

January 24, 2011

Telling Voters the Truth



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● The next issue of
 ● Capitol Journal will be
 ● available on February 7th.
 ●

Top Story

President Ronald Reagan is an icon to Republicans sworn to fend off all attempts at raising taxes. But as California governor, Reagan also signed off on what was the largest tax hike of any state in history.

SNCJ Spotlight

Ronald Reagan once did so — now it's Jerry Brown's turn

Ronald Reagan is being celebrated on the centennial of his birth Feb. 6 as a president who renewed the shaken confidence of Americans during a time of economic anxiety and demonstrated leadership in helping to end the Cold War. These are genuine accomplishments, but the centennial is also an occasion for contemplating

A Cannon Perspective



With Lou Cannon



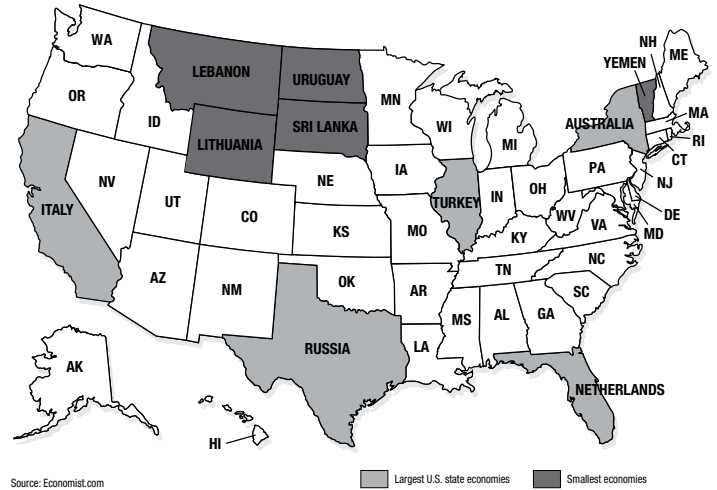
Reagan's performance as a two-term governor of California. The Golden State currently faces a monumental fiscal imbalance that Gov. Jerry Brown is trying to correct with a painful mix of budget cuts and taxes. Reagan would understand the predicament. On national issues, modern conservatives have often asked: "What would Ronald Reagan do?" As far as California's budget deficit is concerned, an instructive variant of this question would be: "What did Ronald Reagan actually do?"

When Reagan became governor in 1967, California was in flux. The state had symbolized the good life for Americans for much of its existence, but population pressures and pollution were beginning to take their toll. There had been urban riots in Watts and Oakland, recurrent demonstrations at the University of California, and labor organizing in the fields. Reagan had capitalized on this unrest and defeated the two-term incumbent Democratic governor, Jerry's father Pat Brown, in a landslide. The Sacramento press corps, of which I was a member, suspected that Reagan, who had never spent a day in public office, was in over his head. So did many state legislators, mindful that Reagan during the campaign had responded to a question about what kind of governor he would be with a trademark quip: "I don't know, I've never played a governor."

California had a budget that was larger than all but six nations in the world, and the role of governor was demanding, made more so by the shared inexperience of people Reagan had brought to Sacramento. As Reagan's communications director Lyn Nofziger bluntly described the Reagan team, himself included, "we were novice amateurs." It took the better part of a year to weed out the less suitable amateurs, including a finance director and chief of staff, and replace them with capable people.

Reagan had his share of early stumbles as governor but he grasped immediately the same essential truth that Jerry Brown understands today, which is that state government has to deal candidly with its financial problems. Reagan had inherited

Bird's eye view



Source: Economist.com

Individual U.S. state economies among world's 100 largest

On its own, California's economy has long been one of the largest in the world. With a GDP of \$1.89 trillion as of 2009, the Golden State ranks closest to Italy, at \$2.12 trillion U.S., the world's 7th largest economy, behind the United States as a whole, the European Union, Japan, the People's Republic of China, Germany, France and the United Kingdom. Texas' economy (\$1.14T), the 2nd largest in the nation, is roughly the size of Russia's (\$1.23T), the world's 12th largest, while the country's smallest economy, Vermont (\$25.44B), is about the size of world No. 85 Yemen (\$25.13B).





a deficit from Democrat Pat Brown, a successful New Deal-style governor who had left his stamp on the state’s flourishing universities and unsurpassed freeway system. But by 1966 Brown was near the end of his tether and anxious to avoid a tax increase in an election year. He did so with a sleight-of-hand accounting change that enabled him to draw on future revenues, leaving Reagan with nine months of revenues to pay for twelve months of services. Reagan had promised to “squeeze, cut and trim” state government but realized that cuts alone would not balance the budget. A week after he took office he told his aides that he would seek a tax increase while voters remembered who was responsible for it.

