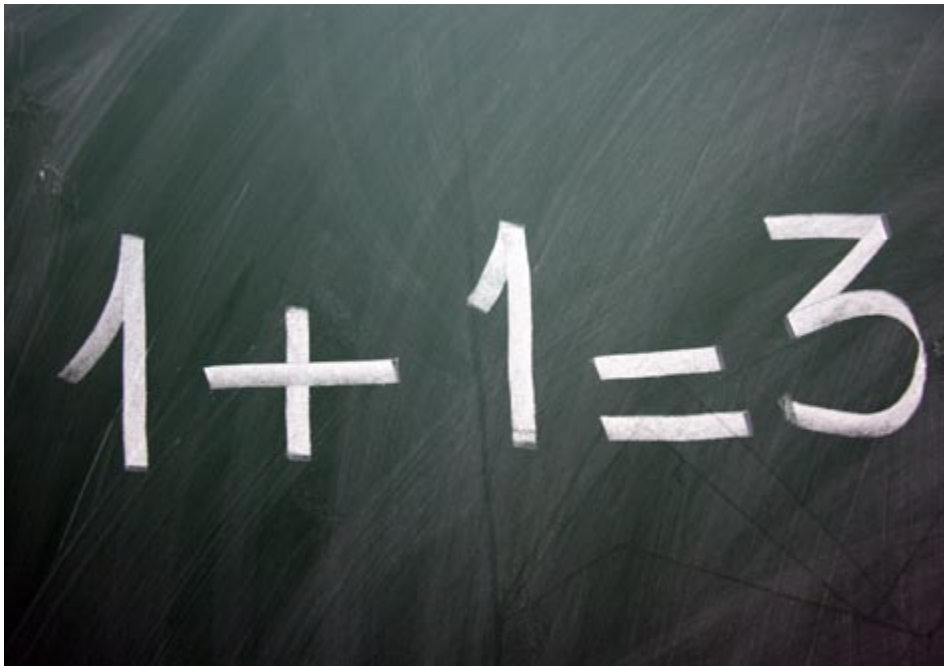


August 18, 2008

Political Math



Budget & taxes CA officials in litigious mood	5
Politics & leadership Voter registration front line in battle for presidency	7
Governors Daniels pitches new lottery proposal	10
Bird's eye view	2
Hot issues	13
Once around the statehouse lightly	14

The next issue of Capitol Journal will be available on September 1st.

Top Story

Candidates often promise the world when on the campaign trail. Unfortunately, just as often those promises don't hold up to fiscal reality.

SNCJ Spotlight

The Mathematics of Change

Campaning for the presidency in 1980, Ronald Reagan promised to increase defense spending and reduce income taxes while also balancing the federal budget. How could he do all three things simultaneously? "With mirrors," independent candidate John Anderson said tartly, summarizing a widespread view among economists. Reagan nonetheless won handily. Americans, hurting economically and fed up

A Cannon Perspective



With Lou Cannon

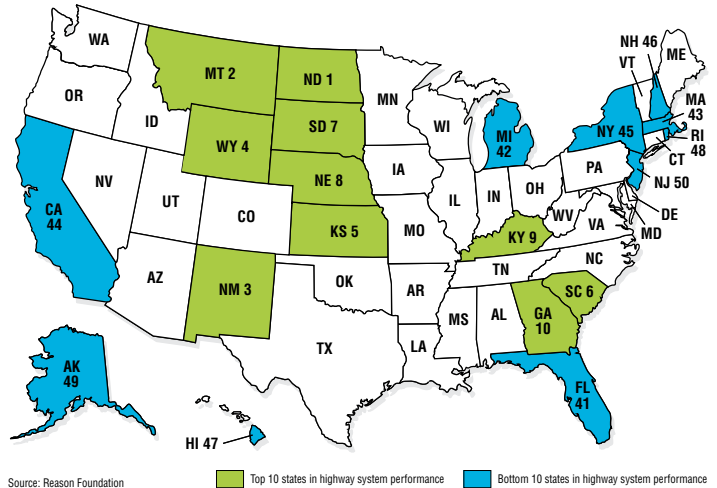
with President Jimmy Carter, wanted a change.

