

July 12, 2010

Capital Crunch



©iStockphoto.com/f_

Budget & taxes	3
Schwarzenegger places 200,000 workers on minimum wage	
Politics & leadership	6
Labor outspending business in wake of campaign finance ruling	
Governors	8
Border gov's spar over cancelled conference	
Bird's eye view	2
Hot issues	11
Once around the statehouse lightly	14

● The next issue of
 ● Capitol Journal will be
 ● available on July 19th.
 ●

Top Story

Capital cities have often been insulated from bad economic times. But with government worker furloughs reducing pay to state employees and sparking a slowdown in businesses that serve them, that trend may not hold up.

SNCJ Spotlight

State capitals about to feel the financial squeeze

Capital cities, historically, have fared better in economic downturns than other cities because their governmental operations provide steady employment to local businesses that serve public sector workers. But many capitals, especially those with limited private industry, may not make it through the current recession unscathed.

“The presence of the state capital has for many years contributed to a recession-resistance factor aligned with more stable employment,” said Richard A. Ciccarone, managing director and chief research officer at McDonnell



Investment Management in Oak Brook, ILLINOIS. But, he added, “that advantage is under pressure as state government cutbacks are becoming more aggressive.”

Last year, state and local governments experienced the steepest drop in tax collections since at least 1947, according to a recent report by the San Francisco Federal Reserve Bank. The report also cautioned that “fiscal conditions are likely to get worse before they get better.”

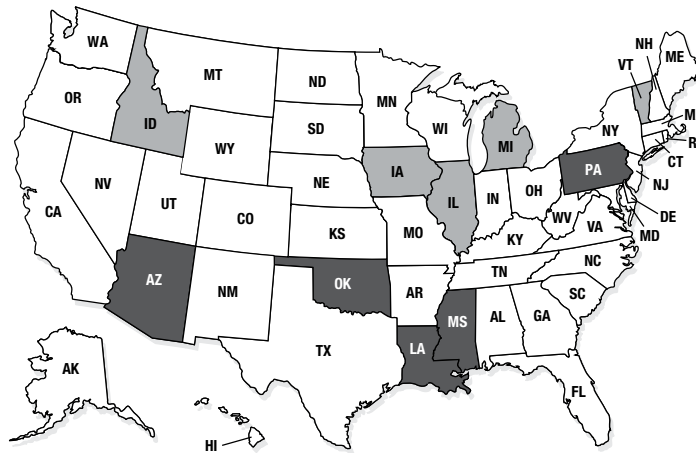
Indeed, the Center on Budget and Policy Priorities has estimated that state budget deficits could total \$140 billion in fiscal 2011, resulting in the loss of up to 900,000 public and private sector jobs nationwide.

One indication trouble lies ahead for the public sector is that the private sector is just now moving past the peak of its job losses, having shed more than eight million positions — about 7 percent of the total workforce — since the start of the recession — since the start of the recession in December 2007. The public sector, which typically feels the effects of a recession well after the private sector, has so far lost only about 1 percent of its workforce since August 2008.

James Diffley, an economist at IHS Global Insight, said the peak of job losses in state government will come this year and next, adding that being a state capital in 2010 and 2011 will actually be “a burden.”

Of course, some state capitals are likely to be less burdened than others. In Boston, government is only the fourth-largest employer, and the city’s 8.6 percent unemployment rate is better than MASSACHUSETTS’ 9.2 percent rate overall. But government is the No. 1 employer in Topeka, KANSAS, providing jobs for more than 8,000 of the city’s 123,000 residents. And its 7.2 percent unemployment rate is about a percentage point higher than the state’s.

Bird’s eye view



Source: Detroit Free Press, Associated Press. Legend: Light gray box = States with biggest decline in stress level from April to May; Dark gray box = States with biggest increase in stress level.

States’ economic-stress decline slowing

Economic stress declined in 33 states between April and May, according to the Associated Press’ monthly analysis of fiscal conditions across the country. MICHIGAN, VERMONT, IDAHO, IOWA and ILLINOIS saw the biggest month-to-month improvement in their AP Economic Stress Index scores, which economists attribute to gains in manufacturing jobs in those states. LOUISIANA, MISSISSIPPI, OKLAHOMA, PENNSYLVANIA and ARIZONA suffered the largest increases in their stress scores, due to job losses associated with the Gulf oil spill in the first two states and moderating energy prices, a slowing in the manufacture of chemicals and continued damage from the housing bust, respectively, in the other three. The Stress Index also indicates that the national economic recovery is slowing: between March and April, economic stress levels decreased in every state but two.





