

October 17, 2011

## Welfare Drug Testing



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● The next issue of Capitol Journal will be available on October 24th.

### Top Story

*The sluggish national economy has pushed more people than ever onto government welfare rolls. But for many of them, that help now comes with a new requirement: a drug test.*

## SNCJ Spotlight

### States push drug testing for welfare applicants

The ailing economy has sent record numbers of Americans to government programs for help. But many are encountering a new requirement for receiving that assistance: a drug test.

This year, three dozen states considered requiring drug testing for recipients of cash assistance from the nation's major welfare program, Temporary Assistance for Needy Families, according to the National Conference of State Legislatures. Twelve states proposed mandating testing for unemployment insurance. And some weighed requiring it for food stamps, home heating assistance or other programs.



Florida’s drug testing law (HB 353) is the most far-reaching, however. It not only requires adult welfare applicants to submit to testing, but also requires them to pay for it, at a cost of up to \$40, with the state reimbursing those who pass. Those who fail are disqualified from receiving benefits for a year, or six months if they receive treatment, with payments to their children permissible only through another person. The American Civil Liberties Union has filed a lawsuit to block the law, alleging that it constitutes an unreasonable search.

Since the law took effect in July, 7,030 people have been tested and passed, and 32 have failed, while 1,597 didn’t submit results, according to the state. Those early results have only fueled the debate over the issue, with opponents arguing they show drug use among those who receive public benefits is lower than that of the general population, and supporters contending they only show drug users are being deterred from being tested.

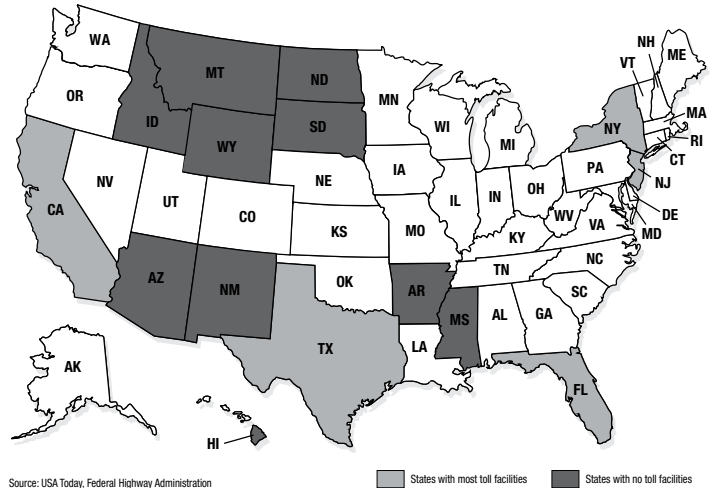
Some state officials, meanwhile, maintain the program is “nothing more than an additional eligibility criteria,” pointing out that applicants can avoid being tested by simply declining to apply for benefits.

“To me it’s real simple: money is going to go to the benefit of children, not to a parent using drugs,” said Florida Gov. Rick Scott (R).

But Florida Sen. Arthenia L. Joyner (D), who introduced legislation to repeal the drug testing law, said now is not the time for such punitive measures.

“There are millions of people seeking aid from the state for the first time because they have lost their jobs and they still have children to feed and bills to pay,” she said. “These people now are having to suffer the indignity of having to undergo a drug test.” (NEW YORK TIMES, NATIONAL CONFERENCE OF STATE LEGISLATURES)

## Bird’s eye view



### States turning to tolls to maintain roads and bridges

More state and local governments are relying on tolls to build and repair roads, bridges and tunnels, in the absence of adequate federal transportation funding, owing to Washington D.C.’s out-of-date funding mechanism: the federal gas tax. This year, Georgia and Virginia added new highway tolls; Maryland, New York and New Jersey significantly raised existing tolls; and California, Indiana, Texas and Washington made it easier to impose tolls on state and local roads. Texas currently leads the nation in toll facilities, with 51, including 22 border crossings with Mexico, according to data from the Federal Highway Administration. Ten states have no toll facilities.



— Compiled by KOREY CLARK

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# Budget & taxes

**A TALE OF TWO ECONOMIC POLICIES:** Four years ago, Nebraska Gov. Dave Heineman (R) enacted the largest tax cut in his state's history. The state now has the country's second lowest unemployment rate, at 4.2 percent.

In May, Connecticut Gov. Dannel P. Malloy (D) enacted the largest tax hike in his state's history. The unemployment rate in that state, 9.1 percent, is also now among the lower ones in the nation.

The two governors commented on their very different economic approaches and plans for creating jobs at a news conference in Hartford last week.

Heineman, who's been Nebraska's governor for seven years, said the tax cuts allowed the state to be ranked by CNBC as one of the 10 business-friendliest states.

"It made a real difference in our tax-competitive climate, our business-friendly climate," he told reporters. "We know we need to do more. It's all of these things combined. It's not just one. It's taxes. It's regulation. It's workforce development. It's education."