Twenty-eight years later, President George W. Bush is even less popular than Carter was then, and voters once again seek new directions. Sen. Barack Obama, a comet in the summer skies, promises “real change” if he becomes president. So, after a fashion, does Sen. John McCain, whose latest commercial proclaims that Washington is “broken” and that he will fix it. Perhaps, but John Anderson’s mirrors would come in handy in any fiscal analysis of the changes proposed by either candidate. Obama, for instance, pledges to provide health insurance for the 45 million Americans who lack insurance while reducing premiums for those who are already insured. He would pay for this by doing away with President Bush’s tax cuts for Americans who make more than \$250,000. In fact, according to an analysis by *The New York Times*, restoring the top tax brackets to their Bill Clinton-era levels would pay only half the cost of Obama’s plan. McCain’s math is even more dubious. The

ARIZONA senator declares that he would keep the entire Bush tax cuts and phase out the Alternative Minimum Tax while also reducing the budget deficit. McCain would do this by using his veto power to discourage “earmarks,” a favored device of Congress for dishing out federal largesse. But eliminating every earmark would reduce the nearly \$500 billion deficit facing the next president by only three percent.

For those who long for leaders who practice fiscal prudence as well as preach it, the tribulations of CALIFORNIA Gov. Arnold Schwarzenegger provide a cautionary tale. Schwarzenegger, a nominal Republican who espouses bipartisanship, was elected five years ago after a recall campaign in which he pledged to repeal an unpopular car tax and

Bird’s eye view



North Dakota tops state highway rankings

The nonprofit, nonpartisan Reason Foundation released its “17th Annual Report on the Performance of State Highway Systems (1984-2006)” last month, and for the sixth year in a row, NORTH DAKOTA topped the rankings. Although the Flickertail State finished in the middle of the pack in a couple of major categories — percentage of bridges that are structurally deficient and traffic fatality rate — it came in first, or tied for first, in five others, including urban interstate congestion, rural interstate condition and maintenance disbursements per mile of responsibility. For the seventh consecutive year, NEW JERSEY was ranked dead last, despite having the 4th smallest highway system in the nation. The Garden State finished at or near the bottom of the rankings in eight of the report’s 12 categories, including urban interstate congestion, urban interstate condition and rural interstate condition. However, the state ranked 7th in traffic fatalities.



said he would never agree to a tax increase of any kind. The car tax was repealed, creating a budget shortfall. Schwarzenegger eluded its potential consequences with gimmicks and bond issues that pushed the costs of governance onto future generations. He was re-elected in 2006. This year, after the Democrat-controlled Legislature rejected Schwarzenegger's proposals to cut spending, the governor ran out of gimmicks. With the state looking to plug a \$15 billion budget hole, Schwarzenegger has tossed in the towel and proposed a one-cent sales tax increase.

Who's to blame for CALIFORNIA's predicament? Conservatives observe that the state annually takes in \$23 billion more than it did when Schwarzenegger was first elected and say that CALIFORNIA should cut spending. Liberals, desirous of a tax increase, say that CALIFORNIA's educational system is stretched to its limits and that its infrastructure is deteriorating. The arguments are not mutually exclusive. Since CALIFORNIA lacks performance-based standards, the state is probably overspending on some programs and spending insufficiently on others. In any case, Schwarzenegger, like his idol President Reagan, has never submitted a budget that would pay for all the programs he thinks necessary.

Schwarzenegger's dodging and weaving is not unique. Last week, MASSACHUSETTS Gov. Deval Patrick, a Democrat, hinted that new taxes may be needed to pay for his ambitious agenda, which includes a 10-year overhaul of the state's education system.

"People hate to pay taxes, but I think they hate broken roads and unplowed streets and failing schools even more," he said. Patrick stopped short of proposing new taxes, perhaps because he knows the Legislature is unlikely to approve them. His statement nonetheless pinpointed a central dilemma of government, which is that voters want more services but resist tax increases to pay for them.

When fiscal choices are not in the forefront, politicians can be quite bold. Last month Schwarzenegger signed into law a measure that made CALIFORNIA the first state to require restaurants to cook without trans fats. Last year CALIFORNIA and FLORIDA approved alternative-energy timetables that are far ahead of the federal government. This year, FLORIDA, INDIANA, MARYLAND, NEW JERSEY, OKLAHOMA and SOUTH DAKOTA adopted "green" building codes that require

The week in session

States in Regular Session: CA, MI

States in Recess: DC, NJ, NY, PA, US

States in Special Session: CT "d", NM "a", NY "a"

Special Sessions in Recess: CA "a", CA "b", CA "c", CT "b", CT "c", DE "b", PA "a"

States in Informal Session: MA

States in Skeleton Session: OH

In Pro Forma Session: US(Senate)

States in Perfunctory Session: IL
Special Sessions "a"- "x"

States Currently Prefiling or Drafting for 2009: AL, FL, KY, MT, ND, NV, VA

States Adjourned in 2008: AK, AL, 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 2008: AK "c", AK "d", AL "a", AR "a", CT "a", DE "a", KY "a", LA "a", LA "b", ME "a", MS "a", NC "b", NH "a",

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 08/14/2008)
Source: State Net database



more efficient energy use. It is historically appropriate that states should demonstrate leadership on this issue. As historian Clayton McClure Brooks has observed, the first meeting of what is now the National Governors Association was convened in 1908 because President Theodore Roosevelt, a former governor of NEW YORK, was concerned about the slow progress of conservation policy in the United States.

