

August 8, 2011

## The Big Squeeze



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The next issue of Capitol Journal will be available on August 15th.

### Top Story

*After taking the nation to the brink of credit default, Congress worked out a deal to raise the nation's debt ceiling and cut trillions of dollars in federal spending. Now states are preparing for the inevitable fallout.*

## SNCJ Spotlight

### States uncertain about what debt deal means for them

After weeks of high stakes political theater and gamesmanship, the federal government last week finally reached a deal to raise the nation's debt ceiling, avoiding a credit default that had potentially catastrophic consequences. But while the deal signed into law last week by President Barack Obama may have spared the nation the unthinkable, states and local governments are already preparing for what promises to be even more budget hardship in the future.

The deal is intended to cut \$2.4 trillion from the federal deficit, the same amount as the increase in the debt ceiling. According to the Congressional Budget Office, about \$917 billion of that will come from Congress placing caps on discretionary spending over the next decade. The rest will fall to an as-yet-to-be-named bipartisan 12-member Congressional committee that will parse out another \$1.5 trillion in cuts later this year. If they can't — or won't — do so before January 15, 2012, it will trigger broad automatic cuts of \$1.2 trillion, divided between defense and domestic spending, including Medicare but not Medicaid.

In an interview with *SNCJ*, Jeff Hurley, a policy specialist who tracks federal issues for the National Conference of State Legislatures, said the immediate impact to states will likely be minimal.

“The cuts for FY 2012 are expected to be around \$6.8 billion, which is only about 1 percent of the federal government’s budget,” he says.

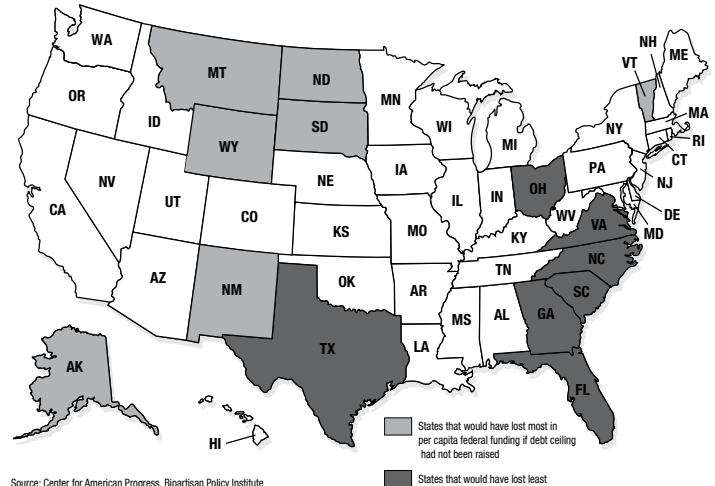
What areas could be impacted are not yet known, though Hurley says savvy observers can “read the tea leaves a little bit” from cuts that were suggested during budget negotiations in the U.S. House of Representatives last April.

“We’re sure some public safety, energy and environmental programs will see funding reductions in FY 2012,” he says.

Those reductions would come on top of the ongoing winding down of federal stimulus dollars from the American Recovery and Reinvestment Act, ARRA.

Also speaking with *SNCJ*, Brian Sigriz, Director of State Fiscal Studies for the National Association of State Budget Officers, says states received \$564 billion in federal funds in 2010 (the last year of complete data), accounting for about 35 percent of all state spending. That marks a significant increase over the 26 percent federal funds comprised of state spending in 2008, the year before ARRA was passed. He

## Bird's eye view



### Debt ceiling deal averts big funding losses for states

Alaska might have been the biggest loser if Congress had failed to raise the debt ceiling last week. The state would have lost as much as \$790.3 per capita, or \$552 million total, in federal funding under a scenario worked out by the Washington, D.C.-based Bipartisan Policy Institute.

That scenario assumed the U.S. Treasury Department would have continued to cover Social Security, Medicare, Medicaid and defense, but nothing else. Six other states also would have lost more than \$350 per capita in federal funding. But no state would have been spared cuts, and altogether, states would have lost up to \$56 billion in funding in August and September alone.



says states were already anticipating approximately \$66 billion less in ARRA funds for 2012, something many state budget officials have come to know as “the ARRA cliff effect.”

That alone is painful for most states to think about. According to NCSL, states have closed about \$480 billion in budget shortfalls since 2008. Now with ARRA funds on the decline, and in spite of an overall revenue increase of just under 6 percent, NASBO’s Sigriz says many states were considering further budget cuts even before the debt ceiling agreement.

The uncertainty that existed before the deal was made has now given way to tense speculation about what Congress will take the budget axe to next.

“The first round of determining spending caps is part of the typical Congressional process,” Sigriz says. “But what happens in the next round, after the House and Senate appoint their committee members, is very unclear. We know there will be cuts, the questions are the total magnitude, the timing and which specific programs.”

