

# After the Fall



June 22, 2009

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● The next issue of  
 ● Capitol Journal will be  
 ● available on July 6th.  
 ●

## Top Story

*Federal stimulus money is making its way to the states, but a growing number of economists believe a second federal bailout may be necessary for cash-starved states to avoid another round of the "Great Recession."*

## SNCJ Spotlight

**States will face hard choices when the recovery arrives**

**E**conomic historian Amity Schlaes begins her haunting 2007 book, *The Forgotten Man*, with the story of a family tragedy ostensibly drawn from the worst years of the Great Depression. It's a writer's trick. The tragedy, which begins with joblessness and ends in suicide, occurred not in 1929, the year of the great crash on Wall Street, but in the fall

## A Cannon Perspective



With Lou Cannon

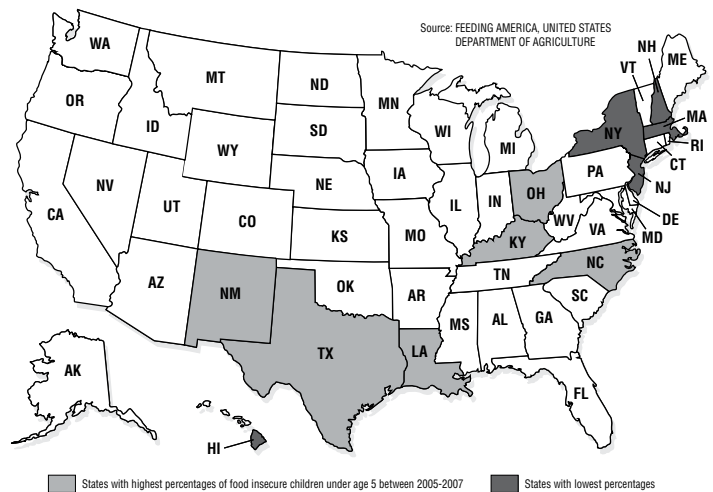
of 1937, more than four years after President Franklin D. Roosevelt launched his “New Deal for the American people.”

FDR was then in the first year of his second term, to which he had been reelected in a landslide. Many Americans expected that the nation’s horrific unemployment rate, which had dipped from 25 percent in 1932 to just under 14 percent when FDR was reelected in 1936, would continue to decline. It did not. Instead, a new panic on Wall Street caused a precipitous drop in the Dow. Unemployment climbed to 17.4 percent by the end of 1937. The nation did not emerge from the Depression until 1940, with the beginning of the military buildup that grew to immense proportions during World War II.

Why the Depression endured so long remains a matter of debate. Conservatives, Schlaes among them, contend that FDR discouraged investment with anti-business policies and rhetoric. Liberals discount this criticism — it might be more precise to say that they ignore it. Nonetheless, there is agreement on both sides that FDR made a critical mistake in 1937. Even though Roosevelt, following in the footsteps of his predecessor Herbert Hoover, had massively increased government spending to combat the Depression, the president and his Treasury Secretary, Henry Morgenthau, continued to believe in the orthodoxy of balanced budgets. So in 1937, when the economy was gathering steam, FDR cut spending, raised taxes, and ushered in what has been called “the second Depression.” He was abetted by the Federal Reserve, which worried that an accumulation of excess reserves in the banking system might be inflationary and tightened monetary policy in the face of a weak economy.

This ancient history is relevant to today’s economic analysts as they discuss whether President Barack Obama should follow up on his \$787 billion economic recovery package with a second stimulus plan. Fed Chairman Ben Bernanke, who

## Bird’s eye view



### Children face growing hunger risk

One in six young children in 26 states are unable to consistently access enough nutritious food for a healthy life, according to a report issued last month by the U.S. hunger-relief organization Feeding America. Child Food Insecurity in the United States: 2005–2007 indicates that, nationwide, 3.5 million children aged five and under — when brain growth and development are most critical — are “food insecure.” The report, which includes the first ever state-by-state analysis of early childhood hunger, based on data collected by the U.S. Department of Agriculture, also found that food insecurity among all children (up to age 18) is up dramatically in many states from the period between 2003 and 2005.





