

February 21, 2011

The Deepest Cut



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

Top Story

Historic budget shortfalls have forced many states to dramatically curb their Medicaid spending, leaving their poorest and most vulnerable residents at risk. Under President Obama's budget proposal, that situation may be about to get much worse.

SNCJ Spotlight

Cascading Medicaid cuts hurt the poor and burden the states

Health care for the poor is in trouble and so are the states that are charged with providing an increasing share of it. As federal aid to states from the American Recovery and Reinvestment Act of 2009 is phased out, most states have been forced to curb Medicaid, the federal-state program that provides health care for the poor and disabled. Despite his strong

A Cannon Perspective



With Lou Cannon

cannot function without the mandate requiring purchase of health insurance, Vinson held that the entire law should be invalidated.

This decision, however, was not quite the complete victory it seemed for those trying to nullify Obamacare. In a less-noticed aspect of his ruling, Judge Vinson rejected the argument of the state AGs that an expansion of Medicaid in the Affordable Care Act violates state sovereignty. In fact, no court so far has accepted this line of reasoning, which probably dooms the chances of this argument with the Supreme Court, which eventually will decide the constitutionality of the health care law. The likely upshot is that if Obamacare survives, with or without the individual mandate, the federal government will be empowered to shift an increasing share of Medicaid

costs on states that are, in New York Gov. Andrew Cuomo's (D) words, "functionally bankrupt." With this year's projected federal budget deficit at a record \$1.6 trillion, it is unlikely that Washington will take pity on the states no matter which party is in power,

Budgets, more than State of the Union speeches, are the authentic testimony of an administration's priorities. When Ronald Reagan was president, for example, the rhetoric was invariably anti-government,

“Budgets, more than State of the Union speeches, are the authentic testimony of an administration’s priorities.”

but the actual budgets perpetuated most of the domestic government programs initiated by the New Deal two generations earlier. President Obama speaks lyrically of government's mission but his budget is more muted. At least Reagan, via the constructive tinkering of a bipartisan commission, managed some constructive changes in Social Security that helped keep the program reasonably solvent for some 40 years. No president since has managed to accomplish any essential restructuring of Social Security or Medicare, the huge entitlement programs that will eventually have to be cut to bring the cascading national debt under control. Nor, for that matter, have the newly empowered House Republicans, who talk the talk but run for the exits at the mention of entitlement reform even when it is put forth by their own budget whiz, Rep. Paul Ryan (R-Wisconsin).

This bipartisan disinclination to face fiscal reality has had a negative impact on health care, especially for the poor. The avowed purpose of the Affordable Care Act was to extend health insurance to some 30 million Americans who are currently without it. Many of these 30 million people are relatively young people who can afford insurance but are gambling that they won't become sick. Many more are individuals or families that have been squeezed by the Great Recession and spend almost all of their income on food, shelter, and clothing. An undetermined number of these 30 million are among the 53 million people — more than one in six Americans — who are on Medicaid. The Medicaid rolls have grown steadily year after year even as state revenues dwindled because of the recession. It is often noted that employment, still at nearly 10 percent, is a “lagging indicator” that grows more



slowly than the economy as a whole. State revenues, dependent on income and sales taxes, also lag behind the recovery.

As a result, states have had little choice except to pare Medicaid to the bone. In Washington, the debate over health care has been along partisan lines, but in the states newly installed Democratic governors have been as eager as their Republican counterparts to take the knife to Medicaid. In California, where Medicaid is known as Medi-Cal, Gov. Jerry Brown (D) proposes to cut \$1.7 billion from the program, reducing in-home care, doctors' visits and some prescription drugs for the 7.7 million people who rely on it. In New York, Gov. Cuomo seeks to close a \$2.85 billion gap in Medicaid and has asked for a task force to report to him on ways of doing it by March 1.

Meanwhile, the Obama administration is in cautious retreat on Medicaid. The enhanced costs of Medicaid that the federal government bore during the recession will expire in mid-2011, and states are trying to make up the difference by cutting optional programs such as organ transplants, prescription drugs, mental health services, eyeglasses, dental care and physical therapy. In a letter to rebellious governors early this month, Health and Human Services (HHS) Secretary Kathleen Sebelius confirmed that states could legally eliminate such optional services. But on Feb. 15 she went further, giving Arizona Gov. Jan Brewer (R) permission to drop 250,000 childless adults entirely from the Medicaid rolls as part of Brewer's effort to eliminate a \$1.1 billion budget shortage.