In some ways, the fears among state budget people are almost the same as if the government had actually defaulted.

“From here, everything is on the table,” says NCSL’s Hurley. “The cuts could be anything and everything.”

That includes perhaps states’ greatest fear: significant cuts to Medicaid, the state-federal health care plan for the poor. Medicaid alone eats up almost half of all the federal funds states get each year, prompting serious concern over any possibility the feds will shift more of the cost burden onto state coffers. While the program is protected from being hit if the automatic spending cuts are triggered, it is definitely still on the table for the impending committee to consider. Transportation, education, housing and unemployment benefits are all among the possibilities, as are special projects like high speed rail. How states respond will largely be determined by what the federal government pushes to the front of the chopping block.

“What kind of action states take is really dependent on the timing of what gets cut,” says Sigriz, noting that states have already enacted Draconian budget cuts, raided rainy day funds, increased taxes and fees and made large personnel reductions. “The big question is, what do they do next?” he says.

With so little real information at hand, governors and budget overseers last week preached taking a wait-and-see approach.

“I’m glad we didn’t default,” Arkansas Gov. Mike Beebe (D) told reporters. “I’m like everybody else, I don’t think anybody is happy with the agreement. They’re happy that they got an agreement.”

Beebe praised the protection for Medicaid, but warned that states still want some kind of reform for the program.

**“From here, everything is on the table. The cuts could be anything and everything.”**



“We all know that Medicaid is unsustainable even if (the cuts) don’t hit there, so we’ve got to make changes there anyway,” he said.

Mike Genest, budget director under former California Gov. Arnold Schwarzenegger (R), also indicated his belief that Washington needs to go even further with its newfound austerity.

“Personally, I say so what?” he told the *Los Angeles Times*. “I think they should have cut a lot more than they did....We’re spending a lot more than is coming in, and that’s got to stop.”

California state Sen. Mark Leno (D), however, gave the *Times* a different perspective.

“My greatest concern is that [the cutting] may have a recessionary impact on the overall economy and cause more damage. The result could be double-digit unemployment in California for years,” he said.

That chasm in perspective illustrates the intensely partisan divide that President Obama and Congressional lawmakers had to conquer to get a deal done in the first place. Whether they can do it again is yet to be determined.

In the mean time, voters have left no doubt that both parties were significantly wounded by the whole process. A poll released last week by the Pew Research Center for the People and Press and the *Washington Post* indicated that 72 percent of the public viewed the debt ceiling negotiations in a negative light. That spread across both parties as well as Independents and self-described Tea Party advocates. Meanwhile, a new CNN/Opinion Research Corporation poll showed a whopping 84 percent of those surveyed disapproved of the job Congress is doing, the body’s lowest ever approval rating. Only 14 percent said they approved of Congress’s work.

The bipartisan deficit reduction committee is expected to begin its efforts in November.

(SNCJ INTERVIEWS, LOS ANGELES TIMES, CNN/ORC, ARKANSAS NEWS BUREAU, NATIONAL CONFERENCE OF STATE LEGISLATURES, NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS)

## Upcoming stories

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

- Education
- Health care
- Immigration

**“My greatest concern is that [the cutting] may have a recessionary impact on the overall economy and cause more damage.”**

— By RICH EHISEN

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# Budget & taxes

## **H** EALTH REFORM COST ANALYSIS SPURS DUELING REVIEWS:

Last month, the peer-reviewed health policy journal *Health Affairs* published an article examining the outlook for national health care spending through 2020. The article, which was based on analysis of actuarial data released by the U.S. Centers for Medicare and Medicaid Services, concluded that health care spending would increase only one-tenth of one percent more through 2020 than it would have without the Affordable Care Act, despite the fact that the health reform law will expand coverage to 30 million more people.

That was what the Obama administration focused on.

“The bottom line from the report is clear: more Americans will get coverage and save money and health expenditure growth will remain virtually the same,” wrote Deputy Chief of Staff Nancy Ann DeParle on the White House blog.

Critics, however, zeroed in on other information conveyed in the report, such as the fact that despite roughly 5 million people losing employer-provided health coverage due to the recession, the nation’s health care bill was \$2.7 trillion in 2010, almost 18 percent of the GDP. And that federal actuaries predict that over the next 10 years the bill will grow to \$4.6 trillion, with a big jump coming in 2014, when the health reform law expands coverage to an estimated 23 million previously uninsured Americans.

“Runaway spending has overtaken the United States health care system and is on the rise,” said Kathryn Nix of the conservative Heritage Foundation. “More notably, the study confirms Obamacare does not ‘bend the cost curve’ but only increases government’s share of spending in the health care system instead.” (STATELINE.ORG, HEALTHAFFAIRS.ORG)

## **PRISON PRIVATIZATION COMPARISON TEST COMING TO FL:**

Corrections officials have long debated whether private prisons are more efficient and better at reducing crime than public ones. Florida, home of the nation’s third-largest correctional system, may soon settle the issue.