Making matters worse for many capital cities are their relatively high expenses and low liquidity levels. A recent analysis of 666 U.S. cities and 36 debt-issuing state capitals by McDonnell’s Ciccarone indicated that capital cities typically spent more on debt and retirement benefits as a percentage of overall spending than their non-capital counterparts. And the capital cities’ liquidity levels, as measured by such gauges as days of cash on hand in their general funds, were weaker. Ciccarone also said the data so far show the financial stress on capital cities is increasing.

CALIFORNIA’s capital, Sacramento, seems to bear that out. In 2009 Gov. Arnold Schwarzenegger (R) ordered furloughs for state workers, who represent about half

“There are less employees overall, and those who are left are spending less.”

of the city’s job holders. Since then, property and sales taxes have declined 7 percent, and some restaurants have closed during the day, according to Leyne Milstein, Sacramento’s finance director. In addition, the city’s unemployment rate has risen one percentage point — to 14.1 percent — and is now two percentage points higher than the statewide rate.

“There are less employees overall, and those who are left are spending less,” Milstein said.

That is a problem Timothy J. Davlin, the mayor of Springfield, ILLINOIS can identify with. He said layoffs by former-Gov. Rod Blagojevich (D) have left many of his city’s downtown storefronts vacant.

“We used to think we were recession-proof,” he said. “But when we had Blago, things changed.”

Being a state capital is advantageous in the long term, maintains Jerry Ambrose, finance director in Lansing, MICHIGAN, where more than 14,000 area residents are employed by the state, nearly three times the number who work for the city’s second-largest employer, General Motors. But he adds that in the short term, with state workers being fired and furloughed, and the tax base — already restricted by tax-exempt state buildings — shrinking, “It’s a mixed bag.” (WALL STREET JOURNAL)

— *Compiled by KOREY CLARK*

Budget & taxes

SCHWARZENEGGER PLACES 200,000 WORKERS ON MINIMUM WAGE: On July 1, CALIFORNIA Gov. Arnold Schwarzenegger (R) officially ended 17 months of furloughs for state workers. The same day, with the new fiscal year under way and no budget appropriating money for payroll yet in place, he ordered pay for 200,000 hourly state workers to be withheld to the federal minimum of \$7.25 an hour until a spending plan is passed.

“Regrettably, we must take the steps outlined in the attached pay letter to adjust wages and salaries during this budget impasse,” Personnel Administration Director Debbie Endsley stated in a letter accompanying the pay reduction order.

The administration’s action is evidently permitted under a 2003 state Supreme Court decision (*White v. Davis*), but some say it’s a matter of politics rather than law. They contend the order was intended to put pressure on six unions that haven’t agreed to pension and pay concessions the governor wants. The order exempts about 37,000 state workers in six unions that have tentatively agreed to those changes.

“It appears that the governor has taken a constitutional budget issue and reduced it to a bargaining ploy,” said Bruce Blanning, executive director of Professional Engineers in California Government. “He’s saying that if you’re one of the six groups that have signed a contract, if you’ve agreed to a contract with him, then you get your salary. If you didn’t, he wants you to get minimum wage.”

State Controller John Chiang, whose office issues state workers’ paychecks, has refused to comply with the order, which he referred to as “political tricks,” unless a court forces him to do so. Chiang did the same thing two years ago when the administration issued a similar pay order during another budget impasse.

The administration sued Chiang and won early last year. But Chiang appealed that decision, and Sacramento’s 3rd District Court of Appeal could issue a ruling any day.

“Again, absent a final court ruling, I will continue to protect the state’s finances and pay full wages earned by state employees,” he said in a statement. (SACRAMENTO BEE)

SODA TAX TREND LOSING FIZZ: This past April, when WASHINGTON passed a 2-cent tax on every 12 ounces of soda sold in the state (SB 6143), it looked like momentum was growing for a new variety of tax. The Evergreen State law followed similar actions in MAINE and COLORADO. And politically it seemed a win-win, generating revenue at a time when it is hard to come by and promising to do something about the growing problem of obesity, particularly among children.

