Contractors Association of West Virginia

HARD AT WORK

BLUE WAVE ACROSS THE UNITED STATES BUT ONLY SPLASHES WEST VIRGINIA

The 2026 midterm elections continued the long-term historical trend of losses by the party in control of the White House. With few exceptions, voters showed up in large numbers to express their overwhelming disapproval with President Donald Trump and the GOP leadership in Congress. With the ongoing conflict in Iran and high fuel prices looming large, Democrats won a majority in both the House of Representatives and Senate, making this the first time since 2006 that both chambers are changing hands after the same election. Though votes are still being counted in dozens of races, Democrats are assured of majorities strong enough to help insulate against disruptions caused by polarizing voices within their own party.

In West Virginia, Senator Shelley Moore Capito, Congressman Riley Moore, and Congresswoman Carol Miller each easily won re-election but will now find themselves in the minority party. In the state Legislature, Democrats gained 2 seats in the Senate and 12 seats in the House of Delegates. HUB PAC-endorsed candidates had an 87% success rate in their races.

Here is a brief overview of the road ahead, and a first take on how these developments may affect AGC, ARTBA, and CAWV advocacy efforts.

- Congress will convene its "lame duck" session next week. The current extension of the federal highway and transit programs, as well as the continuing resolution funding the federal government, will expire December 11, 2026. Current Senate leaders have also announced that the Senate will vote on its bipartisan federal permitting reform bill on November 9, 2026. While passage in the Senate is almost assured, this legislation faces an uncertain path in the House of Representatives where time is short.

- The incoming Congress will feature at least 18 new senators and up to 100 new members of the House of Representatives, making this one of the largest freshman classes in recent history.
- Despite significant Democratic wins, bipartisanship will still be required to legislate. Senate Democrats will not meet their chamber's 60-vote threshold to overcome the filibuster. The Senate Environment and Public Works Committee has a history of reaching consensus on reauthorization legislation. The new chair of that committee will likely be Sen. Jeff Merkley (D-OR), with Sen. Shelley Moore Capito (R-WV) as the ranking member.
- Several members of Congress integral to the passage of the 2021 Infrastructure Investment and Jobs Act are leaving the body, including Republican Sens. Bill Cassidy (R-LA), Mitch McConnell (R-KY) and Thom Tillis (R-NC), and in the House, Republican supporters Reps. Don Bacon (R-NE), Brian Fitzpatrick (R-PA), and Jeff Van Drew (R-NJ).
- Rep. Rick Larsen (D-WA), the likely next chair of the House Transportation & Infrastructure Committee, has pledged to continue working in a bipartisan way. He plans to use the BUILD America 250 Act, which advanced through committee nearly unanimously, as a foundation for new legislation when the process starts anew in January.
- It remains to be seen if President Trump and congressional Democrats will seek common ground on transportation or other construction-related issues, or if the President will embrace his veto authority.
- In Charleston, no huge changes expected with the GOP maintaining a super-majority in both houses of the Legislature. The Senate will go from the current make-up of 32 Republicans and 2 Democrats to 30 Republicans and 4 Democrats. In the House of Delegates, the new membership breakdown in 2027 will be 79 Republicans and 21 Democrats, a change from the current membership of 91 Republicans and 9 Democrats. Industry champion Del. Vernon Criss (R-Wood) lost during the May 2026 primary and other industry champion Sen. Mike Oliverio (R-Monongalia) lost his reelection race earlier this week. The new Chairman of the House of Delegates Finance Committee will likely be Del. Clay Riley (R-Harrison), of CAWV-member The Thrasher Group.
- As for elsewhere in Washington, the remaining to-do list for the lame-duck Congress is extensive.

- While election results could influence which measures lawmakers prioritize, several year-end deadlines will require action regardless of which party controls the next Congress. With only a limited number of legislative days remaining, Congress is unlikely to complete every item on its agenda. The most immediate priorities are maintaining government funding beyond December 11, extending expiring federal programs, and completing the annual defense authorization bill.
- For the construction industry, the most significant developments to watch will be surface transportation funding, federal permitting reform, the Water Resources Development Act, and federal appropriations for other infrastructure programs. Congress could combine several measures into a larger year-end legislative package, but short-term extensions remain a likely outcome for some programs.

Lame-Duck Congress Construction and Infrastructure Priorities

Congress must pass full-year appropriations legislation or another continuing resolution (CR) before December 11 to avoid a government shutdown. Negotiations will determine funding levels for major construction-related programs, including federal highways, transit, water infrastructure, housing, and military construction.

Surface Transportation Reauthorization (successor to IIJA)

- Federal surface transportation programs are currently authorized through December 11, leaving Congress to consider another extension or a long-term highway bill. The House Transportation and Infrastructure Committee has approved the bipartisan BUILD America 250 Act (H.R. 8870), but the legislation has not reached the House floor, and the Senate has not yet released its own proposal, making another short-term extension a potential outcome.

Federal Permitting and National Environmental Policy Act Reform

- The Senate is scheduled to hold a procedural vote on November 9 to begin consideration of bipartisan permitting reform legislation. The Bipartisan American Affordability and Jobs Act would streamline federal environmental reviews, limit certain legal challenges, and provide greater certainty for energy and infrastructure construction projects, although the legislation still faces significant hurdles to final passage.

Water Resources Development Act (WRDA)

- Congress could finalize the bipartisan WRDA legislation, which authorizes U.S. Army Corps of Engineers projects involving ports, inland waterways, flood protection, and other water infrastructure. The House passed its version (H.R. 9497) by a vote of 415–

9, while the Senate Environment and Public Works Committee unanimously advanced its version (S. 4949), positioning the legislation for potential year-end passage.

Housing and Community Development Funding

- Congress may consider funding for programs authorized under the 21st Century ROAD to Housing Act, which became law in July but did not provide new appropriations for its grant programs. The FY 2027 spending negotiations could determine whether new initiatives supporting housing development, local infrastructure, and commercial-to-residential conversions receive funding.

National Defense Authorization Act

- Congress is expected to complete negotiations on the FY 2027 National Defense Authorization Act, the annual defense policy bill that has historically received bipartisan support. In addition to military readiness and national security, the legislation addresses military construction, defense facilities, procurement, domestic manufacturing, and other policies affecting federal contractors.

Tax Extenders and Technical Corrections

- Lawmakers may consider a year-end tax package addressing expired incentives, technical corrections, and other business tax provisions. Potential measures include restoring the Work Opportunity Tax Credit, which expired at the end of 2025, extending affordable housing tax incentives, and modifying provisions enacted in the 2025 tax law, although a comprehensive agreement is far from certain.