

January 19, 2008

Global Woes



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The next issue of Capitol Journal will be available on February 2nd.

Top Story

All politics may be local, but the current economic meltdown that began in America has spread to all corners of the globe.

SNCJ Spotlight

The local politics of globalism

“All politics are local,” observed Thomas P. (Tip) O’Neill, the iconic speaker of the House of Representatives, in an adage that has global resonance. Your columnist spent the holiday season in London, where the economic news mirrored the news at home. With layoffs mounting and home prices falling, retailers offered immense bargains to lure shoppers. But in the aftermath of the holidays,

A Cannon Perspective



With Lou Cannon

several English stores — among them the international emblem Woolworth's — shuttered their doors. Meanwhile, Britons on the economic lower rungs are struggling, even with a stronger safety net than its U.S. counterpart. A headline in the *Times* of London summarized the situation: “Charities, elderly, and poor suffer as flow of donations slows to a trickle.” The queen’s annual Christmas Day message expressed sympathy for the economic plight of her subjects.

As in America, Britain’s leaders and opinion-shapers offered anxious opinions about the depth and duration of the downturn. Prime Minister Gordon Brown, at first unwilling to aid the Coventry-based Jaguar firm, did an about-face and offered a limited bailout after deciding that Britain could not afford to lose this automotive symbol. Sound familiar? Strictly speaking, Britain has already lost Jaguar, which is part of Jaguar Land Rover, a company owned by the Mumbai-based firm, Tata, whose worldwide sales are slumping. Meanwhile, one of the hottest selling books in Britain is *The Ascent of Money* by the Scottish-born Niall Ferguson, which asserts that the United States is overstretched and has become part of a “dual country” he calls “Chimerica” in which China has become the principal banker of the United States. The book is doing well on our shores, too.

What is not doing well in Britain or America — or in China, for that matter — is the economy. Housing prices are falling and manufacturing orders declining at greater rates than economists had predicted. In Britain, more than here, there is a persistent awareness of the global nature of the recession. It shows up in media commentaries and in such unexpected places as a sermon by John Sentamu, the Anglican archbishop of York, who answered a biblical question with a response that any savvy, secular investor could understand. “Am I my brother’s keeper?” asked Sentamu. “Yes, I am. The impact of what happens with a sub-prime mortgage in America has an impact upon my brother employed in Newcastle, working for Northern Rock,” (The latter is a big British bank that collapsed because of risky lending and was taken over by the government.)

Such globalist views are accompanied in some quarters by resentment over the U.S. role in triggering the global downturn but also by hope that the incoming Obama administration will lead the recovery. Prime Minister Brown, who often and somewhat melodramatically compares the challenges of the global economic crises to World War II, said in his New Year’s address that he looked forward “to working with President-elect Obama in creating a trans-Atlantic, and then a global coalition for change.” It comes as no news flash to say that President George W. Bush is deeply unpopular in Britain. As at home, Barack Obama’s biggest problem may be that expectations are higher for him than anyone could possibly fulfill.

Expectations are lower for Brown, and the Labor Party leader appears to be exceeding them. Under Britain’s electoral rules Brown is not required to call a parliamentary election until June 2010, although he can do so before then. In terms of the British economy, the dour but resolute Brown is cast alternatively as Bush and Obama, first the problem and then the solution. A year ago Labor hopelessly trailed



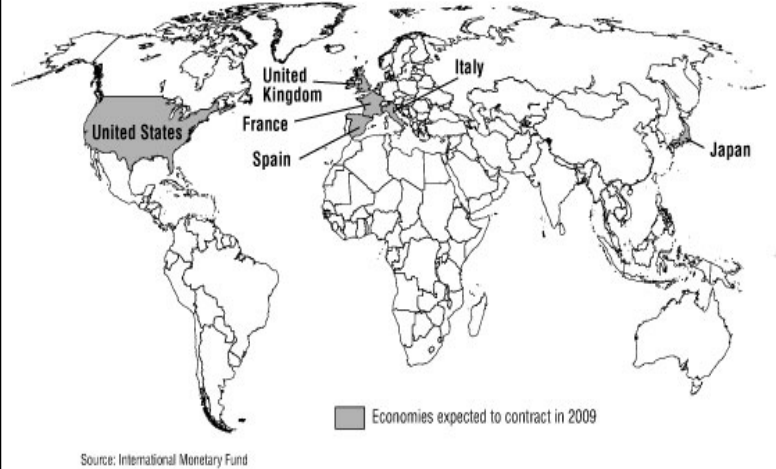
the resurgent Conservatives in the public opinion polls. Brown has since closed the gap with a display of resolute optimism and a program of bank nationalization, tax cuts, and economic stimulus. Britain, however, may have less long-term running room than the United States. Real public debt in Britain is 80 percent of annual gross domestic product (GDP); even if the entire Obama stimulus package is approved, the U.S. figure in 2009 will be about 55 percent.