Sebelius's concessions were underscored by the 2012 budget that Obama submitted to Congress. The budget would cut HHS spending for the first time in the agency's 30-year history. It spared doctors, who would otherwise face deep cuts in Medicare repayments next January, by adding \$54 billion to freeze doctors' payments through 2013. But it didn't spare Medicaid recipients. Obama's new budget calls for spending \$279 billion on Medicaid and the Children's Health Insurance Program, down from \$285.4 billion this year. In plain language, this means stripped-down health care coverage for the poor and bigger burdens for the states.

— *By Lou Cannon*

Budget & taxes

PUBLIC BORROWERS CHOOSING BANKS OVER BONDS: When Riverside, California decided to expand its performing arts center last year, it was assumed the money for the project would come from the municipal bond market. Until, that is, several banks pitched a radical idea to city officials: take out a



personal loan instead. The city went for it, scrapping its planned bond offering and borrowing \$25 million from City National Bank in Los Angeles.

“This was a method we’d never even heard of before,” said Scott Catlett, Riverside’s assistant finance director. He said the city is now planning to seek another bank loan for a conference center.

Riverside is one of a growing number of public borrowers with a newfound affinity for bank loans. The trend is being driven by banks, which have been aggressively courting municipal borrowers. J.P. Morgan Chase & Co. made hundreds of millions of dollars in direct loans to municipalities last year and is devoting billions to such loans this year. A bank official said single loans of hundreds of millions of dollars are not out of the question.

“This used to be unheard of,” said Eric Friedland, managing director of public finance at Fitch Ratings. He said in the past banks generally only loaned money to municipalities for projects under a million dollars and, therefore, too small for a bond offering.

The municipal loans appear to be a smart move for banks, which are sitting on a lot of cash that isn’t earning tremendous interest but have viewed mortgage loans as too risky. The loans also help them comply with new international rules requiring banks to build up bigger capital reserves to buffer against losses.

And the loans are helping banks out of deals that have strained their relationships with public borrowers. During the financial crisis, many banks have backed public bond offerings with letters of credit. About \$53 billion of those bank guarantees are expiring this year, subjecting municipal borrowers struggling to refinance the debt to tough new terms and interest rates.

The loans do pose some downsides for the lenders, however. For one thing, direct loans are less liquid than bonds, meaning banks can’t sell them as easily. It also remains to be seen whether municipalities will prove to be good credit risks.

There are negatives for borrowers too, such as the fact that the loans have to be paid back more rapidly than bonds. But municipalities that have chosen banks over the bond market say interest rates are typically lower, and they are saved the underwriting and legal costs and the administrative headaches associated with a bond offering.

The term of Riverside’s loan, for instance, is 21 years instead of the 30 it might have had the city opted for a public offering. But the city saved hundreds of thousands of dollars in issuance costs, according to Catlett, and also secured an interest rate of 3.85 percent, a far sight better than the 5 percent or more it would have gotten in the bond market.

“I don’t know now when we’ll go back to the bond market,” he said. “This is easier.” (WALL STREET JOURNAL)

Upcoming stories

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

- **Federal health care reform**
- **Film incentives**
- **Immigration**



affairs,” said Samuel Teresi, mayor of Jamestown, in southwestern New York.

Such moves suggest that while local governments will almost certainly have fewer dollars to work with in the coming years, they may ultimately have greater control over how that money is raised and spent.

