



Capitol Journal

News & Views from the 50 States

August 22, 2011

No Clear Path



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● The next issue of
● Capitol Journal will be
● available on September 5th.
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Top Story

With the federal government allowing immigration reform to fall by the wayside, states have stepped into the breach with a multitude of policies of their own. The result is a mishmash of plans that may be making the problem worse.

SNCJ Spotlight

States all over the map on immigration reform

Two of the nation's most powerful politicians put aside partisan differences in the warm summer of 2007 and urged Congress to pass a comprehensive immigration bill that would at once secure the nation's borders and provide a path to citizenship for an estimated 12 million unauthorized immigrants then living in the United

A Cannon Perspective



With Lou Cannon



States. Unfortunately, the U.S. Senate failed to heed the appeals of President George W. Bush and Sen. Edward M. Kennedy, who were attempting to emulate President Ronald Reagan when he won bi-partisan approval of the Immigration Reform and Control Act of 1986. The Bush-Kennedy initiative was a missed opportunity that has not come again. By 2009, Bush was back in private life, succeeded by Barack Obama. Kennedy, the liberal lion of the Senate, passed away that year and hopes for immigration reform died with him. Although Obama promised throughout his 2008 campaign to make immigration reform an early priority of his presidency, he has

“The result of this federal inaction is that the thorny issues of illegal immigration have been dumped on the states, which have marched off in all directions.”

yet to offer even a minimal proposal. For their part, Republicans promised little in the way of immigration reform when they regained the House in 2010, and they have delivered even less.

The result of this federal inaction, as a recent report from the National Conference of State Legislatures attests, is that the thorny issues of illegal immigration have been dumped on the states, which have marched off in all directions. According to the NCSL report, 40 states passed immigration laws of one kind or another in 2011 and six of these states enacted omnibus statutes

that claim to offer comprehensive solutions. At one extreme is Alabama, with few immigrants of any description; only 3 percent of the state’s population is foreign born compared to 12.5 percent nationally. Alabama set out to copy Arizona’s much-disputed SB 1070 of 2010, which allows police to question criminal suspects about their immigration status. But the Alabama law makes SB 1070 look like a stroll along the Rio Grande. It increases penalties for those who employ illegals and bars people from entering into rental agreements with unauthorized immigrants — or even giving them rides in their cars. It requires schools to determine the legal status of immigrant children’s parents. *The Economist* said that the Alabama law is so poorly drafted that it “might even keep some legal migrants out of state universities.” Mary Bauer, legal director for the Southern Poverty Law Center, told the magazine that the new law would discourage illegals from reporting crimes.

Georgia, Indiana, and South Carolina also passed omnibus bills restricting benefits for illegals and cracking down on those who employ them. Legislatures in these states acted over the objections of the business community, which questioned the reliability of the federal E-Verify database for checking the legal status of immigrants and suggested that anti-immigrant laws could cost states tourism and international business opportunities. These arguments were trumped by economic concerns. Advocates of the measures said they would save states money on health and education and preserve jobs for U.S citizens. In the grim economic climate that now



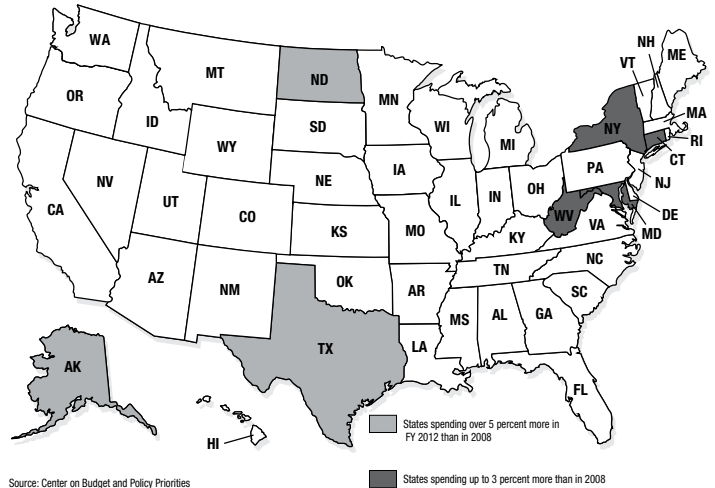
pervades the country, E-Verify has emerged as the wave of the future. Encouraged by a Supreme Court decision upholding an Arizona law that uses E-Verify to penalize employers who hire illegals, nine states adopted the system in 2011, bringing the number of E-Verify states to 18.

Utah also enacted a legislative package with a provision allowing police to question criminal suspects about their legal status. In other respects, however, the Utah approach contrasts in tone and content with the omnibus bills passed by other states. It was based on the Utah Compact of 2010, drawn up by business, political, religious, and law-enforcement leaders to address “the complex challenge associated with a broken national immigration system.” The Utah statutes provide for a guest-worker program, which would require a federal waiver, and work permits

for unauthorized immigrants already living in the state. Utah stands out among all states in attempting to examine root causes of the issue; one of its new laws creates an advisory commission to assess the economic, legal, cultural, and educational impact of immigration.