likely to be reduced to providing core functions of education, health care and criminal justice while “paying lip service” to other functions such as parks and recreation, housing and historic preservation. “Sadly, higher education is likely to experience a material decline,” he said. As Levy pointed out, cuts in education spending run counter to Obama’s statement that investment in education is a national imperative for economic competitiveness. In a memo, Levy urged public sector employees in CALIFORNIA to emulate the United Auto Workers and voluntarily take salary cuts to save the jobs of their fellow public employees. It’s a good idea, but public employee unions are not rushing to embrace it.

The economic downturn has exposed the long-term vulnerability of states, in many of which the tax structure has not kept pace with population growth and built-

**The economic downturn has exposed the long-term vulnerability of states, in many of which the tax structure has not kept pace with population growth and built-in spending formulas.**

in spending formulas. CALIFORNIA is the canary in the mine for structural deficits — and a mighty big bird it is with a \$24 billion budget deficit. With time and money running out and unemployment projected at 12 percent by the end of 2009, the CALIFORNIA saga seems destined for an unhappy ending that could fray the safety net and slash education spending. But

even in states with structurally sound fiscal systems, the Great Recession has taken a toll. Since state revenues, like job growth, trail the recovery, these states will still be struggling for at least two years and will then be trying to replace funds received from the Federal Recovery Act, which peak in 2010 and end in 2011.

The wild card for state budget planners is health care reform, still in a state of flux. Insurance companies are resisting President Obama’s call for a government health care program that would compete with private plans, and a schism has developed within the Democratic coalition on how to pay for any plan. However these differences are resolved or fudged, states anticipate that national health care reform will require increased spending on Medicaid, which provides health care for the poor and is administered and partly funded by the states. Under heavy pressure from the recession, Medicaid rolls are expanding while financing is shrinking. Although Congress has talked of subsidizing increased Medicaid spending, state budget planners share Pattison’s concern that any increased federal aid will be insufficient.

Whatever the Medicaid subsidy, states face a long, slow climb back to fiscal stability and most are unlikely to make it on their own. They need help from a federal government that, with other nations, faces the dilemma posed by a need both for short-term stimulus and long-term belt-tightening. Their collective prayer, as *The Economist* put it in a paraphrase of St. Augustine, might well be: “Lord, make me prudent — but not yet.” Obama needs to address the accumulation of deficits that



threatens to weigh down any recovery and burden the nation with unsustainable debt. But even economists who see this as an urgent need acknowledge that a second stimulus will probably be needed first. Without it, the nation runs the risk, as it did in 1937, of re-igniting the economic downturn just as recovery is in sight.

— By *LOU CANNON*

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# Budget & taxes

**B**UDGET BATTLE LINES DRAWN IN CA: A Democrat-dominated legislative panel approved a budget blueprint last Tuesday that is expected to go before the full Legislature this week. It includes about \$13 billion in cuts and \$6 billion in other revenue increases previously proposed by Gov. Arnold Schwarzenegger (R).

But it deviates from the governor’s plan in cutting rather than eliminating the state’s welfare-to-work program, CalWorks. It also fails to endorse Schwarzenegger’s proposed 5 percent pay cut for the state’s heavily unionized public workforce. More crucially, it calls for about \$1 billion in new taxes not in the governor’s plan, including a 9.9 percent levy on oil production, as well as a \$1.50-per-pack increase in

the cigarette tax and the repeal of a corporate tax break approved just months ago.

To pass their plan, the Democrats will have to persuade six Republicans — two in the Senate and four in the Assembly — to defy

**“We need to get over this notion of taxes and get over it fast.”**

their party’s no-tax stance for the second time in less than six months. Only one of the six Republicans who voted for the tax hikes in February has expressed a willingness to do so again. Another, Sen. Roy Ashburn (R), said the state’s voters made it very clear in the special election on May 19 that they don’t want any new taxes.

