

July 26, 2010

# Tug o' War



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● The next issue of  
 ● Capitol Journal will be  
 ● available on August 9th.  
 ●

## Top Story

*Economists are bombarding President Obama with a steady supply of conflicting advice based on diametrically opposed economic theories. The losers, however, may be states struggling to balance budgets in the face of reduced revenues and rising health care and pension costs.*

## SNCJ Spotlight

**Will the feds pull the rug out from under states?**

**W**hen he was faced with conflicting fiscal assessments, Ronald Reagan often quipped that if all the economists were laid end to end they wouldn't reach a conclusion. Nor was he the first president to question such equivocation. Harry Truman supposedly asked aides to provide him with a one-armed economist "because economists are

## A Cannon Perspective



With Lou Cannon

always saying on the one hand, on the other.”

The Truman story is likely apocryphal, but it reflected a frustration of that time of chief executives — namely that economists tended to hedge their bets. No longer.

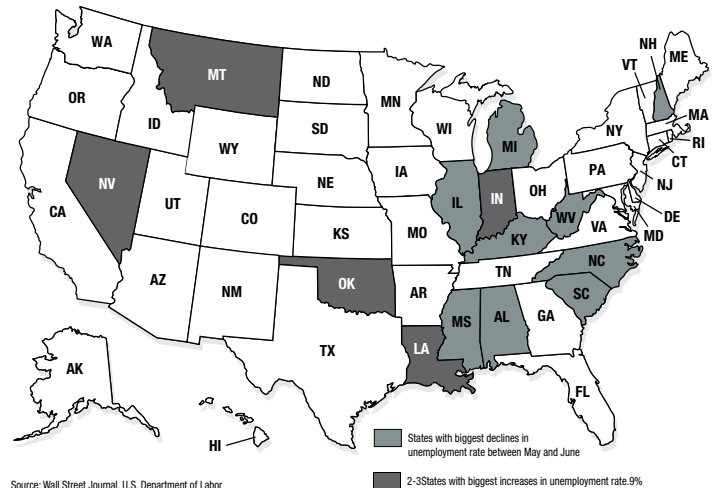
Today, economists are offering President Barack Obama tons of unambiguous advice that unfortunately runs in opposite directions. Rabid Keynesians such as economist Paul Krugman, a *New York Times* columnist, propose a new massive federal stimulus bill to spur the nation’s anemic recovery. These big spenders, the administration’s outgoing budget director Peter Orszag among them, seem undeterred either by political reality or the lackluster results of the American Recovery and

Reinvestment Act, the largest peacetime stimulus bill in history. When ARRA passed in February 2009, it carried a price tag of \$787 billion that has since been revised upwards to \$862 billion. But its results have been mixed, and unemployment is still pushing 10 percent instead of the 8 percent that Obama’s economic team predicted.

Arrayed against the Keynesians are deficit hawks who worry that the United States will go the way of Greece unless there is immediate action to reduce soaring public debt. The hawks are also stronger on ideology than evidence; they don’t (or can’t) explain how a deeply wounded economy is going to provide the revenues needed for debt reduction. But they know what they believe. Erskine Bowles, a former White House chief of staff for President Bill Clinton and now co-chairman of Obama’s national debt commission, ominously told the nation’s governors earlier this month: “This debt is like a cancer. It is truly going to destroy the country from within.”

The competing doomsday scenarios have confused the public and all but paralyzed Congress, which has neither reduced the deficit nor provided additional stimulus. The losers are the nearly 15 million Americans who are officially unemployed and the millions of others who are underemployed or have given up looking for work. The losers also include many states and municipalities, which are

## Bird’s eye view



### Jobless rate declined last month in most states

The unemployment rate fell between May and June in 39 states, and the national rate dropped 0.2 percentage points to 9.5 percent, according to the U.S. Labor Department. The biggest drop — 0.5 percent — occurred in NEW HAMPSHIRE, while eight other states saw declines of 0.4 percent. But the unemployment rate was unchanged in six states and went up in five states, and 24 states still had higher rates this June than they did a year ago.





the prospect of an FMAP extension. In addition to the layoffs, states are cutting back on medical services: VIRGINIA will no longer pay for eyeglasses for the poor, FLORIDA reduced reimbursements to nursing homes, IDAHO stopped paying Medicaid providers. When it comes to budget balancing, says Scott Pattison, executive director of the National Association of Budget Officers, “All of the low-hanging fruit is gone — most states are cutting into bone.”