Heineman said everyone needed to be promoting the state, including college professors at the University of Nebraska who, he said, should recruit students the same way sports coaches recruit athletes.

"That gets [the professors] a little excited when they think they might be held accountable," he said.

Malloy, who took office in January, said "straightening out" Connecticut's finances and balancing its two-year, \$40.1 billion budget necessitated increasing taxes on income, sales, and corporate profits.

"The reason I did what I did with respect to the budget was so that I could look business in the face and say, 'Listen, I believe we've got the bulk of our problem behind us. We've balanced a budget. We've taken the steps necessary to wrestle a structural deficit to the ground, and we move forward,'" he said.

Malloy also told reporters, "I think we are a tax haven."

"Although our personal taxes may be high, primarily driven by our over-reliance on property taxes, if you look at our corporate tax structure, we have one of the lowest effective rates on the corporate level."

But Malloy said his state could improve further by moving more quickly in issuing permits to businesses and approving new academic majors at colleges and universities.

The governors' divergent approaches may not be solely the result of their own philosophical or partisan differences. Their respective states have some dissimilarities too. For one thing, Nebraska's population, at 1.8 million, is about half the size of Connecticut's. And Connecticut's annual budget, at about \$20 billion, is nearly six times the size of Nebraska's. (HARTFORD COURANT)

**PENSION DEBATE CONTINUES:** Thirty-three states now have less than 80 percent of the assets they need to pay promised retirement benefits, according to Bloomberg Rankings' most recent annual pension study. Median funding has fallen to 73.7 percent from 76.2 percent in 2009.

Those liabilities are also figuring into the Wall Street rating firms' credit score calculations for states, costing some, such as Illinois, which has had its rating downgraded by Moody's three times since April 2009, considerably more to borrow.

Consequently, in the last two years, 40 states have cut retirement benefits, required employees to pay a larger share of their costs or both, said Ronald Snell, senior fellow at the National Conference of State Legislatures.

"This is a crisis that is requiring states and municipalities to evaluate and take real, proactive steps," said William Jasien, Executive Vice President for Institutional Markets at ING U.S.

Michigan, however, foresaw the crisis over a decade ago. In 1997, it switched all new public employees, including judges, legislators and other elected officials, to a 401(k) plan. The switch has saved the state as much as \$4.3 billion, according to a recent study by the Mackinac Center for Public Policy, and the state's pension funding ratio was 78.8 percent in 2010, the eighteenth highest of the 48 states Bloomberg ranked.

"They were able to get around some of the challenges that other states face now," said Scott Beaulier, director of the Johnson Center for Political Economy at Troy University in Alabama.

Beaulier said other states should copy Michigan's "radical reform," even though it would be harder for those with unfunded liabilities to switch now.

But seven states rejected plans to switch to 401(k)s this year, according to NCSL's Snell. In one of them, Oklahoma — which is tied with Louisiana and West Virginia for fourth lowest pension funding ratio, at 55.9 percent — lawmakers decided converting was just too expensive, said Tom Spencer, executive director of the Public Employees Retirement System.

Thomas DiNapoli, comptroller for New York, which has the best funded pension system in the country, at 101.5 percent, says 401(k)s are "a bad idea" and no substitute for the security of traditional pensions.

"Maintaining strong defined-benefit pensions is not only the right thing to do for our citizens, it's the best thing for our nation's economy," he told the Council of Institutional Investors in Boston last month.

## 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: 424**

**Number of Intros last week: 465**

**Number of Enacted/Adopted last week: 173**

**Number of 2011 Prefiles to date: 37,526**

**Number of 2011 Intros to date: 134,260**

**Number of 2011 Session Enacted/Adopted overall to date: 46,077**

**Number of Measures currently in State Net Database: 153,899**

— Compiled By OWEN JARNIGAN  
(measures current as of 10/13/2011)  
Source: State Net database



Keith Brainard, research director for the National Association of State Retirement Administrators, likewise, said 401(k) plans are expensive to administer and force employees who fail to build up an adequate nest egg to delay retirement.

“A pension not only helps employers retain qualified workers, it also allows workers to retire in a timely and orderly manner, when the employer is ready for them to go,” he said.

So states have tended to take an approach like New Jersey, which plans to reduce its \$53.8 billion unfunded pension liability as of June by eliminating cost-of-living increases for retirees, requiring employees to pay more and gradually ratcheting up state payments.

“If we follow this, we will be 88 percent funded by 2041,” said Andy Pratt, spokesman for the New Jersey Treasurer’s Office.

Still, Beaulier maintains that states should convert to defined-contribution plans because although traditional pensions may provide greater security, they will impose too great a financial burden on current employees to sustain them.

“It’s a question of how comfortable do people need to be made in the retirement years?” he said. (BLOOMBERG BUSINESSWEEK)

**JOBS BILL STALLS IN U.S. SENATE:** President Obama’s \$447 billion jobs bill (US SB 1660) suffered a major setback last week when it failed to garner the 60-vote supermajority it needed to advance in the Democrat-controlled U.S. Senate.