But the momentum has shifted, thanks to the efforts of the beverage industry. Its lobbyists have reportedly killed every effort to pass a soda tax this year, including measures in MISSISSIPPI, NEW MEXICO and NEW YORK. And the industry is also

The week in session

States in Regular Session: DC, MA, NC, US

States in Recess: CA, MI, NJ, NY, PA, PR

States in Special Session: CT “a”, MO “a”, NJ “a”

Special Sessions in Recess: CA “f”, DE “b”, PA “a”

Upcoming Special Sessions:

WV “b” regarding Education and Other Topics convenes 07/19/2010.

FL “a” regarding Energy Policy - 07/20/2010.

States in Skeleton Session: OH

States Currently Prefiling or Drafting for 2011: KY, MT, ND, NV

States Adjourned in 2010: AK, AL, AR, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, NE, NH, NM, OK, RI, SC, SD, TN, UT, VA, VT, WA, WI, WV, WY

State Special Sessions Adjourned in 2010: AZ “a”, AZ “b”, CA “e”, CA “h”, KY “a”, MN “a”, MS “a”, NH “a”, NM “a”, NV “b”, OR “a”, TN “a”, WA “a”, WI “b”, WV “a”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 7/9/2010)
Source: State Net database

backing an initiative to repeal WASHINGTON's new soda tax. Backers of Initiative 1107, which include the American Beverage Association, have submitted 395,000 signatures, far more than the 240,000 required to qualify the measure for the November ballot. The ABA spent over \$1 million on that effort, and Sandeep Kaushik, spokesman for a coalition of children's health groups that advocated for the tax, said the industry could spend as much as \$10 million on the election. (STATELINE.ORG)

BUDGETS IN BRIEF: Nearly \$3 billion may have been lost to unemployment insurance fraud nationwide in 2009, more than double the amount in 2008, according to the U.S. Labor Department. The majority of the losses are due to individuals who continue to collect unemployment after finding work (WALL STREET JOURNAL). • **PENNSYLVANIA** Gov. Ed Rendell (D) approved a \$28 billion fiscal 2010-11 budget (HB 2289) that contains no new or increased taxes. The spending plan includes \$1 billion less than the governor proposed in addition to deep spending cuts that could result in up to 1,000 layoffs. The budget also anticipates receipt of \$850 million in federal Medicaid funding that Congress has not yet approved, without which Rendell has warned, "layoffs will be through the roof" (STATE NET). • **MICHIGAN** Gov. Jennifer Granholm (D) said last week she has pretty much given up hope that the Legislature will take up her proposal to extend the state sales tax to services before she leaves office at the end of this year. Some opponents of the proposal said the reason her plan failed to attract support among lawmakers was because Granholm has lost credibility on tax issues (DETROIT FREE PRESS). • Anti-tax advocates have submitted what they called a "challenge proof" number of voter signatures in an effort to qualify a measure for **MASSACHUSETTS'** November ballot halving the state's 6.25 percent sales tax. Previous attempts to lower the tax have failed, but supporters say the recession has made passage more likely. Opponents, however, warn that the measure will slash state income by at least \$2 billion, gutting funding for police, teachers and the poor (BOSTON GLOBE). • **NEW JERSEY** Gov. Chris Christie (R) said last week the state will borrow \$1.4 billion this year to pay for transportation projects (STAR-LEDGER [NEWARK]).

Upcoming elections

7/8/2010 - 7/29/2010

07/13/2010

Alabama Primary Runoff

House Districts 5, 26, 35, 56, 60, 84, 85, 98

Senate Districts 4, 9, 28, 30, 33

Constitutional Officers:

Governor, Attorney General,

Commissioner of

Agriculture & Industries

US House (Districts 2 and 7)

Ohio Special Primary

US House (OH Congressional District 3)

07/20/2010

Georgia Primary Election

House (All)

Senate (All)

Constitutional Officers:

Governor, Lieutenant Governor,

Secretary of State,

Attorney General, Comptroller General/

Commissioner of Insurance,

Commissioner

of Agriculture, Commissioner of Labor

US House (All)

US Senate

07/27/2010

Oklahoma Primary Election

House (All)

Senate (Even)

Constitutional Officers:

Governor, Lieutenant Governor,

Treasurer, Attorney

General, Auditor and Inspector,

Commissioner of Labor,

Insurance Commissioner

US House (All)

US Senate

Politics & leadership

LABOR OUTSPENDING BUSINESS IN WAKE OF CAMPAIGN FINANCE RULING: When the U.S. Supreme Court struck down the ban on corporate and union political advertising back in January in the landmark case of *Citizens United v. Federal Election Commission*, many predicted corporate money would begin flooding into political campaigns. But so far this year, that hasn't been the case; it's actually labor that has been doing most of the political spending.