The political context in which Reagan operated was more congenial to realism than it is today. California Republicans in the 1960s thought of themselves as more

“The political context in which Reagan operated was more congenial to realism than it is today.”

fiscally prudent than their Democratic counterparts, but they knew that the state constitution required a balanced budget and they didn’t regard a tax increase as a crime against nature. Indeed, many Republican legislators of that period had creative ideas about spending government money for legitimate social purposes, among them a trail-blazing bill to provide

subsidized community treatment centers for the mentally ill that was the brainchild of one of the Legislature’s most conservative Republicans.

Reagan is often remembered today for his declarations that government was the problem rather than the solution. The concern of many GOP legislators when he became governor was that he would apply this notion too literally. “A lot of people, including me, thought [Reagan] would be ideological,” George Deukmejian told me in 2002. “We learned quickly that he was very practical.” Deukmejian, a future governor, was then the Republican state senator who carried Reagan’s tax bill. By the time it reached Reagan’s desk, its price tag was \$1 billion, at the time the largest tax increase ever signed into law by any governor of any state. In 2011 dollars that would be an increase of \$6.5 billion.

The composition of the tax increase was even more remarkable than its amount. An economist who analyzed the bill without knowing the authorship might have concluded that the bill was crafted by a New Deal Democrat, as Reagan had once been. Corporate taxes nearly doubled, from 5.5 percent to 9 percent during Reagan’s governorship, with most of the increase coming in this first tax bill. The tax on banks went from 9.5 to 13 percent. The maximum on personal income taxes rose from 7 to 11 percent, and tax brackets were narrowed to put more persons in higher brackets. Low-income seniors who owned their homes received a substantial refund of their property taxes.

Jerry Brown, then 36 years old, succeeded Reagan as governor in 1975. Despite the relief provided in the 1967 tax bill, property taxes soared in the 1970s as local governments expanded. Many Californians feared they would lose their homes



because they couldn't pay their tax bills, creating a political climate in which a folksy populist named Howard Jarvis put forth a ballot initiative that rolled property taxes back to their 1975 levels and imposed a two-thirds requirement to pass state and local tax increases. Brown opposed the initiative — the now-famous Proposition 13 — but neither he nor the Legislature, which was sitting on a pile of surplus money that could have been used for property tax relief, did anything constructive to head it off. Proposition 13 passed overwhelmingly in June, and Brown, seeking re-election later that year, overnight became its advocate and implementer.

Now 72 years old and newly elected, Jerry Brown is trying to restore fiscal stability to California, where 12.5 percent of the work force is jobless and state revenues are recovering slowly from the Great Recession. He is haunted — some would say hamstrung — by the legacy of Proposition 13 and its two-thirds requirement and perhaps hampered even more by the bipartisan legacy of the past

decade in which governors and the Legislature have papered over budget shortfalls with gimmicks and borrowing that would put Pat Brown to shame.

The first rule when one is in such a hole is to stop digging, and Brown is certainly trying to do that. Facing a two-year deficit of \$25 billion, Brown has proposed an honest budget that has the potential to offend nearly everyone. Brown

“Facing a two-year deficit of \$25 billion, Brown has proposed an honest budget that has the potential to offend nearly everyone.”

would make up for half of the \$25 billion shortfall with budget cuts in programs dear to Democrats, including \$3 billion in health care and welfare benefits for the poor. He would close the other half of the deficit with an extension of temporary 2009 tax increases that are due to expire July 1. These include a surcharge on the state income tax, a higher sales tax and an increase in vehicle license fees. These tax extensions have evoked predictable howls from Republicans, who don't even want them to come to a vote. But Brown promised in his campaign that he wouldn't enact any tax increase without approval of the voters, and he is now trying to put the entire package on the ballot in June.

It is a high-stakes gamble, to be sure, and Brown wasn't much of a gambler in his first tenure as governor. Now, with the fiscal integrity of California on the line, he is facing up to the problems as Gov. Reagan did more than four decades ago. They weren't mutual fans when they both shared the political stage but the Old Reagan and the New Jerry Brown have something in common. Reagan put ideology aside in 1967 in the interests of fiscal stability. And rather than telling voters what they want to hear, Brown now is telling them what they need to do to restore fiscal solvency to the once great state of California. Good for both of them.

— *By Lou Cannon*

Budget & taxes

REDEVELOPMENT MONEY GRAB IN CA: There's been a flurry of redevelopment activity in cities and counties across the state of California in the last couple of weeks. The Bay Area city of Fremont approved \$140 million in projects. The city of Citrus Heights in the Sacramento area authorized about \$60 million in projects. Los Angeles signed off on \$930 million in projects. And similar actions are in the works in at least a dozen other cities and counties.