The vote was 50-49, with two moderate Democrats facing tough reelection battles — Sens. Ben Nelson of Nebraska and Jon Tester of Montana — joining all of the chamber’s Republicans in opposing the bill, and Senate majority leader Harry Reid (D-Nevada) switching his vote from yes to no so he could move to reconsider the measure in the future.

The vote was followed by the usual partisan posturing. Democrats accused Republicans of opposing the bill because they want the economy to remain in bad shape for political reasons.

“Republicans think that if the economy improves, it might help President Obama,” said Reid. “So they root for the economy to fail and oppose every effort to improve it.”

Republicans countered that the bill was just a partisan ploy.

“Democrats have designed this bill to fail — they’ve designed their own bill to fail — in the hope that anyone who votes against it will look bad,” said Senate Republican leader, Mitch McConnell of Kentucky. “This whole exercise is a charade that’s meant to give Democrats a political edge in an election that’s 13 months away.”

## Upcoming stories

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

- **Online sales tax**
- **Health care**
- **The economy**

Although Obama has repeatedly demanded that Congress pass his bill intact, after the Senate vote the White House signaled it might be open to a piecemeal approach. House majority leader, Rep. Eric Cantor (R-Virginia), suggested Republicans might be open to that as well.

“We are willing to take up the things we can agree on,” he said.

Among the elements of the jobs bill that appear to fall into that category are the extension of a two-percent Social Security payroll tax cut through 2012, tax breaks for small businesses to allow them to hire new workers, and \$50 billion for road and school repairs.

Provisions of the bill less likely to survive on their own, however, are the \$30 billion in aid to local governments to help avoid layoffs of teachers and emergency services personnel, which is similar to a \$53.6 billion item in Obama’s 2009 stimulus plan that Republicans panned as pandering to his party’s base, and \$450 billion in tax hikes on incomes over \$1 million — the so-called millionaires’ tax — which Republicans have described as “class warfare.” (NEW YORK TIMES, CHRISTIAN SCIENCE MONITOR)

**BUDGETS IN BRIEF:** Facing \$600 million in municipal debt, Harrisburg, **PENNSYLVANIA**, filed for Chapter 9 bankruptcy last Wednesday. It is believed to be the first capital city to have done so (PITTSBURGH POST-GAZETTE). • Amazon has agreed to build two new distribution centers in **TENNESSEE** and hire 1,500 to 1,700 full time workers in exchange for being allowed to delay collecting sales taxes from customers in the state until 2014. Some immediately criticized the deal, saying the retailer recently agreed to a similar deal with **CALIFORNIA** that only allows it to put off collecting sales taxes for a year (TIMES FREE PRESS [CHATTANOOGA]). • **TENNESSEE** also posted an 8.3 percent growth rate in sales tax collections in September. That is the highest rate the state has seen since January 2006 (ASSOCIATED PRESS, TENNESSEAN [NASHVILLE]). • **NEW YORK** state Comptroller Thomas P. DiNapoli is predicting New York City’s securities industry could lose nearly 10,000 jobs by the end of next year. The industry has already shed 22,000 jobs since January 2008 (WALL STREET JOURNAL). • Twenty-five states urged a federal court last week to order the Environmental Protection Agency to delay a rule on mercury emissions and acid gases from power plants by a year, saying complying with the rule will be too

## The week in session

**States in Regular Session:** MA, MI, OH, PA, PR, US

**States in Recess:** CT, DC, NC, NH, NJ, NY, RI, WI

**States in Special Session:** MD “a”, MO “a”, UT “c”, WI “a”, WI “c”

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

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

**States Adjourned in 2011:** AK, AL, AR, AZ, CA, 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, 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”, CA “a”, CT “a”, DE “a”, GA “a”, KY “a”, LA “a”, ME “a”, MN “a”, MS “a”, NM “a”, TX “a”, UT “a”, UT “b”, WA “a”, WI “b”, WV “a”, WV “b”

Letters indicate special/extraordinary sessions

— Compiled By OWEN JARNIGAN  
(session information current as of 10/14/2011)  
Source: State Net database

costly. The EPA is currently under a court order to finalize the so-called Maximum Achievable Control Technology rule, or MACT, by November 16<sup>th</sup> (REUTERS). • Despite its decades-long near-monopoly (REUTERS). • Despite its decades long near monopoly on gambling, **NEVADA**'s tax income from gaming now lags behind that of other states. Including money generated from lotteries — which Nevada's resort industry has successfully blocked in the state since at least 1975 — 11 states brought in more gambling-related tax revenue than **NEVADA**, according to the Rockefeller Institute of Government, and **INDIANA** and **PENNSYLVANIA** both collected more in direct gambling revenues from casinos than **NEVADA** in 2010, according to the American Gaming Association (LAS VEGAS SUN).