Utah is not the only state that has made life easier for unauthorized immigrants. Connecticut and Maryland this year passed laws (CT HB 6390, MD SB 167) allowing illegal immigrants to become eligible for in-state college tuition. In Washington, Congress last year rejected the Dream Act, which would have put illegal immigrants who entered the United States as children on a path to citizenship if they excelled in college or enrolled in the military. But in Sacramento this summer the California Legislature passed its own Dream Act (AB 130), allowing unauthorized immigrants to receive financial aid at privately funded colleges. Politicians in states such as California are walking a tightrope between a growing Latino electorate, which favors such legislation, and those who oppose giving illegals educational advantages.

Bird's eye view



Some states' spending climbs for 2012

Government spending is returning to pre-recession levels in seven states, according to a recent study by the Center on Budget and Policy Priorities. North Dakota and Alaska actually plan to spend over 50 percent more in fiscal year 2012 than they did in 2008, after adjustments for inflation. Texas will spend about 5.6 percent more, although the two-year budget the state just enacted calls for deep cuts in 2013 that will bring spending back below 2008 levels. The four other states — Connecticut, Maryland, New York and West Virginia — will spend under three percent more than they did in 2008. But the main focus of the study was the 38 states — out of the 47 for which budget data was available — that were making deep cuts to education, health care, or other key services for fiscal year 2012.





Once upon a time coal miners descended underground with caged canaries, which are sensitive to the presence of methane and carbon monoxide gases. If the birds died, the miners headed for the surface. Historically, immigration policy has functioned as the canary in the coal mine for the U.S. economy. As the Great Depression descended upon the nation early in the 1930s, thousands of immigrants from Mexico (including some U.S. citizens) were rounded up and deposited over the border. Later, in the labor shortage created by World War II, the United States imported Mexican workers. Most recently, immigration became a hot-button issue in the Great Recession, quieted down as the economy ticked upwards and flared up again when it became evident that portents of recovery were premature. According to the NCSL report, a record number of 1,592 immigration bills were introduced this year in the 50 states and Puerto Rico.

Despite all this activity, states are struggling to address immigration issues effectively in the absence of a national policy. “The last thing we need is 50 different sets of immigration laws,” said State Sen. John Watkins (R) of Virginia last week at a news conference following the release of the NCSL report. But that’s the direction in which the United States is heading unless blocked by the federal courts. Most of this year’s omnibus bills face legal challenges likely to hinge on the judicial fate of Arizona’s SB 1070. The key issue in the Arizona case — and by extension all the others — is the Obama administration’s claim that the federal government has exclusive jurisdiction over immigration policy. On this basis, the administration persuaded a federal judge in Phoenix and the 9th Circuit Court of Appeals in San Francisco to strike down the provision of SB 1070 allowing police to check the immigration status of persons they detained. Arizona Gov. Jan Brewer (R) has appealed to the Supreme Court to overrule the lower courts.

Meanwhile, the administration is deporting illegal immigrants at a record rate. More than a million illegals have been deported during Obama’s presidency, with the spike largely driven by deportations of people stopped for drunk driving or other traffic violations, according to an Associated Press analysis of data provided by the U.S. Immigrations and Custom Enforcement (ICE). The administration has been deporting traffic violators at more than twice the rate of the Bush administration, according to the AP analysis. The widespread scale of deportations has provoked a backlash in such Democratic-leaning states as Illinois, New York, and Massachusetts, where liberals accuse Obama of ignoring his campaign promise to focus on deporting “the worst of the worst.” These states and several communities in other states have stopped cooperating with the Secure Communities program, which uses a federal database to help police identify illegal immigrants among those charged with local crimes or traffic violations.

Upcoming stories

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

- **Education**
- **Health care**
- **Jobs**



That backlash has at last prompted some reaction from the Obama administration. Last week the Department of Homeland Security announced it would begin practicing “prosecutorial discretion” in these cases, suspending deportation against minor offenders and immigrant children brought here by their parents and focus instead on removing serious criminal offenders.

The deportations have contributed to a decline in illegal immigration, already on the wane because of a shortage of U.S. jobs and stricter border enforcement. Nonetheless, there are still some 12 million pilgrims without papers in the United States, according to estimates, and illegal immigration remains a potent political issue. Polls show that an overwhelming majority of Americans want the nation to gain control of its borders and that a somewhat smaller majority believes there should be a path to citizenship for unauthorized immigrants who have long resided in the United States. This dual approach was President Reagan’s policy a generation ago and would be national policy now had Congress heeded the advocacies of President Bush and Sen. Kennedy. Instead, inertia in the Oval Office and the halls of Congress had created a federal vacuum, which states are floundering to fill.

— *By Lou Cannon*

Budget & taxes

FEARS GROWING ABOUT ‘DOUBLE DIP’: With revenues inching up in recent months, it was finally starting to look like states were leaving their recession troubles behind them. Until a few weeks ago. The downgrading of U.S. debt by Standard & Poor’s and the slump in the stock market have sparked new fears that the economy is headed for a double-dip recession.

“I look at the gyrations in the stock market and wonder if it’s not a sign of an economy substantially out of balance,” said New Hampshire House Speaker William L. O’Brien (R).