“The next decade will be the decade of local and regional government,” said Robert O’Neill, executive director of the International City/County Management Association. (WALL STREET JOURNAL)

BUDGETS IN BRIEF: President Obama unveiled a \$3.7 trillion budget blueprint last week that would trim or eliminate over 200 federal programs next year and reduce domestic spending by hundreds of billions of dollars over the next decade, but also make key investments in education, transportation and research to boost the nation’s economy. Obama cast the document as a responsible alternative to the deep spending cuts Republicans are urging (WASHINGTON POST). • The Obama administration has granted broad waivers to four states — **FLORIDA, NEW JERSEY, OHIO** and **TENNESSEE** — that will allow health insurance providers to continue offering “limited-benefit plans,” which provide less generous benefits than required by the new federal health care law. U.S. Rep. Henry A. Waxman of **CALIFORNIA**, the ranking Democrat on the House Energy and Commerce Committee, said the limited-benefit plans were inadequate, but the waivers would allow “a smooth transition between now and 2014,” when insurers and employers will be barred from imposing limits on the dollar value of benefits (NEW YORK TIMES). • States, including **CALIFORNIA** and **MICHIGAN**, are stepping up their efforts to monitor local government finances and assist troubled municipalities. The moves come as some investors in the nation’s \$2.9 trillion municipal bond market are raising concerns about the fiscal health of state and local governments (WALL STREET JOURNAL). • The **ARKANSAS** House passed a trio of tax-cut bills last week that Gov. Mike Beebe (D) said the state cannot afford: HB 1052, which would reduce the sales tax on manufacturers’ utilities by a half percent; HB 1056, which would extend a low-income exemption to the state income tax to heads of households with two or more dependents; and HB 1002, which would eliminate the capital gains tax on profits from the sale of property acquired after July 1 and owned for at least a year. All three measures head to the Senate (ARKANSAS NEWS BUREAU [LITTLE ROCK]). •

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: 625

Number of Intros last week: 12,390

Number of Enacted/Adopted last week: 741

Number of 2011 Prefiles to date: 25,541

Number of 2011 Intros to date: 72,065

Number of 2011 Session Enacted/Adopted overall to date: 5,252

Number of bills currently in State Net Database: 166,837

— Compiled By JAMES ROSS
(measures current as of 2/17/2011)
Source: State Net database



Weeks after pushing through a major income tax increase, **ILLINOIS** Gov. Pat Quinn (D) proposed a \$52.7 billion budget for next year that doesn't impose any additional taxes or fees, but calls for \$8.75 billion in borrowing and \$1 billion in spending cuts (CHICAGO SUN TIMES, CHICAGO TRIBUNE). • **IOWA's** Republican-controlled House passed a bill that would cut each of the state's nine individual income tax brackets by 20 percent, saying it would provide tax relief and help create jobs. The bill faces doubtful prospects in the Democrat-controlled Senate (DES MOINES REGISTER). • **FLORIDA's** new governor, Rick Scott (R) proposed a state budget that would cut state spending next year to between \$65.9 billion and \$70.3 billion. Among the specific provisions included in the plan are a 10 percent cut in K-12 education funding and the elimination of about 8,600 state jobs, or about 7 percent of the total public workforce (ST. PETERSBURG TIMES). • **MICHIGAN** Gov. Rick Snyder (R) has proposed eliminating the state's generous income tax exemptions for retiree pensions and IRA withdrawals as part of his budget plan for next year. About 95 percent of residents 65 and older currently don't pay any state income tax, including some who earn over \$100,000 a year from pensions, Social Security and IRA and 401(k) withdrawals (DETROIT FREE PRESS). • **MINNESOTA** Gov. Mark Dayton (D) has proposed raising taxes for the state's top earners to help close a \$6.2 billion deficit. The governor wants to impose a temporary 3 percent surcharge on taxable incomes higher than \$500,000, which would raise the state's top-tier rate to 13.95 percent, making it the highest in the nation (MINNEAPOLIS STAR TRIBUNE, WALL STREET JOURNAL). • **VIRGINIA** Attorney General Ken Cuccinelli (R) announced last week the state will ask the U. S. Supreme Court to hear its case against the new federal health care law now instead of after it has worked its way through the appellate court system. Cuccinelli said that given the enormous resources state governments and private business are having to expend to implement a law that may or may not be constitutional, "a prompt resolution of this issue is in everyone's best interest" (RICHMOND TIMES-DISPATCH).

— *Compiled by KOREY CLARK*

Politics & leadership

REVOLT IN WI: Capitol Square in Madison, Wisconsin resembled Cairo's Tahrir Square last week, as thousands of public employees gathered to protest a provision in Gov. Scott Walker's (R) budget repair bill (SB 11a) that would take away most of the collective bargaining rights they've had for decades.