Returning to this year's national campaign, it is also instructive that Obama's health care plan is modeled after the MASSACHUSETTS Health Plan that then-Gov. Mitt Romney proposed and signed into law in 2006. Romney, often mentioned as a possible running mate for McCain, distanced himself from his own plan earlier this year when he was seeking conservative support in his failed bid for the Republican presidential nomination. Now he has embraced it again, as well he should. The MASSACHUSETTS Health Plan has cut the number of uninsured by 340,000, roughly half the population that lacked insurance.

Candidates for high office most often go astray, as Reagan did, in underestimating the cost of their proposals. The problem with Obama's health care plan is not its content, which has demonstrated its value in Massachusetts, but its cost. If Obama becomes president, he will need to find a realistic way to finance it; the campaign slogan of "tax the rich" won't get it done. As for McCain, he is quite right in saying that budget earmarks such as ALASKA Sen. Ted Stevens' notorious "bridge to nowhere," promote public cynicism about politics and politicians. Each earmark substitutes a decision of pork and patronage for one of merit. This in itself is sufficient reason for eliminating earmarks, but doing so won't come close to balancing the budget. To his credit, Reagan realized that not all of his promises were created equal. After cutting taxes, he raised them, and he never came close to balancing the budget, believing instead that his most important promise was to increase military spending so he could bargain with Soviet leaders—as he successfully did with Mikhail Gorbachev—from a position of strength.

This was the right decision, but it was not useful then nor is it now for politicians to lowball the price tag of their proposals. This practice of telling voters they can have something for much less than it costs has produced CALIFORNIA's current fiscal impasse and led to an almost unimaginable federal budget deficit and accumulated national debt. A more realistic mathematics of change is needed. As the hero in the classic Italian novel, *The Leopard*, puts it: "If we want things to stay as they are, things will have to change."

—Lou Cannon

Budget & taxes

CA OFFICIALS IN LITIGIOUS MOOD: Late last month, with the state's budget standoff threatening a cash crisis, CALIFORNIA Gov. Arnold Schwarzenegger (R) issued an executive order immediately dropping most state workers' pay to the federal minimum wage of \$6.55 an hour until a budget is signed, at which time the workers' wages would be repaid. However, the state's controller, John Chiang, who controls the public payroll, informed the governor's office that complying with that directive would be difficult, and he asked for some time to determine whether it was possible at all. The administration's response to Chiang's request was swift and stern: It filed a lawsuit against him in the state's Superior Court.

"Absent a commitment that the controller will implement" the pay cuts as ordered, stated a letter from the state personnel department, the administration "must seek legal action to compel the controller to comply with the law."

The administration said prompt action was necessary to keep the state from incurring the additional expense of borrowing money if the budget crisis continues. But Chiang called the administration's action "reckless and unnecessary."

"The governor could not be more wrong with regard to the need for this lawsuit and his understanding of the consequences."

"The governor could not be more wrong with regard to the need for this lawsuit and his understanding of the consequences," he said.

The controller's office said the state was weeks away from

needing to undertake such borrowing, and the administration's lawsuit would also be costly for the state. Chiang himself said in a statement that he believed the court would agree with him that changing the pay levels of the roughly 180,000 workers on the state's payroll computers wasn't a simple task, and that restoring those levels quickly once a budget was in place could also be a challenge, possibly resulting in litigation.

Ironically, Chiang and Schwarzenegger were involved in a second major court action in the Golden State last week, only this time as co-defendants.

J. Clark Kelso, a federally-appointed overseer for healthcare in CALIFORNIA's prisons, asked a U.S. District Court judge last Wednesday to seize \$8 billion from the state treasury to raise prison healthcare to constitutional standards, and to hold the governor and controller in contempt of court for failing to cooperate with him as the judge had previously ordered.

"We have fully explored and exhausted every avenue for securing this funding in a manner that least affects CALIFORNIA's budget and immediate cash needs," Kelso said. "But the state's leaders have failed to act."



Schwarzenegger responded to Kelso's action diplomatically, saying in an interview the following day that he thought Kelso was "a smart man," but that making demands was likely to backfire on him.

"I think he has to be a part of the team, and he can't be floating out there by himself because otherwise everyone would be out there trying to derail him," the governor said.

Others were a little less tactful.