O’Brien and other state officials aren’t likely to find a great deal of encouragement in the forecasts of many economists. Lawrence Yun, Chief Economist and Senior Vice President of Research for the National Association of Realtors, announced at the National Conference of State Legislatures’ annual meeting two weeks ago that the probability of another recession was now 30 percent, up from 10 percent three months ago. The median estimate of 39 economists surveyed this month by *USA Today* was virtually the same: a 30 percent chance of another downturn, up from 15 percent in April.

Mark Zandi, Chief Economist at Moody’s Analytics, said the U.S. economy’s fundamentals are strong, but there’s “a crisis of confidence.” What makes that an even



unconstitutional coercion of the states by the federal government.

The Obama administration’s response to the ruling was unequivocal.

“We strongly disagree with this decision and we are confident it will not stand,” said Stephanie Cutter, deputy senior adviser to the president, on a White House blog. “Those who claim [the individual responsibility provision] exceeds Congress’ power to regulate interstate commerce are incorrect.”

The 11th Circuit panel’s dissenting judge, Stanley Marcus, another Clinton appointee, seemed to agree. In his opinion, he accused the majority of ignoring the Supreme Court’s expansive reading of commerce clause powers over the past several decades.

“Although it is surely true that there is no Supreme Court decision squarely on point dictating the result that the individual mandate is within the commerce power of Congress,” Marcus wrote, “the rationale embodied in the [Supreme Court’s] commerce clause decisions over more than 75 years makes clear that this legislation falls within Congress’ interstate commerce power.”

Some, however, argued that the makeup of the panel’s majority was grounds for the U.S. Supreme Court to step in and settle the issue.

“Now that judges appointed by both Democratic and Republican presidents have found the individual insurance mandate to be unconstitutional, the nation’s interest requires the Supreme Court to hear this case next term,” Georgetown Law Professor Randy Barnett, who opposes the law, said in a statement.

The fact that the 11th Circuit’s decision is in direct opposition to the 2-1 ruling by the Cincinnati-based 6th U.S. Circuit Court of Appeals in June upholding the ACA’s individual mandate provision makes that more likely, legal analysts say. An appeal to the high court by the Obama administration would make it even more so. But while an appeal is expected, it is unclear whether it will be to the full 11th Circuit or directly to the Supreme Court, which could result in a ruling by June 2012, just months ahead of the presidential election. (CHRISTIAN SCIENCE MONITOR)

PERRY TOUTS TX AS MODEL FOR NATION: At least a third of the jobs created nationwide since the recession was officially declared over have come in a single state: Texas. That same state’s economy is growing at an estimated annual rate of about 3 percent, about twice the national rate. And home prices there have remained stable even as they have tumbled in much of the rest of the country.

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: 42

Number of Intros last week: 196

Number of Enacted/Adopted last week: 363

Number of 2011 Prefiles to date: 36,558

Number of 2011 Intros to date: 131,862

Number of 2011 Session Enacted/Adopted overall to date: 44,368

Number of Measures currently in State Net Database: 150,658

— Compiled By OWEN JARNAGIN
(measures current as of 8/18/2011)
Source: State Net database

Texas Gov. Rick Perry (R) didn't pass up the opportunity to take the credit for his state's economic success in announcing his candidacy for the presidency this month in South Carolina, pointing to his policies of low taxes, limited government spending and regulatory restraint as "a recipe to produce the strongest economy in the nation" and one that could turn the national economy around too.

Examples of that recipe include the medical tort reform he pushed through to encourage the continued expansion of the health care industry, the enterprise fund he established to provide incentives for businesses to expand and the real estate taxes he cut to make the state's housing more affordable, as well as the pledge he secured from the Republican-led Legislature not to raise taxes to close the state's \$27 billion deficit.

But some economists and Perry critics say it's the state's oil and gas boom and not Perry's leadership that is responsible for the state's relative economic prosperity, and the Texas model, whatever Perry's role in creating it, couldn't be applied to the nation's tougher economic problems.

"Because the Texas economy has been prosperous during his tenure as governor, he has not had to make the draconian choices that one would have to make in the White House," said Bryan W. Brown, chairman of the economics department at Rice University.

During Perry's tenure, the price of a barrel of oil has risen from \$25 to as high as \$147 in 2008, and the price has generally remained over \$80 a barrel the last two years. Technological innovations in drilling, meanwhile, have opened up new gas and oil fields across the state, creating tens of thousands of jobs. The industry also now generates \$13 billion a year in tax revenues, about 40 percent of the state's total income.

"He's been lucky," said Bernard L. Weinstein, Associate Director of the Maguire Energy Institute at Southern Methodist University in Dallas. "Obviously, neither the governor nor public policy in Texas has pushed oil prices up, and clearly the technological innovation has created a whole new industry in Texas."

