

Hope or Hopeless?



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September 12, 2011

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

Top Story

Last week, President Obama unveiled a jobs plan that could potentially pump hundreds of billions of dollars into the economy and state and local governments from further layoffs. But getting it through Congress may prove the toughest job of all.

SNCJ Spotlight

Will President Obama's jobs plan boost states?

President Barack Obama unveiled a \$447 billion jobs proposal last week that has as its centerpiece a continued reduction of Social Security taxes for employees and is expanded to include a portion of the Social Security taxes paid by employers. It also contains a collection of tax incentives, infrastructure spending and direct aid to state and local governments. If successful, the American Jobs Act could provide states with much needed help as many continue to struggle through the nation's ongoing economic downturn. Republicans greeted the proposal in a mostly conciliatory fashion but it

remains to be seen if the plan has enough support to get through the Republican-controlled U.S. House of Representatives.

To help curry that support, the president turned to a policy choice he did not initially favor: extending and increasing a temporary cut in payroll taxes for workers. The rate dropped to 4.2 percent under last December's budget deal and was scheduled to return to 6.2 percent at the end of the year, but would instead go to 3.1 percent for another year under Obama's plan. That extension, he said, would mean approximately \$1,500 to the average American household.

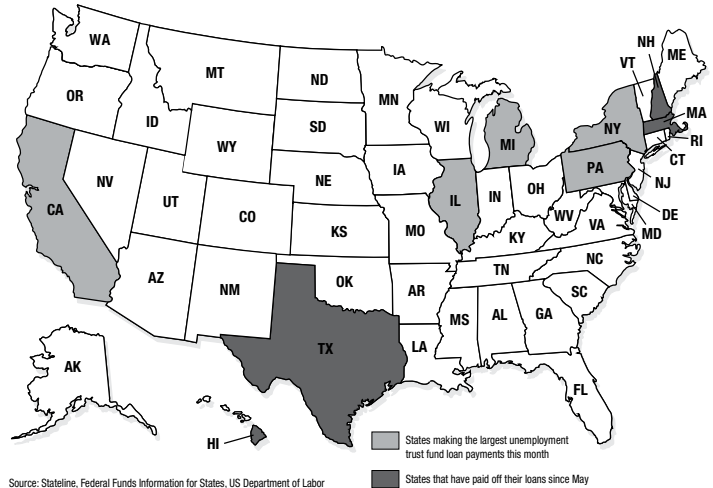
The president said he also wants to extend the same tax break to small businesses, granting the same 3.1 percent rate on a company's first \$5 million of payroll in 2012. The White House emphasized that extending the

cut to employers was directly aimed at helping smaller businesses, noting that about 98 percent of American companies have payrolls under \$5 million. The president's proposal would additionally eliminate payroll taxes entirely for companies that add new workers or increase the wages of current workers. That new break would also have limits, being applied to just the first \$50 million of a firm's payroll increases as compared to the company's prior year.

The president's proposal also called for extending other business tax cuts, most notably tax credits for companies that hire unemployed veterans or workers who have been unemployed for six months or more. It would also invest significant federal dollars into major infrastructure projects, including building and repairing roads, rails, airports and schools, while creating a national jobs training program modeled after a state initiative in Georgia that allows workers who are receiving unemployment benefits to be trained for jobs at businesses at no cost to the employers. Additional measures were proposed to help distressed homeowners to refinance mortgages.

Most important to states, the plan would also provide financial aid both to state and local governments to help avert more layoffs of teachers and emergency

Bird's eye view



\$1B-plus in unemployment insurance loan payments due

Before the end of this month, 28 states will have to make their first interest payments on the money they borrowed from the federal government to keep their unemployment insurance programs running. Those loan payments, according to a May estimate by Federal Funds Information for States, total \$1.3 billion for the month, with the combined principal topping \$36.8 trillion. California, which owed \$8.5 billion as of August 30, will write the biggest check: \$317 million. Four states, however, have paid off their loans since May.





first responders. States were also offered another potentially critical tool: the ability to use unemployment insurance funds to make up for wages lost by workers whose hours were cut back in lieu of a layoff and for workers 50 and older who took a lower-paying job after a layoff. The proposal would also incorporate those changes along with a one-year continuation of extended unemployment benefits due to expire December 31st, which cover jobless workers for up to 99 weeks.