"It is not about a deficit," one protester said. "It is about destroying what we have done and busting unions and that is not right."

Scott became the third freshman Republican governor — after Ohio Gov. John Kasich and Wisconsin Gov. Scott Walker — to refuse the federal rail funds. The governor listed three main objections to the funding, the first being his contention that the state could be on the hook to pay for as much as \$3 billion in potential cost overruns. He also argued that projected ridership figures were unrealistic, which could eventually lead to the state being forced to step in with subsidies to keep the rail line open in the future. Scott also claimed the state would have to return the \$2.4 billion to the feds if the project were shut down later.

But lawmakers from both parties decried the decision to reject the funds, saying it would cost the state tens of thousands of jobs and billions of dollars in additional private sector investment. Newspaper editorials were also harsh, accusing him of playing politics and currying favor with his Tea Party supporters to the state’s detriment. One *St. Petersburg Times* editorial called Scott a “train wreck of a governor” who “rashly acted in his own political interests and sacrificed the best interests of Florida.”

Even some Republicans who opposed the rail project questioned whether Scott had the power to unilaterally make the call to just say no to the federal largesse.

“The Constitution doesn’t allow the governor to not-spend appropriations funds,” said state Sen. J.D. Alexander (R). “We would certainly hope that in the future he would follow the appropriate policy with regard to his expenditures.”

Many in the state’s Congressional contingent also urged Scott to reconsider, including U.S. Rep. John Mica (R-Florida), who chairs the House Transportation and Infrastructure Committee. State Sen. Jack Latvala, a Republican who chairs the state Senate’s Transportation Committee, called Scott’s move premature, saying “We’ve cut off our noses to spite our face.”

Federal officials quickly refuted Scott’s worries over possibly repaying the funding, saying the matter would have been open to negotiation if it had ever come up. Others also pointed out the state’s bidding process requires private companies looking to land the giant contract to absorb any building cost overruns as well as operating losses from low ridership.

But Scott also made it clear he didn’t trust the private sector to come through.

The week in session

States in Regular Session: AK, AR, AZ, CA, CO, CT, DC, GA, HI, IA, ID, IL(House), IN, KS, KY, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NV, OK, OH, OR, PR, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY

States in Recess: IL (Senate), NJ, NY, PA, RI, US (District Work Period), VT (Town Meeting Week)

States in Special Session: WI “a”, CA “a”

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

States in Joint Finance Hearings: DE

States in Committee Hearings: FL (Interim)

States Currently Prefiling or Drafting for 2011: AL, FL

States Projected to Adjourn: VA (02/26/2011)

State Special Sessions Adjourned in 2011: AL “a”, AZ “a”, AZ “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 2/18/2011)
Source: State Net database



“Here’s my experience in business,” he said. “If you enter into a project where it’s not a good transaction for the other side, it always comes back to be a problem for you. My concern with this is, you look at the ridership studies, and I don’t think there’s anyway anyone’s going to get a return.”

The decision also rapidly drew calls from lawmakers in New York, Illinois, Washington and California to redistribute the \$2.4 billion to their state rail projects. But that isn’t likely to happen any time soon. Florida’s Mica and U.S. Transportation Secretary Ray LaHood are currently working to circumvent Scott by having cities along the proposed rail line form a partnership that could then be eligible to garner the federal funding.

“We have to look at all these options,” said Mica, who vowed to keep looking for a way to ensure the funding goes to his state. “I am a persistent son-of-a-gun.”

But Mica and LaHood will certainly face increasing pressure from leaders in other states to quickly decide whether those plans will work and, if not, to redirect the funds as soon as possible.

