic	\$41,000.00		
	Republican	\$2,500.00		

February 2018

Date	PAC Name	Amount	Description	Region
2/1/2018	Angus King for U.S. Senate Campaign	\$1,000.00	2/6 Dinner	1
2/1/2018	Pete Sessions for Congress	\$1,000.00	2/6 Dinner	6
2/1/2018	Tony Cardenas for Congress	\$2,500.00	2/5 Dinner	8
2/1/2018	Scalise Leadership Fund	\$1,500.00	2/5 Dinner	6
2/2/2018	Pittenger for Congress LLC	\$1,000.00	2/5 Lunch	5
2/5/2018	National Republican Senatorial Committee	\$15,000.00	2018 Membership 2/5 Reception	
2/8/2018	Deb Fischer for U.S. Senate Inc.	\$1,000.00	2/8 Lunch	4
2/12/2018	David Scott for Congress	\$1,000.00	2/15 Lunch	5
2/12/2018	Carlos Curbelo Congress	\$1,000.00	2/13 Dinner	5
2/12/2018	People for Ben	\$1,000.00	2/15 Dinner	7
2/15/2018	National Republican Congressional Committee	\$15,000.00	2018 Membership Dues	
2/22/2018	Donald Norcross for Congress	\$2,000.00	2/27 HUPAC Reception	2
2/22/2018	Lance for Congress	\$2,000.00	2/27 HUPAC Reception	2
2/22/2018	Don Bacon for Congress	\$2,000.00	2/27 HUPAC Reception	4
2/22/2018	Young for Iowa Inc.	\$2,000.00	2/27 HUPAC Reception	4
2/22/2018	Carlos Curbelo Congress	\$2,000.00	2/27 HUPAC Reception	5
2/22/2018	Loudermilk for Congress	\$2,000.00	2/27 HUPAC Reception	5
2/22/2018	McHenry for Congress	\$2,000.00	2/27 HUPAC Reception	5
2/22/2018	Ami Bera for Congress	\$2,000.00	2/27 HUPAC Reception	8
2/22/2018	Al Lawson for Congress	\$2,000.00	2/27 HUPAC Reception	5
2/22/2018	Friends of Todd Young Inc.	\$2,000.00	2/28 Cap Con Lunch Speaker	3
	Total	\$61,000.00		
	Democratic	\$11,500.00		

Republican

\$49,500.00

March 2018

Date	PAC Name	Amount	Description	Region
3/5/2018	Sean Patrick Maloney for Congress	\$1,000.00	3/7 Lunch	1
3/5/2018	Pallone for Congress	\$1,000.00	3/12 Local Event	2
3/5/2018	Manchin for West Virginia	\$1,000.00	3/7 Dinner	3
3/5/2018	Walorski for Congress Inc.	\$1,500.00	11/30 Dinner	3
3/5/2018	Bill Flores for Congress	\$1,000.00	3/6 Lunch	6
3/5/2018	Pat Roberts for U.S. Senate Inc.	\$1,000.00	3/5 Dinner	6
3/5/2018	Friends of Todd Young Inc.	\$3,000.00	2/28 Cap Con Lunch Speaker	3
3/5/2018	Hurd for Congress	\$2,000.00	2/27 HUPAC Reception	6
3/6/2018	Friends of Dave Joyce	\$2,000.00	2/27 HUPAC Reception	3
3/6/2018	Katko for Congress	\$2,000.00	2/27 HUPAC Reception	1
3/7/2018	Friends of Susan Brooks	\$1,000.00	3/12 Local Event	3
3/9/2018	Himes for Congress	\$1,000.00	3/13 Lunch	1
3/9/2018	Moulton for Congress	\$1,000.00	3/14 Reception	1
3/9/2018	Carper for Senate	\$2,000.00	3/14 Lunch	2
3/9/2018	Adrian Smith for Congress	\$1,000.00	3/14 Dinner	4
3/9/2018	Olson for Congress Committee	\$1,000.00	3/20 Lunch	6
3/9/2018	Making Business Excel PAC	\$1,000.00	3/14 Lunch	7
3/9/2018	Blumenauer for Congress	\$1,000.00	3/15 Event	8
3/9/2018	DelBene for Congress	\$1,000.00	3/15 Lunch	8
3/9/2018	People for Derek Kilmer	\$1,000.00	3/14 Reception	4
3/9/2018	Jeff Duncan for Congress	\$1,500.00	3/15 Dinner	5
3/15/2018	Stivers for Congress	\$5,000.00	2018 Luncheon Series	3
3/15/2018	Tom Rice for Congress	\$1,000.00	3/13 Lunch	5
3/16/2018	Kuster for Congress Inc.	\$1,000.00	3/19 Reception	1
3/16/2018	Randy Hultgren for Congress	\$1,000.00	Comp Event	3
3/16/2018	Bilirakis for Congress	\$1,000.00	3/19 Dinner	5
3/16/2018	Marsha for Senate	\$5,000.00	2018 Fundraising Series for the Year	5
3/16/2018	Marsha for Senate	\$5,000.00	2018 Fundraising Series for the Year	5
3/16/2018	Montanans for Tester	\$2,500.00	3/21 Dinner	7
3/16/2018	All for Our Country PAC	\$2,000.00	3/20 Dinner	8
3/22/2018	Faso for Congress	\$1,000.00	Local Event	1
3/23/2018	Duffy for Wisconsin	\$1,000.00	Future Comp Event	4
3/23/2018	Virginia Foxx for Congress	\$1,000.00	3/22 Lunch	5
3/23/2018	Walters for Congress	\$1,000.00	Future Comp Event	8
3/23/2018	Brian Fitzpatrick for Congress	\$2,000.00	Future Comp Event	2
3/27/2018	Andy Harris for Congress	\$1,000.00	4/27 Breakfast	2
3/28/2018	Byrne for Congress	\$1,000.00	Future Comp Event	5
3/28/2018	Donovan for Congress	\$1,000.00	04/11 Dinner	1
Total		\$60,500.00		



<i>Democratic</i>	<i>\$13,500.00</i>
<i>Republican</i>	<i>\$47,000.00</i>