The state has also benefited from trade between the United States and Mexico, which has grown by 60 percent since Perry's inauguration in 2000 and last year alone sent more than \$100 billion worth of goods through Texas ports and border crossing points. Federal spending in the state has more than doubled over the past decade to

The week in session

States in Regular Session: CA, MI, NJ, PR

States in Recess: CT, DC, NC, NH, NY, PA, WI

States in Special Session: CA "a", GA "a", UT "b", WV "b"

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

States in Informal Session: MA

States in Skeleton Session: OH

In Pro Forma Session: US

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", WI "a", WV "a"

Letters indicate special/extraordinary sessions

— Compiled By OWEN JARNAGIN
(session information current as of 8/19/2011)
Source: State Net database



over \$200 billion annually as well. And a string of governors, who learned the lessons of the recession of the late 1980s, when oil and housing prices plummeted and savings and loan institutions had to be bailed out by the federal government, worked to strengthen the state’s economy well before Perry’s arrival in the governor’s office.

But Talmadge Heflin, director of the Texas Public Policy Foundation’s Center for Fiscal Policy and a former Republican state representative, said Perry has been “a promoter of stability in regulatory policy and stability in spending.”

“That gives him something to show for whatever he runs for,” he said.

Whether voters believe Perry and his supporters’ take on the state’s success or that of his critics may ultimately determine whether the Texas model is tried on a national scale. (NEW YORK TIMES)

BUDGETS IN BRIEF: The administrative arm of the **MICHIGAN** Supreme Court is recommending the state cut more than four dozen judicial positions to help address its budget problems. In a statement issued last week, the court’s administrative office suggested the Legislature eliminate 45 trial-court judgeships and four appellate court judgeships, about 8 percent of the state’s total judgeships (WALL STREET JOURNAL). • **RHODE ISLAND** is giving residents first crack August 22nd and 23rd at a \$169 million sale of tax-free, general obligation bonds. Some are questioning the move given the state’s pension woes and the Central Falls municipal bankruptcy declaration, which has been drawing national attention (PROVIDENCE JOURNAL). • Medicaid is now offering bigger prescription drug discounts than Medicare, according to a new report from the Inspector General of the U.S. Health and Human Services Department. Medicaid discounts, which have been growing since 2006, reached 45 percent for most brand name drugs as of 2009, while those for Medicare reached only 15 percent (STATELINE.ORG). • Citing heavy debt and benefits obligations, Fitch Ratings lowered its rating of **NEW JERSEY**’s general obligation bonds from AA to AA–, the same rating **KENTUCKY** and **MICHIGAN** have. Only **CALIFORNIA** and **ILLINOIS** have lower Fitch ratings (NEW YORK TIMES).

– *Compiled by KOREY CLARK*



Politics & leadership

O **HIO REPUBLICANS BACKPEDAL ON UNION BILL:** Five months ago, Ohio Gov. John Kasich (R) and Republican lawmakers pushed through Senate Bill 5, restricting public employees’ collective bargaining rights, banning them from striking and requiring them to pay a larger share of their health

care costs and pension contributions. But now Kasich and GOP legislative leaders are asking union officials to sit down and talk about changing the measure.

“We have a fleeting opportunity in Ohio to take the higher road. We are prepared to move forward immediately with legislative action to implement any agreement on changes we are able to reach together,” Kasich, House Speaker William Batchelder and Senate President Tom Niehaus wrote in a letter to public employee union leaders last week.

The Republicans said the reason for their change of heart is to avoid a divisive fight over Issue 2, a referendum on SB 5 scheduled for the state’s Nov. 8 ballot.

“I hate what is about to happen here,” said Batchelder. “There’s going to be the damndest mess anybody ever saw in terms of relationships between government and employees.”

Jay McDonald, president of the Fraternal Order of Police of Ohio said, “Absolutely, we are willing to go to the table, but we are asking that they repeal the bill first.”

Melissa Fazekas, spokeswoman for We Are Ohio, the coalition of labor groups that collected nearly 1.3 million signatures to put SB 5 up for a referendum vote, was a little less diplomatic.

“They need to come back and repeal the entire bill. Bottom line,” she said. “... Unless they come back and repeal the entire bill, there is no conversation.”

One reason for her inflexibility — and the opposite tendency among Republicans — may be a Quinnipiac University poll released last month that showed 56 percent of Ohio voters favor the repeal of SB 5 while only 32 percent support it.

Kasich actually doesn’t seem too optimistic about reaching a deal, although he sees value in trying.

“Just because we talk doesn’t mean we work it all out,” he said at a press conference. “But I think the public would like us to sit down and all talk. And, we’re willing to do this. Plain and simple. We’ll see where this goes.”

The author of SB 5, Sen. Shannon Jones (R), appears to share that perspective.

“I think Issue 2 is going to pass but that doesn’t mean you can’t continue to make overtures to get people to talk,” she said. (DAYTON DAILY NEWS)

DEMS WIN FINAL TWO RECALL RACES IN WI: Wisconsin’s recall elections came to an end last week with the survival of two Democratic senators targeted for fleeing the state in February in an unsuccessful attempt to block Gov. Scott Walker’s (R) anti-union policies.

“Voters apparently think that was more of a good thing than a bad thing,” said Sen. Jim Holperin of Conover, who defeated Tea Party Republican Kim Simac of Eagle River.