By the end of the year, 30 state prisons, road camps and work release centers in South Florida will be turned over to a single, private prison operator. In addition to touching off a high-stakes competition between the two largest private prison operators in the country — Corrections Corp. of America, based in Nashville, and the GEO Group of Boca Raton, both of which already operate facilities in Florida — the mass privatization initiative will provide an excellent opportunity to see if private prisons really are superior to their public counterparts.

“This will provide some competition so that the public and private sector can go head-to-head,” said Ed Buss, who took over the state’s corrections department this year.



Under the prison privatization plan passed as part of this year’s state budget, the winning contractor must ensure cost savings of at least 7 percent over what it currently costs the state to run its facilities, as well as keep recidivism rates down by employing research-guided practices.

Buss said he thinks the state should hold off on any other prison privatization efforts until the results of the South Florida experiment come back, which could be a while.

“It takes three to five years to get any meaningful data on recidivism,” Buss says. “I wouldn’t recommend any future private prisons until we get the data and we see if it does actually work.”

One of the state’s main law enforcement unions, the Florida Police Benevolent Association, is seeking to delay things even further. The union has filed a lawsuit alleging the privatization plan was improperly included in the state budget (STATELINE.ORG, MIAMI HERALD, NEWS SERVICE OF FLORIDA).

**BUDGETS IN BRIEF:** Advocates for doctors, health insurers and low-income patients became the latest threat to the \$85.9 billion budget package passed in **CALIFORNIA** last month when they asked federal officials last week to reject \$1.3 billion in MediCal cuts included in the spending plan which they argue will hurt the state’s most vulnerable residents. Cities have already asked the state Supreme Court to stop the plan’s \$1.7 billion overhaul of redevelopment agencies, Amazon.com is seeking to reverse a mandate that online retailers pay sales taxes and state Sen. Ted Gaines (R) has filed a referendum to block a \$150 annual fire fee on homeowners in rural areas (SACRAMENTO BEE). • The **PENNSYLVANIA** Transportation Funding Advisory Commission, which was appointed by Gov. Tom Corbett (R), recommended last week that the state raise \$2.5 billion this year in taxes, fees and other initiatives to begin rebuilding its transportation network. The governor has previously vowed not to raise taxes for any reason (STATELINE.ORG). • The **ALASKA** Permanent Fund, established decades ago to share the state’s oil wealth with residents, reported a 20.6 percent gain for the recently ended fiscal year, bringing its total to \$40.1 billion. At least \$800 million is expected to go toward this year’s annual cash payout (ANCHORAGE DAILY NEWS).

## 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: 99**
- Number of Intros last week: 372**
- Number of Enacted/Adopted last week: 519**
- Number of 2011 Prefiles to date: 36,485**
- Number of 2011 Intros to date: 131,573**
- Number of 2011 Session Enacted/Adopted overall to date: 43,829**
- Number of Measures currently in State Net Database: 150,326**

— Compiled By OWEN JARNAGIN  
(measures current as of 8/4/2011)  
Source: State Net database

— Compiled by **KOREY CLARK**

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# Politics & leadership

**M**E OFFICIALS SPAR OVER VOTER FRAUD: On July 25th Maine Republican Party Chairman Charlie Webster called for an investigation of 206 college students he believes may have voted fraudulently in 2010. A few days later, Secretary of State Charlie Summers (R) went him one better, saying Webster's claim would be folded into a broader investigation of voter fraud allegations and a possible cover up at the state Bureau of Motor Vehicles.

A Bureau of Motor Vehicles employee reportedly told Summers early last month that in the past she had accepted voter registration forms from individuals she believed were "noncitizens" and that when she informed the Secretary of State's Office about her concerns she was told to disregard the voter registration activity and destroy the evidence she had been collecting.

"What I find most alarming is that when her suspicions were brought forward, senior-level management within the Department of the Secretary of State ordered that these files be shredded," Summers said.

But last week, the former Secretary of State whom Summers never actually mentioned by name, Matthew Dunlap, a Democrat, said the issue Summers was referring to was actually resolved years ago, shortly after it had surfaced, and he would have told Summers so if he'd simply called him before gathering the reporters and TV cameras.

"I wish he had talked to me first," Dunlap said. "A little bit of homework prior to the press conference might have canceled the press conference."

Dunlap said he spoke with the same Bureau of Motor Vehicles employee in December 2004 shortly before he was sworn in as secretary of state, but voter fraud was never part of their conversation.

"Her concerns had nothing to do with election security. It was about making sure terrorists couldn't get driver's licenses or other identification," he said.