— *Compiled by KOREY CLARK*

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## Politics & leadership

**S** HENANIGANS UNCOVERED IN AZ RECALL RACE: A November 8th recall election in Arizona was shaping up to be a barnburner. The leader of the state's crackdown on illegal immigration, Senate President Russell Pearce (R), was going to face off against Olivia Cortes, a naturalized American citizen from Veracruz, Mexico. But last week Cortes pulled out of the race under suspicious circumstances.

Signs promoting Cortes' candidacy with the motto made famous by Cesar Chavez, "Sí, Se Puede!" began appearing on street corners shortly after opponents of Pearce's hard-line stance on illegal immigration had collected enough signatures to force the Legislative District 18 recall vote.

But Cortes initially avoided the media and was shaky on the issues in the few interviews she did agree to do. And allies of another candidate, Jerry Lewis, eventually went to court to challenge her election bid as a sham.

Superior Court Judge Edward O. Burke found "that Pearce supporters recruited Cortes, a political neophyte, to run in the recall election to siphon Hispanic votes from Lewis to advance Pearce's recall election bid." But he declined to remove Cortes from the ballot because he found no evidence of wrongdoing on her part and believed her testimony that she opposed "Pearce's harsh legislative treatment and comments about illegal Hispanic immigrants."

"The court assumes that candidates have run for office for less than the noble motive of serving the public, which could include getting a better-paying job, pension benefits, achieving a position of perceived importance, boredom, or no reason at all," Burke said. "Divining candidates' motives and acting on them is more properly the role of voters."



to the state’s election laws last spring, and four of the most controversial provisions remain suspended in the five affected counties pending federal review. • **NEW HAMPSHIRE** Secretary of State William Gardner raised the possibility last week of a December presidential primary. In a statement, Gardner called December 13th and December 6th “realistic options” for the state’s first-in-the-nation primary (UNION LEADER [MANCHESTER]). • Former **HAWAII** Gov. Linda Lingle announced last week she will enter the state’s Republican primary for U.S. Senate. Lingle was the state’s first female governor and its first Republican governor in four decades (HONOLULU STAR ADVERTISER). • A **WISCONSIN** lawmaker — Rep. Daniel LeMahieu (R) — has proposed legislation that would split the state’s electoral votes by congressional district, undercutting President Obama’s advantage in the state. The proposal follows a similar move by Republicans in **PENNSYLVANIA**, another state that leans Democratic in presidential races but which elected Republican state legislators and a Republican governor last year (POLITICO). • **MISSOURI** Senate Republicans are considering legislation to abolish the state’s February 7th presidential primary. Last month, the state’s Republican Party voted to select delegates to the national convention through a caucus system that begins in mid March in order to avoid violating national party rules barring states from holding presidential nominating contests before March 6th. With the February 7th GOP primary stripped of much of its impact on the presidential race and President Barack Obama expected to run unopposed in the Democratic primary, GOP lawmakers see doing away with the vote as a way to save money. But **MISSOURI** Secretary of State Robin Carnahan, a Democrat, is urging lawmakers to simply move the vote to March instead of eliminating it altogether (ST LOUIS POST-DISPATCH).

— *Compiled by KOREY CLARK*

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## Governors

**B**ROWN STAKES OUT MOSTLY MODERATE PATH IN CA: California Gov. Jerry Brown (D) once famously compared his governing style to keeping a canoe moving straight ahead, requiring him to “paddle a little on the left, paddle a little on the right and keep on going right down the middle.” In addressing hundreds of bills prior to last Sunday’s deadline to act on them, he made it clear that he still adheres to that credo.

In doing so, Brown earned kudos and condemnation from both Democrats and Republicans. Dems, for instance, were at once pleased with his endorsement of signature efforts like the California Dream Act (AB 131), which allows undocumented immigrant college students to apply for publicly-funded financial aid,



and appalled at his veto of measures like AB 101, their effort to unionize state-subsidized in-home child care providers, and SB 185, which would have allowed state colleges and universities to consider race, gender and ethnicity in their admissions policies. Republicans meanwhile lauded his veto of a handful of measures the powerful California Chamber of Commerce dubbed “job killers,” while being equally enraged over his support for bills like SB 746, which makes California the only state in the nation to bar minors from using tanning salons, and SB 126, which makes it easier for farmworkers to unionize.

Brown also vexed conservatives by signing a measure (AB 499) that allows girls as young as 12 to be vaccinated against sexually transmitted diseases without first getting their parents’ approval and another bill (SB 202) that pushes all future ballot initiatives to the November elections, which generally feature a higher Democratic turnout than earlier primary elections. But he also stirred grumbling among his more liberal Democratic colleagues by nixing bills like SB 105, which would have forced teens to wear helmets when snowboarding or skiing. As with many of his vetoes, Brown punctuated his rejection of Yee’s bill with a statement expressing concern over what he called the “continuing and seemingly inexorable transfer of authority from parents to the state” and an admonition that “not every human problem deserves a law.”