The redevelopment boom isn't a sign of economic recovery in the Golden State, however. Instead, it's the result of Gov. Jerry Brown's (D) proposal to shut down the state's 390 redevelopment agencies, which subsidize development in blighted districts by selling bonds and collecting property taxes in the redeveloped areas, and funnel those tax revenues — as well as any uncommitted funds in the agencies' possession — into “core local services” like education and public safety.

The California Legislative Analyst's Office has indicated that plan faces legal challenges and other obstacles. But local governments were reportedly spurred into action by a rumor that the Legislature was going to approve emergency legislation last week abolishing the redevelopment agencies. Aides to Assembly Speaker John Perez (D) and Senate President Pro Tem Darrell Steinberg (D) said their chambers had no such bills lined up. However, the rumor might have stemmed from a report released by Legislative Analyst Mac Taylor two weeks ago recommending that “the Legislature pass urgency legislation as soon as possible prohibiting redevelopment agencies — during this period of legislative review — from taking actions that increase their debt.”

Whatever the reason for the local governments' actions, John Shirey, executive director of the California Redevelopment Association, said they weren't unreasonable.

“The governor has threatened to abolish redevelopment,” he said. “We should certainly expect the cities to take defensive action.”

Brown defended his proposal at the unlikeliest of venues, a gathering of new mayors and council members hosted by the League of California Cities, one of the most vocal critics of his plan.

“If we don't do redevelopment, then what do we do, what do we take? Do we take more from universities? Do we cut deeper into public schools that have been cut year after year?” he said in a speech. “I think we have to, all of us, rise above our own particular perspective, get out of the comfort zones and try to think of California first.”

Afterward Brown also told reporters there was “some legal question” about whether all of the funds that had recently been approved by cities were for “valid redevelopment projects.”



The governor went over better at the event than might have been expected, bringing the crowd of several hundred to laughter and even their feet on several occasions. But he doesn't appear to have changed many minds.

"We've told him we're willing to work with him, we will continue to work with him, but his proposal is so Draconian, it's so bad for the creation of jobs in California...it's so contrary with so many things he wants to accomplish," said Chris McKenzie, the league's executive director.

McKenzie said the California Redevelopment Association estimates redevelopment agencies generate \$2 billion in revenue for the state and local governments each year. But although the governor's office has estimated Brown's plan would only bring in \$1.7 billion in revenue to the state, the Legislative Analyst's report stated there was "no reliable evidence that redevelopment projects attract business to the state or increase overall economic development in California."

For their part, local government officials argue not only that redevelopment is key to attracting and keeping jobs in the state, but also that Brown's \$1.7 billion revenue estimate is about \$1 billion too high. They also defend the validity of their recent actions. Citrus Heights Mayor Jeannie Bruins, for instance, said her city's redevelopment funding approval included \$900,000 for low-income housing. And Fremont Vice Mayor Suzanne Lee Chan said her city's vote authorized funding for a new BART station, housing and other projects.

But some see the long list of recently approved redevelopment projects a little differently. Carroll Wills, spokesman for the California Professional Firefighters union, which stands to gain from Brown's plan, said cities were trying to protect their "property tax gravy train," while police officers, firefighters and other public safety workers were losing their jobs.

The mayors of California's 10 largest cities are scheduled to meet with the governor this week to discuss his proposal. But they already appear to have reached a consensus about it.

"We all [mayors of the state's 10 biggest cities] think this is a terrible idea," said Sacramento Mayor Kevin Johnson. (SACRAMENTO BEE, SAN JOSE MERCURY NEWS, BUSINESSWEEK, SAN FRANCISCO CHRONICLE, STATE NET)

Upcoming elections

1/19/2011 - 2/9/2011

01/20/2011

Tennessee Special Primary

House District 98

Senate District 18

01/22/2011

Louisiana Special Primary

House District 101

Senate Districts 22 & 26

02/01/2011

Minnesota Special Primary

House District 5B

Mississippi Special Runoff

House District 116

Pennsylvania Special Election

House District 185

02/08/2011

Florida Special Primary

House District 103

Senate District 33

STATES STILL SHUNNING TAX HIKES:

In the past three recessions — in 2001, 1990-91 and 1980-82 — state and local governments initially made deep cuts and then, when the economy began to turn around, increased taxes to repair the damage that had been done. But not in the most recent recession, which officially ended in 2009.

With few exceptions — such as Illinois' temporary 2 percent income tax increase, from 3 percent to 5 — states are still avoiding income tax hikes, preferring instead to focus on further cuts to government programs and benefit reductions for public employees.