Even economists who make debt reduction their top priority find merit in easing the burden on the states from Medicaid, which has grown by leaps and bounds since the onset of the recession. “I’m not in favor of cutting the states off cold turkey,” David Wyss said. Expressing the kind of balanced view that once made President Truman so wary of economists, Wyss added: “We need a little more stimulus right now and a lot of debt reduction soon after. In the long run, you have to pay back the money you’ve borrowed.”

Politicians, however, are focused on the next election, not the long term economic health of the nation. As such, they are muddying the waters of rational debate, with congressional Democrats promising that they will get to debt reduction in the sweet bye and bye, and congressional Republicans thundering about presidential overreach while failing to make hard choices of their own. The occasional exceptions only underscore the prevailing lack of realism. When, for instance, House Republican leader John Boehner of OHIO suggested that the Social Security retirement age might have to be raised to 70, Republicans in the Senate ignored him and changed the subject.

President Obama has feet planted firmly in both economic camps, touting stimulus and debt reduction on different days in statements that madden his liberal base without persuading the opposition. Republicans are confident they can capitalize on growing dissatisfaction with the president and his policies in the coming midterm elections, possibly recapturing the House and making gains in the Senate and statehouses. But what happens then? The elections, whatever the outcome, won’t put the jobless back to work or resolve the debt crisis.

In the meantime, says budget expert Corina Eckl of NCSL, states are “between a rock and a hard place” in trying to determine if they will have additional federal funds for Medicaid through the end of the fiscal year. If a measure to accomplish this isn’t passed by August 1, the issue probably won’t be resolved until a presumed special session of Congress after the election. Most states that have been counting on these funds will have to make budgetary decisions before then.

## The week in session

**States in Regular Session:** MA, MI, US

**States in Recess:** CA, DC, NJ, NY, PA, PR

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

**States in Skeleton Session:** OH

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

**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, NC, 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”, FL “a”, KY “a”, MN “a”, MO “a”, MS “a”, NH “a”, NM “a”, NV “b”, OR “a”, TN “a”, WA “a”, WI “b”, WV “a”, WV “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS  
(session information current as of 7/22/2010)  
Source: State Net database



Small wonder that when the MASSACHUSETTS Legislature sent Governor Deval Patrick (D) two budgets, one with the additional federal Medicaid money and one without it, he unhesitatingly signed the latter even though he knows it will require painful budget cuts. Patrick is a friend and early supporter of Obama. But he understands that when it comes to dealing with the federal government, states had better be prepared to fend for themselves.

— *By Lou Cannon*

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# Budget & taxes

**S**TATES PUT BRAKES ON AUTO TITLE LENDING: The business of auto title lending, where car owners put up their title as collateral, has been picking up lately, fueled by the ongoing national economic crisis. But a few states are looking to curb that trend.

Last year, ILLINOIS capped auto title loans at \$4,000 and imposed numerous other restrictions on the industry. In October, new regulations will go into effect in VIRGINIA requiring car title loans to be structured to be paid off within one year and capping the interest rate for the loans at 264 percent. WISCONSIN, meanwhile, has banned auto title lending altogether, effective in December. And at least six other states have implemented similar regulations since 2007. In addition, Congress just created the Consumer Financial Protection Bureau — part of the financial system overhaul — to regulate the industry nationally.

Critics say the structure of auto title loans, generally extended for one month at up to half the vehicles' value, but frequently lengthened by months for additional fees and interest, often leave borrowers struggling to pay other bills and vulnerable to losing the car that makes it possible for them to get to work and earn an income.

“The title loan really takes precedence over other obligations,” said Leslie Parrish, senior researcher for the Center for Responsible Lending, a consumer advocacy group. “But paying that back in a short period of time is really hard. For the most part, what they end up doing is paying the fee over and over again each month because they can't tackle that large principal payment.”