And in response to Summers' claim that the employee was told to shred documents, Dunlap said the woman was asked to turn over or destroy the information she'd been collecting from applicants she was suspicious of because she was not legally authorized to keep it.

Dunlap also said he personally called the employee after Summers' announcement, and she told him she was upset with Summers' version of events and had since asked him to clear up the matter.

Summers refused to comment, citing the ongoing investigation.

"I'm not trying to be difficult to deal with," he said. "I'm sure people will decide whatever, but we have an investigation and that is what needs to play out."

Dunlap said he actually doesn't object to a new investigation, even though he believes the matter has already been resolved. But what he does object to, he said, is the public way Summers went about launching it.

"You don't do the press conference until you have an indictment, an arrest or a charge in hand," he said. "From all I can discern, he had one conversation with one individual about changes in policy that happened five, six, seven years ago and four weeks later had a press conference about it."

Dunlap suspects Summers' investigation and the voter fraud allegations of GOP Chairman Walters' were politically motivated. Their announcements came shortly after a coalition of Democratic groups launched a people's veto effort to overturn LD 1376, a measure passed by Maine's Republican-controlled Legislature earlier this year reversing the state's 38-year practice of allowing voters to register on Election Day.

"I've told Charlie Webster, 'You never brought it to me.' Nobody ever called my office," he said. "It wasn't until after the people's veto came into play that people started to talk about fraud."

Dunlap suggested his own political aspirations might also have something to do with Summers' action.

He has been rumored as a Democratic challenger to the state's Republican U.S. Sen. Olympia Snow, who is up for re-election in 2012 and who Summers served under as state director for 10 years.

"I guess it's kind of an open secret that I'm considering a run against his former boss," he said. "That's a little too convenient for me." [BANGOR DAILY NEWS]

## FL GOES FURTHER THAN MOST IN OPPOSING HEALTH REFORM

**LAW:** Florida wasted no time in challenging the federal health care reform overhaul, filing a lawsuit just minutes after President Obama signed the Patient Protection and Affordable Care Act into law last year. Twenty-five other states joined that suit, which led to a U.S. district court ruling in January declaring the entire law unconstitutional. Few of those states have allowed principal to block their path to the federal trough, however.

But despite having the nation's fourth highest unemployment rate, second highest rate of uninsured and a \$3.7 billion budget gap this year, Florida has passed on millions of dollars in grants made available under the PPACA, including money to help move long term care patients into their homes, curb child abuse through in-home counseling and strengthen state regulation of health premiums.

## The week in session

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

**States in Recess:** CA, DC, MI, NC, NH, NJ, NY, PA, WI

**States in Special Session:** WV "a"

**Special Sessions in Recess:** CA "a", CT "a", DE "b", VA "a", WI "a"

**States in Skeleton Session:** OH

**States in Veto Session:** CT

**States Currently Prefiling or Drafting for 2012:** AL, FL, KY, TN

**States Adjourned in 2011:** AK, AL, AR, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, ND, NE, NM, NV, OK, OR, PR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WV, WY

**State Special Sessions Adjourned in 2011:** AK "a", AK "b", AL "a", AZ "a", AZ "b", AZ "c", DE "a", KY "a", LA "a", MN "a", TX "a", UT "a", UT "b", WA "a"

Letters indicate special/extraordinary sessions

— Compiled By OWEN JARNAGIN  
(session information current as of 8/5/2011)  
Source: State Net database

Florida Gov. Rick Scott (R) said that unless the state was ordered to do otherwise by an appellate court, it had no intention of observing the law, even if that means losing out on grant money.

“I don’t want to waste either federal money or state money on something that’s unconstitutional,” he said.

Shortly after U.S. District Court Judge Roger Vinson in Pensacola invalidated the act, Scott put the brakes on implementing it and began rejecting grants that had been pursued by his more moderate Republican predecessor, Charlie Crist.

Scott, a former hospital company executive, said his office had made case-by-case decisions about whether particular grants fit with the state’s own health reform plan, enacted this year, which will shift most Medicaid recipients into managed care programs.

“We have a Medicaid plan, so if it fits with that plan, then we’re interested, and if it doesn’t, we’re not,” he said.

Critics say the state’s Republican leaders have gone too far in opposing the federal health reform law.

“It’s simply unconscionable that they’re turning back federal tax dollars that our citizens and businesses pay and sending those tax dollars to other states,” said state Rep. Kathy Castor (D). “Florida’s economy has been hit very hard, and we need every dollar and every job in our state.”

But Scott maintains: “There are a lot of programs that the federal government would like to give you that don’t fit your state, don’t fit your needs and ultimately create obligations that our taxpayers can’t afford.”

And Rep. Matt Hudson (R), chairman of the Health Care Appropriations Subcommittee, said his chamber’s leadership feels the same way.