In both Britain and the United States, the federal government, with its ability to unleash massive spending endeavors, is seen as the main engine with the power to end the recession. The intellectual architect of this approach is the British economist John Maynard Keynes, who to paraphrase Robert Reich, saved capitalism by persuading government to spend money it didn't have. President Franklin D. Roosevelt, whose New Deal Obama seeks to

emulate, was the most eminent Keynesian, but it's worth recalling that conservative economist Milton Friedman said decades later, "We are all Keynesians now." In the waning months of the Bush administration the Federal Reserve is printing money and Treasury is spending it at a pace that would satisfy even the most ardent New Dealer.

While the federal government directs the effort, much of the spending in the United States is distributed through state and local governments. So returning to our country, it was astonishing to find columnist Paul Krugman in *The New York Times* denouncing U.S. governors as "fifty Herbert Hoovers" because they are trying to balance their budgets instead of pump-priming. Krugman may be a Nobel Prize-winning economist, but he apparently knows little about state government. Most governors are required by law or their state constitutions to submit balanced budgets, and the vast majority do so. Ignoring the rule of law will not advance either economic recovery or democratic reform. Where the governors can help, as they did in influencing many routings of the U.S. Interstate system during the Eisenhower

Bird's eye view



Global recession forecast for 2009

The financial crisis that has plagued the United States the past year is now a global problem, according to the International Monetary Fund (IMF). The IMF's World Economic Outlook Update, released in November, predicted that global growth would slow to 2.2 percent in 2009, meeting the organization's informal definition of a global recession: world-wide growth of less than 3 percent. The U.S. economy was forecast to contract by 0.7 percent, but some European economies — the United Kingdom's in particular — were expected to fare as badly or worse. Advanced economies as a whole were forecast to contract by 0.3 percent. Positive growth was still expected for developing and emerging economies — like those of China, India and Russia — but 1.5 percent below the 6.6 percent rate the IMF projected for 2008.





administration, is in identifying key infrastructure projects in their states that will have lasting importance. The United States is embarking on a massive restructuring of its transportation and energy systems, and it is the duty of the states to help see that this money is spent wisely. “Pay to play,” a phrase now made newly notorious by ILLINOIS Gov. Rod Blagojevich (D) and the better-regarded NEW MEXICO Gov. Bill Richardson (D), will not get it done.

There is much more that states can do. Below the national radar, ILLINOIS, NEW JERSEY, and MICHIGAN are investing in local banks and credit unions that haven’t qualified for the federal bailout of big banks. FLORIDA, OHIO, and VERMONT have passed their own stimulus plans even while economizing to balance their budgets. NEW JERSEY innovatively tried to bypass the frozen municipal bond market by launching a website to sell bonds to the public.

Such innovation would come as no surprise in London, where the idiosyncratic Conservative mayor Boris Johnson has, as *Newsweek* puts it, been “unrestrained by the strict left-right divide” of British politics. Johnson won a surprise victory last year after promising a greener London that was free of the cronyism that has marked its recent governance. He has praised Obama, modeled himself after New York Mayor Michael Bloomberg, and more importantly raised London’s “living wage” to \$11.17 an hour, nearly 35 percent higher than the national figure.

Tip O’Neill was right. Even in the age of globalism, politics is local.

— *By Lou Cannon*

Budget & taxes

S TIMULUS PACKAGE COULD STALL TRANSPORTATION BILL: The federal highway and transit program — the primary source of transportation funding for states — is set to expire on Sept. 30. And congressional lawmakers have been planning to revamp the program this spring to bring the nation’s transportation demands more into sync with its economic goals. But the economic stimulus package Congress is currently working on could end up spoiling that plan.