In the other race, Sen. Bob Wirth of Pleasant Prairie beat Kenosha attorney Jonathan Steitz.



Despite failing to take control of the Senate as they'd hoped, the Democrats were satisfied with their performance in the nine recall elections overall, winning all three of the races in which Democratic incumbents were targeted and claiming two of the six aimed at unseating Republicans.

"It's really hard to go five for nine and not be pleased of the progress that we made," said Wisconsin Democratic Party Chairman Mike Tate.

The Democrats now intend to move ahead with their plans to recall Walker next year, galling some Republicans.

"The problems facing our state are too serious for these political games, and the Democrats' permanent campaign cycle," Senate Majority Leader Scott Fitzgerald (R) said in a statement. "The Democrats need to start working with the other side of the aisle, not just moving on to their next recall target." (POST-CRESCENT [APPLETON])

LEWIS KICKED OFF NJ BALLOT —

AGAIN: Former star Olympic athlete Carl Lewis has been booted from a New Jersey election ballot for the second time — and by the same person, Lt. Gov. Kim Guadagno (R).

Guadagno previously removed Lewis, who is running for the state Senate, from the primary ballot, because of questions about whether he meets the state's residency requirements. Lewis appealed her decision, and U.S. District Court Judge Noel Hillman ruled against him. But a federal appeals panel sent the case back to Hillman with instructions to rule on a different aspect of it and ordered Lewis' name to be put back on the primary ballot in the meantime. Lewis went on to win the race uncontested.

Guadagno has now removed Lewis' name from the November general election ballot. She explained the reason for her action in a letter filed in federal court last week.

"Although the United States Court of Appeals for the Third Circuit ordered Mr. Lewis' name to appear on the primary ballot, that order was carefully circumscribed and limited only to the primary ballot — the sole issue before the Third Circuit at the time of its order," she wrote.

Lewis said he wasn't really surprised.

"It's pretty clear the court wanted me on the ballot. We knew that. It's very clear. Now here we are, time number two," he said. "It doesn't faze me one bit.

Upcoming elections

8/18/2011 - 9/8/2011

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 & 46 (GOP)
Constitutional Officers:
Governor (DEM), Treasurer (GOP)

Virginia Primary Election

House (All)
Senate (All)

08/30/2011

Alabama Special Primary
House Districts 45 and 48

South Carolina Special Election

House District 10

09/06/2011

New Hampshire Special Election
House District Rockingham 14



It's the same script, same cast. 'We can't win this way so let's just do it anyway.'
It's amazing."

Lewis' attorney, William Tambussi, said he would ask Hillman, who has yet to rule on the appeals court's directive, to order Lewis back on the ballot. The deadline for printing the general election ballots is September 19th. (STAR-LEDGER [NEWARK])

POLITICS IN BRIEF: Democrats have lost their voting majority in **LOUISIANA** for the first time since 1957, when the state first started tracking voter registrations. Republican and other party registrations now constitute a majority of the state's 2.8 million voters (ADVOCATE [BATON ROUGE]). • U.S. District Judge Myron Thompson ordered a new trial for the seven remaining defendants in the **ALABAMA** state House vote-buying case after jurors deadlocked two weeks ago on many of the counts in the first trial. Prosecutors are now considering splitting up the defendants and trying them in three separate cases (BIRMINGHAM NEWS). • Public employees in **CONNECTICUT** voted overwhelmingly last week to ratify the labor savings and concessions agreement Gov. Dannel P. Malloy (D) has been seeking to help close the state's \$1.6 billion projected budget gap over the next two years. The turnaround on the deal unionized state employees rejected in June came after union leaders and administration officials clarified language on health care and other issues that had been major concerns for many workers (HARTFORD COURANT).

— *Compiled by KOREY CLARK*

Governors

BROWN NOT OPEN TO CHANGING HISTORIC CA TAX LAW:
California Gov. Jerry Brown (D) rejected a call from Los Angeles Mayor Antonio Villaraigosa (D) to convene a commission tasked with reforming the Golden State's iconic Proposition 13, the voter-approved 1978 ballot measure that capped all residential and commercial property tax rates at no more than 2 percent annually.

In a speech last Tuesday to the Sacramento Press Club, Villaraigosa, a former Assembly Speaker, challenged Brown to "test the voltage" on what has frequently been called the Third Rail of California politics. He urged the governor and lawmakers to seek a "grand bargain" with California business owners by overhauling a law he says "has had the unintended effect of favoring commercial property owners at the expense of homeowners." That bargain, he said, would leave the annual tax caps in place for homeowners while removing them on commercial properties, a



change he said would, in concert with other amendments to the state’s tax code, generate as much as \$36 billion in new revenue annually. He proposed that half of those funds could subsequently be used to fund education, with the other half going to cut taxes on homeowners, which he claimed would have the ancillary benefit of spurring the dormant housing market.

Villaraigosa also framed his request in moral terms, calling the reformation of Proposition 13 vital to alleviating “the unfairness in a system that allows Wall Street hedge fund managers to devise complex real estate investment trusts that give the super rich a free pass on the taxes every ordinary homeowner in California has to pay.”