“I do not believe that act is the right thing for the country or the right thing for Florida,” he said, “and I am not going to start implementing things that I don’t believe in.” (NEW YORK TIMES)

**POLITICS IN BRIEF:** After seven months of work, CALIFORNIA’s Citizen Redistricting Commission released the final version of its new legislative and congressional districts to the public last week. Although the consensus seems to be that the new districts are more competitive than the current ones, the new maps dilute the political power of ethnic groups, particularly Hispanics, and they may help Democrats attain the two thirds supermajority in the state Legislature they need to pass tax increases (CHRISTIAN SCIENCE MONITOR). • NEW YORK has seen the biggest percentage drop in population in the country over the past decade, according to analysis released last week by the Empire Center for New York State Policy. Roughly 1.6 million mostly New York city-based residents, or about 8 percent of the state’s population, left the state between 2000 and 2010 (WALL STREET JOURNAL). • NEW HAMPSHIRE House Speaker William O’Brien (R) wants to



call a special session this month to consider, among other things, overriding Gov. John Lynch's (D) veto of voter ID legislation. It was unclear last week, however, whether the Senate would go along with O'Brien's plans (UNION LEADER [MANCHESTER]). • **OHIO'S** Ballot Board voted 5-0 that the wording of Issue 2 on the November ballot — a referendum on the state's new collective-bargaining law, SB 5 — will be: "Shall the law be approved?" Backers of SB 5 had argued for the ballot measure to instead ask if the law should be repealed, requiring opponents of the law to vote "yes" and supporters to vote "no" (COLUMBUS DISPATCH).

— *Compiled by KOREY CLARK*

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# Governors

**TOMBLIN PUSHES FOOD TAX CUT:** West Virginia acting Gov. Earl Ray Tomblin (D) revealed a multi-part plan he says would eventually eliminate the state food tax while also allowing the state to put away more money to help pay rising health care costs. If enacted, the plan could eliminate the Mountain State's 3-cent food sales tax completely by 2014.

Tomblin has made cutting the food tax the focal point of his agenda this year. He has already convinced lawmakers to cut the tax to 2 percent, beginning in 2012, and is urging them to cut it again, down to 1.5 percent, during the current special session on redistricting.

**"If you're talking about growth in the Rainy Day Fund, that automatically means you're running a surplus."**

Under the new proposal, SB 1001, the tax would be eliminated altogether if the state's rainy day fund hits certain targets. Mountain State law requires that fund to be equal to 10 percent of the state's annual general revenue budget. This year, however, the fund is set to grow to over \$500 million, about 12.6 percent of the state's \$4 billion budget. Under Tomblin's proposal, if

that figure remains at this time next year, the food tax would drop another half percent in 2013. If the fund reaches 15 percent of the general revenue budget, the tax would go away completely.

This, Tomblin says, would encourage lawmakers to set aside more money in the fund in order to prompt politically expedient tax cuts. In theory it would also allow the state to grow the state's primary Rainy Day "A" fund while also freeing up a secondary Rainy Day "B" fund, created using tobacco settlement money, to help pay for an anticipated \$90 million Medicaid shortfall in the 2013 budget. That shortfall is expected to grow to \$190 million by 2014. The "B" fund currently has about \$315 million, but Tomblin fears that draining it to offset the Medicaid costs could prompt

Wall Street rating agencies to downgrade the state’s bond rating. Growing the “A” fund, he says, could prevent that.

The idea has drawn support from lawmakers.

“I think it’s a great idea,” said acting Senate President Jeff Kessler (D). “If you’re talking about growth in the Rainy Day Fund, that automatically means you’re running a surplus. So, if we’re running a surplus, the citizens get the benefit of the reward and (we) give back to them and get rid of the thing in a responsible manner.”

But not all lawmakers endorsed the incremental approach. Delegate Rick Snuffer was one of several Republicans who said the entire tax should be eliminated right away.

“A half-cent reduction in the food tax is ridiculous,” he said. “I’ll vote against it, rather than be seen as propping up a career politician’s attempt to use taxpayer dollars to campaign and generate headlines....If they’re serious about reducing the food tax and taxing people for eating, then they need to put a plan on the table to remove the food tax.”

Lawmakers acted quickly on the proposal last week, with the Senate unanimously sending it to the House, where it is also expected to pass. (WEST VIRGINIA METRO NEWS [CHARLESTON], REGISTER-HERALD [BECKLEY], CHARLESTON DAILY MAIL, REPUBLIC [COLUMBUS])

**“I’ll vote against it, rather than be seen as propping up a career politician’s attempt to use taxpayer dollars to campaign and generate headlines....”**

**HICKENLOOPER WANTS FRACKING DISCLOSURE RULES:** Colorado Gov. John Hickenlooper (D) said he expects the Centennial State to adopt new rules requiring oil and gas companies to publicly disclose the ingredients used in hydraulic fracturing, or fracking, fluids by the end of the year. The governor said such disclosure would “restore public confidence” in the industry.

