



# Capitol Journal

News & Views from the 50 States

## The Year Ahead



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● The next issue of  
● Capitol Journal will be  
● available on January 16th.

### Top Story

*Caustic battles over public sector unions were a hallmark of 2011, with more expected this year. But with the economy still moving slowly, lawmakers will also focus on a variety of other issues, from creating jobs to expanded gambling.*

## SNCJ Spotlight

### More hot issues for 2012

Lawmakers in most of the 46 states holding regular sessions this year (Montana, Nevada, North Dakota and Texas are the exceptions) will convene this month. And as we reported in the Dec. 5, 2011 issue of *SNCJ*, budget matters will continue to figure prominently on state legislative agendas, along with reform measures targeting everything from education and healthcare to public employee pensions and online sales taxes. Here, in our ongoing 2012 session preview, are a few more issues likely to get considerable play in state capitals this year.

## JOB STIMULATION —

At least nine states created job stimulation tax credit programs in 2010, according to the National Conference of State Legislatures. Several states also enacted jobs measures last year, including New York, where Gov. Andrew Cuomo (D) and lawmakers ended the year with an agreement noted mainly for increasing the tax rate on the state's highest earners but which also included tax credits to boost employment of inner-city youth and a \$250 million rollback of payroll taxes on businesses in Long Island and the Hudson Valley.

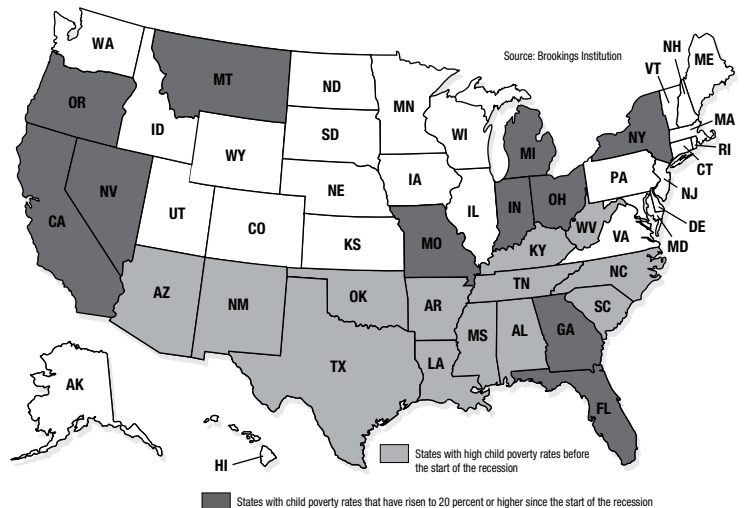
Although a December report from the Bureau of Labor Statistics showed unemployment rates declined in most states in 2011, with less than a third of the 8.7 million jobs lost since the start of

the Great Recession having been recovered, job stimulation is likely to be a hot topic in state capitals again in 2012. All eyes are likely to be on New York's seemingly infallible chief executive, Cuomo, who proposed over a dozen job-creation initiatives in his state of the state speech last week, including building a 3.8-million-square-foot convention center in Queens, setting aside \$1 billion in incentives to lure businesses to Buffalo and amending the state Constitution to legalize casino gambling.

**TRANSPORTATION FUNDING** — Congress hasn't passed a long-term transportation funding bill in over six years. The eight extensions passed since the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005 expired in September 2009 have failed to provide states with the federal funding certainty needed to take on major infrastructure projects. And even if Congress manages to pass a long-term transportation funding bill in 2012, it is unlikely to meet states' needs if it continues to rely on revenue from the federal gas tax.

New York lawmakers addressed that issue by including a \$1 billion public-private infrastructure fund in last month's tax overhaul deal. And Washington is one of several states expected to consider potential funding sources for transportation projects this year, including gas tax hikes and toll road expansions.

## Bird's eye view



### Recession doubles number of states with high child poverty rates

Before the Great Recession, there were 13 states, located mostly in the South and Southwest, with child poverty rates of 20 percent or higher. As of 2010, that number had grown to 24, and included states from coast to coast, according to a report by the Brookings Institution. Brookings predicts two more states — Idaho and Rhode Island — will join the ranks of high child poverty states in 2011, bringing the total to 26.



**INTERNET GAMBLING** — Last month, the Justice Department issued a ruling clearing the way for New York and Illinois to sell lottery tickets to their residents via the Internet. The ruling, which stated the federal Wire Act of 1961, which bars wagering over interstate telecommunication lines, applies only to sports betting, has opened the door for online gambling in other states.