“In a typical recession, you'd look for tax increases this year, as states already have cut a lot,” said Donald J. Boyd, a senior fellow at the Nelson A. Rockefeller Institute of Government. “But we're in quite an extraordinary anti-public union, anti-tax climate right now.”

In some cases, an income tax increase, even the size of Illinois', wouldn't be enough to pull some states out of their budget holes. As an analysis by the *New York Times* shows, such a hike would only raise about half of what New Jersey and California need to cover their respective \$9-12 billion and \$25 billion shortfalls. A two percent jump in each of those states' income tax brackets would also increase the amount a median-income New Jersey household would pay by at least \$1,000 a year and make California's upper income tax rate the highest in the nation.

But for other states, the upside of a two percent income tax increase, at least, would be greater. For example, it could raise \$9 billion in New York, according to the *Times*' examination, possibly enough to tip the state's budget from deficit to surplus.

Matthew N. Murray, an economics professor at the University of Tennessee, Knoxville, seems to think state tax hikes aren't far off.

“In Illinois, the stark reality of the cataclysmic nature of their budget reality drove this income tax increase. But we're going to see more states raising taxes over the course of the next few years largely because there's only so much cutting you can do,” he said. “It's getting to be a cold winter out there.”

The tax averse Tax Foundation suggested the timeline might be even shorter, noting recently that with the huge revenue gaps many states are facing, “2011 may be a year of dramatic tax increases.” (NEW YORK TIMES)

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: 3,336

Number of Intros last week: 11,302

Number of Enacted/Adopted last week: 542

Number of 2010 Prefiles to date: 20,240

Number of 2011 Prefiles to date: 16,810

Number of 2010 Intros to date: 94,226

Number of 2011 Intros to date: 28,004

Number of 2010 Session Enacted/Adopted overall to date: 31,664

Number of 2011 Session Enacted/Adopted overall to date: 2,855

Number of bills currently in State Net Database: 122,840

— Compiled By JAMES ROSS
(measures current as of 1/20/2011)
Source: State Net database

BUDGETS IN BRIEF: Before the end of the year, states will have to start paying interest on the \$41 billion they borrowed from the federal government to keep their unemployment insurance systems going. Some of the states, such as **TEXAS**, intend to borrow money to pay what they owe Washington, while others are asking for more time (PROPUBLICA, WALL STREET JOURNAL). • Last week, **TEXAS** lawmakers got their first look at how the next state budget might look. With the state facing a \$15 billion revenue shortfall over the next two years, proposals under consideration include cutting \$5 billion from public education and eliminating 8,000 state jobs (HOUSTON CHRONICLE). • **ARIZONA** Gov. Jan Brewer (R) has proposed an \$8.9 billion budget that closes a projected \$1.1 deficit for fiscal 2012 without raising general taxes. The plan hinges on getting the federal government's permission to drop 280,000 people from the state's health-care rolls as well as additional borrowing (ARIZONA REPUBLIC [TUCSON]). • The **IOWA** House voted to eliminate preschool for all 4-year-olds last Wednesday night as part of a wide-ranging spending cut bill expected to save the state \$500 million over three years. House File 45 now moves to the Senate, where its fate is uncertain (DES MOINES REGISTER). • **KANSAS** Gov. Sam Brownback (R) and legislative leaders announced last week that they intend to try to overhaul Medicaid, the public school funding system and the public pension system this year. The governor said tackling those three major projects is necessary to solve the state's fiscal problems, which include a projected \$550 million deficit for next fiscal year (WICHITA EAGLE). • **NEW YORK** Gov. Andrew Cuomo (D) is considering cutting 15,000 employees from the state's workforce as well as large reductions to Medicaid to close the state's projected \$9 billion budget gap (NEW YORK TIMES). • The nation's largest banks will begin paying dividends again in the first half of this year, after a three-year hiatus, according to financial analysts. The restoration of dividend payments could pump billions of dollars back into public pension funds (NEW YORK TIMES).

— Compiled by **KOREY CLARK**

Politics & leadership

HEALTH OVERHAUL OPPONENTS LAUNCH TWO-PRONGED ATTACK: The fight to overturn the federal health care reform law advanced on two fronts last week. In Washington, the U.S. House of Representatives voted to repeal the law. The vote came down 245-189, with three Democrats joining all 242 of the chamber's Republicans in support of HR 2.

“Repeal means keeping a promise,” said House Speaker John Boehner (R-Ohio). “This is what we said we would do.”

professor emeritus at the University of Florida law school. “One or 25 or 50 should be the same to the Supreme Court.”

Little thinks the number of states joining the suit has more to do with the Republicans’ sweeping victories in November.