Of the \$24.7 million in independent expenditures reported to the Federal Election Commission this year, unions made \$9.7 million (or 39 percent) of them, while just \$3.4 million (14 percent) came from corporations. (The remainder came from individuals.)

The biggest spender has been Service Employees International Union, which disclosed \$4.6 million in independent ad expenditures. And several of the other groups that figure prominently in the FEC campaign filings are union-backed operations with names like Working America and Arkansans for Change.

But the second-largest spender has been Americans for Job Security, a business association, which funded \$1.5 million in ads, and the No. 3 filer was the U.S.

Chamber of Commerce, the nation's largest business group, which spent \$1.4 million.

And some think the flood of corporate spending is still coming.

"We would be very pleasantly surprised if there's not a gusher of special interest money," said U.S. Rep. Chris Van Hollen

(D-MARYLAND). "Very few people play in the primaries — most of this money is almost always spent in the general election."

Some major corporate-backed groups certainly appear to be gearing up for that. The conservative organization American Crossroads raised \$8.5 million in June, according to its president, Steven Law.

"Donors who are from the center-right side of the spectrum are going to close the gap this year," he said. "There's both an opportunity in this election cycle to achieve real progress and a large sense of concern in the direction of Washington."

Chamber of Commerce President Thomas J. Donohue reportedly said in a recent speech that his group has increased its political budget from \$50 million to \$75 million.

In anticipation of the impending glut of special interest money, U.S. Rep. Van Hollen is pushing a bill (US HB 5175) that would require advertisers to disclose their funding sources. The measure recently passed the House but faces an uncertain future in the Senate.

Some groups, like the anti-tax group Club for Growth and the new liberal group Commonsense Ten, have pledged to reveal all of their donors.

“Donors who are from the center-right side of the spectrum are going to close the gap this year.”

“Believing that ‘sunlight is said to be the best of disinfectants,’ Commonsense Ten plans instead to engage in fully disclosed activity as a federally registered political committee,” the group has stated.

American Crossroads, however, recently created a nonprofit corporation, which will allow it to accept donations without being required to disclose who made them.

“There are some donors who care about that,” said Law. (WASHINGTON POST)

GULF OIL SPILL ALTERING US SENATE RACE IN FL: The Deepwater Horizon oil spill is wreaking havoc on the Gulf Coast. But it’s also doing wonders for FLORIDA Gov. Charlie Crist’s (I) political career.

Three months ago Crist was muscled out of the Republican U.S. Senate primary and the GOP itself by rival candidate and former FLORIDA House Speaker Marco Rubio, who was pummeling the governor in the polls. But recent polls show Crist, now running as an independent, leading Rubio by an average of five percentage points.

The change of political fortunes is evidently due in large part to the round-the-clock publicity Crist has been receiving as he monitors the Gulf spill. According to his press secretary, Crist has done about 13 interviews with national media, in addition to numerous briefings with local reporters.

The governor’s critics call that self-promotion.

“It’s not even the oil spill itself keeping Crist’s poll numbers up. It’s the proximity of Crist to cameras near the oil spill,” said Republican political strategist Rick Wilson. “What you’re seeing is an awful lot of substance-free Charlie television specials.”

Crist says he’s just doing his job.

“Everything is secondary now,” he said of his campaign, although he has attended a string of fundraisers around the state in recent weeks. “My first duty is to do my job and I’m going to do it.”

Crist isn’t the first or only chief executive to benefit from a natural disaster. Former Gov. Jeb Bush’s ratings soared after FLORIDA’s hectic 2004-05 hurricane seasons. And in the wake of the Gulf spill, LOUISIANA Gov. Bobby Jindal’s (R) approval rating is sitting at 74 percent, according to a new Rasmussen Reports survey.

Looking for a way to counter the commander-in-chief-in-crisis effect, Rubio was planning to make several appearances at town hall meetings on the oil spill in the Panhandle last week. But he may have a tough time duplicating the success Crist has achieved through all of his media coverage.