Nevada has already seized on that opportunity, adopting rules governing the licensing of poker web sites in the state. New Jersey, where Gov. Chris Christie (R) last year vetoed an Internet gambling bill (SB 490), fearing it would violate federal law, could soon be next. And with plenty of cash-strapped states looking for new revenue sources, many more are likely to follow.

**RIGHT TO WORK** — Last year's legislative sessions will probably be remembered most for the GOP's clampdown on public employee unions, particularly the pitched battles over collective bargaining rights in Madison and Columbus. Despite the resulting blowback — the recall of two Republican state senators in August and an ongoing effort to oust Gov. Scott Walker (R) in Wisconsin and the voters' rejection of SB 5 in November in Ohio — conservatives may make an even bigger push against private sector unions this year.

Indiana looks to be first up, with leaders of the state's GOP-controlled General Assembly, which convened on Jan. 4, vowing to make a right-to-work law prohibiting unions at private companies from collecting dues from all employees, including non-union members, their No. 1 priority. House Democrats blocked right-to-work legislation last year with a five-week walkout, and they began the session last week with the same strategy, staying off the House floor and denying the GOP the quorum needed to conduct business. But if the Republicans somehow manage to pass a right-to-work measure it will likely add momentum to similar efforts in several other states, including New Hampshire, where the Republican-controlled Legislature narrowly failed to override a veto of a right-to-work bill (HB 474) by Gov. John Lynch, a Democrat, last year. The right-to-work movement suffered a setback last week when a federal judge struck down two measures passed in Idaho last session (SB 1006 and SB 1007) expanding that state's right-to-work law.

**ELECTION REFORM** — According to NCSL, 20 states without voter ID laws considered establishing them last year, with three — Kansas, Rhode Island and Wisconsin — ultimately taking that step. Another 14 states with voter ID laws already on the books considered strengthening them. Three of those states — South Carolina, Tennessee and Texas — ended up doing so legislatively, although South Carolina's law has already been rejected by the U.S. Justice Department on the grounds that it would make it more difficult for minorities to vote, and Texas' law could be next. Mississippi, meanwhile, adopted a voter ID law by citizen's initiative.



With this being a major election year, and voter ID laws at least presumed to be a way of influencing turnout at the polls — with Democrats claiming they discourage young, elderly and minority voters and Republicans claiming they deter fraud — more of them are undoubtedly on the way. There are also likely to be more measures restricting voter registration privileges, such as Election Day and same-day voter registration, and limiting early voting, like those introduced in numerous states last year.

**REDISTRICTING** — As of the start of this month, only about half of the states had completed their decennial congressional and legislative redistricting. With all of the partisan wrangling involved in the process and the litigation that is either already under way — most notably in the U.S. Supreme Court, which is weighing Texas’ remap mess — or is yet to come, redistricting is likely to occupy a lot of lawmakers’ time this year.

— *By KOREY CLARK*

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# Budget & taxes

**S TATES SEEKING BIGGER PENSION FUND RETURNS:** Over the past few years, states have been cutting pension benefits for public workers in an effort to get a handle on unfunded pension liabilities estimated at between \$1.26 trillion and \$3 trillion collectively. Now some states are beginning to take a look at the other side of the equation: investment returns.

The shift in focus could be crucial. About \$6 out of every \$10 in public pension trust funds comes from investment earnings, while just \$4 comes from employee and taxpayer contributions.

One way states are seeking to boost their returns — with most funds currently failing to earn anywhere near the 8 percent return rate they project — is by turning to riskier investments such as private equity instead of stocks and bonds. New Jersey’s pension fund, for instance, announced last month that it was committing \$2 billion of its assets to Blackstone Group to manage such alternative investments.

But Jim Watson, managing general partner of San Francisco-based venture capital firm CMEA Capital, and Josh Lerner, a professor of investment banking at Harvard Business School, say too much of states’ money is being invested in alternative assets with high fees and administrative costs and little emphasis on performance, and fund officials need to tie investment firms’ compensation to the market gains of their investments.

“We must find ways to move more money into higher earning classes of investments like hedge funds and private equity, but the cost needs to be closer to the current costs of investing in public stocks and bonds,” said Watson.