In all, Brown nixed 128 of the bills sent his way this year, about 14 percent of the 889 measures lawmakers approved. While that is far less than his predecessor, former Gov. Arnold Schwarzenegger (R), who vetoed approximately 25 percent of the bills he received annually, it marks a significant uptick from the less than 5 percent figure Brown accumulated in his previous gubernatorial stint from 1975 to 1983. But to longtime Jerry Brown watchers like Claremont McKenna College government professor Jack Pitney, the inherent nature behind the governor’s actions does not appear to have changed much at all.

“This is back to the future,” Pitney told the *Sacramento Bee*. “This is the unpredictable Jerry Brown of the 1970s, sometimes showing a liberal side, sometimes showing — if not a conservative side — at least a side that’s not predictably liberal.”

But another longtime Brown observer, *Los Angeles Times* columnist George Skelton — who also covered Brown’s father, Pat Brown, during his two terms as California governor in the 1960s — says the younger Brown’s current decisions are anything but unpredictable.

## Upcoming elections

10/13/2011 - 11/3/2011

10/18/2011

**Georgia Special Runoff**  
House District 43

**Massachusetts Special Election**  
House District 3rd Berkshire

**Minnesota Special Election**  
Senate Districts 46 and 61

10/22/2011

**Louisiana Primary Election**

House (All)

Senate (All)

Constitutional Officers: Governor,  
Lieutenant Governor, Secretary of  
State,

Treasurer, Attorney General,

Commissioner of Agriculture and  
Forestry,

Commissioner of Insurance



“Anyone who thinks Brown is an enigma just isn’t used to non-knee-jerk politicians in the 21st century,” Skelton notes, calling Brown not only a “left-of-center, labor-leaning Democrat” but also an “incurable nonconformist” and “an innate contrarian and a rebel.”

If anything, Skelton says, Brown’s tendency to be “all over the lot” on his veto and signing decisions this session was part and parcel of Brown being an independent thinker, who at age 73 and one year into his third term as the Golden State’s chief executive, “sees no reason not to do pretty much whatever he wants.” (LOS ANGELES TIMES, SACRAMENTO BEE, CALIFORNIA GOVERNOR’S OFFICE, STATE NET)

## In case you missed it

The Great Recession has reversed the economic fortunes of the nation’s major economic regions. Some economists think the change may not just be a temporary thing.

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

[http://www.statenet.com/capitol\\_journal/10-10-2011/html#sncj](http://www.statenet.com/capitol_journal/10-10-2011/html#sncj)

### **CORBETT OUTLINES EDUCATION OVERHAUL PROPOSAL:**

Pennsylvania Gov. Tom Corbett (R) unveiled a proposal last week which would, among other things, create a voucher program that would allow lower income students at the Keystone State’s 144 lowest performing schools to transfer to other academic institutions. Corbett’s four-part plan would also expand a state tax

credit program that rewards businesses for contributing to academic scholarships, establish a statewide board to approve charter schools and implement a new teacher evaluation system that includes consideration of student performance.

Corbett said the reforms, which must be approved by lawmakers, were second on

**“Anyone who thinks Brown is an enigma just isn’t used to non-knee-jerk politicians in the 21st century.”**

his priority list only behind resolving the state’s Marcellus Shale drilling fee policy (See “Corbett lays out Marcellus Shale plan” in the October 10<sup>th</sup> issue of *SN CJ*). Some elements of his plan, including the voucher proposal, are already the topic of legislation under consideration by lawmakers.

The plan drew immediate criticism from the state’s largest school employee union, which claimed it would rob already financially challenged schools of desperately needed funding.

“Any initiative that takes even more resources from public schools just doesn’t make sense,” said Pennsylvania State Education Association spokesman David Broderic.

But Corbett countered that his plan would incentivize poor performing schools to do better.

“When failing schools see students leaving to go to another school, they’ll have two choices: to continue down the way they are and see more students go away and lose money, or to get competitive,” he said.

There are strong concerns, however, even among lawmakers over how much the plan could eventually cost taxpayers. There are also significant differences over what type and size of voucher plan would be best. House Education Committee Chairman Paul Clymer (R) said some of his colleagues would likely only support a program targeting the poorest students in the lowest performing districts. Others, he said, want a program that extends vouchers only to middle class families in better performing districts, making any proposal far from a sure bet to gain legislative approval.

“There’s passion on both sides,” Clymer said, “I don’t know how this will play out.” (PITTSBURGH POST-GAZETTE, TRIBLIVE.COM, PATRIOT-NEWS [HARRISBURG]).