“We need to get over this notion of taxes and get over it fast,” he said.

Even if the Democrats are able to find the GOP votes, they will still need the approval of the governor, who doesn’t appear inclined to give it.

“It will be irresponsible after the largest tax increase in CALIFORNIA’s history just four months ago to go back to the people and to say we want to increase your taxes but we want to protect the salaries of state workers,” he said last week.

Schwarzenegger said he urged Democratic leaders to “revisit” their plan to raise taxes, making it clear to them that he would “without any doubt veto it” otherwise.

But Assembly Speaker Karen Bass (D) said at a news conference that Schwarzenegger never threatened a veto during their meeting.

“That was not the indication he gave us at all,” she said.





franchise taxes for at least two years. The Legislature passed the tax cut last month (DALLAS MORNING NEWS). • State income tax revenues for the first four months of 2009 were down 26 percent collectively from the same period last year, according to a survey of the states by the nonprofit Nelson A. Rockefeller Institute of Government (WALL STREET JOURNAL).

• **PENNSYLVANIA** Gov. Ed Rendell (D) proposed raising the state’s personal income tax by a half point, from 3.07 to 3.57, for three years to help close a projected \$3.2 billion budget hole. Senate Republicans, who have passed their own tax-free budget plan (SB 850), scorned the governor’s proposal and again pushed their plan, which has been rejected by the Democrat-controlled House Appropriations Committee. The competing positions suggest the state is headed for another protracted budget impasse (STATE NET).

• **ARIZONA** Gov. Jan Brewer (R) has filed a lawsuit against the Legislature, accusing lawmakers of violating the state Constitution by refusing to send her the state budget plan they passed nearly two weeks ago. Legislative leaders have reportedly been holding on to the plan to use as leverage in ongoing budget negotiations with the governor (ARIZONA REPUBLIC [PHOENIX]).

## Upcoming stories

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

- **Pay to play**
- **Young adult health insurance**
- **The year in smoking**

— *Compiled by KOREY CLARK*

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# Politics & leadership

**C**RISIS OF LEADERSHIP IN NY: Seven months ago, Democrats wrested control of the NEW YORK Senate from Republicans for the first time in decades, giving them control of the governor’s office and both houses of the Legislature. But with just days left in the legislative session, no one appears to be in charge of the state’s government.

The chaos began two weeks ago with the dramatic defection of two Senate Democrats, Hiram Monserrate and Pedro Espada Jr., restoring power in the chamber to the Republicans (see A COUP IN ALBANY in last week’s issue of *SNCJ*). In the following week Monserrate flip-flopped, leaving the chamber split 31-31; the Democrats offered the Republicans a power-sharing deal but were rebuffed; the two parties took their dispute to the state Supreme Court, which ordered them to resolve it themselves; and the district attorney for the Bronx convened a grand jury to investigate whether Espada actually lives in the district he serves.

But all of the hoopla may just be symptomatic of a much larger problem in the Empire State. That the balance of power in the Senate could be determined by two



freshman senators, Monserrate and Pedro Espada Jr., and a billionaire, Tom Golisano, who orchestrated the coup, is telling to some.

“I don’t think we’ve ever seen a time where the parties were so weak and the Democratic Party was so factionalized,” said George Arzt, a Democratic consultant. “Even with its huge plurality, it’s still not in charge.”

The Republican Party’s number is shrinking in the state. The Democrats, meanwhile, lack a strong central figure with the ability to impose order. Campaign finance laws allowing those with deep pockets to play a major role in the political process only add to the instability, creating an ideal environment for opportunism.

“It’s like feudal Japan,” said Blair Horner, legislative director of the NEW YORK Public Interest Research Group. “There’s a weak emperor and strong warlords.”

The “Big Three” — former Gov. George E. Pataki (R), former Senate Leader Joseph L. Bruno (R) and current Assembly Speaker Sheldon Silver (D) — ran Albany for more than a decade. But widely unpopular current Gov. David A. Paterson (D) lacks the political muscle to restore order in the capital.