The auto title industry counters that the loans allow borrowers to keep cars they might otherwise have to sell as well as avoid lenders that are more expensive or even illegal.

“Title lenders give consumers and small business owners an option to use an asset they own to solve their immediate financial needs while maintaining use of the vehicle,” said Katie Grove of the American Association of Responsible Auto Lenders, which represents the industry's biggest firms.

For the time being at least, auto title lending is a more viable business in some states than payday lending, which it resembles. In fact, industry lobbyists and consumer groups in ARIZONA expect payday lenders to switch to car title lending as a result of the ban imposed on payday lending this past spring, because that's exactly what has happened in VIRGINIA since it restricted payday lending.

"They moved to the car title model because they realized there were hardly any requirements," said Dana Wiggins of the Virginia Poverty Law Center, an advocacy group for low-income people that pushed for the payday lending restrictions. "It was kind of like a newfound treasure trove. You saw all of these folks who used to have payday loans were being moved into car title loans by payday lenders." (WALL STREET JOURNAL)

**MAINE TAKING ANOTHER LOOK AT SOCIAL SECURITY:** Most state workers, like their counterparts in the private sector, participate in the Social Security system along with any pension plan their employers provide. But not workers in MAINE and a handful of other states, where Social Security isn't provided.

That may be changing soon, however, at least in MAINE. Lawmakers there are considering enrolling state workers in Social Security as a way to reduce the state's public employee pension costs.

It is unknown what impact all of the new members and small additional source of payroll taxes would have on the federal program, but a spokesman for the agency didn't expect many of the other holdout states to follow MAINE's lead, owing to the cost of participating in the program. The only other state known to be considering the idea is LOUISIANA. (NEW YORK TIMES)

**BUDGETS IN BRIEF:** Payments to states under the 1998 Master Settlement Agreement with the major tobacco companies — calculated each year on the basis of a formula that relies in part on state smoking rates — are projected to drop 16 percent this year. State smoking rates have been steadily declining since the 1980s and, according to recent data, only 20.6 percent of adult Americans now indulge (STATELINE).

## Upcoming elections

7/21/2010 - 8/11/2010

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

08/03/2010

### **Kansas Primary Election**

House (All)

Constitutional Officers:

Governor, Lieutenant Governor, Secretary of State, Treasurer, Attorney General, Commissioner of Insurance

US House (All)

US Senate

### **Michigan Primary Election**

House (All)

Senate (All)

Constitutional Officers:

Governor, Lieutenant Governor, Secretary of State, Attorney General

US House (All)

### **Michigan Special Primary**

House Districts 65 and 95

### **Missouri Primary Election**

House (All)

Senate (Even)

Constitutional Officers: Auditor

US House (All)

US Senate

(continues on page 8)



ORG). • The **WISCONSIN** Supreme Court struck down lawmakers' 2007 raid of a medical malpractice fund, delivering a victory to the state's physicians and a \$200 million blow to the state budget. A top aide to Gov. Jim Doyle (D) and the head of the Senate said a special session to cobble together a repayment plan is unlikely before the November elections (MILWAUKEE JOURNAL SENTINEL). • **PENNSYLVANIA** opened Las Vegas-style table games last week at three casinos not far from the state's border with **NEW JERSEY**. Garden State lawmakers fear the move — combined with the recent opening of table games at three other **PENNSYLVANIA** casinos — will further reduce revenues for an already struggling Atlantic City and the state as a whole (STATELINE.ORG). • **NEW JERSEY** is facing a \$10.5 billion budget deficit heading into next year, according to an analysis by the nonpartisan Office of Legislative Services. The gap is nearly the same size as the one that opened up before the passage of this year's spending plan, forcing Gov. Chris Christie (R) to slash funding for schools, municipalities and property tax rebates (STAR-LEDGER [NEWARK]). • **UTAH**'s experiment with moving its state workers to a 10-hour-a-day, four-day workweek produced less than \$1 million in savings in its first year, and the state also overstated how much money it saved as a result of the change, according to a legislative audit released last week (DAILY HERALD [PROVO]).