“I perceive this snowball joining in to be a political thing,” he said.

Carol S. Weissert, a professor of political science at Florida State University, however, said the unusually large number of states was one of the factors making the lawsuit one of the most significant instances of the states challenging the federal government since the landmark school desegregation case of *Brown v. Board of Education* in 1954.

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“Certainly in the last few decades, this case is the most important one in terms of federalism,” she said. “It has such strong state support and we’ve been trying to deal with national health insurance for half a century.

And then it really has some potential in terms of the federal/state balance.”

A ruling in the case is expected in the next few weeks, but it will likely be appealed to the U.S. Supreme Court. (BLOOMBERG, MIAMI HERALD)

LABOR RALLYING AGAINST CURBS: Union members and community leaders held a pre-Martin Luther King Day candlelight vigil in Cincinnati on Jan. 14 to protest labor-unfriendly proposals being pushed by Ohio Gov. John Kasich (R). With his state facing a big budget gap, Kasich wants to trim union benefits as well as eliminate collective bargaining rights for home health care workers and ban public school teachers from striking.

“There are going to be concessions in many facets of government,” said Rob Nichols, a spokesman for the governor. “Everyone needs to be contributing.”

The Cincinnati vigil is one of a series of events planned in several states over the next few months by both public and private unions to oppose efforts to curb their benefits and power. The union mobilization, currently focused on Florida, New Jersey, Ohio and Wisconsin, will include phone calls to union members, public demonstrations and meetings with elected officials, as well as lawsuits challenging the cutbacks.

“Every segment of the labor movement is under attack right now,” said Naomi Walker, Director of State Government Relations for the AFL-CIO.

The pay and benefits of public sector workers have recently become prime targets for cash-strapped states, due in part to the decline in public support for unions that typically occurs during periods of high unemployment, when disparities between public and private sector job security are most apparent. (See *SNCJ* Spotlight, “Pushing the limits of pension reform,” in the Jan. 17 issue.) Gary Chaison, a professor of industrial relations at Clark University in Worcester, Massachusetts, said the anti-labor sentiment is even stronger than normal and has spread to private



sector unions, which he attributes in part to the bailout of the auto industry that saved thousands of union jobs. (WALL STREET JOURNAL)

POLITICS IN BRIEF: The National Labor Relations Board is threatening to sue the states of **ARIZONA, SOUTH CAROLINA, SOUTH DAKOTA** and **UTAH** over constitutional amendments they recently passed requiring secret-ballot elections before companies can be unionized. The board contends the measures contradict federal law granting workers the option of the so-called card-check method of organizing (WALL STREET JOURNAL). • **CALIFORNIA** Sen. Tom Berryhill (R) has been stripped of his chairmanship of the Senate Food and Agriculture Committee. Senate President Pro Tem Darrell Steinberg (D) requested that Berryhill’s gavel be turned over to newly-elected Sen. Anthony Cannella (R) after Berryhill told the *Sacramento Bee* the budget was the Democrats’ problem and there was no reason for Republicans to come up with an alternative to the budget proposed by Gov. Jerry Brown (D) (SACRAMENTO BEE). • Former U.S. Attorney Greg Brower was appointed to replace retiring **NEVADA** Sen. Bill Raggio (R), making it less likely taxes will be raised this session, which begins next month. Raggio had been expected to support at least some tax increases, but Brower has indicated he opposes raising taxes this year (LAS VEGAS REVIEW JOURNAL). • The U.S. Supreme Court announced last week that it will decide whether to allow **CALIFORNIA** and other states more freedom to cut the amounts they pay doctors, hospitals and other Medi-Cal providers. Federal courts blocked **CALIFORNIA** from making about \$1 billion in Medi-Cal cutbacks in 2008, and the state and 22 others appealed to the Supreme Court (LOS ANGELES TIMES). • The **ARIZONA** Legislature met in special session last week to give Gov. Jan Brewer (R) authority to seek a Medicaid waiver from the federal government. That action would be the first step to cutting health care for 280,000 of the state’s residents (ARIZONA REPUBLIC [PHOENIX]).

– *Compiled by KOREY CLARK*

Governors

PATRICK ADDS TO MA PENSION OVERHAUL: Massachusetts Gov. Deval Patrick (D) and the Bay State’s Legislative leaders introduced pension overhaul legislation last week that the governor says will fundamentally change retirement benefits for the state’s future public workers. Patrick says the proposal will save the state \$5 billion in pension costs and \$2 billion in retiree health benefit costs for new employees over the next 30 years.