"Is Clark Kelso out of his mind?" said state Sen. Jeff Denham (R) in a news release. "The idea of providing \$8 billion for state-of-the-art healthcare for murderers

like Charles Ng, Richard Allen Davis and Scott Peterson is sheer lunacy." (LOS ANGELES TIMES, SACRAMENTO BEE)

"Is Clark Kelso out of his mind? The idea of providing \$8 billion for state-of-the-art healthcare for murderers like Charles Ng, Richard Allen Davis and Scott Peterson is sheer lunacy."

BUDGETS IN BRIEF:

With the state's economy continuing to worsen,

FLORIDA economists were

expected last week to forecast a \$1.2 billion budget deficit, possibly forcing Gov. Charlie Crist (R) to dip into the state's reserves or propose further budget cuts (MIAMI HERALD). • **FLORIDA's** top financial regulator, Don B. Saxon, abruptly resigned last week. Calls for the veteran bureaucrat's resignation had been coming since late last month when news stories revealed that lax enforcement of state laws had allowed convicted felons to become licensed as mortgage brokers, contributing to the current mortgage crisis (ST. PETERSBURG TIMES). • Lawmakers in **VIRGINIA** are also predicting a shortfall for that state's current two-year, \$77 billion budget that could exceed \$1 billion (RICHMOND TIMES-DISPATCH). • **NEW YORK** Gov. David Paterson's (D) plan to ease property taxes by capping the growth of school levies at 4 percent per year was passed by the Senate 28-20 last week. The bill, which is strongly opposed by the state's powerful teachers' union and lacks support in the Democrat-dominated Assembly, was actually rejected by a group of Democrats but supported by every Republican in the chamber (TIMES UNION [ALBANY]). • Also in **NEW YORK**, Paterson proposed \$1 billion in cuts to Medicaid, pork barrel spending and aid to local governments ahead of the Legislature's Aug. 19 special session. The governor's plan may have been intended to give lawmakers some degree of political cover three months before the general election by calling for more than twice the amount of budget cuts he'd previously said were necessary (ASSOCIATED PRESS, BUSINESS WEEK, NEW YORK TIMES). • **CONNECTICUT**, meanwhile, ended fiscal year 2008 with an \$84.9 million surplus, three times what Gov. M. Jodi Rell's Office of Policy and Management had previously projected. The Legislature was planning to meet



in special session this Friday (Aug. 22) to decide what to do with the windfall (REPUBLICAN AMERICAN [WATERBURY]). • MASSACHUSETTS Gov. Deval Patrick (D) quietly vetoed a pension cost-of-living increase for retired teachers and state workers that would have raised their benefits by \$120 per year. Fiscal watchdogs had warned that the measure could cost the state \$3 billion over the next two decades (BOSTON GLOBE).

— Compiled by KOREY CLARK

Politics & leadership

VOTER REGISTRATION FRONT LINE IN BATTLE FOR PRESIDENCY: The outcome of this year’s presidential election may hinge on how successful Sen. Barack Obama is at drawing new voters to the polls. That reality has Democrats pushing hard to boost registrations and Republicans combing through every one to make sure they’re valid.

The Republicans will have their work cut out for them. The nonpartisan Brennan Center for Justice predicts that this year’s voter registrations will exceed the total for any previous election year, building on the record 20 million aggregate for 2004

and 2006. And according to the Democratic National Committee, this year’s Democratic primaries drew over 19 million more voters than in 2004, many of whom were first-time voters.

One state Republicans are particularly concerned about is PENNSYLVANIA, where

“We don’t have a real history in the last 10 to 15 years of large-scale voter fraud. What we do have a problem with is getting everyone on the rolls and making sure their votes are counted.”

registration irregularities have been a problem in the past, and where voter rolls have swelled by about 230,000 since the 2006 midterm elections.

“When you get so many new registrations like that at record numbers...it’s very difficult for people to monitor the validity of it,” said Lawrence Tabas, general counsel of the state’s Republican Party.

But Michael Slater, executive director of Project Vote, which is leading an effort to register 1.2 million voters nationwide by Labor Day, said Republican efforts to police registrations pose more of a problem than voter fraud.

“We don’t have a real history in the last 10 to 15 years of large-scale voter fraud,” he said. “What we do have a problem with is getting everyone on the rolls and making sure their votes are counted.”

Foley & Lardner lawyer Cleta Mitchell, who represents Republican political candidates and conservative organizations, takes issue with fraud naysayers like Slater and contends that registration groups are part of the problem.

“We’re all for getting people involved in the process...and getting them to the polls,” she said. “What we’re not for is registering fake people at fake addresses, and

“We’re all for getting people involved in the process...and getting them to the polls. What we’re not for is registering fake people at fake addresses, and creating barriers to trying to identify voter fraud where it exists, which is everywhere.”

creating barriers to trying to identify voter fraud where it exists, which is everywhere. It’s a growing problem, because of the professional vote-fraud denier industry.”