**“It’s like feudal Japan. There’s a weak emperor and strong warlords.”**

“The worst thing that [Paterson] could do is probably endorse [Monserrate and Espada],” Arzt joked.

Sen. Malcolm Smith (D), who succeeded Bruno as Senate majority leader after the November 2008 elections, never gained much of a footing in his brief period in the post. And Assembly Speaker Silver, the only remaining member of the Big Three, has little power to impose discipline outside his own chamber.

The Democrats’ best hope of reestablishing strong leadership may be the state’s well-respected Attorney General Andrew M. Cuomo. But with the AG considering a gubernatorial run next year, he may be hesitant to jump into the fray now.

The leadership vacuum had one Democratic political operative referencing the King Arthur legend.

“Somebody needs to pull the sword out of the stone,” the operative said. (NEW YORK TIMES, WASHINGTON POST, NEW YORK DAILY NEWS)

**MANY LAWMAKERS UNELECTED IN CO:** COLORADO voters play an active role in the political affairs of their state; the fate of everything from complex

**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:** 191

**Number of Intros last week:** 1,138

**Number of Enacted/Adopted last week:** 866

**Number of Prefiles to date:** 32,409

**Number of Intros to date:** 143,720

**Number of 2009 Session Enacted/Adopted overall to date:** 30,386

— Compiled By JAMES ROSS  
(measures current as of 6/18/2009)  
Source: State Net database



was premature because no specific plan for national health care exists yet (ARIZONA DAILY STAR [TUCSON]). • **ALASKA** Gov. Sarah Palin (R) appointed Daniel S. Sullivan, a former assistant secretary of state under President George W. Bush, to be her state’s attorney general. The Legislature will vote on whether to confirm Sullivan next year. Palin’s previous choice for the job, Wayne Anthony Ross, failed to win confirmation, the first head of a state agency in **ALASKA** history to do so. Palin is seeking to replace former Attorney General Talis Colberg, who resigned under pressure from lawmakers over his attempt to void legislative subpoenas in the investigation of Palin’s role in “Troopergate,” the scandal sparked by the firing of a state trooper who was Palin’s former brother-in-law (ANCHORAGE DAILY NEWS).

— *Compiled by KOREY CLARK*

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# Governors

**PATRICK PURGES PENSION PERKS:** Calling it an effort to “make good on a promise to the public to restore trust in government,” **MASSACHUSETTS** Gov. Deval Patrick (D) signed legislation last week (SB 2079) to stop lawmakers and other public workers from padding their retirement by egregiously exploiting special provisions in the Bay State pension system.

The new law eliminates numerous perks, including the granting of a “termination allowance” to lawmakers who fail to win reelection; a provision that credits a full year of service to employees after they have worked as little as one day in that calendar year; and allowing certain officials to obtain pension credits for unpaid volunteer work. The measure also defines “compensation” as only wages and salary, ending the practice of including housing allowances, car-related costs and other bonuses to inflate pensions. It also alters the so-called “king for a day” provision, an accidental disability retirement benefit for individuals who are injured while temporarily filling in for their supervisor that has allowed some firefighters to collect pension benefits based on their bosses’ higher pay level after they were injured on the job while subbing for them.

Patrick was one of many on Beacon Hill to laud the bill, saying, “Welcome to a day we’ve been waiting for for a decade or more.” Senate President Therese Murray (D) echoed that sentiment, saying, “Today we answer the public’s call for real reform to our pension system.”

But others argued that the bill does not go far enough. Senate Minority Leader Richard Tisei (R) noted a specific proposal — not included in the final bill — to stop employees who are fired from immediately beginning to collect their pensions.



“What is costing the Commonwealth millions of dollars are all these state employees who get fired a day after they reach their 20 years,” Tisei said. “We’re leaving a lot of abuses on the table.” Sen. Robert Hedlund (R) accused his colleagues of ignoring even more stringent reforms and only going after “the low-hanging fruit.”

“I guess we need to get our ladders out and our pruning shears to go after the high-hanging fruit,” he said.