“[Crist’s] managed to do all that in such a way that doesn’t look patently political, which cannot be said for every politician that shows his face in Pensacola,” said Democratic consultant Robin Rorapaugh. “He looks like a governor.” (MIAMI HERALD)

POLITICS IN BRIEF: MARYLAND Attorney General Douglas F. Gansler’s (D) re-election was virtually guaranteed last Tuesday when no challenger emerged to



run against him by the state’s filing deadline. Four-term U.S. Sen. Barbara A. Mikulski (D), on the other hand, drew two dozen challengers, though none with anywhere near her name recognition or available campaign cash (BALTIMORE SUN). • **WEST VIRGINIA**’s AFL-CIO and Coal Association are calling on Gov. Joe Manchin (D) to appoint himself to the late Robert Byrd’s U.S. Senate seat until a special election can be held to choose a successor. The Coal Association’s president, Bill Raney, said the governor would be best able to hit the ground running (CHARLESTON DAILY MAIL). • Three **WISCONSIN** Supreme Court justices called last week for the Legislature to consider setting ethics rules for judges because they question the high court majority’s ability “to keep its own house in order.” The justices’ request came after the court formally issued a new ethics rule, adopted on a 4-3 vote last fall, precluding the acceptance of campaign contributions from individuals involved in cases before the court alone from forcing judges off of cases (MILWAUKEE JOURNAL SENTINEL). • Last week, **DELAWARE** became the second state in the nation — after **MARYLAND** — to pass legislation that would adjust US Census data to count incarcerated persons as residents at their home addresses for purposes of redistricting. The measure, HB 384, has been sent to Gov. Jack Markell (D) (PROGRESSIVE STATES NETWORK).

Upcoming stories

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

- **Time to bag plastics?**
- **CA ballot battle**
- **Budget updates**

— *Compiled by KOREY CLARK*

Governors

BORDER GOVS SPAR OVER CANCELLED CONFERENCE: For the last 28 years, governors of states on both sides of America’s border with Mexico have gathered for an annual conference to discuss matters of importance to all sides. But that streak is in serious danger this year. Governors from all six of Mexico’s border states recently announced they will not attend the meeting, which is scheduled for next month in ARIZONA. The governors said they will not set foot in the Grand Canyon State in protest of SB 1070, the state’s strict new immigration law.

That did not go over well with ARIZONA Gov. Jan Brewer (R), who responded by informing the nine other governors — all six of the Mexican governors plus governors in CALIFORNIA, NEW MEXICO and TEXAS — that she was cancelling the conference. Hosting duties rotate among the governors each year, with Brewer coincidentally scheduled to be the chairwoman and host of this year’s event.

In a letter to her counterparts, Brewer said she was “disappointed” by the decision by the Mexican governors to pull out of the conference, saying “I sincerely believe the gathering of the governors in ARIZONA would have presented a great platform to initiate dialogue about the legislation and other topics of great importance to the border region.”

Brewer also laid the blame on a higher authority, saying the governors are “acting under the direction, I believe, of President (Felipe) Calderón that they ought not to participate.”

But Brewer’s decision drew an immediate negative response from NEW MEXICO Gov. Bill Richardson (D) and CALIFORNIA Gov. Arnold Schwarzenegger (R), who both said the conference was too important to be called off. Both indicated they would look for a different venue outside of ARIZONA in hopes of keeping the event alive. TEXAS Gov. Rick Perry (R) said he would probably attend the conference if it was moved.

That wasn’t exactly the response Brewer was looking for.

“I would have liked to believe that they would have shown support for the governor of ARIZONA and for the people of ARIZONA,” she said.

But a Richardson spokesperson didn’t have much sympathy, noting that Brewer acted without asking for their input.

“Governor Brewer doesn’t have the authority to cancel the Border Governors Conference,” said Richardson spokesperson Caitlin Kelleher. “She may not want to host it for political reasons, but that’s not a reason to sidestep the tough issues that border governors must address, including migration and border violence. Governor Richardson will look for alternative sites to host the conference, with or without ARIZONA’s participation.”