Under the plan, the minimum retirement age for almost all state and local government workers would rise from 55 to 60. The standard would also apply to elected officials. It would not, however, apply to public safety workers, including correction officers and firefighters. Those workers will still be able to retire earlier than other employees, though their minimum retirement age will still increase by five years. Most public workers would also not be able to access their maximum retirement benefit until age 67, which would put the state in line with new federal rules for Social Security recipients.

But the plan also relies on giving the state until 2040, instead of 2025, to pay off its anticipated long-term pension debt, approximately \$20 billion. Doing so would relieve the need to make a \$1.5 billion payment into the pension system by July. Delaying the payment will help resolve the state's current \$1.5 billion budget shortfall.

Patrick defended pushing the debt further into the future, saying the plan in its entirety would strengthen the system, which he said has been roiled by "a series of loopholes and avoided decisions" that date back decades.

"Without these reforms, it is not sustainable," he said.

House Speaker Robert A. DeLeo and Senate President Therese Murray, both Democrats, joined Patrick in unveiling the plan. DeLeo cited an urgent need for pension reform not just in Massachusetts but across the country, saying public pension systems nationwide are collectively facing a \$2 trillion deficit.

"The time for action now is greater than it has ever been," he said.

Union leader David J. Holway, president of the National Association of Government Employees, expressed relief that Patrick did not seek to join the growing number of states that are trying to make such reforms retroactive to current employees.

"Anything that keeps pensions solvent is a good step forward," Holway said. "As long as people who enter employment understand what the benefits are and they're not changed, that's a good thing. When people get hired, the deal is the deal."

But Patrick's plan doesn't let current employees off scot free. In addition to changing future employee benefits, he said the proposal would immediately close several loopholes, including one he labeled "double-dipping" that allows elected officials to draw a pension from a previous job while receiving a public salary. He also cited the practice known as "spiking," which involves employees nearing

The week in session

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

States in Recess: CT (until 02/01/2011), IL (until 02/01/2011), KY (until 02/01/2011)

States in Special Session: WI "a", CA "i"

Upcoming Special Sessions: LA "a" regarding Census / Redistricting convenes 03/20/2011.

States Currently Prefiling or Drafting for 2011: FL, NV, OK

States Adjourned in 2011: IL (2009-10 Session - Adjourned 01/12/2011)

State Special Sessions Adjourned in 2011: AL "a", AZ "a"

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 1/21/2011)
Source: State Net database



retirement who obtain a new job title that comes with a large pay hike. Under Patrick’s proposal, such workers would have to prove that those promotions were warranted. The proposal would also prevent employees from receiving a windfall if they jump into a more lucrative pension classification at the end of their career by requiring that their retirement benefits be based on their entire tenure in public service.

The governor’s plan would also require retirees convicted of crimes related to their employment to repay benefits received since the date of the offense rather than from the date of their conviction. That could impact former House speaker Salvatore F. DiMasi (D), who is facing federal corruption charges. DiMasi currently garners a \$5,000 monthly pension.

Patrick noted that this proposal is the third phase of a long effort to reform the state’s pension system. (BOSTON GLOBE, MASSACHUSETTS GOVERNOR’S OFFICE)

BENTLEY APOLOGIZES FOR RELIGIOUS COMMENTS: Alabama Gov. Robert Bentley (R) apologized last week after saying that only Christians who had “accepted Jesus Christ as their savior” were his “brothers and sisters.” Bentley made his comments during ceremonies marking the birthday of slain civil rights leader Martin Luther King Jr. at a church once led by King. The governor’s comments immediately drew criticism from leaders of other faiths, who said they could be interpreted as disenfranchising anyone who does not share Bentley’s evangelical Baptist beliefs.

Ashfaq Taufique, president of the Birmingham Islamic Society, was among those who questioned the governor’s intent.

“Does it mean that those who according to him are not saved are less important than those who are saved?” Taufique said. “Does he want those of us who do not belong to the Christian faith to adopt his faith?”

“I don’t deny his right to believe the way he believes and I hope he does not deny me the right to believe the way that I believe,” he added.

Bentley quickly apologized for his comments, saying he did not mean to insult anyone. He also met with prominent leaders in the Heart of Dixie’s Jewish community, including prominent Rabbi Alabama Rabbi Jonathan Miller, who said he doubted Bentley would face any prolonged problems over the matter.

“He did not mean his words to be divisive and he wished he could take them back,” Miller said, noting that Bentley “has only been a governor for two days.” (BIRMINGHAM NEWS, ASSOCIATED PRESS)

“Does it mean that those who according to him are not saved are less important than those who are saved..”