“If other states don’t want this funding, Washington state is ready to put it to work,” said Washington Gov. Christine Gregoire (D). (MIAMI HERALD, ST. PETERSBURG TIMES, PALM BEACH POST)

In case you missed it

State mental health programs have endured over \$2 billion in funding cuts since 2009. More are expected this year, leaving many states to look longingly at a California program that is actually increasing mental health funding.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/02-14-2011/html

KASICH SIGNS ECONOMIC DEVELOPMENT BILL: Ohio Gov. John

Kasich (R) signed legislation that allows him to privatize the Buckeye State’s economic development efforts. That measure, HB 1, will replace the state Department of Development with a nonprofit corporation headed by a board of business leaders appointed by the governor. Kasich pushed for the bill with the strong support of business groups, which contend that the state’s current economic development efforts are too slow and inflexible, making it tough to compete with other states and countries in luring job-producing industries. The nonprofit entity, dubbed JobsOhio, will utilize public money — potentially hundreds of millions of dollars — to help attract jobs and grow companies. It is also expected to raise millions of dollars in private funds for making equity purchases in those companies as a means of eventually becoming self-sustaining. (COLUMBUS DISPATCH)

KITZHABER ORDERS EDUCATION FUNDING OVERHAUL: Oregon

Gov. John Kitzhaber (D) issued an executive order designed to consolidate funding for all levels of the state’s public school system. The directive, EO 11-02, creates the Oregon Education Investment Team, which will be charged with creating “a plan of policy and budget recommendations” to comprehensively transform the state’s approach to education. Kitzhaber would chair the new board, which would replace



the Oregon Board of Education and the State Board of Higher Education. The new board would also command the 51 percent of the state’s general fund that now goes to education and allocate money partially on the basis of education performance rather than enrollment. Kitzhaber said he expects the plan to take about three years to implement. (PORTLAND OREGONIAN)

GOVERNORS IN BRIEF: MONTANA Gov. Brian Schweitzer (D) told federal officials he has ordered Treasure State game officials to kill off entire Northern Rockies gray wolf packs that harass or kill livestock. The order is in defiance of federal protections for the wolves under the Endangered Species Act. In a letter to U.S Interior Secretary Ken Salazar (D), Schweitzer said he would not “continue to ignore the crying need for workable wolf management while Montana waits, and waits, and waits.” Interior officials said Schweitzer’s proposal was “not the answer” (REUTERS).

— *Compiled by RICH EHISEN*

Hot issues

B **USINESS:** The **CALIFORNIA** Supreme Court rules that retail merchants may no longer ask patrons for their zip code. The court said the practice violates a Golden State law meant to protect consumers from being forced to divulge personal identifying information (MERCURY NEWS [SAN JOSE]). • The **MISSISSIPPI** House and Senate give final approval to HB 455, which would allow payday lenders to continue doing business in the Magnolia State until 2015. The current law legalizing the industry is set to sunset in July 2012. The measure, which would also cap fees on smaller loans and allow borrowers more time to pay the notes back, moves to Gov. Haley Barbour (R) for review (CLARION LEDGER [JACKSON]). • The **ARKANSAS** House and Senate approve HB 1282, which would bar franchise liquor stores from opening multiple outlets in the Natural State. The measure goes to Gov. Mike Beebe (D) for review (ARKANSAS NEWS [LITTLE ROCK]). • Also in **ARKANSAS**, the Legislature approves HB 1323, which would exempt cottage food operations, farmers’ markets and similar entities from state Department of Health permit requirements. It also moves to Beebe (ARKANSAS NEWS [LITTLE ROCK]). • The **MICHIGAN** House endorses HB 4158, legislation that would eliminate a Wolverine State law requiring retailers to stick a price tag on each sale item. The bill, which would require stores to clearly mark the item’s price nearby, moves to the Senate (ASSOCIATED PRESS). • The **NEBRASKA** Legislature votes unanimously in favor of LB 19, which would ban the sale of K2, a synthetic drug often sold as herbal incense that creates a high similar to smoking



marijuana. It moves to Gov. Dave Heineman (R) for review (LINCOLN JOURNAL STAR). • The **GEORGIA** House approves HB 40, which would require antifreeze manufacturers to add a bittering agent to their product to deter animals and children from drinking it. Antifreeze is lethal to most animals and can cause severe illness if ingested by humans. The bill moves to the Senate (ATHENS BANNER-HERALD).

CRIME & PUNISHMENT: The **MONTANA** Senate approves SB 185, which would abolish capital punishment in the Treasure State. The bill moves to the House (BILLINGS GAZETTE).