Observers say the payroll tax, if extended to employers, could pump over \$200 billion into the economy by sparking a much-needed demand for goods and services from both consumers and businesses, and giving companies an additional incentive to hire new workers. Economists also caution that not extending the tax break could have the opposite effect.

“We are looking at a substantial fiscal drag on the economy next year as the spending cuts take hold and state and local governments continue to contract,” said Brookings Institution economist Karen Dynan. “If this tax cut expires, that’s going to take a lot of money out of people’s pockets and that is going to slow consumption substantially in the first part of next year.”

Moody’s Analytics, Inc. concurred, saying that allowing the payroll tax cut to expire could cost the nation a half-percent of economic growth in 2012. In contrast, Mark Zandi, Moody’s chief economist, said adopting the American Jobs Act in total would add 2 percentage points to economic growth next year and cut unemployment by 1 percent.

Leading up to the speech, the president was known to prefer pure spending measures, like aid to states and local governments, over the tax cut extensions, ostensibly due to the feeling that such spending gives consumers more liquid capital, which they then pump back into the economy. In contrast, tax cuts such as those given during the Bush administration to the nation’s wealthiest residents tend to end up being squirreled away rather than spent.

Although several high profile Republicans opted not to attend the President’s speech, including Sen. David Vitter (R-Louisiana) and Sen. Jim DeMint (R-South Carolina), some House GOP leaders — perhaps wary of soon sharing the blame for the weakening economy that polls show is currently being lavished on the president — expressed interest in the proposal.

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: 37

Number of Intros last week: 297

Number of Enacted/Adopted last week: 226

Number of 2011 Prefiles to date: 36,769

Number of 2011 Intros to date: 132,716

Number of 2011 Session Enacted/Adopted overall to date: 45,071

Number of Measures currently in State Net Database: 151,513

— Compiled By JAMES ROSS
(measures current as of 9/7/2011)
Source: State Net database



House Majority Leader Eric Cantor (R-Virginia), one of the most vocal proponents of spending cuts over any kind of tax hike, even acknowledged that the GOP's emphasis on cutting government has done little to help the economy grow.

"We've been about cut and grow. The fact is for the last eight months plus, we've been about cuts," Cantor said prior to Obama's speech last Thursday. "That's why it is imperative that all of us join together, work with the president, to see how we can grow this economy."

Cantor also softened what has often been a particularly harsh tone toward the president.

"I don't question the president's motives or his commitment to the country now," he said. "I believe that all of us, both sides, are trying to do what's best for the country."

House Speaker John Boehner (R-Ohio) echoed that sentiment, telling reporters in the hours before the President's speech, "We know that the two parties aren't going to agree on everything, but the American people want us to find common ground, and I'll be looking for it."

Whether he finds it may depend on how much faith his colleagues have in the president's claim that "Everything in this bill is paid for. Everything." To that end, Obama called on the Congressional "supercommittee" charged with cutting \$1.5 trillion from federal spending to also find cuts to pay for his jobs proposal. But in doing so, he again referenced two longstanding objectives — closing corporate tax loopholes and ending the Bush tax cuts — that Republicans have steadfastly refused to endorse.

In that regard, the president took a more forceful tone than at any time in recent memory, forgoing his often-professorial style to repeatedly and emphatically urge lawmakers to end "the political circus" and pass his proposal posthaste. He also vowed to reveal within the next few weeks his own proposal for trimming \$2 trillion from the federal budget.

Obama also made it clear he was going to keep the pressure on Republicans in the coming weeks.

"I intend to take that message to every corner of this country. I also ask every American who agrees to lift your voice and tell the people who are gathered here tonight that you want action now. Tell Washington that doing nothing is not an option."

In that regard, the president seems to be taking a page from Harry Truman, who in 1948 waged a successful campaign to paint "the do-nothing 80th Congress" as an obstructionist entity that was blocking economic progress. That plan worked for Truman's re-election effort as he upset the favored Thomas Dewey that fall. Obama,

Upcoming stories

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

- **Education**
- **Health care**
- **The Economy**



clearly thinking ahead to his own re-election effort to come, just as clearly implicated the toxicity of Washington politics for the country's ongoing economic malaise.

"The next election is 14 months away," he said. "And the people who sent us here — the people who hired us to work for them — they don't have the luxury of waiting 14 months."