Critics contend that fracking — a process that uses injections of sand, water, and chemicals to crack open underground rock formations to access oil and natural gas deposits — can contaminate groundwater supplies. Hickenlooper, a former geologist, says such fears are overblown but that the oil and gas industry needs to show the public they are being above board in their operations.

“The industry needs to be transparent,” he said. “It needs to demonstrate, beyond a doubt, that this doesn’t happen.”

Hickenlooper says the industry has been slow to agree, but is now coming around.

“We’ve gone a long way to convincing them,” he said. “More and more of the industry sees this as a good thing.”

The governor also proposed a voluntary program to test groundwater around oil and gas wells before and after drilling to check for signs of contamination, with that



testing paid for by the industry but performed by a third party. Results would be recorded by the state health department. (DENVER POST, DENVER BUSINESS JOURNAL, GREELEY TRIBUNE)

**COURT BLOCKS IL HEALTH SWITCH:**

The Fourth District Appellate Court of Illinois ruled last week that Gov. Pat Quinn’s (D) administration must wait for pending litigation to be resolved before it can move forward with moving public employees into new health insurance coverage. At issue is the state Department of Healthcare and Family Services’ proposal to move workers into plans it said would save the state over \$1 billion. But the plan has angered some downstate public employees, who contend it could force them to switch doctors or pay higher costs. Some lawmakers believe the state’s current health coverage contracts, which have already been extended through September, may have to be extended again through the end of the fiscal year in June, 2012. (QUAD-CITY TIMES [DAVENPORT])

**CHRISTIE CALLS JUDGE’S CRITICS**

‘IGNORANT’: New Jersey Gov. Chris Christie (R) strongly defended his appointment of a Muslim attorney to serve as a state superior court judge. The governor had come under fire from conservative bloggers, who accused Sohail Mohammed of being tied to radical Islam. At a press conference, Christie called critics of his appointment “ignorant” and accused them of opposing Mohammed because he had defended wrongly accused Muslims in the aftermath of the 9/11 terrorist attacks. The governor took particular umbrage to critics’ fears of Mohammed invoking Sharia law over U.S. statutes, a popular belief in conservative circles. “This Sharia law stuff is crap,” he said. “It’s just crazy. And I’m tired of dealing with the crazies. It’s just unnecessary to be accusing this guy of things just because of his religious background.”

**GOVERNORS IN BRIEF:** A group trying to forge a recall effort against MICHIGAN Gov. Rick Snyder (R) said last week they do not have enough

**Upcoming elections**

8/4/2011 - 8/24/2011

08/09/2011

**New Hampshire Special Election**  
House District Strafford 3

**Oklahoma Special Primary**  
Senate District 43

**South Carolina Special Primary**  
House District 100

**Wisconsin Recall Election**  
Senate Districts 2, 8, 10, 14, 18 and 32

**Wisconsin Special Election**  
Assembly District 48

08/16/2011

**Georgia Special Runoff**  
Senate District 26

**Maine Special Election**  
House District 121

**Wisconsin Recall Election**  
Senate Districts 12 and 22

08/23/2011

**Massachusetts Special Primary**  
House District 12th Bristol

**Mississippi Primary Runoff**  
House Districts: 4, 13, 19 and 119 (DEM)  
House Districts: 101 and 118 (GOP)  
Senate Districts: 8, 20, 25, 39, 40, 43 and 46 (GOP)  
Constitutional Officers:  
Governor (DEM), Treasurer (GOP)

**South Carolina Special Primary Runoff**  
House District 100

**Virginia Primary Election**  
House (All)  
Senate (All)

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●

signatures to get it on the November ballot. The group says it has acquired 300,000 signatures, far short of the 800,000 needed to put the recall question before voters. The Committee to Recall Rick Snyder says it will now target a February recall election (DETROIT FREE PRESS). • **TEXAS** Gov. Rick Perry (R) issued EO RP75, an Executive Order that directs the state’s education and workforce agencies to help Western Governors University, a private, online nonprofit school, started by a group of 19 governors in 1997, to establish a WGU branch in the Lone Star State (AUSTIN AMERICAN-STATESMAN). • **WISCONSIN** Gov. Scott Walker (R) signed SB 147, legislation that allows up to 40,000 long-term unemployed Badger State residents to collect up to 13 weeks of additional unemployment benefits. The federal government is supplying the funding, but the state needed to pass legislation allowing it to accept the money. • **CALIFORNIA** Gov. Jerry Brown (D) vetoed SB 168, which would have made it illegal for petition signature gatherers to be paid by the signature. Brown said the bill would have “unintended consequences” (SACRAMENTO BEE). • Also in **CALIFORNIA**, Brown said the recent debt ceiling crisis shows the nation is close to being ungovernable. He also railed against Republicans’ “obsessional position” against taxes and Democrats’ opposition “to cutting anything that’s popular,” saying “the specter of a country that can’t govern itself is not pretty” (SAN JOSE MERCURY NEWS).