— Compiled by **KOREY CLARK**

## 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?**
- **The clash of economic theories**
- **Budget updates**

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# Politics & leadership

**WEST VIRGINIA GOV NAMES INTERIM US SENATOR:** On July 16, WEST VIRGINIA Gov. Joe Manchin (D) announced his selection of Carte P. Goodwin — his former general counsel — to temporarily fill the U.S. Senate seat held by the late Robert C. Byrd (D) until a special election later this year.

At the Friday announcement, Manchin, now in his second term, said Goodwin's prior service in his administration helped sway him.

"I've worked shoulder to shoulder with him for four years," the governor said. "I know the man. I know that WEST VIRGINIA is better off because he's passed this way."

But U.S. Rep. Shelley Moore Capito (R-WEST VIRGINIA), who until last week was considered a potential contender for Byrd's seat, said Goodwin's appointment smacked of politics.

"Based on the person chosen from the rumored field of candidates to fill the U.S. Senate vacancy on an interim basis, it is once again evident that political ambition was

the key factor in the selection,” she said in a statement. Goodwin said he will not run in the special election for the seat he’ll temporarily be occupying, which, presumably, will make it easier for Manchin to do so.

Goodwin, who will become the youngest member of the Senate, also said it will be impossible for him to fill the shoes of Byrd, who died last month after serving in the chamber for over 50 years.

“But what I can do, and what I will do, is try my best to emulate his work ethic and his commitment to the law, the Constitution and this great state,” he said.

Goodwin went to work immediately after being sworn in last Tuesday, voting with the Senate’s other 58 Democrats and two Republicans — Olympia Snowe and Susan Collins, both of MAINE — to end debate on legislation reauthorizing the federal extension of unemployment benefits (HR 4213), which had been held up in the chamber by Republicans for two months. (NEW YORK TIMES, WASHINGTON INDEPENDENT)

**POLITICS IN BRIEF:** On the first day of his new job in charge of Central Falls, **RHODE ISLAND**’s \$5 million municipal deficit, retired Superior Court Judge Mark A. Pfeiffer cut four-term Mayor Charles D. Moreau’s \$70,000-plus salary by 63 percent and stripped him of power, explaining, “You can’t have two leaders.” Pfeiffer is the first receiver to be appointed under a new state law passed last month granting the state Department of Revenue broad powers to intervene when municipalities are in financial crisis (PROVIDENCE JOURNAL). • **MISSOURI** Gov. Jay Nixon (D) signed into law new ethics rules last week (SB 844) strengthening the state’s Ethics Commission and requiring quicker reporting of some campaign contributions. The governor and legislative leaders made ethics reform a priority after three Democratic lawmakers pled guilty to federal felonies last year (COLUMBIA TRIBUNE).

— Compiled by **KOREY CLARK**

## Upcoming elections (cont.)

7/21/2010 - 8/11/2010

08/05/2010

### **Tennessee Primary Election**

House (All)

Senate (Odd)

Constitutional Officers: Governor

US House (All)

08/10/2010

### **Colorado Primary Election**

House (All)

Senate 1, 2, 3, 5, 6, 7, 9, 11, 13, 15, 16, 20, 22, 24, 30, 31, 32, 34

Constitutional Officers:

Governor, Lieutenant Governor,

Secretary of State, Treasurer,

Attorney General

US House (All)

US Senate

### **Connecticut Primary Election**

House (All)

Senate (All)

Constitutional Officers:

Governor, Lieutenant Governor,

Secretary of State, Treasurer, Attorney

General, Comptroller

US House (All)

US Senate

### **Georgia Primary Runoff (if needed)**

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

### **Minnesota Primary Election**

House (All)

Senate (All)

Constitutional Officers:

Governor, Lieutenant Governor,

Secretary of State,

Attorney General, Auditor

US House (All)

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# Governors

**FLORIDA LAWMAKERS REJECT CRIST DRILLING BAN:** The growing antipathy between the FLORIDA Legislature and Gov. Charlie Crist (I) came to a boiling point last week when lawmakers took only two hours to reject the governor's request for them to approve putting a constitutional amendment (SB 2a) banning near-shore oil drilling on the November ballot. The move was engineered primarily by Republicans, who were intent on preventing Crist from using the special session he called to score political points on something they say was mostly symbolic, given that Sunshine State law already bars the drilling in question. The referendum proposal had strong support among Democrats and independents, both of whom Crist is wooing hard in his campaign as an independent U.S. Senate candidate.