EDUCATION: The **INDIANA** Senate endorses SB 446, legislation that would allow Hoosier State charter schools to lease or purchase unused public school buildings for \$1. The bill, which would require school buildings to be unused for two years before a charter could claim them, moves to the House (POST TRIBUNE [MARRILLVILLE]). • Still in **INDIANA**, the House endorses HB 1399, which would allow home-schooled students and those at non-accredited private schools to participate in athletics at their local high schools. It moves to the Senate (INDIANAPOLIS STAR). • The **KENTUCKY** House approves HB 67, which would allow Bluegrass State school districts to sell advertising space on the side of school buses. The legislation, which would bar political, alcohol and tobacco ads, moves to the Senate (BOWLING GREEN DAILY NEWS). • The **UTAH** House approves SB 123, which would bar Beehive State school districts from hiring contract lobbyists. It moves to Gov. Gary Herbert (R) for review (DESERET NEWS [SALT LAKE CITY]). • Still in **UTAH**, the House also endorses HB 75, which would eliminate a 1,000-foot buffer zone around schools and day care centers where people are currently barred from openly carrying a gun. It moves to the Senate (SALT LAKE TRIBUNE).

ENVIRONMENT: The **INDIANA** Senate approves SB 157, which directs the General Assembly's Environmental Quality Service Council to study eight issues related to the health and safety of the Great Lakes and the Great Lakes watershed. The legislation instructs the Council to also examine Lake Superior, Lake Huron, Lake Erie and Lake Ontario for data that could be used for future legislation (NORTHWEST INDIANA TIMES [MUNSTER]).

HEALTH & SCIENCE: The **KENTUCKY** House approves HB 4, which would allow the state to recover triple damages against a contractor found guilty of defrauding the Bluegrass State government. The measure, which now moves to the Senate, allows the state to tack on another 10 percent in cases that involve Medicaid fraud (COURIER-JOURNAL [LOUISVILLE]). • Still in **KENTUCKY**, the House also endorses HB 308, a bill that would require the names of people committed by courts to mental institutions to be provided to the FBI's National Instant Background



Check System for firearms. It moves to the Senate (COURIER-JOURNAL [LOUISVILLE]). • The **IDAHO** House endorses HB 117, which would bar the state from implementing the health care reform law. It moves to the Senate (IDAHO STATESMAN [BOISE]).

SOCIAL POLICY: The **CALIFORNIA** Supreme Court unanimously agrees to determine the fate of the Golden State law that bars same-sex marriage. The court will begin accepting legal briefs on the case next month (SACRAMENTO BEE). • The **NORTH DAKOTA** House approves HB 1450, which would ban the destruction of human embryos. The bill, which does not apply to embryos that are destroyed by “morning-after” contraception or some medical treatments, such as chemotherapy to fight cancer, moves to the Senate (FORUM [FARGO]). • The **INDIANA** House approves HJR 6, which would amend the state constitution to define marriage as being only between one man and one woman and ban civil unions. It moves to the Senate. Constitutional amendments in the Hoosier State must be approved by two consecutive, separately elected legislatures to be placed on the ballot, making 2014 the earliest the measure would go before voters (SOUTH BEND TRIBUNE). • The **WYOMING** Senate approves HB 74, which would bar the state from legally recognizing same-sex marriages from other states. The measure must pass one more vote before it can move to Gov. Matt Mead (R) for review (CASPER TRIBUNE). • The **HAWAII** House and Senate give final approval to SB 232, which would allow Aloha State couples, including those of the same sex, to enter into civil unions, a legal status with all the rights, benefits, protections and responsibilities of traditional marriage. It moves to Gov. Neal Abercrombie (D), who has vowed to sign it into law. Six other states and the District of Columbia allow civil unions (HONOLULU STAR BULLETIN).

POTPOURRI: The **ARKANSAS** Senate approves SB 115, legislation that would bar police from confiscating Natural State residents’ guns during a governor-declared emergency. It moves to the House (ARKANAS NEWS [LITTLE ROCK]). • Still in **ARKANSAS**, Gov. Mike Beebe (D) signs SB 154, which bars drivers from using handheld cell phones in school and work zones (ARKANSAS NEWS [LITTLE ROCK]). • The **INDIANA** Senate approves SB 292, which would allow Hoosiers with gun permits to carry their weapons onto all public property, with the exception of schools, courts and law enforcement offices. It shoots off to the House (INDIANAPOLIS STAR). • **ARIZONA** Gov. Jan Brewer (R) signs HB 2549, which officially adopts “Grand Canyon State” as the state’s nickname. It takes effect immediately (EAST VALLEY TRIBUNE [MESA]). • An **ARKANSAS** House committee rejects HB 1005, which would have revived the state’s former nickname “Land of Opportunity.” Lawmakers adopted the current moniker “The Natural State” in 1995.