— Compiled by RICH EHISEN

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## Hot issues

**B**USINESS: The **MICHIGAN** Supreme Court rules that Wolverine State public employers are not liable for sexual harassment committed by workers if the behavior was not foreseeable (DETROIT FREE PRESS). • **CALIFORNIA** Gov. Jerry Brown (D) signs SB 39, which bars the sale of caffeinated alcohol beverages in the Golden State. Six other states have previously banned the drinks (ORANGE COUNTY REGISTER). • Still in **CALIFORNIA**, Brown signs AB 1014, which allows small craft beer breweries the right to establish on-site tasting rooms where consumers can try their products (SAN DIEGO UNION TRIBUNE). • **ILLINOIS** Gov. Pat Quinn (D) signs HB 3034, which bars Prairie State roofing contractors from allowing out of state contractors to lease their license numbers for compensation. The new law also requires roofing contractors to include their license number on all contracts, bids and advertisements and allows residents to cancel a contract and requires contractors to refund any payments within 10 days of the cancellation (ILLINOIS GOVERNOR’S OFFICE).



**CRIME & PUNISHMENT: NEW YORK** Gov.

Andrew Cuomo (D) signs SB 5658, legislation that bars Empire State residents convicted of domestic-violence misdemeanors from purchasing firearms. Federal law already bars such sales, but the new law requires state courts to determine whether the crime conforms to the federal domestic violence statute and, if so, forward the information to the National Instant Criminal Background Check System (ROCHESTER DEMOCRAT & CHRONICLE).

• **ILLINOIS** Gov. Pat Quinn (D) signs SB 1589, which would require convicted felons found guilty of new weapons offenses to serve up to 10 years in prison. Further convictions would allow convicted persons to be sentenced to up to 14 years (ILLINOIS GOVERNOR’S OFFICE). • **VERMONT** Gov. Pete Shumlin (D) announces a temporary ban on the combination of chemicals used to make so-called “bath salts,” synthetic stimulants that mimic the effect of illegal drugs like cocaine and heroine. The ban is for 120 days, during which officials will work with the Legislature to make it permanent (BURLINGTON FREE PRESS). • A **FLORIDA** judge rejects a claim that the Sunshine State’s switch to pentobarbital, a barbiturate, in its three-drug cocktail used in lethal injection could constitute cruel and unusual punishment (ST. PETERSBURG TIMES).

**EDUCATION: ILLINOIS** Gov. Pat Quinn (D) signs SB 2185, which creates a nine-member commission to establish scholarships for immigrant children with private donations. To qualify, students must attend a Prairie State high school for at least three years and have at least one parent who immigrated to the United States (QUAD-CITY TIMES [DAVENPORT]). • Also in **ILLINOIS**, Quinn signs HB 200, which bars scholastic athletes who suffer concussions from returning to play until they have been evaluated by a medical professional. The bill also requires school districts to develop materials to educate coaches, athletes and parents about concussions (DAILY HERALD [ARLINGTON HEIGHTS]). • Still in **ILLINOIS**, Quinn signs HB 295, which requires sex offenders who attend or work at a Prairie State college to register with campus police. The law goes into effect in January (QUAD-CITY TIMES [DAVENPORT]).

**ENVIRONMENT:** A federal judge in **OREGON** rules that the Obama administration’s effort to make federal hydroelectric dams in the Northwest safer for protected salmon violates the Endangered Species Act. U.S. District Judge James Redden called the government’s plan too vague and uncertain, but let it stand through 2013, when federal officials must devise a more specific plan to protect endangered salmon through 2018 (BILLINGS GAZETTE). • **WYOMING** officials reach an agreement with the federal U.S. Fish and Wildlife Service to remove approximately

**In case you missed it**

States have long cried foul over the federal government’s actions, or lack thereof. But the ongoing standoff over raising the debt ceiling may be Washington D.C.’s most troubling yet. In case you missed it, the article can be found on our website at [http://www.statenet.com/capitol\\_journal/08-01-2011/html#snj](http://www.statenet.com/capitol_journal/08-01-2011/html#snj)



340 wolves from the endangered species list and put them under state control. The deal must be ratified by state lawmakers and go through a federal approval process before it can go into effect (CASPER TRIBUNE). • A **NEVADA** judge rejects a challenge to the first state-sanctioned black bear hunt in Silver State history. District Judge James Wilson ruled that opponents had failed to show valid reasons why the hunt, slated to begin in about two weeks, should be stopped. Opponents are considering further legal action (LAS VEGAS REVIEW-JOURNAL).