EXECUTIVE ORDERS: **IOWA** Gov. Terry Branstad (R) issues EO 70, which rescinds a previous order issued in 2005 by former Gov. Tom Vilsack (D) that automatically restored voting rights to felons who had served their jail time. Branstad says he will require felons to pay all of their outstanding fines and court costs before being allowed to vote again (IOWA GOVERNOR’S OFFICE, STATE NET). •

VIRGINIA Gov. Robert McDonnell (R) directs state parks officials to stop enforcing a ban on firearms in the parks. McDonnell referenced a legal opinion he issued in 2008 as the Old Dominion Attorney General (RICHMOND TIMES-DISPATCH).

GOVERNORS IN BRIEF: **ILLINOIS** Gov. Pat Quinn (D) said he would like to get input from the public before deciding whether to sign legislation that would abolish capital punishment in the Prairie State. Lawmakers passed the bill, SB 3539, earlier this month (DAILY HERALD [ARLINGTON HEIGHTS]). • The family of a man slain in a fight involving the son of former **CALIFORNIA** Assembly Speaker Fabian Nunez (D) said last week they will file a lawsuit against former Gov. Arnold Schwarzenegger (R) for commuting the younger Nunez’s prison sentence. The family says Schwarzenegger violated a state law requiring that victims of crimes, including family, be notified of parole hearings in advance so they have a chance to be heard at a hearing. Schwarzenegger made the commutation in the last few hours before leaving office (SACRAMENTO BEE). • **SOUTH CAROLINA** Gov. Nikki Haley (R) defended giving some key members of her staff significant pay raises over people who held the same jobs in the previous administration. Haley says that while some people, including her chief of staff, received raises of as much as \$27,000 per year, her overall staff budget is \$950,000 less than that of former Gov. Mark Sanford (R) (WLTX.COM [COLUMBIA]). • **MICHIGAN** Gov. Rick Snyder (R) unveiled a new state Web site that he says will allow Wolverine State residents to see how the state compares to other states in five areas: economic growth, health and education, government, quality of life and public safety. The new site is dubbed the “MIDashboard” (DETROIT FREE PRESS).

– Compiled by RICH EHISEN

Hot issues

BUSINESS: The **INDIANA** House Judiciary Committee endorses HB 1273, a bill that would allow residents to add their cell phone numbers to the state’s do-not-call list for unwanted telemarketing calls. The measure, which would also bar the sending of text message solicitations to cell numbers, now goes before the full House (INDIANA ATTORNEY GENERAL’S OFFICE). • The



MISSISSIPPI House endorses HB 455, which would require payday lenders in the Magnolia State to give borrowers at least 28 days to repay their loans. Current law requires the loans to be repaid by the borrower's next payday, regardless of when that is. The bill, which would also ensure payday lenders could legally operate in the Magnolia State for at least another five years, will now be heard by the full House (STATE NET). •

In case you missed it

Recent efforts to rein in escalating public employee pension costs have focused on new hires. But with budgets still reeling, some states are now looking at shrinking pensions for current workers.

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

http://www.statenet.com/capitol_journal/01-17-2011/html

CRIME & PUNISHMENT: A **CALIFORNIA** court rules that key sections of a state law that allows authorities to require sellers of ammunition to record bullet buyers' thumbprints are unconstitutional. The justices said the law was too vaguely written. State officials are considering an appeal (SAN FRANCISCO CHRONICLE). • The **INDIANA** House and Roads Committee approves HB 1129, which would ban Hoosier State drivers from sending or reading text messages while behind the wheel. It now goes before the full House (INDIANAPOLIS STAR).

EDUCATION: **NEW JERSEY** Gov. Chris Christie (R) announces the approval of 23 new charter schools, the most in Garden State history. Seventeen of the new charters will open in September while the other six are slated to open in 2012 (PHILADELPHIA INQUIRER).

ENVIRONMENT: Federal officials say they will not appeal a ruling by the 9th U.S. Circuit Court of Appeals that essentially barred state game agents in **WASHINGTON** and **OREGON** from killing sea lions that feast on wild salmon at the Bonneville Dam on the Columbia River. A three-judge panel last November ruled that officials must explain how it's okay to kill a natural predator while allowing human fishermen to kill an equal or greater proportion of wild fish. The sea lions are protected under the federal Endangered Species Act, but state officials had been granted a waiver to destroy the pinnipeds in order to protect even more fragile salmon and sturgeon fish populations. State game officials will still be allowed to use non-lethal means to scare off the sea lions (COLUMBIAN [VANCOUVER]).

HEALTH & SCIENCE: The **INDIANA** House Public Health Committee endorses HB 1018, which would bar smoking in most public places statewide. The measure, which would exempt racetracks, riverboat casinos and the adjacent properties they own or lease, heads to the full House for review (INDIANAPOLIS STAR).