Others also noted that lawmakers recently voted to retain two holidays — Bunker Hill Day and Evacuation Day — that are only granted in Suffolk County, where an

estimated 35,000 employees get the day off.

“This issue isn’t going away,” said House Minority Leader Bradley Jones (R).

“It symbolizes perfectly the disconnect between this building and the public.”

But Murray and House

Speaker Robert A. DeLeo (D) said the new law was only a first step in what will eventually be even broader reform, and noted that the legislation calls for establishing a commission to review other potential changes. The new law applies to everyone who retires after July 1, 2009. (BOSTON GLOBE, BOSTON HERALD, BAY STATE BANNER [BOSTON])

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**LINGLE FACES FURLOUGH LAWSUITS:** A trio of public employee unions in HAWAII filed separate lawsuits last week seeking to block Gov. Linda Lingle (R) from attempting to force state workers to accept three furlough days a month for the next two years. The unions — the HAWAII Government Employees Association, United Public Workers and HAWAII State Teachers Association — argued that the furloughs were not negotiated and that the governor doesn’t have the power to unilaterally impose them. Lingle warned that she will lay off up to 10,000 workers if the unions don’t go along with the plan. She said department heads have been directed to prepare plans to deal with those layoffs, which could come as early as July 1. The governor also rejected a call from the Aloha State’s Congressional delegation to spare state workers paid with federal funds, saying the furlough policy is being applied to all state workers because of the state’s history of “working together, sharing and sacrificing for the good of all, even though it may impose hardships on each of us individually.” (STAR BULLETIN [HONOLULU])

**GOVERNORS IN BRIEF:** The MASSACHUSETTS Department of Public Safety suspended a program last week that issued high-powered military weapons to Bay State police departments. Gov. Deval Patrick (D) ordered the suspension until

officials can perform a thorough review of how it is run, the weapons involved, and the communities that get them (BOSTON GLOBE). • **KENTUCKY** Gov. Steve Beshear (D) urged Bluegrass State lawmakers to support pending legislation (HB 2a) to install video lottery terminals at horse racing tracks (BOWLING GREEN DAILY NEWS). • **CALIFORNIA** Gov. Arnold Schwarzenegger (R) vowed to veto any proposal to eliminate the state high school exit exam, a basic math and English skills assessment required for students to receive their diploma. A joint legislative conference committee proposed last week to do away with the controversial exam, with Democrats arguing that it is unfair to cut school budgets and then ask students to pass the test (SACRAMENTO BEE).

— Compiled by RICH EHISEN

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## Hot issues

**B**USINESS: A NEW HAMPSHIRE joint House and Senate conference committee endorses SB 40, which would require large companies planning layoffs or closure to give workers and the state at least 60 days notice.

It is now under consideration again in both houses (CONCORD MONITOR).

• The **OREGON** House endorses HB 2739, which gives auto manufacturers a 30-day period in which to tell dealers who are having their franchise pulled why the franchise is ending if another dealer in the same market area is not being affected. The measure also requires manufacturers to offer former dealers a new franchise if the parent company wants to open a new dealership in the old dealer's market area within five years. It motors on to Gov. Ted Kulongoski (D) for review (STATESMAN-JOURNAL [SALEM]). • Still in **OREGON**, the House endorses HB 3300, which would direct state agencies to identify and train workers for "green jobs" in fields such as energy efficiency and renewable energy. It moves to the Senate (STATESMAN-JOURNAL [SALEM]).

**CRIME & PUNISHMENT:** The **CALIFORNIA** Senate approves SB 484, which would make pseudoephedrine-based and ephedrine-based drugs available only with a doctor's prescription. Those ingredients, which are found in most over-the-counter cold and allergy medications, are also used to make illegal methamphetamine. The bill moves to the Assembly (SACRAMENTO BEE). • **FLORIDA** Gov. Charlie Crist (R) signs SB 2276, which requires Sunshine State authorities to collect a DNA sample from anyone arrested on felony charges, with the results being held in a state database. The new program doesn't go into effect until 2016 (ST. PETERSBURG TIMES). • The **LOUISIANA** Senate approves HB 155, which would allow Pelican



State prosecutors to charge the owners of dogs that attack people with negligent homicide. Those found guilty could face up to five years in prison and a fine up to \$5,000. It moves to Gov. Bobby Jindal (R) for review (ADVOCATE [BATON ROUGE]).