The biggest hurdle, however, may not be House Republicans. While the nonpartisan Congressional Budget Office says the president's 2009 \$825 billion stimulus plan did create a significant number of jobs — and likely saved millions more — unemployment remains stuck at over 9 percent. Convincing lawmakers and the public to go along with what essentially adds up to another \$450 billion in stimulus spending may well prove to be the president's toughest challenge yet.

(WASHINGTON POST, NEW YORK TIMES, LOS ANGELES TIMES, DETROIT FREE PRESS, ASSOCIATED PRESS, BLOOMBERG BUSINESSWEEK, USA TODAY)

— *Compiled by RICH EHISEN*

Budget & taxes

R I CONSIDERING RADICAL PENSION REFORM: Estimated at somewhere between \$6.8 billion and \$9 billion, Rhode Island's unfunded pension liability is far from the largest in the country. That dubious distinction belongs to California, with an unfunded liability of \$59.5 billion, according to a 2010 study by the Pew Center on the States. But with barely a million residents, Rhode Island does have the largest pension liability *per capita*, or so says its state treasurer. And state lawmakers are now considering some extreme measures to deal with that problem.

Traditionally states have addressed their pension troubles by reducing benefits for new hires while leaving those for current employees untouched. But with states facing a combined \$1 trillion in unfunded pension liabilities, by Pew's 2010 estimate, and the economy continuing to stifle government tax collections, states are starting to get more aggressive about pension reform, including targeting the benefits of those already in retirement. Last year, Colorado, Minnesota and South Dakota lowered cost-of-living adjustments for current retirees in their public pension systems, and Maine and New Jersey did the same this year, although all of those changes have been challenged in court.

"We want retirees to be financially secure," said Keith Brainard of the National Association of State Retirement Administrators. "Obviously, if the pension fund becomes insolvent, its ability to continue to pay benefits is imperiled."

The situation is particularly bad in Rhode Island. The state's pension system is only 48 percent funded, and there are fewer employees paying into the system than retirees collecting benefits. Consequently, pension funding is one of the fastest growing items in the state budget, having more than doubled since 2003 and expected to double again to about \$615 million by 2013. On top of that, although the average state pension is about \$25,900 a year, some former workers earn more than current workers in similar jobs.

So the state is now considering not only sharply cutting cost-of-living increases for retirees, but also replacing part of their guaranteed pensions with 401(k)-type plans and lowering retirement payments overall. Lawmakers are expected to take up the proposals during a special session next month.

Union leaders say the proposed changes are too extreme. They contend generous public employee retirement benefits were intended to compensate government workers for the relatively low salaries they receive.

"The type of things they are talking about now is radical change," said National Education Association Rhode Island Executive Director Robert A. Walsh Jr. "If you cut too much, you have taken away the point of a pension."

The state could just stretch out its pension debt calculation or use more optimistic earnings projections like other states have done, union officials say. But State Treasurer Gina M. Raimondo, a Rhodes Scholar, former venture capitalist and the daughter of a factory worker, is intent on restructuring the retirement system in a sustainable way. She's adjusted the investment return and life expectancy projections associated with the pension system to bring them more in line with reality, and she and other officials now say the only way to save that system is to make cuts.

"If we don't reform pensions, mayors in cities and towns across Rhode Island and across the country might as well start turning in the keys," said Allan W. Fung, mayor of Cranston, Rhode Island, which is being pushed toward insolvency by pension costs.

Last month, Central Falls, Rhode Island, a city with a population of 19,000, filed for bankruptcy, in part because of unsustainable pension costs. As a result, the retirement checks of over a hundred former police officers and firefighters have been slashed by more than half.

"For years, people have been saying that pensions are underfunded and benefits may have to be cut," said Raimondo. "But it is no longer a theoretical possibility. It is happening. Now everyone realizes this is really a crisis."

Rhode Island officials know that reneging on pension promises is likely to lead to legal action, but they're encouraged by court rulings in Colorado and Minnesota, which have upheld the benefit cuts implemented there. And some don't see any alternative.

"If we don't put together a workable reform, you are going to see more cities and towns headed toward bankruptcy," said Mayor Fung. (WASHINGTON POST)

ODDS LOOK GOOD FOR MA CASINO BILL:

This is looking to be the year that casinos come to Massachusetts. The votes already appear to be in place to approve legislation (HB 3702) that would authorize three casinos and a slot parlor in the state. The measure is actually the fourth such proposal in as many years, and the votes were there to pass last year's version too. But this time around gambling opponents appear to have few cards to play, while supporters — led by Gov. Deval Patrick (D) — have only strengthened their hand.