**GOVERNORS IN BRIEF:** Saying he was troubled by problems with the handling of abuse and neglect allegations at state facilities, **NEW YORK** Gov. Andrew Cuomo (D) promised he would seek reforms at six Empire State agencies that provide residential care for the disabled, the elderly, children and the mentally ill (NEW YORK TIMES). • **MARYLAND** Gov. Martin O’Malley (D) said last week he is committed to renewing his push to build wind turbines off the Old Line State coastline. But O’Malley also said he is not yet sure what type of government incentive he’ll seek for the industry next year. Lawmakers this year rejected his efforts to persuade them to require the state’s utilities to sign long-term contracts to buy power generated by turbines placed a dozen or more miles off Ocean City (BALTIMORE SUN). • **WYOMING** Gov. Matt Mead (R) told Equality State lawmakers that he supports a recommendation from the state’s Health Benefits Exchange Steering Committee to pursue components of a state-run health insurance exchange. States that don’t submit a plan to federal officials for operating their own exchange by January, 2013 face having the federal government operate it for them (CASPER TRIBUNE). • **OREGON** Gov. John Kitzhaber (D) rescinded above-the-norm raises given by Attorney General John Kroger to Oregon Department of Justice managers. The raises, which went into effect October 1<sup>st</sup>, were from 7 percent to 9 percent, significantly more than the 4 percent raises over two years recently granted to non-managerial attorneys in the DOJ (OREGONIAN [PORTLAND]). • **WISCONSIN** Democrats announced they will begin circulating petitions on November 15th seeking to recall Gov. Scott Walker (R) over his successful effort to strip public employee unions of their collective bargaining power. Petitioners have until January 17<sup>th</sup> to collect the 540,208 signatures needed to force a recall election (POST-CRESCENT [APPLETON]). • **ILLINOIS** Gov. Pat Quinn (D) said he plans to make eliminating a scandal-plagued program that allows lawmakers to hand out state university scholarships a high priority in the legislative session that starts later this month. Quinn contends the scholarships are too often handed out to the children of political campaign contributors. House Speaker Michael Madigan (D) said he will oppose Quinn’s efforts (NORTHWEST INDIANA TIMES [MUNSTER]). •

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**RHODE ISLAND** Gov. Lincoln Chaffee (I) said he would soon release a long-awaited proposal to overhaul the Ocean State’s public retirement system, which faces a \$7 billion unfunded liability. Chafee said last Wednesday that the plan was “days away” (BOSTON GLOBE). • **UTAH** Gov. Gary Herbert (R) wrote a letter to President Obama on behalf of himself and 11 other GOP governors seeking to stall Environmental Protection Agency regulations to cut mercury and other hazardous air pollution from oil and coal-fired power plants. Herbert’s letter said the new regs would harm their states’ economies. The regulations were originally called for in the 1990 Clean Air Act, but have never been implemented (SALT LAKE TRIBUNE). • **NORTH CAROLINA** Gov. Bev Perdue (D) suspended four provisions of a new law aimed at reforming the state’s Employment Security Commission because they put the state in violation of federal legislation. Federal officials warned Perdue in September that the provisions threatened the eligibility of state employers to qualify for credit under the Federal Unemployment Tax Act, prompting her to veto the bill. Tar Heel State lawmakers overrode the veto but altered it to allow her to veto those specific provisions until they return to session in May (CHARLOTTE OBSERVER).

— *Compiled by RICH EHISEN*

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## Hot issues

**B** **USINESS: CALIFORNIA** Gov. Jerry Brown (D) signs several business-related measures, including: SB 746, which makes the Golden State the first in the nation to bar minors from using tanning beds; AB 1069, which extends through 2015 a 25 percent tax credit to filmmakers and TV producers who film their projects in-state (LOS ANGELES TIMES); AB 22, which bars employers from using a job applicant’s credit report in the hiring process unless the position meets one of several criteria, such as being in law enforcement or requiring the handling of more than \$10,000 in cash during the workday (SACRAMENTO BEE); AB 183, which bars the sale of alcoholic beverages through automated checkout stands operated by customers (LOS ANGELES TIMES); AB 592, which requires employers to allow workers to take time off due to their own illness or pregnancy, to tend to a sick relative or to bond with a new child (ORANGE COUNTY REGISTER); SB 126, which gives farm workers greater protections in organizing disputes with growers, including allowing the state Agricultural Labor Relations Board to certify a union when it determines grower misconduct affected an election’s outcome (LOS ANGELES TIMES); AB 1219, which allows gasoline retailers to collect zip codes from credit card customers for the prevention of theft and fraud (ORANGE COUNTY REGISTER); and SB 459, which bars employers

from willfully misclassifying workers as independent contractors (STATE NET, CALIFORNIA GOVERNOR'S OFFICE). • Staying in **CALIFORNIA**, Gov. Brown also vetoes multiple business-related measures, including: SB 508, which would have required corporate and individual tax breaks enacted after January 1st to automatically end in 10 years (SACRAMENTO BEE); SB 676, which would have created an eight-year pilot program for the cultivation of industrial hemp in several Central **CALIFORNIA** counties (SAN JOSE MERCURY NEWS); SB 931, which would authorized employers to pay employees with debit payroll cards rather than a standard paper check (ORANGE COUNTY REGISTER); SB 469, which would have forced cities and counties to prepare economic impact reports before approving the development of new “big box” stores like Wal-Mart (SACRAMENTO BEE); AB 325, which would have required employers to allow employees to take up to three days of bereavement leave and allowed workers to sue employers that barred them from taking the time off (CALIFORNIA GOVERNOR'S OFFICE); AB 38, which would have required the state to compile a list of communities which do not have a state-chartered bank and post it to a state Web site (CONTRA COSTA TIMES).