The stimulus package, with a price tag now reportedly exceeding \$800 billion, is expected to include billions of dollars for roads, bridges and other infrastructure projects. Its passage could make it a lot harder for Congress to approve a major transportation program overhaul, which could require \$500 billion over five years.

“I think there’s a potential at the congressional level of a sense that ‘We’ve taken care of infrastructure needs (in the stimulus package). What do you mean we need an infrastructure bill?’” said OREGON Sen. Bruce Starr (R).



That’s a major concern for state officials like PENNSYLVANIA Gov. Ed Rendell (D), who told a group of transportation policymakers at the Brookings Institution on Jan. 12 that while the stimulus package will address the short term need to stimulate the economy by funding shovel-ready projects across the country, it will not address the long term need to overhaul the U.S. transportation system.

“I worry we’ll have a stimulus plan of about \$100 billion (for transportation) and that box will sort of get checked off” of the to-do list, Rendell said.

It was hoped that Congress would approve the stimulus plan before the Jan. 20 inauguration, but it’s now uncertain when that approval will come. And the longer

it takes, the tougher it will be to push through a separate highway spending bill. Committee staffers said there’s a relatively short window for the bill. It has to be approved before summer, they said, when lawmakers usually take up spending bills that can tie them up the rest of the summer.

“We have to be off the floor by the end of May” or there will be no bill,

said James O’Keefe, senior economist for the Senate Committee on Environment and Public Works. “We really need to get cracking.” (STATELINE.ORG)

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WESTERN STATES DISCOVER ‘BLACK GOLD’: Oil and gas prices have been falling along with the national economy, but a few Western states have their eye on an alternative fuel source that could keep them in the black for years to come.

Geologists have confirmed the existence in COLORADO, UTAH and WYOMING of huge oil shale deposits, the equivalent of 800 billion barrels of oil — more than contained in all of the reserves in Saudi Arabia.

Developers have been trying to produce oil from shale — sedimentary rock located hundreds of feet below the Earth’s surface — for decades, but they’ve only recently come up with a process that doesn’t involve strip-mining. And although the technologies involved are experimental and their environmental impact unknown, the Bush administration finalized rules in November that will open up 2 million acres of federal land in COLORADO, UTAH and WYOMING to shale exploration on Jan. 17.

The rules have placed the three states in the difficult position of having to weigh the potential boon that taxes and royalties on the so-called “black gold” could be to their tight budgets against the unknown impacts of the new methods of production, particularly on the West’s most precious resource: water. Whatever extraction methods developers eventually settle on, they will likely involve the use of vast amounts of water.

Some state officials, including COLORADO Gov. Bill Ritter (D) and WYOMING Gov. Dave Freudenthal (D), openly criticized the administration’s action.



“We obviously don’t agree with this decision,” Freudenthal said. “Perhaps the most telling is, by [the industry’s] own admission, oil shale won’t be able to be developed for another five to 10 years. So really, this was nothing but a gift to industry.”

But U.S. Rep. Doug Lamborn (R-COLORADO) welcomed the new rules.

“They [state officials] should not be able to dictate what happens on federal lands,” he said. “I’d sure hate to see that. We are living in a day and age where Americans need access to affordable energy to keep the economy going.” (STATELINE.ORG)

AMAZON.COM SUING NY: America’s largest online retailer, Amazon.com Inc., has taken legal exception to a rule adopted by NEW YORK back in April requiring the company to collect taxes on its sales to state residents. A 1992 U.S. Supreme Court ruling bars states from forcing businesses that have no “physical presence” within their borders to collect sales taxes. Because Amazon has no operations in NEW YORK, the company contends the state’s new rule is unconstitutional.

The Empire State’s rule, however, takes a broader view of “physical presence.” It basically asserts that if a retailer solicits business in NEW YORK by paying someone in the state to direct customers to it, the retailer has a physical presence in the state. And since Amazon and other online retailers compensate some NEW YORK-based Web site operators for posting ads that link to the retailers, the state reasons, the retailers should have to pay sales taxes.