When Patrick made his first push for casinos in 2008, he ran into an insurmountable obstacle: House Speaker Salvatore F. DiMasi (D), who single-handedly orchestrated the defeat of Patrick's plan. DiMasi has since resigned and been convicted of federal corruption charges. And no remaining opponent of gambling has the power he wielded.

“Historically, there has always been one person — whether it was a speaker, a governor, or an attorney general — someone on the inside who the advocates could rally around,” said Scott Harshbarger, a former Massachusetts attorney general who now heads Citizens for a Stronger Massachusetts, which opposes the casino bill. “So the groups are just as concerned and just as active, but the question is: How do you mobilize here?”

Last year, there was actually a pair of lawmakers on the inside: then-Rep. Daniel E. Bosley (D), a powerful House committee chairman, and then-Sen. Susan C. Tucker (D). But Bosley gave up his seat in January to run for sheriff of Berkshire County, and Tucker retired the same month, although she remains active on the casino issue.

The few activist groups that oppose casinos operate on shoestring budgets. Casino supporters, meanwhile — which include national gambling interests — have already paid out \$1.14 million in lobbying fees in the first six months of this year. They also have a powerful new ally in the Legislature: Rep. Robert A. DeLeo (D), who took over the speaker's chair in 2009 and persuaded nearly 60 members who voted against casinos under DiMasi to support last year's casino bill. He, Patrick and the other member of Massachusetts' “Big Three,” Senate President Therese Murray (D), endorsed the new casino bill last month, a major disappointment to anti-gambling activists who have been battling against casinos the last three years — and a potential game-ender too.

The week in session

States in Regular Session: MA, MI, NC, NH, PR, US, WI

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

States in Special Session: MO “a”, NM “a”

Special Sessions in Recess: CT “a”, DE “b”, VA “a”

States in Skeleton Session: OH

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

States Projected to Adjourn: CA

States in Special Session Projected to Adjourn: CA “a”

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”, GA “a”, KY “a”, LA “a”, MN “a”, MS “a”, TX “a”, UT “a”, UT “b”, WA “a”, WI “a”, WV “a”, WV “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 9/8/2011)
Source: State Net database

“They are tired,” former Sen. Tucker said of the casino opponents. “It’s so unfortunate that once the Big Three make a pronouncement, people just get resigned to that. And there’s a certain fatigue factor, of being tired of the issue.”

George Bachrach (D), another former state senator who heads the Environmental League of Massachusetts, which does not advocate for or against casinos, doesn’t hold out much hope for the anti-gambling contingent either.

“They’re done; they’re cooked,” he said. “You’re whistling into the wind here if you think you’re going to stop this process.” (BOSTON GLOBE)

CA AUTO INSURERS CHARGING BY MILE: Last year, California’s Department of Insurance gave auto insurance companies the green light to charge customers based on the number of miles they drive, in part to try to reduce traffic on the state’s overcrowded roads and highways. Over 80 percent of the Auto Club of Southern California’s policyholders have already enrolled in mileage-based plans, which have only been available since February. And State Farm, the country’s largest auto insurer, predicted last year that a quarter of its customers in California would opt for the new plans.

The reason drivers like the mileage-based plans is that they can save them money. The Auto Club of Southern California said customers with such policies spend \$68 less per vehicle than those with traditional plans. State Farm’s mileage plan customers receive an initial discount of 5 percent, plus further reductions for cutting down how much they drive.

Bob Devereux, a spokesman for State Farm in California, said the new pricing scheme “puts the customer in the driver’s seat.”

“[Customers] like the fact that they have more control over their future premiums.”

Insurers like the new plans because they enable them to charge individual customers more appropriately. State Farm has been trying to do that in five states — California, Colorado, Illinois, Ohio and Texas — using variations of a program it calls “Drive Safe and Save” that relies mainly on data from OnStar in-vehicle devices. California’s is the only version of the program in which drivers can participate by simply reporting their mileage, which State Farm verifies by contracting with companies that track odometer readings recorded by auto mechanics and dealers. The company plans to roll out the program in additional states, once it receives regulatory approval, according to spokesman Kip Diggs.

“For us,” he said, “it’s where insurance pricing is headed.”

But Diggs said winning over regulators can take time.

“It’s different from the way that insurance has traditionally been sold and the way that it has been priced,” Diggs says. “When you do something different, you have to expect that you’ll have to explain what you’re doing.”