Mitchell also noted that Obama himself has been “involved” with registration groups in the past — back

when he was a community organizer in Chicago — that have committed abuses in recent years.

In response, Obama campaign spokesman Corey Ealons said only that “Then, as now with his national campaign for the president, Barack Obama has always worked to inspire individuals to exercise their right to vote. He sees that as a key to his victory this fall.” (WALL STREET JOURNAL)

AR DEMOCRATIC PARTY CHAIRMAN KILLED BY GUNMAN:

ARKANSAS state Democratic Party Chairman Bill Gwatney, 48, was fatally shot at the party’s headquarters near the state Capitol last Wednesday. The gunman was later shot and killed by police after leading them on a 30-mile chase.

A 17-year-old volunteer at the headquarters said the gunman, Timothy Dale Johnson, 50, had asked to see Gwatney about volunteering but after being denied admittance to Gwatney’s office, he barged in and shot Gwatney three times.

A Little Rock Police spokesman said there was no known connection between the two men, but Johnson had apparently been fired from his job at a Target store earlier in the day for writing graffiti on a store wall.

Shortly after the shooting, Johnson had pointed a gun at the building manager of the ARKANSAS State Baptist Convention, seven blocks from the Democratic headquarters. And when the convention’s business manager asked Johnson what was wrong, he’d said, “I lost my job.” (ARKANSAS DEMOCRAT GAZETTE [LITTLE ROCK], DAILY CITIZEN [SEARCY])

POLITICS IN BRIEF: The ILLINOIS Senate unanimously voted last Tuesday to forgo a 7.5 percent legislative pay raise. The vote came three months after the House voted to pass on the salary hike, which would have taken effect

automatically if both chambers hadn't rejected it. But Prairie State lawmakers will still get to keep the 3.8 percent cost-of-living increase they picked up last month (STATE JOURNAL-REGISTER [SPRINGFIELD]).

• **COLORADO** Secretary of State Mike Coffman defeated three challengers in the state's 6th Congressional District Republican primary last Tuesday. Coffman is heavily favored over Democrat Hank Eng to claim the seat vacated by retiring U.S. Rep. Tom Tancredo (R) (DENVER POST).

• Backers of a **CALIFORNIA** ballot measure banning same-sex marriages dropped their legal challenge to the state's official description of their initiative after suffering a pair of court defeats two weeks ago. Consequently, Proposition 8 will be introduced on the November ballot as a measure that "eliminates (the) right of same-sex couples to marry" (SAN FRANCISCO CHRONICLE).

• The percentage of state government leadership positions held by women is on the rise nationwide and actually now equals the percentage of women in the general population in six states – **ALASKA, CONNECTICUT, MONTANA, NEVADA, VERMONT** and **WASHINGTON** – according to a study by the Center for Women in Government & Civil Society at the University at Albany (TIMES UNION [ALBANY]).

• New York City's Democrat-turned-Republican-turned-independent mayor, Michael Bloomberg, has endorsed a six-term incumbent state assemblyman, Adriano Espaillat (D), and challengers — first-time candidate Daniel Squadron and Councilman Simcha Felder — to two sitting senators, Martin Connor and Kevin S. Parker, in the state's Sept. 9 Democratic primary. In a statement, Bloomberg indicated that he was rewarding candidates who had supported him on a number of issues, including his congestion pricing plan (NEW YORK TIMES).

• The **NEW YORK** State United Teachers union, the state's largest, said last week that it was withholding endorsements from 38 incumbent senators who voted earlier this month in favor of Gov. David Paterson's (D) proposed 4 percent annual cap on school tax increases, which was still awaiting a vote in the Assembly (TIMES UNION [ALBANY]).

Upcoming elections

08/13/2008 - 09/03/2008

08/19/2008

Washington Primary Election

House (All)

Senate (All)

Constitutional Officers: Governor,

Lieutenant Governor,

Secretary of State, Treasurer,

Attorney General,

Auditor, Commissioner of Public Lands,

Insurance Commissioner, Superintendent of Public Schools

US House (All)

Wyoming Primary Election

House (All)

Senate (Even)

US House (All)

US Senate (All)

08/26/2008

Alaska Primary Election

House (All)

Senate A, C, E, G, I, K, M, O, Q, T

US House (All)

US Senate (Theodore F. Stevens)

Florida Primary Election

House (All)

Senate (Odd)

US House (All)

Florida Special Primary

Senate District 24 (Bill Posey)

Oklahoma Primary Runoff

House Districts 57, 59, 72

Senate Districts 35, 45

09/02/2008

Arizona Primary Election

House (All)

Senate (All)

US House (All)

Governors

DANIELS PITCHES NEW LOTTERY PROPOSAL: For the second time in a year, INDIANA Gov. Mitch Daniels (R) is proposing to lease the Hoosier Lottery to private interests as a way to fund a pet education program. Daniels said last week that a 30-year lease would garner an up-front payment of at least \$1 billion — plus another \$200 million a year to maintain funding for lottery-supported programs, including teacher pensions — enough revenue to support offering \$6,000 scholarships to each state high school graduate from a low- and middle-income family.