**CRIME & PUNISHMENT: CALIFORNIA** Gov. Jerry Brown (D) vetoes SB 914, which would have barred police from searching an arrestee's cell phone records without a warrant (SACRAMENTO BEE.). • Still in **CALIFORNIA**, Gov. Brown signs AB 353, which bars Golden State police from impounding cars from sober but unlicensed drivers who are stopped at drunk-driving checkpoints. Under the law, police must instead release the car to a qualified driver representing the registered owner (LOS ANGELES TIMES). • **MICHIGAN** Gov. Rick Snyder (R) signs HB 4703, which requires Wolverine State corrections officials to notify prosecutors when a prisoner has been paroled. Officials must notify prosecutors in both the area where the crime was committed and where the prisoner will be released (MICHIGAN GOVERNOR'S OFFICE). • Also in **MICHIGAN**, the Senate endorses a package of bills that collectively create a specific crime of mortgage fraud punishable by up to 20 years in prison and a \$500,000 fine. The measures would also increase penalties for forging real property deeds or obtaining real property by false pretenses. The bills now head to Gov. Snyder for review (MLIVE.COM [DETROIT]).

**ENERGY: CALIFORNIA** Gov. Jerry Brown (D) signs AB 56 and SBs 44, 216, 705 and 879, which collectively require the state Public Utilities Commission to establish emergency response standards for natural gas pipeline operators, authorize the PUC to require automatic shut-off or remote controlled valves on certain lines and require utilities to develop service and safety plans (SACRAMENTO BEE).

**EDUCATION: CALIFORNIA** Gov. Jerry Brown (D) signs multiple education measures, including AB 131, the California Dream Act, which allows undocumented

students who came to the country before turning 16 and attended California high schools to have access to public financial aid, including Cal Grants (SACRAMENTO BEE); SB 161, which allows non-medical school employees to administer anti-seizure medication to epileptic students (SACRAMENTO BEE); AB 9, which requires school districts to have a uniform process for dealing with bullying complaints and for school personnel to intervene if they witness an act of bullying (SAN FRANCISCO CHRONICLE); and AB 1330, which will allow career courses to count toward high school graduation requirements as an alternative to foreign language or arts classes (CONTRA COSTA TIMES). • Staying in **CALIFORNIA**, Gov. Brown vetoes SB 185, which would have allowed the state university systems to consider race, ethnicity and gender in student admissions (SACRAMENTO BEE); AB 532, which would have required the state to develop Common Core assessment systems for non-English speaking students (STATE NET, CALIFORNIA GOVERNOR'S OFFICE); AB 165, a bill that would have prohibited K-12 schools from charging fees for certain classes, sports and clubs (LOS ANGELES TIMES); and AB 86, which would have required that petitions to change a public school to a charter school be signed by no less than half the number of nonsupervisory staff and classified employees the charter schools expect to employ in its first year of operation (CALIFORNIA GOVERNOR'S OFFICE).

**ENVIRONMENT:** The U.S. Bureau of Land Management announces it will remove as many as 6,000 wild horses from open ranges across the West in an effort to protect wild habitats from the negative impact of overpopulated horse herds. BLM officials will carry out the removal in **ARIZONA, CALIFORNIA, MONTANA, UTAH, WYOMING** and **NEVADA**. Officials estimate over 33,000 wild horses currently roam across the West, approximately 12,000 more than can sustainably coexist with other animals and humans that rely on the same resources (DESERET NEWS [SALT LAKE CITY]). • **CALIFORNIA** Gov. Jerry Brown (D) signs AB 376, which bans the sale of shark fins, used for a soup considered a delicacy in Chinese culture. Brown also signs a companion bill, AB 853, which allows retailers to continue selling current stock and exempts sharks legally caught by Golden State fishermen (SACRAMENTO BEE).

**HEALTH & SCIENCE:** **CALIFORNIA** Gov. Jerry Brown (D) vetoes SB 791, which would have required health facilities where mammography examinations are performed to provide notice to patients who have dense breast tissue (SACRAMENTO BEE). • Still in **CALIFORNIA**, Brown also signs several health measures, including AB 604, which allows state health officials to authorize a needle exchange program in cities or counties where they fear the rapid spread of HIV or other potentially deadly or disabling infections (SACRAMENTO BEE); AB 499, which allows minors 12 years or older to consent to be vaccinated against

sexually transmitted diseases without their parents' consent (STATE NET, LOS ANGELES TIMES); AB 300, which requires tattoo parlor owners to register with local authorities and also obtain and annually renew a health permit from local health officials (STATE NET, CALIFORNIA GOVERNOR'S OFFICE); SB 946, which requires health insurance plans to provide coverage for children with autism or other developmental disorders (SACRAMENTO BEE); and SB 51, which requires health insurers to comply with the federal health reform law by spending at least 80 percent of the premiums they collect on the health care of their customers in the individual and small-business markets (LOS ANGELES TIMES).