Whether the new policies will actually get people to drive less remains an open question. But if so, there might not only be less traffic on the road but also fewer accidents.



“The fewer miles you drive, from an actuarial standpoint, the less the risk of that individual being in an accident or having a claim of some sort,” said State Farm’s Devereux. (STATELINE.ORG)

CA LAWMAKERS AGREE TO DELAY

AMAZON TAX: California lawmakers have taken Amazon up on its offer to drop its referendum campaign to overturn a new law (AB 28a) requiring Internet retailers with affiliates in the state to collect sales taxes in exchange for delaying the law’s effective date from July of this year until September 2012. Amazon is hoping that will give it enough time to get Washington to settle the contentious issue of Internet taxation.

“It’s a safe harbor for up to a year,” Assemblyman Charles Calderon (D) said of the deal he helped strike with the company last week. “If they can’t get Congress to act by next July, then they will start to collect the tax in September 2012. If by chance they get Congress to act, then that would trump the state law.”

It was unclear, however, whether Gov. Jerry Brown (D) would support the deal. He rejected a previous offer from Amazon to open two distribution centers in the state in exchange for being allowed to put off collecting sales taxes until 2014. (LOS ANGELES TIMES)

BUDGETS IN BRIEF: CALIFORNIA Gov.

Jerry Brown (D) secured the 11th-hour passage of his jobs plan by the state Assembly last Thursday. But with only one day left in the legislative session, he had yet to find the Republican support in the Senate needed to pass the plan, which would raise corporate taxes, mostly on out-of-state companies, by about \$1 billion and funnel that money into tax breaks for in-state businesses and individuals (SACRAMENTO BEE). • **MARYLAND** finished last fiscal year with a nearly \$1 billion surplus, which was over 50 percent higher than projected. The windfall was due to stronger-than-anticipated income tax receipts, according to state officials (BALTIMORE SUN). • **SOUTH DAKOTA** received a considerably smaller windfall last month, about \$11 million. Most of that sum came from credit card banks paying their quarterly estimates of bank franchise tax (ARGUS LEADER [SIOUX FALLS]). • Supporters and opponents of a new income tax on pensions in **MICHIGAN** — a key element of tax reforms approved by Gov. Rick Snyder (R) and lawmakers earlier this year — squared off at the state’s Supreme Court last week. The hearing centered on whether

Upcoming elections

9/7/2011 - 9/28/2011

09/13/2011

Minnesota Special Primary
Senate Districts 46 and 61

Nevada Special Election
US House District 2

New York Special Election
Assembly Districts 23, 27, 54, 73, 116
and 144 US House District 9

09/20/2011

Florida Special Primary
Senate District 1

Georgia Special Election
House District 43

Massachusetts Special Election
House District 12th Bristol

Massachusetts Special Primary
House District 3rd Berkshire

New Hampshire Special Election
House District Hillsborough 3

09/27/2011

South Carolina Special Election
House District 100

Tennessee Special Primary
Senate District 6



provisions of the law exempting income below certain levels and pensioners above certain ages violate the state constitutional ban on a graduated income tax (DETROIT FREE PRESS). • ILLINOIS Gov. Pat Quinn (D) announced last week that he has begun the process of closing seven state institutions — including a prison in Lincoln, a youth prison in Murphysboro and several facilities for the mentally ill and disabled — that employ over 1,900 people to bring state spending in line with the reduced budget approved by the Legislature. Those closures and resulting layoffs, however, reportedly violate a deal Quinn negotiated with the local chapter of the American Federation of State, County and Municipal Employees, which will likely sue to enforce that agreement (CRAIN’S CHICAGO BUSINESS).

— Compiled by KOREY CLARK

Politics & leadership

QUID PRO QUO ON NJ UNION BILL? According to a recording released last week by *Mother Jones* magazine, New Jersey Gov. Chris Christie (R) told an audience of conservative donors and politicians gathered at a retreat in Vail, Colorado in June organized by the Koch brothers that Assembly Speaker Sheila Oliver (D) asked him to rally Republican support for her in the Assembly to keep her from being ousted from the speakership by her fellow Democrats for supporting his plan to cut public-worker benefits. That plan was ultimately approved, due at least in part to the support of Oliver and Senate President Stephen Sweeney (D), who broke ranks with their party’s majority.