The proposal drew immediate harsh criticism from the Howard Jarvis Taxpayers Association, the organization named for Proposition 13’s late author. Jon Coupal, the group’s president, called Villaraigosa’s proposal an underhanded attempt by public employee unions to raise taxes.

“Unless they’ve changed their tune, we believe the public employee unions just want more revenue and that’s pretty clear in their agenda and that’s contrary to what businesses and families want,” he said.

Brown wasn’t as dismissive, but he was also not interested in joining Villaraigosa’s crusade.

“I’m not planning to join (Villaraigosa), but I certainly welcome the debate,” Brown told reporters after a speaking engagement last Wednesday, adding, “I will focus my attention on ensuring financial stability and making the state more efficient.”

Later that day, Brown announced he had named former Bank of America executive Michael E. Rossi as the state’s jobs czar — officially dubbed a “senior jobs advisor” — tasked with being a conduit between the state’s business and labor leaders and his administration. According to a statement from Brown’s office, Rossi will be responsible for helping to “streamline and invigorate the state’s economic development infrastructure; and he will advise Governor Brown on regulatory, legislative and executive actions needed to drive job growth.”

With unemployment still hovering around 12 percent, second highest in the nation (to Nevada), job creation has jumped to the top of many California lawmakers’ agenda of late. In July, Lt. Gov. Gavin Newsom (D) released his own job creation plan, which he dubbed a “growth and competitiveness agenda.” Senate pro Tem Darrell Steinberg (D) has also indicated he would make reforming the state’s regulatory environment his top priority for the remaining few weeks in this year’s legislative session.

Brown’s appointment of Rossi drew mostly praise from business and labor leaders. But others warned that California’s economic future remains uncertain as long as the national economy continues to lag.

In case you missed it

One of the nation’s major credit rating agencies has downgraded the federal government’s long-standing AAA rating. That’s not good for the feds, but whether it hurts the states is open to debate.

In case you missed it, the article can be found on our website at

http://www.statenet.com/capitol_journal/08-15-2011/html#snj

“Governors have almost no short-term levers or tools,” Stephen Levy, director of the Center for Continuing Study of the California Economy, told the *Los Angeles Times*. “They can’t change interest rates, can’t make international trade policy and can’t run deficits.” (LOS ANGELES TIMES, CALIFORNIA GOVERNOR’S OFFICE, STATE NET, SACRAMENTO PRESS CLUB, ASSOCIATED PRESS)

CUOMO SIGNS ETHICS REFORM INTO LAW: New York Gov. Andrew Cuomo (D) signed SB 5679, the “Public Integrity Reform Act of 2011,” last week. The measure, among several things, enacts strict lobbyist disclosure requirements, creates the new Joint Commission on Public Ethics and substantially increases penalties for violating the state’s ethics laws. In a statement, Cuomo called the law “a major step forward” and “an aggressive new approach to returning integrity to the halls of our Capitol.” The statement also took lawmakers to task for previous transgressions, saying the Empire State’s reputation “has been widely discredited through corruption, a lack of independent ethical oversight, and a failure to require more robust disclosure of outside income sources.”

Some lawmakers, however, contend the measure does not go far enough. Sen. Liz Krueger (D) complained that a provision in the statute that requires lawmakers convicted of a felony to forfeit their pensions will apply only to those elected in the future, while current or former officeholders found guilty of criminal acts will legally collect their entire retirement savings. Even so, Krueger praised the governor for pushing the Legislature to take at least some action to rein in corruption, saying, “I give the governor kudos for getting us this far.” (NEW YORK GOVERNOR’S OFFICE, WXXI.ORG [ROCHESTER])

GOVERNORS IN BRIEF: The **FLORIDA** Supreme Court ruled that Gov. Rick Scott (R) overstepped his legal authority when he issued EO No. 11-01, which ordered all Sunshine State government agencies to freeze all rules and regulations until he had personally reviewed them. The court said Scott had “overstepped his constitutional authority and violated the separation of powers.” The court did not lift the order, but it did rule that it “will not be enforced against an agency” unless state lawmakers give Scott that specific power. Scott called the ruling “disappointing” (ST. PETERSBURG TIMES). • **NEVADA** Gov. Brian Sandoval (R) rejected a request to block the Silver State’s first-ever legal black bear hunt. In a statement, Sandoval’s office said the governor “believes the bear hunt regulation was adopted according to scientific standards and the commission’s normal process for introducing a new tag of this kind” (RENO GAZETTE-JOURNAL). • **NEW JERSEY** Gov. Chris Christie (R) rejected calls from the Garden State NAACP to cancel a new class of State Police recruits after only five African-Americans were selected for the academy. Christie said he and other state officials were “very mindful” of the situation, but claimed the shortfall in minority recruits was due to a delay in the selection process caused by

the state's budget problems, which he said prompted many candidates to seek other opportunities (STAR-LEDGER [NEWARK]). • **OKLAHOMA** Gov. Mary Fallin (R) said she planned to call on Sooner State legislators to replenish the state's emergency fund so cities, towns, counties and electric cooperatives may be reimbursed for responding to extreme weather events. Fallin said the state has failed to pay more than \$36 million in bills to those entities for costs related to tornadoes, fires and storms since 2007 (OKLAHOMAN [OKLAHOMA CITY]).