**IMMIGRATION: CALIFORNIA** Gov. Jerry Brown (D) signs AB 1236, which bars the state and local governments from requiring private employers to use the federal E-Verify database to ensure their workers and job applicants are in the country legally (ORANGE COUNTY REGISTER).

**SOCIAL POLICY: MICHIGAN** Gov. Rick Snyder (R) signs SB 160, which prohibits late-term or so-called "partial-birth" abortions except when necessary to protect the life of the mother. Snyder also signs a companion measure, HB 4110, which makes performing or assisting in a partial-birth abortion a felony punishable by up to two years imprisonment or a \$50,000 fine (MICHIGAN GOVERNOR'S OFFICE).

**POTPOURRI: CALIFORNIA** Gov. Jerry Brown (D) signs SB 244, which requires Golden State cities and counties to consider the infrastructure needs of disadvantaged and unincorporated communities in urban planning efforts, including general plan updates (CALIFORNIA WATCH [SACRAMENTO]). • Still in **CALIFORNIA**, Gov. Brown signs AB 144, which criminalizes openly carrying an unloaded handgun in public (SACRAMENTO BEE) • Also in **CALIFORNIA**, Gov. Brown signs AB 809, which requires the state to keep records of rifle sales in the same manner it does for handgun sales. The new law takes effect in January, 2014 (SACRAMENTO BEE).

— *Compiled by RICH EHISEN*

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# Once around the statehouse lightly

**WHAT COULD POSSIBLY GO WRONG?** With the legislative session over, Golden State lawmakers are now fully ensconced in the joys of the season — the fundraising season, that is. As the *Sacramento Bee* reports, California Assemblyman Tim Donnelly has put together a fundraiser next month that starts out with lunch at a Sacramento brewpub, followed by an afternoon of trapshooting at a suburban shooting range. That’s right, folks first hit up a brewery, then pile into the car for an 18-mile drive to a place where they’ll all shoot guns for a few hours. The irony of possibly mixing guns, cars and booze apparently didn’t occur to Donnelly, who said he figured some folks would do only the lunch and others would come just for the shooting. Regardless, however, he wanted the affair to be “a family event.” And as we all know, nothing says family like booze, cars and guns.

**A NUMBERS GAME OR GAMING THE NUMBERS?** When Florida Gov. Rick Scott was running for office, he made hay with a vow to create 700,000 private sector jobs in the Sunshine State. This, he said, would be on top of the million or so jobs officials already predicted would come as part of normal growth. To the math-challenged among us, that adds up to 1.7 million jobs. But with economic times continuing to be historically tough, Scott is now zigging and zagging on his promise. As the *St. Petersburg Times* reports, Scott in recent weeks has backed off that vow, saying he promised only to create 700,000 jobs, period. When it was pointed out that his original promise was on video, the gov backtracked from his backtrack, saying he would create those jobs “regardless of what happens with the economy.” He also said he doesn’t want to focus on “hypotheticals.” You mean like job growth projections?

**IT’S ALWAYS SUNNY IN SOUTH CAROLINA:** At least according to Gov. Nikki Haley, who last month directed state workers to answer their phones by saying, “It’s a great day in South Carolina. How can I help you?” Haley conceded the greeting was “hokey,” but argued she was trying to sell the state as a wonderful place to outsiders. The directive drew the expected snickers and jeers. As *The State* of Columbia reports, Dems in particular griped about the forced — they say fake — cheeriness, noting the Palmetto State’s 11 percent unemployment rate, the fourth highest in the nation, among its many problems. The criticism didn’t deter Haley, however. A spokesperson defended the policy, saying the gov was “changing the culture of our state.” As only a cheery phone greeting can.



**FOOD FAUX PAS:** Speaking of cultural changes...Americans may have our political ups and downs with the French, but we know one thing for sure: French cuisine is the real deal. Or is it? As Reuters reports, there is a growing trend among French restaurants to forgo from-scratch meals in favor of pre-made, frozen entrees whipped up in — gasp — the microwave. As one might imagine in a country where food is considered as much an art form as anything produced by Matisse, lawmakers are not taking this lying down. Last week, the French National Assembly endorsed legislation to require eateries to inform diners whether their meal is ready-made or from scratch. It is expected to pass the Senate any day now. But perhaps the law merely is a last grasp at something already lost. In each of the last two years, gourmet frozen food retailer Picard has been voted the nation’s favorite brand. C’est la vie!

— *By RICH EHISEN*



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**Graphic Design:** Vanessa Perez  
 State Net ISSN: 1521-8449

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