Brewer said she would consider attending the conference if it is moved to another locale. (ARIZONA DAILY STAR [TUCSON], NEW YORK TIMES, POLITICO)

HERBERT CALLS FOR IMMIGRATION FORUM: UTAH Gov. Gary Herbert (R) said he plans to put together a public forum within the next few weeks to have “a frank and open discussion” about immigration. Herbert said he will ask “all the stakeholders with different points of view,” including representatives of the Hispanic community, other minority groups with illegal immigrants, business leaders, legislators, law enforcement and churches. He also hopes to get two lawmakers with diverse views on dealing with illegal immigrants in the Beehive State — Rep. Stephen Sandstrom (R) and Sen. Luz Robles (D) — to participate. Sandstrom has vowed to introduce a bill next session mimicking ARIZONA’s controversial SB 1070 immigration bill. Robles strongly opposes that measure. (DESERET NEWS [SALT LAKE CITY])

OH SENATE LEADER SAYS PUPPY BILL DEAL NO SURE THING: OHIO Senate President Bill Harris (R) says Gov. Ted Strickland’s (D) deal to keep

Hot issues

BUSINESS: The **NEW YORK** Assembly and Senate endorse AB 1470, legislation that would make the Empire State the first to grant domestic workers many of the same rights held by workers in other fields. Under the measure, domestic workers would have a 40-hour work week, be entitled to temporary disability benefits, unemployment insurance and overtime pay and be protected by laws barring workplace sexual harassment. The measure moves to Gov. David Paterson (D), who is expected to sign it into law (**NEW YORK TIMES**). • The **PENNSYLVANIA** Senate approves SB 460, which would require users of indoor tanning booths between the age of 14 and 18 to have parental consent. Customers under 14 would be prohibited from using the services without a written physician's note. The bill has moved to the House (**PATRIOT-NEWS [HARRISBURG]**). • **CALIFORNIA** Gov. Arnold Schwarzenegger (R) signs AB 1437, which will require out-of-state egg suppliers to comply with a Golden State law requiring laying hens to have enough space to stand up, turn around and flap their wings without touching each other or the cage walls (**SACRAMENTO BEE**). • Still in **CALIFORNIA**, lawmakers endorse SB 1121, which would grant agricultural workers overtime pay for anything above a 40-hour work week, or an eight-hour work day. State law currently requires field workers to receive overtime pay only after putting in 10 hours or more in a single day or 60 hours in a week. The bill moves to Gov. Schwarzenegger (R) for review (**SACRAMENTO BEE**). • The **NORTH CAROLINA** House gives final approval to HB 80, which would ban video sweepstakes parlors, which allow people who purchase pre-paid phone cards or Internet time to play simulated slot machines and video poker, both of which are illegal in the Tar Heel State. It moves to Gov. Bev Perdue (D), who has said she will sign it (**CHARLOTTE OBSERVER**). • **LOUISIANA** Gov. Bobby Jindal (R) signs HB 1292, which permanently bars any individual or company that has been convicted of public bribery, corrupt influencing, extortion or money-laundering or the equivalent federal crimes from procuring public works contracts. Jindal also signs SB 720, which nullifies any current contracts between the state and any company convicted of corruption (**NEW ORLEANS TIMES-PICAYUNE**).

CRIME & PUNISHMENT: **ILLINOIS** Gov. Pat Quinn (D) signs SB 3269, which requires police departments to submit all DNA evidence from reported sex crimes to the State Police crime lab within 10 days of collecting it. The lab will have to analyze the evidence within six months, though exceptions will be made for understaffed labs (**CHICAGO TRIBUNE**). • **NEBRASKA** Gov. Dave Heineman (R) approves a new lethal injection protocol that allows the Cornhusker State to abandon the use of the electric chair for executing condemned prisoners. The state



Supreme Court ruled in 2008 that use of the electric chair is unconstitutional (LINCOLN JOURNAL STAR). • **MISSOURI** Gov. Jay Nixon (D) signs HB 1472, which criminalizes the possession or sale of K2, a synthetic substance that gives a high similar to marijuana. Penalties are identical to those for possessing real pot (ST. LOUIS POST-DISPATCH). • **LOUISIANA** Gov. Bobby Jindal (R) signs HB 1259, which makes cyberbullying — the use of cell phones or the Internet to harass another person — a crime punishable by up to six months in jail and a \$500 fine. Offenders under 18 will receive counseling instead of jail time (ADVOCATE [BATON ROUGE]).