Crist was visibly angered by the rejection, calling lawmakers "a do-nothing Legislature" suffering from "an arrogance of power."

"I can't believe this Legislature has shirked their duty so badly," he said. "How arrogant can a Legislature be? I can't believe that they would have that much of a lack of respect for the people of Florida."

Crist's former GOP colleagues, however, blamed him for the proposal's failure.

"The fact remains that he has called us here at the last possible moment to consider a constitutional amendment for which he never proposed any language and permitted far too little time for reflection and review," said House Speaker Harry Cretul (R).

Republican leaders claimed Crist also refused their requests to broaden the special session's scope to include tax relief and the creation of a government advocate to help Floridians work through oil-spill damage claims against BP. Crist denied that either Cretul or Senate President Jeff Atwater (R) asked him to expand the session.

Crist did not take the rejection lying down. One day after the brief special session closed down, he issued Executive Order 10-169, authorizing property appraisers in more than two dozen counties facing a threat from the oil spill to give property owners an updated assessment on their homes and businesses if they believe they have lost value because of the spill. Property owners could use the document to file a claim for damages against BP. (MIAMI HERALD).

**BORDER GOV MEETING ON THE MOVE:** An annual meeting of governors from both sides of the U.S.-Mexican border will go on as planned, but not in ARIZONA and without the usual suspects from the American side. Responding to ARIZONA Gov. Jan Brewer (R) cancelling the annual conference after all six governors from Mexico's border states begged off in protest over her state's tough new immigration law, NEW MEXICO Gov. Bill Richardson (D) announced plans last week to host the conference in late September.



A Richardson spokesperson said the governor expects all six of his Mexican counterparts to attend the newly-scheduled event. But while moving the conference convinced them to attend, it produced the opposite affect with Brewer, who said she will not attend. The governor in fact would not even sanction the event, referring to it only as “Gov. Richardson’s gathering.” Brewer spokesperson Paul Senseman said his boss was still open to holding the conference herself.

“[Gov. Brewer] would certainly welcome the Mexican and U.S. governors to attend the actual Border Governors Conference in ARIZONA as they had all previously committed,” he said.

Brewer will be joined in her boycott by TEXAS Gov. Rick Perry (R), who originally said he would consider attending the conference even if it was moved to another location. But he quickly changed his mind, saying last week that the conference “is supposed to be in ARIZONA...This is ARIZONA’s time. That is what we told Jan.”

CALIFORNIA Gov. Arnold Schwarzenegger (R) said he plans to be there. (ARIZONA DAILY SUN (TUCSON), HOUSTON CHRONICLE)

**CHRISTIE WANTS LIMIT TO SCHOOL SUP SALARIES:** NEW JERSEY Gov. Chris Christie (D) has introduced a plan that would limit pay for Garden State school superintendents and other administrators based on district size. The new pay structure will reduce salaries for those who already make more than the maximum and implement a system of merit-based bonuses.

Christie said the proposal would ultimately mean pay cuts for 366 superintendents at the end of their contracts, saving school districts \$9.8 million annually. Top pay for superintendents would be tied directly to enrollment, starting at \$120,000 for the smallest districts and climbing all the way up to \$175,000 for districts with between 3,000 and 10,000 students. The plan currently doesn’t have a cap for districts larger than 10,000 students, but Education Commissioner Bret Schundler said he expects those districts to be added over time.

Schundler said the new rules would also encourage districts to share superintendents and administrative teams, reducing the overlap in those positions and producing more savings.

The NEW JERSEY Association of School Administrators reacted harshly to the plan, saying the governor was unfairly singling out school administrators.