— Compiled by RICH EHISEN

Hot issues

B **BUSINESS:** The **CALIFORNIA** Senate gives final approval to SB 111, which would prohibit businesses from requiring or banning the use of any specific language unless it provides notice of circumstances in which the restrictions are merited, such as communicating on the job. The bill is now on its way to Gov. Jerry Brown (D) for review (SACRAMENTO BEE). • **NEW YORK** Gov. Andrew Cuomo (D) signs AB 7392, legislation that requires all state-licensed telephone wagering call centers to be located in the Empire State (NEW YORK GOVERNOR'S OFFICE). • A **NEW JERSEY** Superior Court rules that four of the nation's biggest banks — Bank of America, Citigroup, JPMorgan Chase and Wells Fargo — may resume their uncontested residential mortgage foreclosures in state court. The decision comes almost nine months after the court had ordered over 30 mortgage lenders to submit paperwork explaining how they process foreclosures, including how they review documents, train employees and keep records, over fears the lenders were processing foreclosures with inadequate or incomplete paperwork (STAR-LEDGER [NEWARK]). • **ILLINOIS** Gov. Pat Quinn (D) signs HB 3257, legislation that increases penalties on creditors that loan money to service members or their dependents at an annual percentage rate that is greater than 36 percent. Violators will face fines up to \$10,000 (ILLINOIS GOVERNOR'S OFFICE). • **NEW JERSEY** Gov. Chris Christie (R) signs AB 2342, a measure that requires food concession stands in state government facilities to place "Jersey Fresh" items and "Made with Jersey Fresh" products in prominent locations and to clearly identify them to patrons (NEW JERSEY GOVERNOR'S OFFICE).

CRIME & PUNISHMENT: The **CALIFORNIA** Senate gives final approval to SB 28, which would increase fines for drivers cited for not using a hands-free device when talking on their cell phone while behind the wheel. With local assessments, a

first offense would rise from \$208 to \$328. Repeat offenses would cost offenders over \$520. The measure goes now to Gov. Jerry Brown (D) for review (SACRAMENTO BEE). • **NEW JERSEY** Gov. Chris Christie (R) signs SB 972, which ensures that sexual assault victims are not charged for the cost of forensic examinations. The law takes effect immediately (NEW JERSEY GOVERNOR'S OFFICE).

EDUCATION: **NEW YORK** Gov. Andrew Cuomo (D) signs AB 3518, legislation that greatly expands the list of convictions that disqualify a school bus driver from either permanently or temporarily operating a school bus. Most of the new crimes involve sexual assault or abuse of a child, though negligent homicide and the sale of illegal drugs on school grounds are also on the list (ALBANY TIMES UNION). • **ILLINOIS** Gov. Pat Quinn (D) signs HB 3294, legislation that allows Prairie State schools to stock and use shots to help children having severe allergic reactions by giving them an epinephrine injection (CHICAGO SUN-TIMES).

ENVIRONMENT: **NEW YORK** Gov. Andrew Cuomo (D) signs AB 5318, which requires any entity seeking to withdraw large volumes of water from the state's rivers, lakes, streams and groundwater to first obtain a state permit (ALBANY TIMES UNION). • Still in **NEW YORK**, Cuomo signs AB 8124, legislation that allows local governments to donate surplus computers, software and equipment to nonprofit institutions that work with senior citizens or low-income individuals. Previously, municipalities were restricted to donating computers to schools, libraries and not-for-profits that work with the disabled (ALBANY TIMES UNION). • Also in **NEW YORK**, Cuomo signs SB 5411, which requires state and local transportation agencies in the Empire State to explore designs that will make streets and roadways more accessible to pedestrians, motorists and cyclists. The law applies to any project utilizing both state and federal funds (ALBANY TIMES UNION). • **ILLINOIS** Gov. Pat Quinn (D) signs SB 2193, legislation that creates the Commission on Environmental Justice, tasked with ensuring that minorities and the poor are not disproportionately impacted by environmental pollution. The new commission will make recommendations to the Governor and General Assembly to address environmental justice concerns (QUAD CITY TIMES [DAVENPORT], ILLINOIS GOVERNOR'S OFFICE). • **NEW JERSEY** Gov. Chris Christie (R) signs SBs 2894-2897, which collectively authorize \$90.6 million in grants to counties, towns and nonprofit organizations to preserve Garden State farmland. The bills also fund state-initiated farmland preservation projects (ASBURY PARK PRESS, NEW JERSEY GOVERNOR'S OFFICE).