“Too many of our kids don’t believe they can go to college. Yet the jobs being created in the 21st century require skills and knowledge beyond a high school education,” Daniels said. “We seek to assure each INDIANA high school graduate — as far up the income scale as we can reach — the chance to go to college for at least two years.”

Daniels said he would also consider using bonds set against future lottery revenue to fund the scholarship program. The proposal is likely to face tough going with lawmakers, who last year rejected Daniels’s proposal to lease the lottery in order to pay for university research endowments and merit scholarships for top students willing to work in INDIANA after graduation.

“I think the governor is extraordinarily passionate in his love for privatization. That deep-seated belief is the only reason he could bring up something this

controversial at this time,” said Rep. Scott Pelath (D), a top lieutenant of House Speaker Pat Bauer. Pelath said getting the proposal past lawmakers this time will be an “uphill climb.”

Daniels also addressed other school issues, most notably that he believes too much education

funding is being spent on overhead. To change that, the governor wants to consolidate schools’ purchasing authority under the Indiana Department of Administration to broker better deals on supplies and services unless those schools show they can negotiate better prices themselves.

“Only 61 cents of every dollar spent in our schools makes it to the classroom, even under a liberal interpretation of what counts. Each 1 percent of improvement would mean over \$100 million new dollars to hire more teachers, pay them better, make class sizes smaller, reduce the cost of textbooks and so on. That’s a huge opportunity, and we must seize it,” he said.

“I think the governor is extraordinarily passionate in his love for privatization. That deep-seated belief is the only reason he could bring up something this controversial at this time.”



Daniels also pitched a \$50 annual state income tax credit for teachers who dip into their own pockets to buy classroom supplies and legal immunity for teachers who “act in good faith to preserve order in their classrooms or other school settings.” All of the governor’s approvals must be approved by lawmakers. (NORTHWEST INDIANA TIMES [MUNSTER])

Upcoming stories

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

- **Nuclear power**
- **Prison health care**
- **No Child Left Behind**

PATRICK CURBS POLICE DETAILS: MASSACHUSETTS Gov. Deval Patrick (D) issued new regulations last week intended to limit the use of police details at construction projects on nearly all state-owned roads. Critics have long complained about the amount of tax dollars required to pay for all the overtime Bay State police regularly rack up on the construction details.

In 2006, for example, nearly 1 in 10 State Police officers earned more than the governor, due in part to overtime and state police work. In all, 60 officers made more than \$40,000 working the details.

That, critics say, is far too high a price for something used primarily to appease politically powerful police unions. Police counter that the presence of a cruiser and a uniformed officer slows traffic and provides the best protection for the public and for road workers.

The new regulations require that civilian flaggers be used on state roads where the speed limit is below 45 miles per hour, as well as on low-traffic roads where the speed limit is higher. Flaggers will also be used on sites where barriers are used to block off construction sites on a high-speed, high-traffic road.

But critics also complain that the new regulations specifically do not require local municipalities to adhere to the rules. Since 90 percent of the Bay State’s 36,000 miles of road are under local control, they say, very little is expected to change. “I wouldn’t say it’s a disappointment, but anyone who looks at this with a straight face would have to say we’re not going to see much change,” said Jim Stergios, executive director of the Pioneer Institute, a fiscally conservative think tank that opposes the police details. (BOSTON GLOBE)

MANCHIN’S INTERVENTION: WEST VIRGINIA Gov. Joe Manchin III (D) denied last week that he acted improperly in filing a friend-of-the-court brief on behalf of the DuPont Company last June. The brief asked the State Supreme Court to review a massive judgment against the company that involved thousands of residents in and around Spelter, WEST VIRGINIA, where DuPont operated a zinc-smelting plant. The court has ordered Dupont to pay nearly \$382 million to monitor almost 8,000 residents in the area for signs of cancer, to clean up the site and pay punitive damages. A Manchin spokesperson said the governor only wanted to ensure that cases involving punitive damages received a full airing from the Supreme Court and that



he was not weighing in on behalf of DuPont. But company officials say Manchin consulted with them beforehand, and the governor even asked them to provide him with a draft brief. The court has not said it if it will hear the appeal. (NEW YORK TIMES)