## 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:** 75

**Number of Intros last week:** 308

**Number of Enacted/Adopted last week:** 351

**Number of 2010 Session Prefiles to date:** 20,310

**Number of 2010 Intros to date:** 87,072

**Number of 2010 Session Enacted/Adopted overall to date:** 27,632

**Number of 2009-10 bills currently in State Net Database:** 186,714

— Compiled By JAMES ROSS  
(measures current as of 7/21/2010)  
Source: State Net database



“Why don’t we see college presidents, or hospital administrators, or police chiefs or football coaches at colleges on the list,” said Richard Bozza, the group’s executive director. “We’re not talking about comprehensive reform here. We’re talking about targeting a specific group.”

Bozza said the plan, which does not require legislative approval, would likely force talented superintendents to leave the state. Christie acknowledged that possibility, but said “if that’s their basis for going, goodbye,” adding that he thinks the system would end what has become a costly bidding war between districts for talented superintendents. A recent survey conducted by the *Newark Star-*

*Ledger* found six-figure salaries common among superintendents, with 235 bringing home more than the governor’s \$175,000 salary in the 2008-09 school year. (NEWARK STAR-LEDGER)

**“We’re not talking about comprehensive reform here. We’re talking about targeting a specific group.”**

**GOVERNORS IN BRIEF: CALIFORNIA**

Gov. Arnold Schwarzenegger (R) signed SB 944, which designates Feb. 6 as “Ronald Reagan Day” in

the Golden State. Schools will be asked to teach students about the former governor and president on that day (SACRAMENTO BEE). • **NEW MEXICO** Gov. Bill Richardson (D) said his administration plans to start developing a state-based exchange for small businesses and individuals to buy health insurance. The plan is part of the state’s effort to implement the federal health care reform law (DAILY TIMES [FARMINGTON]).

• **UTAH** Gov. Gary Herbert (R) said he would consider supporting a guest worker program for migrant workers as part of an overhaul of the state’s immigration laws. Herbert’s comments came at an immigration summit involving 30 community, political and law enforcement officials (DAILY HERALD [PROVO]).

— *Compiled by RICH EHISEN*

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## Hot issues

**B**USINESS: A federal court rules that a **CALIFORNIA** law allowing labor picketing in a stand-alone store’s parking lots and on private sidewalks is unconstitutional because it requires property owners to host speakers with whom they disagree. The courts have generally allowed picketing at multi-store complexes, saying those venues are similar to town squares. Opponents of the ruling say they will appeal the decision (SAN FRANCISCO CHRONICLE). • Eleven states file legal briefs in support of a **CALIFORNIA** law banning the sale of violent video games to minors. The law has been overturned by multiple courts and state officials are

now appealing their case to the U.S. Supreme Court, which will hear their argument in October. The states filing the support briefs are **HAWAII, CONNECTICUT, FLORIDA, ILLINOIS, LOUISIANA, MARYLAND, MICHIGAN, MINNESOTA, MISSISSIPPI, TEXAS** and **VIRGINIA** (HONOLULU STAR ADVERTISER). • **ILLINOIS** Gov. Pat Quinn (D) signs SB 3267, which requires Prairie State financial institutions to train employees who have direct contact with elderly customers to identify the indicators of financial exploitation and how to report that exploitation (CHICAGO TRIBUNE). • Still in **ILLINOIS**, Quinn signs HB 4756, which will create a program to help vendors at local farmers markets accept state-issued debit cards issued to food stamp recipients (CHICAGO TRIBUNE).

**CRIME & PUNISHMENT:** **ILLINOIS** Gov. Pat Quinn (D) signs HB 5762, which requires anyone convicted of shaking a baby to death to register with a state database for child murderers. The law also bars such felons from ever holding jobs that involve interaction with children (ILLINOIS GOVERNOR'S OFFICE). • Also in **ILLINOIS**, Quinn signs HB 5832, which requires a mandatory one- to three-year prison sentence for aggravated unlawful use of a weapon by someone who does not hold a valid state firearm registration card. It takes effect in January, 2011 (ILLINOIS GOVERNOR'S OFFICE). • Still in **ILLINOIS**, Quinn signs HB 4583, which allows juveniles found guilty of "sexting," sending nude photos via a cell phone, to be subject to adjudication or supervision but not to be required to register as a sex offender. Quinn also signs HB 5321, which makes it a crime to sexually exploit a child using a computer or Internet-based software (ILLINOIS GOVERNOR'S OFFICE). • Finally, Quinn signs HB 5790, which imposes harsher penalties for a variety of dog fighting offenses, including making it a Class 2 felony to hold a dog fighting show within 1,000 feet of a school or other facility where children are located (CHICAGO TRIBUNE).