New York City is considering an even more radical approach to lower its pension fund management fees: bringing the management of its funds in-house. Currently most public pension funds are managed by private firms that charge fees to invest the public money and also receive a share of the profits on those investments. New York City Mayor Michael Bloomberg and Comptroller John Liu, however, have proposed creating an independent investment management company staffed by in-house advisers to oversee the city’s five public pension funds. The plan, which would have to be approved by the state Legislature, would be the first overhaul of New York City’s pension investment system in 70 years. But the payoff could be substantial. Bloomberg and independent analysts said the change could increase returns by as much as 2 percent per year, reducing taxpayers’ burden by up to \$2.4 billion.

New York Gov. Andrew Cuomo (D) said he generally backs the proposal but he believes New York City could have a hard time finding top-notch investment managers willing to work for lower pay than they could earn in the private sector. And Bloomberg said even if state lawmakers approve his proposed restructuring, the city will still have to make more benefit cuts.

“While these reforms should make a big difference in the management of city pension assets, we still desperately need pension benefit reforms to significantly reduce the pension costs that are siphoning dollars away from city services.”  
(STATELINE.ORG)

**NV PLACES BET ON INTERNET POKER:** Last month, the Nevada Gaming Commission unanimously approved rules governing the licensing of poker websites. The rules will allow the state to capitalize on a U.S. Justice Department ruling opening the door for intrastate Internet gambling (see *SNCJ* Spotlight “More hot issues for 2012”), as well as give it an early foothold in a lucrative future market, should Congress lift the ban on Internet gambling across state lines.

“We estimate the U.S. online poker market at \$5 billion in revenue, relative to the current \$24 billion global Internet gaming market and [the] \$33 billion commercial casino market in the U.S.,” Union Gaming Group analyst Bill Lerner stated in a recent report.

The rules Nevada’s gaming commission approved on Dec. 22, which were mandated by legislation passed earlier in the year (AB 258), require companies seeking online poker licenses to prove their technology is capable of limiting play to legal age state residents; establish procedures to detect money laundering, fraud and other criminal activities; and maintain cash reserves complementing money deposited in their customers’ accounts.



Several companies, including gaming equipment manufacturers and casino operators, have already applied for licensing. And Nevada gaming officials said websites could be up and running by the end of the year.

With revenues still in short supply across the country, some expect the same thing to happen in other states.

“I think it will be a domino effect,” said Richard Bronson, a former casino executive who now advocates for Internet gambling legislation in the states.

But others say the limited pool of potential players within individual states may make online gambling sites unviable.

“Without being able to go across state lines you don’t really have enough population base to do anything on the Internet,” said Jan Jones, chief of government relations for Caesars Entertainment Corp., which has applied for an online poker license but hasn’t decided whether to set up a site in Nevada alone. (WALL STREET JOURNAL, LAS VEGAS REVIEW-JOURNAL)

**BUDGETS IN BRIEF: NORTH CAROLINA** saved nearly \$1 billion by placing 1.1 million Medicaid enrollees in medical home programs between 2007 and 2010, according to a study by the actuarial firm Milliman Inc. The federal Affordable Care Act is encouraging all states to experiment with the program — which relies on primary care physicians to manage patient care — by offering to cover 90 percent of the program’s costs for the first two years (STATELINE.ORG). • A panel created by state law to help safeguard **CALIFORNIA** taxpayers’ interest in regard to the state’s proposed \$98.5-billion bullet train released a report last week concluding the current plan “is not financially feasible” and recommending state officials postpone borrowing billions of dollars to begin construction this year. Gov. Jerry Brown (D) had been planning to ask the Legislature in the coming months to issue the first installment of \$9 billion in voter-approved bonds for the project (LOS ANGELES TIMES). • The University of California at Berkeley announced last month it was capping the amount families with annual incomes between \$80,000 and \$140,000 would have to contribute to their children’s education at 15 percent of household income. While several top private schools such as Harvard and Princeton have instituted such tuition caps, UC Berkeley’s Middle-Class Access Plan is the first such initiative at a public university (CHRISTIAN SCIENCE MONITOR). • The Obama administration announced last month that nine states — **CALIFORNIA, DELAWARE, MARYLAND,**

## In the hopper

At any given time, State Net tracks tens of thousands of bills in all 50 states, the US Congress and the District of Columbia. Here’s a snapshot of what’s in the legislative works:

**Number of Prefiles last week: 674**

**Number of Intros last week: 2,653**

**Number of Enacted/Adopted last week: 84**

**Number of 2012 Prefiles to date: 484**

**Number of 2012 Intros to date: 2,645**

**Number of 2012 Session Enacted/Adopted overall to date: 82**

**Number of bills currently in State Net Database: 106,072**

— Compiled By OWEN JARNIGAN  
(measures current as of 1/4/2012)  
Source: State Net database



**MASSACHUSETTS, MINNESOTA, NORTH CAROLINA, OHIO, RHODE ISLAND** and **WASHINGTON** — will receive federal Race to the Top money to boost support for their pre-K and other early-learning programs (**CHRISTIAN SCIENCE MONITOR**). • **UTAH** Rep. Paul Ray (R) is sponsoring legislation that would impose higher co-payments for Medicaid recipients who smoke. The measure is believed to be the first of its kind in the nation, although other states have recently passed laws requiring applicants for Medicaid and other public assistance programs to submit to drug testing (**SALT LAKE TRIBUNE**). • The **WASHINGTON** Legislature closed \$480 million of the state’s projected \$2 billion budget gap during a 17-day special session last month (**NEWS TRIBUNE [TACOMA]**). • Boeing Co. announced last week that it will close its defense plant in Wichita, **KANSAS** by the end of 2013 to cut costs, sending more than 2,160 jobs to **TEXAS WASHINGTON** and **OKLAHOMA** (**LAWRENCE JOURNAL WORLD**). • States across the country have shed more than 80,000 jobs since the start of the recession, according to analysis by the Associated Press (**ASSOCIATED PRESS, STATE [COLUMBIA]**).

— *Compiled by KOREY CLARK*

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# Politics & leadership

**H** **HEALTH REFORM DECISION-MAKING SHIFTING TO STATES:**  
 Last month, the Obama administration made the surprise announcement that it was going to let states determine what treatments insurance plans that will be sold in insurance exchanges beginning in 2014 — in accordance with the

Affordable Care Act — will have to cover. The Department of Health and Human Services had been expected to handle that task.

**“This is still going to allow a patchwork of care and that’s what I thought we were going to try to get beyond.”**

Secretary of Health and Human Services Kathleen Sebelius said the alternative approach would “protect consumers and give states flexibility...to meet their unique needs.”

“As we’ve acknowledged many times, coverage that works in Florida may not work in Nebraska,” she said.

But the administration’s decision means residents of some states will receive more comprehensive or more affordable coverage than those of other states, which some say conflicts with one of the primary aims of the health reform law.

“This is still going to allow a patchwork of care and that’s what I thought we were going to try to get beyond,” said Carl Schmid, deputy executive director of the AIDS Institute.



Ed Haislmaier, a senior research fellow at the conservative Heritage Foundation, said the administration’s move was politically motivated.

“All they’re trying to do is avoid making tough calls before the election,” he said.

The administration has already faced strong opposition to the ACA in some Republican-controlled statehouses and is now awaiting a Supreme Court decision on the law’s constitutionality. And despite the administration’s insistence that its decision was not based on political expediency, it does allow Obama to avoid having to mandate nationwide standards for care that are both comprehensive and affordable, as well as sidestep having to decide whether insurance plans should cover expensive services like behavioral therapy for autistic children or in vitro fertilization.

Although those decisions will now be made by the states with federal guidance that will come in regulations next year, some health experts say, with some exceptions like acupuncture, coverage will be fairly consistent across the country.

“There will be some variation on the margins, but insurance is still going to look very similar from one state to another,” said Larry Levitt, a senior official at the nonprofit Kaiser Family Foundation, which studies the health insurance market. (WALL STREET JOURNAL, NEW YORK TIMES, STATELINE.ORG)

**MT SUPREME COURT CHALLENGES NATION’S HIGHEST COURT ON POLITICAL SPENDING:** Two years ago, the U.S. Supreme Court ruled in *Citizens United v. Federal Elections Commission* that corporations and unions have the right under the First Amendment to spend as they wish to support or oppose candidates for political office. The justices rejected the federal government’s argument that independent political expenditures by corporations corrupted elections for Congress and the presidency.

“Indeed, 26 States do not restrict independent expenditures by for-profit corporations. The Government does not claim that these expenditures have corrupted the political process in those States,” Justice Anthony Kennedy wrote in the majority opinion.