Matt Anderson, spokesman for NEW YORK’s Division of the Budget, said the state expects to take in \$23 million this fiscal year as a result of the new rule. That’s just a fraction of the state’s \$1.7 billion budget gap, but Anderson said the state wants “to level the playing field” and eliminate the “unfair competitive advantage” Web-only retailers have over brick-and-mortar stores that have to collect sales taxes.

The issue could become moot if the growing number of states and brick-and-mortar retailers behind a move to create a uniform sales tax get their way. The Streamlined Sales Tax Project, which now has the backing of 22 states and more than 1,100 retailers, even has the support of some national Web-only companies, because it would greatly simplify their tax collection procedures.

In the meantime, however, Amazon is complying with NEW YORK’s new rule and hoping for a favorable ruling by the state’s Supreme Court. But a 2005 court

The week in session

States in Regular Session: AK, AR, AZ, CA, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, MA, MD, ME, MI, MN, MO, MS, MT, ND, NE, NJ, NM, NY, OH, OR, PA, RI, SC, SD, TN, TX, US, VA, VT, WA, WY

States in Recess: KY, MI(Senate Only), NH, WI, WV

States in Special Session: CA “b”, CA “c”

States Currently Prefiling or Drafting for 2009: AK, AL, FL, NM, NV, OK, UT

States in Special Session Projected to Adjourn: FL “a”

States Adjourned in 2009: DC 2007-08, IL 2007-08, MA 2007-08, MI 2007-08, NY 2007-08, OH 2007-08.

State Special Sessions Adjourned in 2009: CA “a”, CT “a”, IL 2007-08 Special Sessions “a”-“z”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 1/16/2009)
Source: State Net database



ruling in CALIFORNIA may not be too encouraging. The Golden State’s 1st District Court of Appeal ruled that MICHIGAN-based Borders Group Inc. had to pay sales taxes on books, music and other goods it sold to CALIFORNIA residents online because of its affiliation with retailers located there. (ASSOCIATED PRESS, CBS NEWS, SAN DIEGO UNION-TRIBUNE)

BUDGETS IN BRIEF: The U.S. House passed a bill last Wednesday to expand the Children’s Health Insurance Program, legislation similar to that vetoed by President Bush twice before. The Senate is expected to pass the bill within a week, allowing President-elect Obama to sign it within days of taking office Tuesday (NEW YORK TIMES). • **CONNECTICUT** lawmakers voted last week to seize the nickel deposits on bottles and cans consumers fail to redeem. The action — which the state hasn’t had to resort to in 30 years — is expected to generate as much as \$25 million annually (HARTFORD COURANT). • **VIRGINIA** Gov. Tim Kaine (D) set a goal last week of bidding out \$250 million in capital construction projects already approved by lawmakers by July 1 (RICHMOND TIMES-DISPATCH). • **CALIFORNIA**’s nonpartisan Legislative Analyst’s Office reported last week that without action by lawmakers, the state will be \$500 million short of the cash it needs to pay its bills by Feb. 1 and \$4 billion short by March (SAN FRANCISCO CHRONICLE). • Despite recent declines in commodities prices, **NEBRASKA, NORTH DAKOTA, SOUTH DAKOTA, UTAH** and **WYOMING** posted the lowest unemployment rates in America in November: 3.7 percent or lower, while the national rate was 6.7 percent (LAWRENCE JOURNAL WORLD). • **FLORIDA** lawmakers approved \$1.2 billion in spending cuts last Wednesday, concluding a 10-day special session aimed at closing the state’s \$2.4 billion budget hole. Gov. Charlie Crist (R) said he would ease some of the cuts to education and public safety in the 14 days he has to consider the Legislature’s plan (PALM BEACH POST, MIAMI HERALD, ORLANDO SENTINEL). • **TENNESSEE** Gov. Phil Bredesen (D) warned last week that the state may have to lay off 2,000 public employees to address its budget shortfall (CHATTANOOGA FREE PRESS).

— *Compiled by KOREY CLARK*



Politics & leadership

SCHWARZENEGGER’S FURLOUGH ORDER SPARKS REVOLT: Last month, in an effort to close a budget gap that could reach \$41.6 billion by the middle of next year, CALIFORNIA Gov. Arnold Schwarzenegger (R) issued an executive order directing 238,000 nonessential state employees to take off two days of work each month without pay, starting Feb. 6.