In his June 26th speech, Christie said Oliver had called him before the Assembly vote on the proposal and said, “I want to post the bill, but I think when I go on the floor, my own party’s going to take a run at me to remove me as Speaker.”

Then, according to Christie, she said: “I think the only way I survive is if the 33 Republicans in the chamber will agree to vote for me for Speaker. Can you work it out?”

“Gov. Christie is more mentally deranged than some of us thought.”

The governor told the audience he then met with the Republican Assembly caucus and told the members: “Probably for the only time in my governorship I’m going to actually ask you to vote for a Democrat...So if they take a run at her on the floor, I need all of you to vote for her for Speaker.” After that meeting he said he spoke with Oliver on the phone and told her she had Republican support if a coup occurred, to which she reportedly responded: “Well, you just got yourself a bill.”

The coup attempt never came, but some Democrats expressed concern about the implication of a quid pro quo between Oliver and the governor.

“It’s troubling on many levels,” said Assemblyman John McKeon (D). “This should always be about doing the right things, not power politics.”

But others were skeptical of Christie’s account.

“When Gov. Christie is trying to impress people, he is prone to exaggeration, and often tells only part of the story,” said Assemblyman John Wisniewski (D).

Oliver said much the same thing herself.

“Gov. Christie was putting a show on for a room full of billionaire donors,” she said.

But she had a few other things to say as well, including, “That’s a blatant lie” and “Gov. Christie is more mentally deranged than some of us thought.”

Christie, however, repeated the details of his speech at a press conference in Atlantic City last week, and his spokesman, Michael Drewniak, said later that the governor “stands by his account.” (STAR-LEDGER [NEWARK])

COURTS PLAYING BIG ‘CHECKS AND BALANCES’ ROLE THIS

YEAR: In a year in which Republicans have expanded their majorities in many states — and Democratic power has withered — the courts are increasingly being called upon to fill the roll previously played by divided governments.

In Kansas, for instance, which elected a new Republican governor, Sam Brownback, last fall, and where the GOP’s ranks in the Legislature swelled to a 124-to-41 supermajority, a series of anti-abortion bills, including those that had been derailed by the Democratic minority in previous sessions, were enacted at a rapid pace. But in recent weeks, federal judges have issued injunctions blocking two of those laws from taking effect, pending lawsuits filed against them. Courts have also imposed injunctions against all or parts of laws restricting abortions in South Dakota and Texas, cutting funding for Planned Parenthood in Indiana and North Carolina, and stepping up immigration enforcement in Alabama and Georgia.

“As a supermajority, they didn’t have to listen to us,” said Rep. Marcel Black, a six-term Democrat in Alabama, where Republicans not only took control of the Legislature for the first time in more than a century, but also now have a supermajority. “But now they’re having to listen to the courts.”

Kansas’ Republican Secretary of State, Kris W. Kobach, said the November election opened the dam for conservative legislation, and as a result, “liberal groups have been quicker than usual to rush to the courthouse doors.”

Walter Olson, a legal fellow at the libertarian Cato Institute, said, “Some of these bills have been extreme enough to make it not surprising that the courts will take a skeptical view.”

Peter B. Brownlie, president of Planned Parenthood of Kansas and Mid-Missouri, meanwhile, said he finds it “irresponsible” that “elected officials are passing



legislation that they should know is illegal and wasting taxpayer dollars going to court to defend things that are not defensible.”

But Republicans may have little to lose politically in pushing their agenda. At the very least they are determining what their legal boundaries are.

“We are testing the waters,” said freshman Texas Rep. Marva Beck, part of a Republican wave that gave the party its first supermajority in that state this year.

And Olson seems to think the Republicans may actually get much of what they’re seeking.

“When it’s sorted out, they will probably have gained some ground and the courts will probably have approved some of the restrictions, if not all of them.”

But even if the rulings don’t go the GOP’s way, they’re only likely to bolster conservatives’ longstanding claim that judges are merely liberal lawmakers in robes, a view which undoubtedly helped oust three Iowa Supreme Court justices last year who ruled that same-sex marriage was legal.