Most officials in the states that did limit such expenditures took the view that those regulations were voided by the high court’s decision. But Montana Attorney General Steve Bullock didn’t go along with them. He contended that corporate spending had clearly corrupted elections in his state shortly after it was admitted to the Union in 1889, when big copper companies and other mining interests engaged in heavy political spending — and sometimes outright bribery — to take control of the courts and the statehouse.

Last week, the Montana Supreme Court agreed with him, upholding the state’s Corrupt Practices Act, a century-old voter initiative banning corporate political spending, by a vote of 5-2.

## Upcoming stories

Here are some of the topics you may see covered in upcoming issues of the *State Net Capitol Journal*:

- **Lou Cannon**
- **Health care**
- **The economy**





seeking to field an independent candidate in next year’s presidential race, has submitted enough signatures to qualify for the **CALIFORNIA** ballot. The group has now secured a spot on the ballot in 12 states (**SACRAMENTO BEE**). • Mitt Romney won **IOWA**’s Jan. 3 Republican caucuses by a mere eight votes. Romney received 30,015 of the 122,255 votes cast, while runner-up Rick Santorum received 30,007 (**DES MOINES REGISTER**).

– *Compiled by KOREY CLARK*

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# Governors

**GREGOIRE BACKS SAME-SEX MARRIAGE:** Washington Gov. Christine Gregoire (D) said she will introduce legislation to allow same-sex couples to marry in the Evergreen State. If successful, Washington, which authorized domestic partnerships in 2009, would become the seventh state to legalize same-sex matrimony.

“It is time in Washington state for marriage equality,” Gregoire said last week during a news conference at the state Capitol in Olympia. “It is time, it’s the right thing to do.”

**“It is time in Washington state for marriage equality. It is time, it’s the right thing to do.”**

It was something of a coming out for Gregoire, who has been consistently vague over the issue since her election in 2004. During that campaign, she said she believed the state was not ready to support gay marriage.

Although she publicly supported the domestic partnership measure — and opposed an unsuccessful 2010 effort to overturn the law via a public referendum — Gregoire had previously not taken any further direct stance on same-sex marriage, refusing to say whether she personally supported it or would endorse or veto legislation allowing it. She conceded last Tuesday that her Catholic faith has made it hard for her to come to terms with her personal views on the matter, saying “I have been on my own journey. I will admit that.”

“It has been a battle for me with my religion,” she said. “I have always been uncomfortable with the position that I have taken publicly. And then I came to realize the religions can decide what they want to do but it is not OK for the state to discriminate.”

The governor, who has already announced she will not seek another term, also rejected claims her newfound support is a product of her lame duck status as governor.

“It’s right here that frees me up to do this,” she said, tapping her chest over her heart.



Whether Gregoire gets the opportunity to sign such a measure remains in doubt. Brian Brown, head of the Washington D.C.-based National Organization for Marriage, which claims 800,000 members, said his group would oppose the effort. State Republican leaders also criticized the proposal, saying Gregoire should focus on the state's ongoing \$1.5 billion budget deficit instead. Rep. Matt Shea (R), one of the leaders of the failed referendum effort against the state's domestic partnership law, said the same coalition of groups would also fight a same-sex marriage proposal.

Legislative opposition also is not confined to Republicans: several conservative Democrats also oppose same-sex nuptials, including Sen. Mary Margaret Haugen, who says she will not support any measure that doesn't also include a public vote.

Still, State Sen. Ed Murray and Rep. Jamie Pedersen, both Democrats and leaders in the push to legalize same-sex marriage, say they are optimistic such a bill will gain approval in the Democrat-controlled Legislature this year. Although Pedersen acknowledged the votes are not there yet in the Senate, Murray expressed confidence that the House is on board. He said that support includes at least a handful of Republicans.

"I can get Republican votes for marriage, but I can't get a Republican vote for a tax increase," he joked. "Suddenly, gay marriage becomes easier than raising taxes. I never thought I'd say that." (REUTERS, SEATTLE TIMES)

**MCDONNELL NOT LIKELY TO SUPPORT GUNS ON CAMPUS:** Virginia Gov. Robert McDonnell (R) said last week he is unlikely to support legislation to allow guns on Old Dominion college campuses this year.

"I think it's unlikely a bill like that would pass, and I think at this point I would probably be unlikely to sign it," he said.