IMMIGRATION: The **MONTANA** House approves HB 71, legislation that would ban illegal immigrants from receiving workers' compensation insurance benefits. It now moves to the Senate (BILLINGS GAZETTE). • The **MISSISSIPPI**



Senate approves SB 2179, which would authorize local law enforcement officers to check a person’s immigration status if “reasonable suspicion” exists that the person may be in the country illegally during any “lawful stop, detention or arrest.” The measure moves to the House (CLARION LEDGER [JACKSON]).

SOCIAL POLICY: The United States Supreme Court rejects a request to overturn a District of Columbia law that allows same-sex couples to marry. The Court refused to hear a case challenging the DC Board of Elections and Ethics decision to reject putting an initiative on the ballot to define marriage as being between only one man and one woman. The board ruled that the ballot question would in effect authorize discrimination (ASSOCIATED PRESS). • The **WYOMING** House Education Committee endorses HB 74, a bill that would prohibit recognition of same-sex marriages from outside the Equality State. It now moves to the full House (CASPER TRIBUNE). • The **INDIANA** Government and Regulatory Reform Committee approves HB 1255, which would require Hoosier State government agencies to use only English for all official communications. It moves now to the full House (NORTHWEST INDIANA TIMES [MUNSTER]). • The **WYOMING** Senate Revenue Committee Senate approves File 47, a bill that would allow residents to carry concealed handguns without a permit. It moves to the full Senate (CASPER TRIBUNE).

POTPOURRI: The **WYOMING** Senate Transportation, Highways and Military Affairs Committee endorses Senate File 51, a bill that would make driving without a seat belt a primary offense and increase the fine from \$75 from \$25. The bill now goes to the full Senate (CASPER TRIBUNE).

— Compiled by RICH EHISEN

Once around the statehouse lightly

YOU, SIR, ARE NO SEINFELD: New Jersey Assemblyman John Bramnick has made no bones about his utter distaste for the hit MTV reality show *Jersey Shore*. Last year, Bramnick sponsored a video contest intended to show folks outside the Garden State that the real Jersey Shore is not “one big bar fight.” Although the show is sending its cast and crew down south to Florida for its third season, the *Westfield Patch* reports that Bramnick is still no fan of Snooki, J-Woww or The Situation. The Westfield Republican says he is going to sponsor



the video contest again if only to highlight the Shore’s wholesome family-friendly atmosphere. Bramnick also cast doubts Snooki and the gang will be around much longer anyway, saying, “Eventually this show will go the way of shows that don’t have real substance. I think it will go away on its own. It’s not a Seinfeld.”

BUT THANKS FOR ASKING: Like many new governors, Florida’s Rick Scott came into office raring to take some names and kick some behinds. Within 30 minutes of taking the oath he issued an executive order barring agencies under his control from instituting any new rules — particularly those that might impact businesses — unless he cleared them first. But Scott wasn’t done. As the *St. Petersburg Times* reports, he last week asked agencies not under his purview to voluntarily go along with the order as well. The response? A unanimous chorus of “thanks but no thanks.” Observers note Scott’s order directly reflects his desire to replicate his experience as a successful CEO in charge of all he surveys. Alas, this is politics and, as University of Florida political science professor Richard Scher notes, “None of them owes a thing to the governor.”

GOOD IDEA, LOUSY EXECUTION: You have to think Ohio Gov. Rick Kasich meant well. Last Monday, Kasich issued a resolution to honor slain civil rights leader Martin Luther King Jr., the day most of the nation also honors King’s legacy. Alas, as the *Cleveland Plain Dealer* reports, the proclamation listed King’s day of recognition as March 17, which actually happens to be St. Patrick’s Day. Kasich’s office quickly corrected the date and reissued the resolution, but it did little to ease concerns over a lack of diversity in Kasich’s administration. As the paper also observed, all 22 of the people the governor has hired for his cabinet are white. But hey, Kasich noted, five of them are women!

A FEW DOLLARS SHORT: Throughout the 2009 session, now-former Nevada Gov. Jim Gibbons made a point of saying that he and the rest of his administration would take the same pay cuts state workers were experiencing through furloughs. Since state law bars altering elected officials’ pay while in office, he vowed to write a check for a day’s pay back to the treasury every month. And for a while, he might even have meant it. But as the *Commercial Appeal* of Carson City reports, Gibbons’ “all-for-one-and-one-for-all” ethos didn’t last long. While Gibbons eventually signed over \$4,000 of his salary, his payments abruptly ended last June with the close of the 2010 fiscal year. This was apparently not news he shared with anyone else, either, as all four of the state’s other constitutional officers continued making their payments through the end of the year, as did the governor’s office staff. Gibbons had no comment.

— Compiled by RICH EHISEN

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