“I think at some level they don’t care about the judicial response,” said University of Texas law professor Sanford V. Levinson. “If it’s upheld, that’s great for them. If it’s struck, it adds to the critique of the so-called imperial judiciary.” (NEW YORK TIMES)

POLITICS IN BRIEF: Candidates for state, parish and local offices in **LOUISIANA**, including the state’s seven constitutional offices and 144 newly drawn legislative districts, officially signed up to run last week. The state will hold its “jungle primary” on October 22nd, with the top two candidates for contested offices advancing to the general election on November 19th and any candidates receiving over 50 percent of the vote winning outright (TIMES-PICAYUNE [NEW ORLEANS]). • **NEW MEXICO**’s Legislature convened in special session last week primarily to draw new boundaries for congressional, legislative and other districts (SANTA FE NEW MEXICAN).

– *Compiled by KOREY CLARK*

Governors

S COTT ON MISSION TO REPEAL THOUSANDS OF STATE RULES: Florida Gov. Rick Scott (R) said he wants Sunshine State lawmakers to do away with more than 1,000 state regulations when they return to session in January.

The rules in question are usually drawn up by state agencies as a means of implementing laws passed in the Legislature. Lawmakers, for example, passed legislation earlier this year (SB 736) that requires a portion of new Florida public



school teachers' pay to be determined by their students' performance. But figuring out how to make that actually work was left in the hands of the state Department of Education. Repealing those rules is also a process handled by the agency that wrote them. But Scott's office last week indicated it would seek to have lawmakers address all of them at once.

Eliminating overlapping or otherwise unnecessary state regulations has been a focal point of Scott's agenda, which he says will, in unison with corporate tax breaks and tort reform, create more than 700,000 jobs over a seven-year span. To that end, he issued an executive order shortly after being sworn in last January (EO 11-01) that required the newly created Office of Fiscal Accountability and Regulatory Reform to

“There’s no way in God’s green earth we’re going to get rid of that. No. It’s not going to happen.”

approve all proposed state agency rules before they could be implemented. The Florida Supreme Court, however, ruled in August that his order violated the state Constitution.

The law doesn't prevent Scott from attempting to eliminate or change the more than 20,000 rules currently on the books, however. Ridding the state of rules he claims are unnecessary, duplicate federal standards or stand in the way of sparking the economy is vital to making Florida a “less expensive” place to live.

“If we do that,” he said. “There will be plenty of jobs.”

Overall, the governor wants to eliminate 1,000 rules and alter more than 1,200 more.

“Every dime a company spends on regulations is a dime they add to what you care about as a purchaser of a product or service,” he said.

So far, the idea is drawing cautious approval from Democrats, who still want the governor to use the typical process for changing the rules, which often includes public notice and even a hearing. Even some of Scott's supporters are wary of a one-size-fits-all approach. The Florida Real Estate Commission, for instance, last week agreed to repeal only one of the five rules related to its industry that Scott had targeted, including one that allows the commission to fine real estate professionals and unlicensed practitioners.

“There’s no way in God’s green earth we’re going to get rid of that. No. It’s not going to happen,” said Michael Gujo, the Commission’s vice chairman. Gujo said the rule is critical to keeping the state’s real estate industry on the up and up.

“I’m a Republican. I love the governor, he’s a good man. But I also have a duty to my commission and a duty to the public and a duty to be a good citizen,” Gujo said. “Our job is to protect the people of Florida. Everything else takes a back seat.”

Even if Scott is successful in cutting down regulations, some observers question how much it will really impact the state’s struggling job market in the light of ongoing struggles with the national economy.



“The problem is in Florida we are not immune to what’s happening at the national level,” said Sean Snaith, an economist at the University of Central Florida. “You could make Florida the most business friendly state you want but that won’t do anything to deal with uncertainty.” (MIAMI HERALD, ST. PETERSBURG TIMES, PALM BEACH POST)

In case you missed it

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.

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

http://www.statenet.com/capitol_journal/08-22-2011/html#sncl

SNYDER READIES NEW AGENDA: Michigan Gov. Rick Snyder (R) is expected to soon unveil a new series of fall initiatives, beginning with a public health and wellness plan as early as this week. Other items on his agenda include a road improvement plan, set for release in October, and a new job training program he will reveal in November. Those initiatives are intended to build on Snyder’s earlier successful efforts to overhaul the Wolverine State’s tax system and cut state spending, including significant cost-cutting from the state’s thousands of local governments and school districts.

Whether Snyder enjoys the same GOP support for his next round of proposals as he did for his initial efforts remains to be seen. Some observers believe Republican lawmakers are already wary of facing voter backlash over some of the governor’s unpopular policy stands, such as his push to tax public pensions, the legality of which is now under consideration in the state Supreme Court, and changes to teacher tenure laws, which have at least one GOP lawmaker, Rep. Paul Scott, facing a potential recall election. Snyder has hinted he will seek more revenue to fund his road infrastructure proposal, something that would definitely put him in conflict with Republicans that have signed “no new taxes” pledges.