McDonnell's comments came in response to a planned campaign by a group called the Virginia Citizens Defense League, which is pushing for the state to allow licensed gun owners to carry their weapons on college campuses. Similar efforts have been undertaken in other states in recent years.

While he didn't completely shut the door on the possibility of signing off on such a measure, McDonnell was clearly skeptical that would happen.

"There is some legitimate debate about whether an armed citizenry can stop problems, whether it's on a college campus or any other venue, but I'd have to see what the law looks like," McDonnell said.

He further noted that while serving as the state's attorney general from 2006 to 2009, he issued the legal opinions that most colleges cite in blocking weapons from their grounds. Those opinions state that college boards of visitors had "implied powers in various campus security matters to limit access to firearms in certain places

## Upcoming elections

1/5/2012 - 1/26/2012

01/10/2012

**Massachusetts Special Election**  
Senate District 2nd Suffolk and Middlesex

**Minnesota Special Election**

House District 61B  
Senate District 59

on campus.” Current Attorney General Ken Cuccinelli issued his own opinion last year that college governing boards needed to adopt specific policies barring guns on university grounds.

Gun-on-campus advocates, however, have continued to push for greater latitude, often citing incidents like an April 2007 shooting rampage on the campus of Virginia Tech University that left 33 people dead. Advocates say the shooter could have been stopped if other students were armed.

Virginia Citizens Defense League president Philip Van Cleave said he was disappointed in the governor’s statement, but promised to keep pushing the group’s agenda.

“This is something that we feel will save lives, make universities and colleges safer,” he said. (ROANOKE TIMES, UPI)

**QUINN SIGNS PENSION REFORM MEASURE:** Illinois Gov. Pat Quinn signed legislation (HB 3813) last week that closes a controversial pension loophole that allowed public employee union leaders to secure highly inflated lifetime retirement packages, often for as little as substitute teaching for a single day.

Under the measure Quinn signed last Wednesday, former teachers who also work as teachers union officials will be barred from applying the teacher pension formula to their six-figure union salaries. It will also prohibit some city and union workers from taking a leave of absence from their current job to work full time for their union, and then collecting pensions from both. The new law takes effect immediately.

“The pension abuses unearthed were flagrant. They needed to be stopped immediately and prevented from ever happening in the future,” Quinn said in a statement after the signing. (CHICAGO TRIBUNE, ST. LOUIS POST DISPATCH)

**GOVERNORS IN BRIEF:** Republican lawmakers in **MAINE** said they will not support Gov. Paul LePage’s (R) proposal to cut \$60 million in funding for the Pine Tree State’s private nonmedical institutions, facilities that serve the elderly, the mentally and physically disabled and patients of substance abuse treatment programs. The governor’s proposed cuts are part of an effort to deal with an estimated \$220 million shortfall in the state Department of Health and Human Services budget. His GOP colleagues said they would work with him to find another solution (BANGOR DAILY NEWS). • **INDIANA** Gov. Mitch Daniels (R) first imposed and then quickly rescinded new Statehouse security rules that included a 3,000-person crowd cap and different access rules for lobbyists and the general public. Daniels had imposed the rules just days before, citing Statehouse protests by organized labor last year that jammed the building to occupational capacity. He changed his mind, however, after receiving complaints from both the public and all four legislative leaders (INDIANAPOLIS STAR). • **PENNSYLVANIA** Gov. Tom Corbett (R) has ordered a wage freeze for himself and top members of his cabinet.



The freeze, which also applies to top government managers, takes place immediately and blocks a scheduled three percent annual cost-of-living raise (PATRIOT-NEWS [HARRISBURG]). • **MONTANA** Gov. Brian Schweitzer (D) did not follow through on a threat to block shipments of millions of trout eggs from Treasure State hatcheries to hatcheries in other states over an ongoing dispute with federal wildlife officials. Schweitzer, who is battling with the U.S.

Fish and Wildlife Service over bison management, allowed egg shipments to be sent to **NEW HAMPSHIRE, UTAH, SOUTH DAKOTA, NORTH DAKOTA** and **NEBRASKA** (DAILY HERALD [PROVO]). • **NEW MEXICO** Gov. Susana Martinez (R) proposed last week to allocate more than \$5 million next year to help low-performing schools and reward those that excel under a new state law that will assign public schools letter grades. Martinez’s proposal will be part of the budget she presents lawmakers when they return this month (ASSOCIATED PRESS). • **NEW YORK** Gov. Andrew Cuomo (D) signed AB 72, open meeting legislation that requires state and local governments to post materials online before a meeting, or provide copies before or at the meeting when possible (ROCHESTER DEMOCRAT & CHRONICLE).