HEALTH & SCIENCE: The **OHIO** Supreme Court rejects a plea to remove from the Nov. 8th ballot a proposed constitutional amendment aimed at blocking the new federal health care law from being implemented in the Buckeye State. The



court denied the plaintiffs' claim that the initiative's supporters had not acquired the necessary number of signatures to put the issue before voters (CLEVELAND PLAIN DEALER). • **ILLINOIS** Gov. Pat Quinn (D) signs HB 1530, which requires health insurance companies to provide the same coverage for mental health and substance abuse disorders that they provide for all other conditions. The bill takes effect immediately (ILLINOIS GOVERNOR'S OFFICE). • The **CALIFORNIA** Supreme Court rules that persons seeking medical damages can receive awards equal only to the actual amount that the medical providers accepted from an insurance company. Plaintiffs wanted to be able to collect the full amount billed by medical providers, regardless of what insurance carriers actually paid out (SACRAMENTO BEE).

Corrections

Our story "Will federal credit downgrade hurt states?" in the August 15th issue of SNCJ referenced Prince William County, Virginia as being in Maryland. We regret the error.

IMMIGRATION: U.S. Homeland Security Secretary Janet Napolitano announces her agency will launch a case-by-case review of 300,000 cases pending in immigration courts across the nation, and may halt potentially thousands of those cases if they do not involve serious crimes. Under the new policy, unauthorized immigrants classified as low-priority cases could receive a stay of deportation and the chance to apply for a work permit. Officials say federal prosecutors will now practice "prosecutorial discretion" to focus on serious criminal offenders and generally stop the practice of deporting immigrant children who have graduated from a U.S. high school or serve in the military (BOSTON GLOBE, NEW YORK TIMES).

SOCIAL POLICY: **ILLINOIS** Gov. Pat Quinn (D) signs HB 1317, which permanently relieves people with serious behavioral disorders and other disabilities from serving jury duty. The law goes into effect in January (ILLINOIS GOVERNOR'S OFFICE).

POTPOURRI: The **CALIFORNIA** Senate approves SB 332, which would allow Golden State landlords to prohibit smoking in their rental units. The measure goes to Gov. Jerry Brown (D) for review (SAN JOSE MERCURY NEWS). • **ILLINOIS** Gov. Pat Quinn (D) signs HB 180, which expands the state's ban on protests outside military funerals from 200 feet to 300 feet (QUAD-CITY TIMES [DAVENPORT]).

— *Compiled by RICH EHISEN*

Once around the statehouse lightly

GET YOUR, UH, BURRO IN GEAR: Have you ever considered taking a 20 mile-plus run at altitudes reaching 13,000 feet, all while pulling, pushing or otherwise prodding a stubborn burro carrying over 30 pounds on its back? Me either, but it apparently is all the rage these days in Colorado. Borne from the frantic efforts of miners to register claims during the Gold Rush, modern burro racing returned in the late 1940s and has since grown by leaps and bounds. So much so, in fact, its advocates are looking to have it named the state's official sport. As the *Wall Street Journal* reports, Colorado Rep. Tom Massey says he will introduce legislation to that effect in the next session. Advocates might take heed, however, of what happened a few years back when they first attempted to gain recognition as only the Centennial State's "official summer sport." Lawmakers liked the idea of naming an official sport...but chose only to name skiing and snowboarding the official *winter* sports, leaving burros out in the cold.

NOTHING SAYS 'EXCITEMENT' LIKE THE DMV: Or so thinks aspiring Hollywood mogul Ashton Kutcher. As the *Sacramento Bee* reports, the actor, best known for goofball comedy roles and being married to Tinseltown megastar Demi Moore, has signed on to co-produce a new reality television show, "California DMV: Field Offices." The show is set to run four episodes on TruTV, though no premier date is set quite yet. Given Kutcher is set to replace Charlie Sheen on the lowbrow CBS sex comedy "Two and a Half Men" this fall, maybe he was just looking to be attached to something on the opposite end of the raciness scale.

NOT WHAT YOU'D CALL THE HARD SELL: Bargain hunters, boy has New Hampshire got a deal for you. As the *Manchester Union Leader* reports, state transportation officials are trying to unload the Memorial Bridge in Portsmouth for the princely sum of \$1. They'll even toss in \$2 million to help the buyer take it home. If nobody bites, the structure will be torn down to make way for a new \$90 million span set to take its place. Officials say the bridge is so rickety it has already been closed to all but foot and bicycle traffic, and even that makes some folks nervous. So why not just tear it down now? Because it qualifies for the National Register of Historic Structures, meaning officials are required to first try selling it. Optimism is not high: Mark Richardson, administrator of the state bridge design bureau, says not a single offer has come in. Bidding is open until the 25th.



HOW'S THAT AGAIN? Political types are known to occasionally stretch the facts a bit if doing so helps them make a point. But Pennsylvania Rep. Mike Sturla may be turning reality into saltwater taffy. As the *Pittsburgh Post-Gazette* reports, Sturla recently linked a rise in sexually transmitted diseases in north central Pennsylvania with the Keystone State's recent boom in Marcellus Shale natural gas drilling. As he sees it, the drillers have stormed in "in a Wild West way" and spread STDs "among the womenfolk." His comments drew immediate condemnation on two fronts: those who support more drilling and others annoyed over his use of the term "womenfolk." Sturla kinda-sorta apologized for the latter, though he insists the number of syphilis and gonorrhea cases is actually rising. Local docs say he isn't wrong about that, but as of now there is no verifiable reason for that increase.

— *By RICH EHISEN*



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