— Compiled by *RICH EHISEN*

Once around the statehouse lightly

MOTHER OF ALL GAFFES: In a world often ruled by large egos, California Senate Pro Tem Darrell Steinberg has a well earned reputation for not taking himself too seriously. But Steinberg’s penchant for self deprecating humor recently got him in a bit of hot water with a constituent. As the *Sacramento Bee* reports, Steinberg was presiding over a community forum to discuss the state’s budget situation when the woman who looked to be about his age stepped to the public microphone and lavished him with praise. Steinberg thanked her and then, in an effort to downplay the comments, quipped to the crowd, “That’s my mother.” The audience burst into laughter — except for the woman herself, who looked aghast at the idea of people thinking she was old enough to be the 51-year-old Steinberg’s mom. Steinberg blushed and quickly corrected himself, saying, “My sister! My Sister!” The two later exchanged a hug.

CHRISTINE’S COUSIN: You can’t blame some folks in California for comparing a state-owned 2007 Toyota Highlander to horror novelist Stephen King’s demonically-possessed car, “Christine.” As the *San Francisco Chronicle* reports, the vehicle has cost the state over \$425,000 in repairs and other fees since the \$41,000 SUV was purchased for then-Sen. Carol Migden four years ago. Migden soon thereafter drew national attention for taking it on a wild ride that resulted in her ramming into another car on the freeway. She blamed the crash on prescription meds she was taking. Approximately \$361,000 in repairs and injury settlements later, it wound up with state Sen. Leland Yee. Shortly thereafter, Yee’s wife also played bumper cars with the unlucky ride, racking up another almost \$23,000 in damages. That one was part of \$227,000 the Golden State has paid out in the last two years for accidents involving state lawmakers. Bicycles, anyone?

SQUIRRELY IS RIGHT: Lawmakers use all kinds of emotional appeals to get their colleagues to buy whatever argument they’re selling. Indiana Rep. Tim Neese, however, might have been just a bit over the top last week. As the *Evansville Courier & Press* reports, Neese was trying to get an environmental bill passed in the Hoosier State House. To do so, he besieged his fellow lawmakers to come to the aid of his woodland friends, saying “I want you to think about those squirrels and muskrats and deer. I want you to think about them trying to quench their thirst.” He wasn’t done there, either. “I want you to look into the eyes of the next chipmunk that you see,” he added. “I want you to look into the eyes of that chipmunk and feel their pain.” Over the top or not, his plea worked. His bill, HB 1343, is now in the Senate.

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REPEAL THE REPEAL: Florida Rep. Ritch Workman thinks the Sunshine State has too many useless laws. To wit, the lawmaker is now on a mission to do away with some of the statutes he says are arcane at best. As the *Miami Herald* reports, Workman's recent successes have included measures to get rid of laws that bar the smoking of clove cigarettes and unmarried couples living together. But Workman's zeal has also gotten the better of him at times. He recently withdrew a bill to overturn regulations on tattoo parlors after he realized it would allow minors to get inked without parental permission. Workman also pulled back a measure requiring people to report fires. As he saw it, people should have the right to "say 'that sucks' and walk away." Alas, the law pertains only to people who actually started said fire. All others can go right ahead and ditch if they want.

— By *RICH EHISEN*

Editor: Rich Ehsen — capj@statenet.com

Associate Editor: Korey Clark — capj@statenet.com

Contributing Editors: Virginia Nelson, Art Zimmerman

Editorial Advisor: Lou Cannon

Correspondents: Richard Cox (CA), Steve Karas (CA), Bruce McKeeman (CA), James Ross (CA), Linda Mendenhall (IL), Lauren Davis (MA) and Ben Livingood (PA)

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