EDUCATION: The **MICHIGAN** Senate endorses SB 1402, a bill that would require state education officials to develop a program teaching gun safety to elementary school students. It has moved to the House (FLINT JOURNAL). • **LOUISIANA** Gov. Bobby Jindal (R) signs HB 556, which would allow a person with a concealed-carry weapons permit to have a gun within a 1,000-foot radius of schools and school buses, but not on campus, which are “gun-free zones” (NEW ORLEANS TIMES-PICAYUNE).

ENERGY: The **MASSACHUSETTS** Supreme Judicial Court upholds the validity of a long-contested, state-issued wetlands permit that will allow developers to build a 30-megawatt wind farm off the Bay State coastline. The case has been in litigation for six years (BOSTON GLOBE).

ENVIRONMENT: Citing effects from the ongoing oil spill in the Gulf of Mexico, **MISSISSIPPI** environmental officials close down all commercial and recreational fishing off the Magnolia State coast (HATTIESBURG AMERICAN).

HEALTH & SCIENCE: The **NEW YORK** Legislature approves AB 8117, legislation that would overturn a state law requiring midwives to obtain an agreement from a doctor or hospital to provide them backup in emergencies. The bill moves to Gov. David Paterson (D) for review (NEW YORK TIMES). • **ILLINOIS** Gov. Pat Quinn (D) signs HB 6103, which exempts Prairie State military veterans from being charged for services that are not covered by their insurance plans and are received at state mental health facilities. It takes effect immediately (ILLINOIS GOVERNOR’S

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:** 39
- Number of Intros last week:** 266
- Number of Enacted/Adopted last week:** 533
- Number of 2010 Session Prefiles to date:** 20,181
- Number of 2010 Intros to date:** 86,468
- Number of 2010 Session Enacted/Adopted overall to date:** 26,934
- Number of 2009-10 bills currently in State Net Database:** 186,112

— Compiled By JAMES ROSS
(measures current as of 7/8/2010)
Source: State Net database



OFFICE). • **LOUISIANA** Gov. Bobby Jindal (R) signs HB 244, which allows parents and grandparents to keep children up to age 26 on their health insurance policies (ADVOCATE [BATON ROUGE]).

IMMIGRATION: The Obama administration files a lawsuit seeking to block **ARIZONA** SB 1070, a law that would require Grand Canyon State police to request proof of legal status from residents they suspect to be illegal immigrants. The government is seeking to prevent the law from going into effect on July 29th. U.S. District Judge Susan Bolton has set a hearing for July 22nd (LOS ANGELES TIMES).

SOCIAL POLICY: A federal judge strikes down a 1996 federal law that defines marriage as only between one man and one woman. The court said the measure unconstitutionally violates same-sex couples' right to equal protection under the law and interferes with states' rights to establish their definition of marriage. The rulings apply primarily to **MASSACHUSETTS** but could have broader implications if they're upheld on appeal (ASSOCIATED PRESS). • The **NEW YORK** Legislature approves SB 3890, which would make the Empire State the last in the nation to adopt no-fault divorce. Lawmakers also endorsed two related measures: SB 7740, which would require the use of post-marital income guidelines for any monetary awards or alimony, and AB 7569, which would require judges to award counsel fees -- in which the wealthier of the spouses is ordered to pay the legal bills of the other -- earlier in the divorce process. All three bills move to Gov. David Paterson (D), who is expected to sign them into law (NEW YORK TIMES). • **HAWAII** Gov. Linda Lingle (R) vetoes HB 444, which would have legalized same-sex civil unions in the Aloha State. Lingle said the matter should be decided by voters (LOS ANGELES TIMES). • **LOUISIANA** Gov. Bobby Jindal (R) signs HB 1272, which allows people with concealed-carry weapons permits to carry them into churches and other houses of worship as part of a security force (NEW ORLEANS TIMES-PICAYUNE). • Still in **LOUISIANA**, Jindal signs a trio of abortion measures: HB 1247, which bars insurance plans set up through the new federal health-care network from paying for most elective abortions; HB 1453, which removes medical malpractice protection for healthcare providers who perform elective abortions; and SB 528, which requires a woman to receive an ultrasound before she undergoes an abortion. Women would be given the option of viewing the ultrasound, hearing a description of what was being seen and getting a copy of the ultrasound image (ADVOCATE [BATON ROUGE]).