Governors

NEW IL HOUSE IMPEACHES BLAGOJEVICH AGAIN: The new ILLINOIS House wasted little time last Wednesday in reinforcing the previous session's 114-1 impeachment vote against Gov. Rod Blagojevich (D). On the same day the House began that chamber's 96th session, lawmakers voted 117-1 to uphold the impeachment vote, which had expired with the end of the previous session the week before. The lone negative vote came from Rep. Deborah Mell, a Chicago Democrat who is also the sister of Blagojevich's wife, Patti.

The vote moves the process to the Senate, where the governor last week presided over a decidedly muted swearing-in ceremony for incoming lawmakers. The event marked the first time Blagojevich has appeared in the Springfield statehouse since his December 9th arrest on charges of trying to sell President-elect Barack Obama's Senate seat. He entered and left the building via seldom-used doors and stairways, avoiding hordes of media seeking his comment on the charges and pending Senate trial.

Blagojevich was uncharacteristically contrite during the ceremony, sticking primarily to the ceremonial script and avoiding saying too much else. He did make one reference

to his impending Senate trial, however, urging lawmakers to "find the truth and sort things out" with, in a nod to Abraham Lincoln, "malice toward none and charity toward all." Most lawmakers expressed relief when the whole thing was over.

"I think the people in this state have

been shaking their head for a long time over this governor," said newly-elected Senate Minority Leader Christine Radogno (R). "He probably didn't need to make a speech."

Blagojevich left shortly after his attorney accepted a trial summons from the Senate Sergeant-at-Arms. That trial is set to start January 26th. (CHICAGO TRIBUNE, QUAD-CITY TIMES [DAVENPORT])

MORE PAY TO PLAY IN NM: A former NEW MEXICO government worker with the state Education Retirement Board filed suit last week claiming that he was pressured to award state contracts and make investments that would reward political campaign contributors of Gov. Bill Richardson (D). The former employee, Frank Foy, said those investments ultimately lost the state nearly \$90 million. Representatives for both the ERB and Richardson scoffed at the claim, calling Foy a "disgruntled former employee." Richardson is currently facing a federal investigation into whether a CALIFORNIA firm, CDR Financial Products, got state work in return for large contributions it gave to two political action committees started by Richardson. (NEW MEXICO INDEPENDENT)

"I think the people in this state have been shaking their head for a long time over this governor. He probably didn't need to make a speech."



PERDUE STARTS WITH A FLOURISH:

Freshman NORTH CAROLINA Gov. Bev Perdue (D) didn't waste any time getting started on her first day in office, issuing five executive orders she said will make government more transparent, more efficient and more ethical. Perdue's orders include one to create a public Web site that anyone can use to search for detailed information about state contracts and grants; one requiring state agencies to improve their reviews of how they are spending their money, and another that creates a "budget reform and accountability commission" to advise her on how the annual state budget can be made more efficient. She also ordered a committee to study how to create an endowment that would pay for future gubernatorial campaigns. (WINSTON-SALEM JOURNAL)

NIXON CANCELS BLOUNT

APPOINTMENTS: Barely an hour after being sworn in, newly-minted MISSOURI Gov. Jay Nixon (D) rescinded nearly 200 appointments made by his predecessor, Republican Matt Blount. Under Show Me State law, gubernatorial appointees named while the Legislature is not in session begin their duties immediately, but still must be confirmed when senators reconvene. Blunt made 198 appointments between the Legislature's adjournment last May and Nixon's swearing-in last Monday. Nixon spokesman Scott Holste said a large number of the appointees who were removed could eventually regain their posts after the governor conducts a review to ensure only "the most qualified and capable individuals" serve on boards and commissions. (KANSAS CITY STAR)

EXECUTIVE ORDERS: MISSOURI Gov. Jay Nixon (D) issues EO 09-01, which creates the Missouri Automotive Jobs Task Force. The group will be tasked with, among other things, recommending state policies that will positively impact the state's automobile manufacturing industry and evaluating the effectiveness of state automotive job training programs (STATE NET). • Still in MISSOURI, Nixon also issues EO 09-03, which directs the Department of Economic Development, working together with the Development Finance Board, to create a pool of funds designated for low-interest and no-interest direct loans for small businesses (STATE NET). • Governors Jim Doyle (D) of WISCONSIN and Tim Pawlenty (R) of MINNESOTA