“They’ve all got a feeling, ‘You know, we really walked the plank for the governor here, and it’s not really made us heroes in our own home town,’” said Bill Ballenger, a former GOP lawmaker. “It’s not as though Snyder himself is in the stratosphere in the polls. Polls have shown he’s dropped like a rock.”

Snyder could also run into conflicts with GOP lawmakers’ own agenda, which is expected to feature making Michigan a right-to-work state — a measure Snyder has previously noted he does not endorse — and barring a late-term abortion procedure already prohibited by federal law.

Last week, Snyder spokesperson Sara Wurfel defended her boss’s impending proposals, saying they are all part of his overall plan to reinvent Michigan.

“He believes those are issues that definitely tie into Michigan’s economic development and recovery and that will help lay the foundation for the future,” she said. (DETROIT FREE PRESS, BLOOMBERG BUSINESSWEEK)

GOVERNORS IN BRIEF: OHIO Gov. John Kasich (R) scaled back his proposal to privatize the Buckeye State prison system, opting to sell just one facility,



CALIFORNIA, Brown vetoes SB 448, which would have required solicitors working to qualify initiatives, recalls or referendums for the ballot to wear badges stating in “no smaller than 30-point font print” that they are a paid signature gatherer (SACRAMENTO BEE).

— Compiled by RICH EHISEN

Once around the statehouse lightly

THE NAKED TRUTH: There are not many places in America where you can run into someone who is legally shambling around the city streets in their birthday suit. Not surprisingly, however, San Francisco is one of them. But a growing legion of nudity enthusiasts in the city’s Castro District is proving too much for even the “anything goes” atmosphere of the City by the Bay. As the *San Francisco Chronicle* reports, a county supervisor recently introduced legislation that would make it illegal for nudists to plant their backside on a public seat — bus, trolley car, etc. — without first laying down a towel or some other barrier. It would also bar naked folks from entering restaurants. In case you were curious, the county supervisor carrying the bill is named Scott Wiener. Really, you can’t make this stuff up.

RAP OR WRAP UP? Lawmaking is tough work, and after a long session of bartering and bickering, it’s hard to blame lawmakers for wanting to cut loose a bit. But as the *Sacramento Bee* reports, seven California Assembly members are drawing heat for a gathering they held last week to mark their chamber’s adjournment. The seven, all Dems and all Latino, advertised their bash with a flyer many observers felt resembled something for a hardcore rap party. Critics specifically griped that the flyer, which features images of lowrider cars and references about being from “the hood,” invoked negative stereotypes of Latinos. They also noted that the group dubbed itself the “D7 Crew,” a seeming knockoff of some rap group called D12, apparently known for its violent and misogynistic lyrics. The “D7” folks disagreed, saying the name similarity was just a coincidence...mostly because they too have never heard of D12.

WE’RE SURE STATE WORKERS THINK IT ALL THE TIME: Still in California, where apparently all this week’s craziness is going on, the *Sacramento Bee* reports that the California State Compensation Insurance Fund has decided to consolidate all of its statewide public phone contact numbers to one single, easy-to-remember set of characters: 888-STATEFUND. Easy enough, eh? Yes and no. As



State Fund employees testing the new number's veracity discovered last week, one only needs to dial numbers corresponding to the first seven letters to get through. Meaning, of course, that the new number is 1-888-STATE FU.

HOW AWKWARD: New Jersey Gov. Chris Christie was hosting a guest last week to view the devastation wrought by Hurricane Irene when media reports suddenly began burbling that the gov was reconsidering a run for the 2012 GOP presidential nomination. As the *Newark Star-Ledger* reports, Christie wisely decided that “discretion is the better part of valor” and chose not to mention it to his guest: President Barack Obama. “When you’re looking for FEMA money I don’t think that’s what you want to be doing,” Christie said. So, other than the obvious needs of disaster relief, what did the two men talk about? According to Christie, they “spent most of our time talking about issues that fathers of teenage girls talk about.” In other words, the one topic more confusing than dealing with Congress. The gov also insists the reports were wrong — he is still not running for president.

— By *RICH EHISEN*



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State Net ISSN: 1521-8449

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