— Compiled by RICH EHISEN

In case you missed it

A shockingly high number of states have made budget plans that count on extended fiscal help from the feds, including an extension in Medicaid funding help. But with Congressional Republicans balking, that help may not ever come.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/07-05-2010/html

Once around the statehouse lightly

THE FOREVER PROJECT: Everyone was pretty much in agreement that the historic but rapidly decaying IOWA statehouse needed a major overhaul. Opened in 1886, the building contained none of the modern amenities near and dear to newer buildings...like fire sprinklers and access for the handicapped. It was also literally falling apart, with large chunks of its brick and limestone exterior often crumbling and falling onto the heads of people going in and out of the building. So, it was agreed to give it a major makeover, and away they went. But that was 27 years ago and workers are not close to being done yet. As the *Des Moines Register* reports, Hawkeye State officials expect work to go on for another three to four years. For good measure, the total restoration cost is now estimated at \$120 million. The original estimate was \$2.8 million.

FLASHING IN CALI: Staring down another mega-billion dollar budget deficit, CALIFORNIA lawmakers are once again scrounging around for creative ways to produce new revenue. As the *Los Angeles Times* reports, that includes considering SB 1453, a bill to study the feasibility of allowing drivers to adorn their cars with digital license plates capable of running electronic advertisements. Proponents say taxing the heck out of the plates -- which could also display personal touches like support for a person's alma mater or favorite sports team -- could pump millions of dollars into state's coffers. Critics counter that the plates would be a major distraction and, by the way, the last thing we need is one more way to market products like Viagra or for narcissistic Golden State drivers to promote themselves. The bill has cleared the Senate and is winding its way through the Assembly.

REJECTING THE KING: Count NEW YORK Gov. David Paterson among those who were clearly not thrilled that NBA superstar LeBron James and ESPN turned James' announcement of where he will play his future hoops into a prime time reality circus. Paterson had openly lobbied for the free agent to turn his affections toward the Big Apple, either with the Knicks or the soon-to-be Brooklyn Nets, but turned sour when "King James" decided to make a nationally televised announcement last Thursday. As the *New York Daily News* reports, Paterson did several radio interviews in which he criticized James, calling the prime time gig "a spectacle" and "a bonfire of the excesses." He also torched James for what he saw as poor treatment of the fans of his soon-to-be-former team, the Cleveland Cavaliers. Of course, Paterson also said he still wanted James to come to New York. Right. James signed with the Miami Heat.



MUDSLINGING BY THE APP: Social networking is all the rage, so it is only natural that politicians everywhere are graduating from Facebook pages and Twitter accounts to smartphone applications. Of course, politicians being how they are, we're already seeing said apps being used for good old fashioned mudslinging.

As the *Atlanta Journal Constitution* reports, Ari David, a CALIFORNIA Congressional candidate, got his knickers in a knot over Apple rejecting an app for his campaign web site over something the company felt defamed his opponent. Apple said it is fine with apps from political campaigns, but only if they don't attack individuals in the political arena. The company later changed its view about David's app, but he lost the GOP primary anyway. Apple says it is now reviewing its policies on political submissions, but a spokesperson said "we think it made sense to have a rule that said you can't defame people."

— By *RICH EHISEN*

At Issue in the States

Want to learn more about State Net, our legislative experts or the Capitol Journal staff? Visit our blog, <http://statenet.typepad.com/at-issue-in-the-states/>. It's a great way to find out in a flash what's going on in statehouses across the country...like yours!

●
●
●
●
●

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)
Graphic Design: Vanessa Perez
©2008 State Net ISSN: 1521-8449



You've just read **State Net Capitol Journal**, the insider's source for political and legislative news in the 50 states.

State Net Capitol Journal is published 40 times annually and delivered over the Web or e-mail.

For a FREE subscription, visit our Website at www.statenet.com and click on the "Register Now" icon. Or call us at 916.444.0840

A publication of State Net — *the leader in legislative and regulatory intelligence.*

Who relies on State Net?

- Five of the nation's ten largest companies
- Major information services including Lexis-Nexis and WestLaw
- Companies representing every major industry in the U.S.

State Net: the service you can trust when you need to be right.

Learn more about our issue-based reporting solutions today:
info@statenet.com or www.statenet.com • (800) 726-4566