**EDUCATION:** A LOUISIANA House panel rejects HB 571, which would have barred the use of corporal punishment in Pelican State schools (ADVOCATE [BATON ROUGE]). • The DELAWARE Senate endorses SB 149, which would create similar license denial and revocation standards for both public and private school teachers and administrators. It heads to the House (NEWS JOURNAL [NEW CASTLE-WILMINGTON]).

**ENVIRONMENT:** The OREGON House and Senate approve HB 2229, which would allow some rural land to be rezoned for development, but only if counties make specific findings that protect farm and forest uses and natural features. It goes to Gov. Ted Kulongoski (D) for review (STATE NET). • Still in OREGON, the Senate approves HB 3013A, a bill that would authorize the Beaver State’s first two fishing-free marine reserves. The measure, which would require study of four other potential reserve areas, also moves to Gov. Kulongoski, who is expected to sign it (OREGONIAN [PORTLAND]).

**HEALTH & SCIENCE:** The RHODE ISLAND House and Senate overwhelmingly override Gov. Don Carcieri’s (R) veto of SB 185, which creates medical marijuana dispensaries in the Ocean State (PROVIDENCE JOURNAL). • The NEW JERSEY Senate endorses AB 2238, which would require health insurers to cover treatment and screening for children with autism and other developmental disabilities. It returns to the Assembly (STATE NET). • TEXAS Gov. Rick Perry (R) signs HB 2154, which will use state funds gleaned from a tax on smokeless tobacco products to repay medical school loans for doctors who agree to practice in underserved areas of the state. State officials say the law could attract as many as 900 new doctors to the Lone Star State’s 114 medically underserved counties (AVALANCHE-JOURNAL [LUBBOCK]).

**SOCIAL POLICY:** The OREGON House endorses HB 3114, which requires the state Department of Human Services to ensure that children in foster care have a

## The week in session

**States in Regular Session:** AZ, CA, DC, DE, LA, MA, MI, NC, NH, NJ, NY, OH, OR, PA, RI, US, WI

**States in Recess:** IL

**States in Special Session:** CA “c”, CT “b”, CT “c”, IN “a”, KY “b”

**States Currently Prefiling or Drafting for 2010:** AL, KY

**States Projected to Adjourn:** AZ, LA, RI

**States Adjourned in 2009:** AK, AL, AR, CO, CT, FL, GA, HI, IA, ID, IN, KS, KY, MD, ME, MN, MO, MS, MT, ND, NE, NM, NV, OK, SC, SD, TN, TX, UT, VA, VT, WA, WV, WY

**State Special Sessions Adjourned in 2009:** AZ “a”, AZ “b”, CA “a”, CA “b”, CT “a”, FL “a”, MS “a”, UT “a”, VT “a”, WI “a”, WV “a”, WV “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS  
(session information current as of 6/19/2009)  
Source: State Net database



mental health assessment before they are prescribed certain psychiatric medications, including antipsychotics, and requires an annual review of psychiatric medications given to children on more than two drugs or who are younger than 6. The measure moves to the Senate (OREGONIAN [PORTLAND]).

**POTPOURRI:** ALASKA Gov. Sarah Palin (R) signs SB 72, which adopts into law National Highway Traffic Safety Administration recommendations for the specific type of vehicle safety restraints required for children under the age of 8, based on height and weight. Prior to the signing, the law only required children under 18 to wear an appropriate restraint as determined by the driver (KTUU.COM [ANCHORAGE]).