GOVERNORS IN BRIEF: Claiming executive privilege, lawyers for **NEW JERSEY** Gov. Jon Corzine (D) appealed a court order requiring the governor to release e-mails he and his staff exchanged with a union leader who was once his girlfriend. In May, a Superior Court judge ruled that e-mails Corzine and his staff exchanged with Carla Katz during state worker contract talks in 2006 and 2007 were public information, and that the relationship between the governor and the leader of the state’s largest labor union “created a clear potential for conflict” that the public had the right to know about (STAR-LEDGER [NEWARK]). • The *Denver Post* filed suit against **COLORADO** Gov. Bill Ritter last week after the governor refused to turn over 19 months of cellular phone records that contain the numbers for people Ritter has discussed state business with since taking office in 2007. The newspaper is seeking cell phone records for a personal cell phone that Ritter sometimes uses to discuss state business. Ritter says those records do not fall under state laws protecting public access to government (DENVER POST). • **CALIFORNIA** Gov. Arnold Schwarzenegger (R) filed suit against Democratic state Controller John Chiang over his refusal to obey the governor’s order to cut pay for about 180,000 state employees by the end of August. Chiang has vowed to defy Schwarzenegger’s order that 150,000 state employees receive the federal minimum wage of \$6.55 per hour and 30,000 managers and supervisors receive a salary equal to \$11.38 per hour until a state budget is enacted (SACRAMENTO BEE). • **MICHIGAN** Gov. Jennifer Granholm (D) said she would not pardon or grant immunity to embattled Detroit Mayor Kwame Kilpatrick in return for his testimony at a hearing about his possible removal from office. Kilpatrick has been charged with perjury and other crimes stemming from his sworn testimony that he did not fire police officers who were investigating his conduct and that he did not have an affair with his former chief of staff. He later settled the suit. Granholm said she would issue a ruling immediately after the September 3rd hearing (DETROIT FREE PRESS).

— Compiled by RICH EHISEN

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: 61

Number of Intros last week: 140

Number of bills enacted/adopted last week: 310

Number of prefiles to date: 21,344

Number of Intros to date: 88,219

Number of bills enacted/adopted overall to date: 25,864

— Compiled By JAMES ROSS
(measures current as of 08/13/2008)
Source: State Net database

Hot issues

BUSINESS: A CALIFORNIA Senate committee endorses AB 2800, which would allow insurance companies to apply different rating factors for voluntary insurance-verified annual mileage and applicant-estimated annual mileage, including the use of GPS tracking devices to determine how many miles consumers actually drive in a given year. It now moves to the full Senate for review (STATE NET).

CRIME & PUNISHMENT: The CALIFORNIA Supreme Court agrees to decide the validity of a law that shields doctor-approved pot users from arrest for possessing up to eight ounces of dried marijuana or growing six plants.

EDUCATION: A CALIFORNIA court rules that parents may legally home-school their children even if they lack a teaching credential. The decision reverses the same court's own ruling from February that said parents of the state's estimated 166,000 home-schooled students must be credentialed if they were to continue teaching their kids at home (LOS ANGELES TIMES). • A federal court rules that the University of CALIFORNIA system can deny course credit to applicants from Christian high schools whose textbooks declare the Bible infallible and reject evolution. The plaintiffs have appealed the decision to the Ninth U.S. Circuit Court of Appeals (SAN FRANCISCO CHRONICLE).

ENVIRONMENT: Pollution control officials in WASHINGTON order new regulations governing stormwater control in the Evergreen State's biggest cities. The ruling requires cities and counties to mandate that developers use new, rain-absorbing techniques, known as low-impact development (LID), whenever feasible. LID aims to filter stormwater runoff through the soil, thereby stripping out pollution and keeping it from rivers (SEATTLE TIMES). • The Bush administration proposes overhauling the Endangered Species Act to allow federal projects to proceed without delay if the agency in charge decides they would not harm vulnerable species. Under current law, agencies must submit any plans that could affect endangered animals and plants to an independent review by the Fish and Wildlife Service or the National Marine Fisheries Service. The proposed new rules are subject to a 30-day public comment period before they can be finalized by the Interior and Commerce departments (ASSOCIATED PRESS, WASHINGTON POST). • A federal judge in WYOMING overturns a federal ban on road construction in nearly 60 million acres of national forest, saying the Clinton-era prohibition was enacted in violation of the National Environmental Policy Act and the Wilderness Act. Environmental groups say they will appeal the decision to the 10th U.S. Circuit Court of Appeals (CASPER STAR-TRIBUNE).