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 2009 Prefiles last week: 2,624

Number of 2008 Intros last week: 35

Number of 2009 Intros last week: 12,626

Number of 2008 Session Enacted/Adopted last week: 263

Number of 2009 Session Enacted/Adopted last week: 299

Number of 2009 Prefiles to date: 14,238

Number of 2008 Intros to date: 93,736

Number of 2009 Intros to date: 18,268

Number of 2008 Session Enacted/Adopted overall to date: 29,135

Number of 2009 Session Enacted/Adopted overall to date: 456

— Compiled By JAMES ROSS
(measures current as of 1/15/2009)
Source: State Net database



issue orders to state agency commissioners and secretaries to identify possible cooperative service agreements between agencies in the two states. Pawlenty’s (EO 09-02) and Doyle’s (EO 272) orders say the agreement “could result in significant improvements to the delivery and cost-effectiveness of state services” (STATE NET).

Upcoming stories

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

- **Medical rescissions**
- **No Child Left Behind**
- **Credit scoring**

GOVERNORS IN BRIEF: The U.S. Supreme Court denied a request last week by **GEORGIA** officials to review a lower court’s decision to invalidate the 2003 agreement between the state, metro Atlanta governments, federal hydropower customers and the U.S. Army Corps of Engineers regarding the amount of water the state can take from Lake Lanier. The 20-year agreement would have set aside up to 50 percent more water from the federal reservoir for the metro Atlanta area, but a federal appeals court invalidated the deal after **ALABAMA** and **FLORIDA** filed suit to stop it (ATLANTA JOURNAL-CONSTITUTION). • A state appeals court in **NEW JERSEY** ruled that Gov. Jon Corzine (D) does not have to release e-mails he exchanged with his ex-girlfriend, a former state workers union leader. The court said Corzine has the right to keep the communications secret because he “properly asserted executive privilege and [the] plaintiff did not articulate or identify a sufficient reason to overcome the privilege” (STAR-LEDGER [NEWARK]). • **GEORGIA** Gov. Sonny Perdue (R) proposed a legislative package aimed at reducing frivolous lawsuits. The proposal would require plaintiffs who file claims that are dismissed at the earliest stage in the legal process to pay for the other side’s attorneys fees, while giving bio-tech companies with significant ties to the Peach State immunity from a wide range of lawsuits if their product receives approval from the federal Food and Drug Administration. Perdue does not yet have a legislative sponsor for his plan (ATLANTA JOURNAL-CONSTITUTION). • The **FLORIDA** Public Service Commission unanimously agreed to support Gov. Charlie Crist’s (R) plan to require Sunshine State utilities to generate 20 percent of their power from renewable resources by 2020. Lawmakers must also approve Crist’s proposal, which calls for 7 percent renewable energy by January 2013, 12 percent by 2016, 18 percent by 2019 and 20 percent by the end of 2020 (ST. PETERSBURG TIMES). • An **ALASKA** state commission abandoned its decision to give Gov. Sarah Palin (R) a \$25,000 pay raise. Palin had already said she would refuse the bump (ANCHORAGE DAILY NEWS).

— *Compiled by RICH EHISEN*

Hot issues

B **BUSINESS:** The **NORTH DAKOTA** House approves HB 1036, a measure that would require the state agency that administers workers compensation insurance to set premium rates within 5 percent of the rate recommended by a third party actuary's annual analysis. The proposal moves to the Senate (**BISMARCK TRIBUNE**). • **MICHIGAN** Gov. Jennifer Granholm (D) signs HB 6611, which provides up to \$335 million in refundable tax credits to encourage companies to develop and manufacture advanced battery technologies in the Wolverine State, including research, development, and manufacture of battery packs used in hybrid plug-in vehicles. The measure is the first of its kind in the nation (**STATE NET**).