## In case you missed it

Despite another year of partisan gridlock in Congress and growing public disenchantment with lawmakers across the board, some governors and legislatures rose above partisanship and wrote a record of accomplishment in 2011.

In case you missed it, the article can be found on our website at

[http://www.statenet.com/capitol\\_journal/12-19-2011/html#sncj](http://www.statenet.com/capitol_journal/12-19-2011/html#sncj)

— *Compiled by RICH EHISEN*

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# Hot issues

**B**USINESS: The **CALIFORNIA** Supreme Court upholds the Golden State’s right to eliminate local government agencies that subsidize construction in blighted areas. Lawmakers passed legislation last year to do away with the redevelopment agencies and use money currently slotted for them to help balance the state’s budget. The high court rejected a second law, however, that would have allowed the agencies to be reconfigured in a different form (SACRAMENTO BEE). • A federal court in **IDAHO** overturns two 2011 Gem State bills, SB 1007 and SB 1006, so-called “right-to-work” measures that, among several things, barred “job targeting programs” that use union dues funds to subsidize members’ wages as a way to help contractors win bids and ban “project labor agreements” through which contractors sign agreements with unionized workers while bidding on public works projects. U.S. District Judge Lynn Winmill said the bills violated federal law. State officials are considering an appeal (SPOKESMAN-REVIEW [SPOKANE]).

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**CRIME & PUNISHMENT:** The **NEW HAMPSHIRE** House approves HB 217, which would allow Granite State officials to criminally charge people responsible for the violent death of an unborn child. Under the measure, which is now in the Senate, the fetus must be at least 24 weeks and the perpetrator must purposely cause the death (UNION-LEADER [MANCHESTER]).

**EDUCATION:** The **NORTH CAROLINA** House overrides Gov. Bev Perdue's (D) veto of SB 727, which bars members of the Tar Heel State's largest teacher union from having their dues deducted automatically from their paychecks (NEWS & OBSERVER [RALEIGH]).

**ENVIRONMENT:** A federal judge invalidates **CALIFORNIA's** Low Carbon Fuel Standard, which requires producers, refiners and importers of gasoline and diesel to reduce the carbon footprint of their fuel by 10 percent over the next decade as part of the state's effort to reduce greenhouse gas emissions to 1990 levels by 2020. U.S. District Judge Lawrence O'Neill ruled that the law violates the U.S. Constitution's Commerce Clause by discriminating against crude oil and biofuels producers located outside the state. The state Air Resources Board plans to appeal the ruling (LOS ANGELES TIMES). • Citing a surge in population, the U.S. Fish and Wildlife Service removes gray wolves in **WISCONSIN, MINNESOTA, MICHIGAN** and portions of adjoining states from federal protection under the Endangered Species Act. The change takes effect at the end of January (MILWAUKEE JOURNAL-SENTINEL). • **WEST VIRGINIA** Gov. Earl Ray Tomblin (D) signs HB 401 (2011 4<sup>th</sup> Special Session), the Horizontal Well Act, a measure to regulate the extraction of natural gas in Marcellus Shale deposits. The new law will, among many things, set minimum fees for newly established wells, require those wells to be kept at least 625 feet from human dwellings and force drillers to notify public officials of the chemicals they use in the extraction process (REGISTER-HERALD [BECKLEY]).

**HEALTH & SCIENCE:** A federal court tosses out an **ARIZONA** lawsuit filed by Gov. Jan Brewer (R) seeking to clarify whether its voter-approved medical-marijuana law trumps federal drug laws. U.S. District Court Judge Susan Bolton dismissed the suit, saying the Grand Canyon State couldn't show its public workers were at risk of federal prosecution for following Proposition 203, or even if it intended to fully implement the law. A Brewer spokesperson said the governor is considering an appeal (ARIZONA REPUBLIC [PHOENIX]).