HEALTH & SCIENCE: MASSACHUSETTS

Gov. Deval Patrick (D) signs SB 2526, legislation that bans drug companies from giving Bay State medical practitioners gifts like tickets to sports events or concerts and free travel, and requires that pharmaceutical and medical device-making firms publicly disclose gifts worth more than \$50. The new statute also provides \$25 million to promote electronic medical record-keeping in physicians' offices, requires the state university to graduate more primary care doctors, and gives regulators the power to hold hearings when health insurers want to raise premiums (BOSTON GLOBE). • **NEW JERSEY** Gov. Jon Corzine (D)) signs a quartet of bills designed to upgrade the Garden State's healthcare system. The measures include SB 1796/AB 2608, which creates an early warning system to allow officials to adequately monitor state hospital finances in order to identify distressed hospitals and take action before they fall into crisis; AB 2609/SB 1797, which requires hospitals to charge uninsured patients no more than 15 percent above the Medicare rate; AB 2607/SB 1794, requiring each acute-care and state psychiatric hospital to annually conduct a public meeting for the community it serves; and SB 1795/AB 2606, which requires hospital board members to undergo comprehensive training in their role and responsibilities (STAR-LEDGER [NEWARK]).

In case you missed it

States were expecting rough fiscal times this year, but as we reported in the August 11 SNCJ, a slumping economy and the ongoing foreclosure mess have helped make things much worse than they feared. The question now is what to do about it.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/08-11-2008/html

POTPOURRI: A federal judge rules that a new **GEORGIA** law allowing people with firearms licenses to carry guns in state parks, restaurants and on mass transit does not apply to airports. Plaintiffs were seeking a temporary injunction against the city of Atlanta, which has barred guns in non-secure areas of Hartsfield-Jackson International Airport, one of the busiest in the world. The ban will now continue while the suit works its way through the court system (ATLANTA JOURNAL-CONSTITUTION).

— Compiled by RICH EHISEN

Once around the statehouse lightly

THE ODD COUPLE: Other than a lack of hair, casual observers may not have seen the similarities between TENNESSEE House Speaker Jimmy Naifeh and soul music legend Isaac Hayes. But Hayes, who died on August



10, was born just a few miles from Naifeh's hometown of Covington in rural Tipton County, a district Naifeh has represented for more than three decades. As the *Knoxville News* reports, the connection led Hayes and the powerful Naifeh to become good friends. But while Hayes was often on hand to help Naifeh host his family's annual "Coon Supper," Naifeh was never able to convince his buddy to partake of the main course — barbecued raccoon. Hayes explained his resistance by noting he didn't eat anything that's "got hands." Naifeh says he was never insulted by the rejection of his signature dish, noting that, "there are a lot of people who don't eat it — for various reasons."

CARTOON CANDIDATE: When Sean Tevis decided to run for the KANSAS House, he first tried raising money the usual way — with a door to door campaign. Two weeks later all he had accumulated was \$25 and a pair of dog bites. A Web manager by trade, Tevis decided to go with what he knows. As National Public Radio reports, he created an Internet cartoon strip to help spread the word and raise the \$25,000 Democratic Party strategists said he needed to compete with the incumbent, District 15 Rep. Arlen Siegfried. The simple stick figure cartoon, which uses a plethora of tech geek humor and inside political jokes, was an instant hit. To date, Tevis has raised more than \$96,000, mostly from people who don't even live in KANSAS. All of which has been shocking to both Tevis and Siegfried, who laments "There's no way I want to compete with that."

NEITHER RAIN, NOR SLEET, NOR LACK OF A BUDGET shall stop CALIFORNIA lawmakers from their appointed rounds of fundraising. That much was clear last week as, according to the *Sacramento Bee*, Golden State lawmakers, candidates, PACs and the Governor himself collectively scheduled more than 100 fund raising events for the month of August. Not coincidentally, the annual push for campaign cash comes right as pols are also finalizing hundreds of bills left on the legislative docket, ensuring that anxious special interests of all stripes are properly motivated to spend, spend, spend. So even though the state's \$15.2 billion budget shortfall may leave it sinking in an ocean of red ink, lawmakers themselves are dutifully making sure they will continue to be safely rolling in the green.

WHO LET THIS KID IN? Embattled ILLINOIS Gov. Rod Blagojevich is used to skillfully fending off his critics, from pesky reporters to his political arch-enemy, House Speaker Michael Madigan. But as the *Chicago Tribune* reports, Blagojevich met his match last week in the form of 16-year-old high school student Aaron Mulvey. The governor was making his way to the stage of an event at the state fair when Mulvey worked his way around a security guard and grilled Blagojevich about school construction funding Mulvey's school has long been promised but never received. Clearly taken aback, the gov blamed lawmakers for the six-year



delay before quickly leaving the scene. Mulvey was not impressed, saying, “He just grabbed my hand. He even stuttered just there. Legislator or something. That’s his excuse for everything, I think, these days.”

— By *RICH EHISEN*

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