**EDUCATION:** A federal judge rules that competitive cheerleading is not an official sport that colleges can use to meet gender-equity requirements under the federal Title IX law. The ruling came in the case of a **CONNECTICUT** college that eliminated its girl's volleyball team and replaced it with a competitive cheerleading squad (ASSOCIATED PRESS). • **ILLINOIS** Gov. Pat Quinn (D) signs SB 615, which allows schools to purchase fresh produce directly from local farmers markets. Under the measure, state agricultural officials will work to connect interested schools and farmers who wish to conduct direct transactions (CHICAGO TRIBUNE). • **MISSOURI** Gov. Jay Nixon (D) signs SB 733, legislation that abolishes a gap between scholarships for students at public universities and those at private institutions. The state-funded scholarship program currently offers \$4,600 a year for those at private colleges and \$2,150 a year for public university students, but will change to an across-the-board award of \$2,850 for the 2014-15 school year (JEFFERSON CITY NEWS TRIBUNE).





State law requiring drivers to use a hands-free device when on their phones. First-timers would face losing \$100, while two-time losers get dinged \$250. Anyone foolish enough to get caught a third time would not only get hit with a \$500 fine but face suspension of his or her driver's license as well. Really, a third time? It seems they might want to consider requiring an IQ test at that point.

## 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!

**NEVER SAY NEVERLAND:** It hasn't been a good last few years for CALIFORNIA's state parks. With the Golden State's persistent budget woes forcing hundreds of parks to be shut down, the last thing lawmakers would do is think about buying the late pop singer Michael Jackson's 2600-acre Neverland Ranch and turn it into a state park, eh? Well, as the *Sacramento Bee* reports, that is exactly what Assemblyman Mike Davis is up to. With prompting from the NAACP, Davis is looking to introduce a resolution to study buying the property, which he says would quickly become the state's "No. 1 attraction." There is one small problem: the private equity company that owns Neverland wants upwards of \$100 million for it, a rather large chunk of change for a state facing a \$19 billion budget hole. On the bright side, the place comes with its own working kid-sized train and a Ferris wheel.

**A TALE OF TWO BILLIES:** Almost 130 years ago, NEW MEXICO's Territorial Gov. Lew Wallace made a deal with the infamous outlaw William Bonney — better known as Billy the Kid — that promised the notorious bad guy a pardon for his role in a shooting if he testified about a different one involving a lawman. Bonney held up his end, but Wallace reneged. The Kid was soon gunned down, however, and Wallace's promise faded away. Fast forward to 2003, when current Gov. Bill Richardson made international headlines for hinting he might go ahead and posthumously honor the deal. Alas, that promise also went away without coming to fruition. Now, as the *Santa Fe New Mexican* reports, Richardson is again making noises about doing the deed before terming out in December. Let just say nobody is holding their breath this time around.

**TEXAS MUD BATH:** For a down-ballot race, the battle to be TEXAS Agriculture Commissioner is getting downright nasty. As the *Dallas Morning News* reports, incumbent Todd Staples and challenger Hank Gilbert have each busted out their best mudslinging, creating Web sites that trash the other guy with a host of claims and counterclaims that could make a crusty old cowboy shake his head. To date, Gilbert's nastiness includes accusing Staples of being responsible for a deadly salmonella outbreak a few years back and buying vehicles for his personal use with campaign cash. Staples has responded by calling Gilbert a tax cheat, a thief and a liar.



Neutral observers say all of the claims are — shockingly — distortions of reality. Both sides naturally blame the other for starting the feud. And to think the same two men faced off for the same job four years ago with nary a cross word between them.

— *By RICH EHISEN*

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