**HEALTH & SCIENCE:** The Third U.S. Circuit Court of Appeals rejects a challenge by a **NEW JERSEY** doctor to the individual insurance coverage mandate in the federal Affordable Care Act. The court said there was no “realistic danger” the plaintiff would suffer “imminent injury” from the mandate. The suit is one of many seeking to overturn the law, which most observers believe will ultimately be decided by the U.S. Supreme Court (WASHINGTON POST).

**SOCIAL POLICY:** A federal court blocks a new **KANSAS** law that bars the use of federal family planning funds going to Planned Parenthood. U.S. District Judge J. Thomas Marten said the law was illegal because it imposed new rules on a federal program. State officials say they will appeal (KANSAS CITY STAR).

**POTPOURRI: ILLINOIS** Gov. Pat Quinn (D) signs HB 1130, a measure that requires all movable soccer goals manufactured and sold in the Prairie State to be tip-resistant. The law also requires organizations that own moveable soccer goals to create soccer goal safety and education policies (CHICAGO SUN-TIMES). • Also in **ILLINOIS**, Quinn signs SB 1637, which requires animal control centers to scan for implanted microchips within 24 hours of an animal being impounded. A second scan must also be conducted before the animal can be adopted, and shelter personnel must make an effort to contact an animal’s caretaker if that information can be found. The measure takes effect in January (CHICAGO TRIBUNE).

— *Compiled by RICH EHISEN*

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# Once around the statehouse lightly

**A**LL APOLOGIES: The immigration issue is undoubtedly volatile, but one fierce opponent in Utah has learned there is such a thing as taking a point too far. As the *Salt Lake Tribune* reports, Republican Delegate Brandon



Beckham was recently forced to issue multiple apologies after calling the architects of the Beehive State’s 2010 guest worker immigration law “traitors to Utah.” The jab drew applause from the crowd at a news conference urging the law’s repeal, but lawmakers who crafted the bill — also Republicans — weren’t so thrilled. Several, including some who staunchly support the bill’s repeal, quickly rebuked Beckham. Sensing his poor choice of words might possibly turn off the very people he needs to be on his side, Beckham sprung into action, issuing a multi-pronged mea culpa campaign. Saying he was just “very passionate” about immigration issues and “never meant to attack anyone’s character,” the chastened Beckham first apologized publicly, and then called several lawmakers to apologize directly before going online to do so again on multiple Facebook pages. Sounds like the only thing he left out was going on Oprah.

**LIFE IN THE FAST LANE:** If you think New York Gov. Andrew Cuomo accomplished something by taming the unruly Empire State Legislature this year, check out his next big task. As the *New York Times* reports, the gov, a noted muscle car enthusiast, is busy these days teaching his twin 16-year-old daughters to drive. Well, kind of. The girls have already gone through driver’s training with a professional instructor and obtained their learner’s permits. But Cuomo insists they also meet his own rigid standards before being cut loose on the highway. So, the girls are now taking turns driving, alongside pops of course, either his beloved 1968 GTO convertible or a massive Chevrolet Suburban. Why the big SUV? Because, Cuomo says, “if you can drive something that large, then you can drive anything.” Some folks might say the same about those lawmakers in Albany.

**THE MOB RULES:** Fights between hyper-partisan opponents is nothing new. But in the California Legislature, wise lawmakers learn fast to not cross their own party either. As the *Los Angeles Times* reports, Assembly Speaker John A. Perez recently has gone on the public offensive against fellow Assembly Democrat Anthony Portantino, drastically cutting the lawmaker’s office budget and threatening to suspend his staff. The reason: Perez says Portantino is a “reckless spender” who is unwilling to balance his office budget. Poppycock, says Portantino, who says Perez is retaliating against him for being the lone Dem to oppose a budget plan back in June. Perhaps Portantino should be thankful that he even has an office. In 2008, then-Assembly Speaker Karen Bass responded to a similar act of Democrat-on-Democrat defiance by then-Assemblywoman Nicole Parra by booting her office entirely out of the Capitol and into much less prestigious digs across the street.

**THANK YOU FOR BEING A FRIEND:** All it took was a nasty asthma attack and now our long national nightmare is over. Okay, that’s over the top, but New Jersey Gov. Chris Christie and Senator Stephen Sweeney appear to have at least



toned down their highly public feud. As the *Newark Star-Ledger* reports, Christie and Sweeney had not spoken since the gov slashed budget funding for many of the Dems' most favored programs, prompting Sweeney to unleash a torrent of nasty invective in Christie's direction. The relationship, which some observers say bordered on a "bromance," seemed doomed. But when the governor was recently rushed to the hospital suffering from a serious asthma attack, the first call of well wishes came from — you guessed it — Sweeney. Neither revealed what they talked about, and each downplayed the event afterward. Of course.

— By RICH EHISEN

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