CRIME & PUNISHMENT: **MASSACHUSETTS** Gov. Deval Patrick (D) signs HB 1527, legislation that imposes a fine of up to \$500 and a year in prison on anyone who creates images or movies of animal fights and posts them on the Internet. The measure also applies to those who buy or rent those images, while the person selling such images faces fines up to \$1,000 and two years in jail (**BOSTON GLOBE**). • **MICHIGAN** Gov. Jennifer Granholm (D) signs a pair of measures — SB 1193 and HB 6022 — that combine to make the theft of an automobile's catalytic converter a felony punishable by a fine of up to \$10,000 and five years in jail. The new law goes into effect in April (**STATE NET**). • Still in **MICHIGAN**, Granholm signs HB 4289 and SB 1134, which collectively require drivers convicted of operating a vehicle with a blood alcohol level of .25 or above to have an ignition lock installed on their vehicles (**DETROIT FREE PRESS**).

EDUCATION: A **WASHINGTON** state court rules that it is not illegal for teachers to have consensual sexual relations with their 18-year-old students. The court said the state sexual-misconduct statute was unconstitutionally vague, and only applies to students under 18 (**SEATTLE TIMES**). • **MICHIGAN** Gov. Jennifer Granholm (D) signs SB 861, legislation that creates so-called "promise zones" that allow school districts or municipalities that fall under the state's average income level to combine financial aid, private donations and half the growth in the state education tax on local property to a minimum of two years of community college tuition for every graduating high school senior who resides in the zone (**STATE NET, DETROIT NEWS**).

ENVIRONMENT: The Bush administration says it will remove gray wolves in the Midwest and the northern Rocky Mountains from federal protection under the Endangered Species Act. The decision would apply to wolves in **WISCONSIN, IDAHO, MONTANA, MINNESOTA** and **MICHIGAN**. The new rules would,

horseback. In keeping with the Treasure State’s western tradition, Schweitzer, U.S. Rep. Denny Rehberg and Senators Jon Tester and Max Baucus will all be astride horses throughout the parade. As the *Great Falls Tribune* reports, the quartet will also be joined by 20 members of the Crow nation, also on horseback and in full native regalia. Sadly, one of the state’s most prominent residents won’t be there to join in the fun. Jag, Schweitzer’s ever-present Border Collie — known around the statehouse as the “First Dog” — has been told to stay home.

WHAT ABOUT FRENCH TOAST...AND FRENCH POODLES? With virtually every state facing dire economic strife this year, you would think lawmakers would be completely focused on only the most serious legislation. Alas, you would be wrong. As *The Missoulian* reports, MONTANA Sen. Carolyn Squires has introduced a bill that would designate the whole wheat pancake as the state’s official flapjack. Not just any whole-wheater, mind you, but only those with huckleberry syrup. Not to be outdone, Sen. Linda Moss has a bill to designate an official state dog. Her proposal, however, favors no single breed, but rather the generic “working dog.” Moss defends the measure, saying such innocuous fare usually gets people more involved in the political process. Uh huh. Like the pro-poodle lobby.

HUNG OUT TO DRY: Of course, MONTANA is far from the only state which will debate bills this year that, at least on the surface, look silly. Take, for instance, VIRGINIA Senate Bill 1065, which, according to State Net, prohibits community associations from restricting “wind energy drying devices,” or what normal people call clotheslines. The whole line-drying thing has actually become an issue in numerous states because homeowners associations have taken to banning residents from using clotheslines, contending the site of someone’s undies flapping in the wind brings down everyone’s property values. The “pro undie-flapping” group Project Laundry List counters that line-drying saves money, conserves energy and, best of all, “Can be an outdoor experience that is meditative and community-building.” Unless of course it irritates your neighbors.

AND CRAYONS ARE NEXT: When it comes to graffiti, NEBRASKA first-year lawmaker Sen. Heath Mello is mad as hell and he isn’t going to take it anymore. As reported in the *Omaha World-Herald*, Mello recently introduced a measure (LB 277) that would make it a misdemeanor to sell spray paint or industrial markers to minors, the presumption clearly being that any teenager buying a can of paint or markers must surely be up to no good. The proposal would also bar adults from purchasing such items for a minor, with exceptions for parents buying for their kids. Two other Cornhusker State lawmakers have introduced their own anti-graffiti bills, both of which would impose harsh penalties on taggers, but only after they have actually used the paint to make graffiti.

— By RICH EHISEN



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