**IMMIGRATION:** A federal judge temporarily blocks three main parts of **SOUTH CAROLINA's** new **ARIZONA**-style immigration law from taking effect. U.S. District Judge Richard Gergel blocked portions of the law that require Palmetto State police to check the immigration status of people they stop when there



is “reasonable suspicion” that they are in the country illegally, require immigrants to carry federal alien registration documents and make it a felony for anyone to knowingly harbor or transport an undocumented person. Gergel upheld a part of the law that requires businesses to verify their workers’ legal status through the federal E-Verify database. State officials say they will wait until the U.S. Supreme Court rules on a federal challenge to the **ARIZONA** statute before deciding whether to appeal (POST AND COURIER [CHARLESTON]). • The 11<sup>TH</sup> U.S. Circuit Court of Appeals denies a request from **GEORGIA** officials to delay legal arguments over the state’s new immigration law pending a U.S. Supreme Court decision on the similar measure in **ARIZONA**. The court is expected to hear the case in late February (ATLANTA JOURNAL-CONSTITUTION).

**SOCIAL POLICY:** The **UTAH** Supreme Court rules that an unborn child qualifies as a minor, therefore allowing wrongful death lawsuits to be filed on behalf of those who die before birth. The decision stemmed from the case of a Beehive State couple who sued a government-subsidized health clinic after their child was stillborn in 2006. Federal authorities, who are representing the clinic, have asked for the case to be re-opened (DESERET NEWS [SALT LAKE CITY]).

— *Compiled by RICH EHISEN*

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# Once around the statehouse lightly

**A DOG’S LIFE:** California Gov. Jerry Brown’s Pembroke Welsh Corgi, Sutter, has a pretty significant profile around the Golden State. It has been noted in this space before, the venerable “first dog” is a legitimate celebrity around the Sacramento Capitol, and even has his own Facebook page and Twitter accounts. But Sutter has really hit the big time now. As the *Sacramento Bee* reports, Brown has added his pooch’s biography to the official state governor’s website. Tasty infonuggets therein include Sutter’s birthday (September 24), his hometown (Ketchum, Idaho) and his religious affiliation (Zen Jesuit). Regarding the last one, Sutter is quick to note he is “not burdened with dogma,” though he is of course fond of dog bones. The political pooch also claims to be a member of the Whigs, noting he is “practical and not carried away by the barking constituencies.” Say it with me: Only in California.



**STATE OF TRUTHINESS:** The 2012 GOP presidential nomination campaign will soon be heading to South Carolina. But while folks in the Palmetto State are happy to be the first southern state to primary, local elections officials are not as enamored of the reported \$500,000 shortfall they expect to face in the process. Enter comedian Stephen Colbert, a South Carolina native who made himself famous via his portrayal of a blustering conservative pundit specializing in “truthiness” on Comedy Central’s “Daily Show.” In an open letter to Columbia’s *The State*, Colbert offered to underwrite the whole affair. Alas, there was a catch: Colbert would come up with the cash in exchange for naming rights — “The Colbert Super PAC South Carolina Republican Primary” — and placing a Democrat-supported referendum asking residents to weigh in on the Citizens United ruling that let corporations be considered the same as people. Shockingly, the state GOP declined.

**I SAID THAT?** Everybody pretty much acknowledges that Massachusetts Lt. Gov. Timothy Murray was lucky to survive a serious car wreck last Nov. 2, the date his state-owned Crown Victoria sped off the road and flipped over. Murray, who walked away with barely more than a few bruises, credited his good fortune to several things, including his use of a seat belt and adherence to the speed limit. Ah, but as the *Boston Globe* reports, he might be just slightly mistaken. According to the vehicle’s onboard data “black box,” Murray’s car was traveling at over 100 mph when it left the road. He was also actually not wearing his seat belt. Police say he most likely fell asleep at the wheel. It says here he must have been dreaming up his story at the time.

**NOW WHERE DID I PUT THAT GUN AGAIN?** Speaking of somewhat dubious stories, we now come to California Assemblyman Tim Donnelly. As the *Los Angeles Times* reports, Donnelly was busted last week for trying to board an airplane with a loaded .45-caliber handgun in his carry-on bag. He was cited and released, but now faces up to a year in jail and a \$10,000 fine. And why, pray tell, was he trying to take a loaded gun onto a commercial plane? According to Donnelly, he had the gun with him in the garage when his wife came in. Surprised, he stuffed it into his carry-on and then simply forgot it was there. He also claimed to be the target of death threats over his stance against immigrant-friendly measures in the Capitol. Interestingly, he had not previously noted those threats to Assembly officials, Capitol security or, for that matter, his wife. So much for being a straight shooter.

— By RICH EHISEN



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