— Compiled by RICH EHISEN

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# Once around the statehouse lightly

**ONE DUMB MONKEY:** A prominent SOUTH CAROLINA Republican activist recently learned the hard way that posting something on that there Internet gizmo is anything but private. As the *New York Daily News* reports, Rusty DePass killed his Facebook page amidst public criticism after posting a comment likening an escaped zoo gorilla to First Lady Michelle Obama. DePass later apologized, saying his remark was made “in jest.” But DePass couldn’t leave it alone, insisting he was referencing a comment Ms. Obama made in support of humans descending from apes, something for which the publication could find no public record. It was also not the first time DePass put his alleged wit on display. In a 2007 Op-Ed in support of presidential candidate Rudy Giuliani, he noted that his state “never gave a damn about New Yorkers, but somehow the attacks of Sept. 11, 2001, made those people Americans again.”

**SIGN OF THE TIMES:** Most of us have seen them: signs posted near highway construction projects noting that said projects represent “our tax dollars at work.” MICHIGAN residents will certainly see their share over the next few years, with more than 135 new projects under the federal American Reinvestment and Recovery Act (ARRA) slated for the Wolverine State. A close look at some of those already posted reveals Gov. Jennifer Granholm’s name prominently displayed as well. But as the *Detroit Free Press* reports, ARRA clearly stipulates that no politician is allowed to have his or her name associated with stimulus spending. Granholm’s people say it was a mistake and that new signs will not bear her name. But state Rep. Larry



DeShazor is opposed to the signs regardless of whether the gov’s name is on them, grouching, “Why should we be advertising the fact that we’re doing our job?”

**KIND OF LIKE WAR AND PEACE:** When WASHINGTON lawmakers approved SB 5688 — also know as the “everything but marriage” bill because it greatly expands the rights of same sex couples in domestic partnerships — opponents immediately began planning a ballot measure to overturn the new law. But the Evergreen State requires petitions for referenda to print every single word of the legislation being submitted to the voters. In regard to SB 5688, that means offering up 114 pages of bill text, which must all be contained on one page and be “readable.” As the *Seattle Post-Intelligencer* reports, proponents have actually managed to get it all on a single, ultra-large petition that contains millions of words and, when opened, comes in at a whopping 23×34 3/4”. Organizers have about four more weeks to accumulate 120,000 signatures to get the issue on the ballot.

**RETURN TO SENDER:** The ongoing budget stalemate in CALIFORNIA is clearly getting stressful for both lawmakers and Gov. Arnold Schwarzenegger. As the *Los Angeles Times* reports, the Republican Governor recently irked Sen. Darrell Steinberg by sending him a metal sculpture of bull testicles, along with a suggestion that the Democratic Pro Tem would need them in making this year’s brutally tough budget choices. Steinberg was not amused. He returned the gift with his own suggestion that Schwarzenegger show some testicular fortitude of his own by easing off on proposed cuts to the social safety net. The gov apologized, and Steinberg said he holds no ill will. One spokesperson even insisted that the two men exchange gag gifts all the time, noting that Steinberg had recently sent the governor a basket of garden-variety mushrooms after Schwarzenegger called Senate budget proposals “hallucinatory.”

**FINALLY, SOMETHING USEFUL:** Speaking of Schwarzenegger, many media outlets (including this one) reported the governor’s recent purchase of an 800-pound bronze grizzly bear, which he placed outside of his gubernatorial office. The gov said he hoped the statue would provide a good photo op for young visitors to the Capitol. But as the *Capitol Morning Report* notes, scribes have found an even better use for it. With Schwarzenegger now prone to holding short news conferences outside of his office, reporters have taken to using the bronze bear as a stand for their microphones, cameras and other equipment, thus earning it a new name: “Mike.”

## In case you missed it

As reported in the June 15th issue of SNCJ, a majority of states are abandoning long-held objections toward uniformity and banding together to set tougher academic standards.

In case you missed it, the article can be found on our Web site at [http://www.statenet.com/capitol\\_journal/06-15-2009/html](http://www.statenet.com/capitol_journal/06-15-2009/html)

— By RICH EHISEN

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