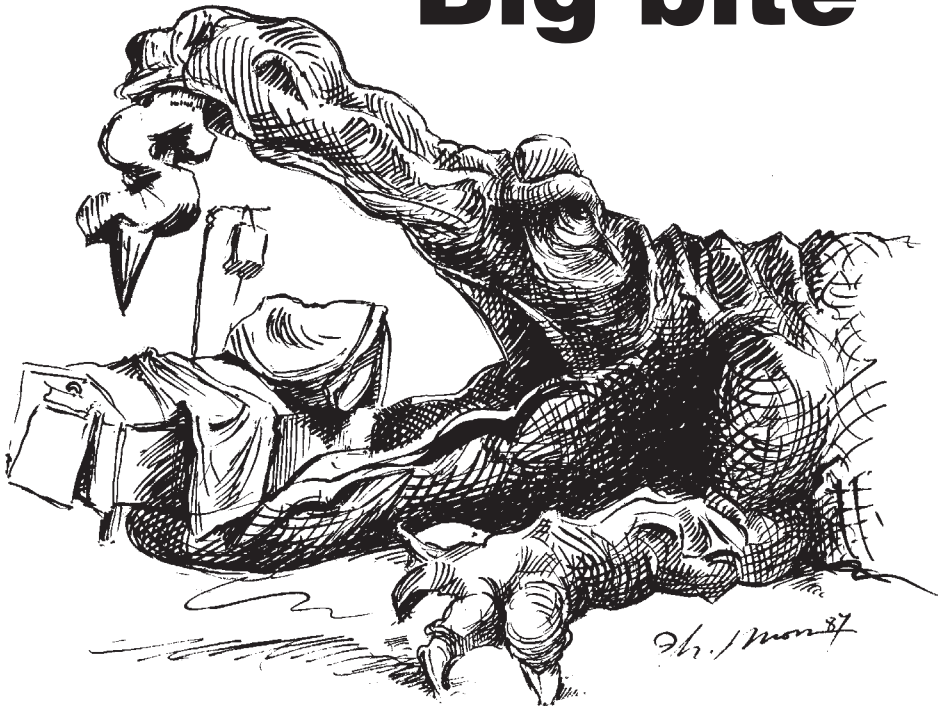


October 23, 2006

# Big bite



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The next issue of Capitol Journal will be available on November 6th.

## Top Story

***New accounting rules for 2007 are forcing state and local governments to fully disclose their retiree healthcare liabilities. Some observers say those obligations could result in major tax hikes, Draconian service cuts or worse — government bankruptcy.***

## SNCJ Spotlight

### Issues 2007: Will public retiree healthcare devour budgets?

States have long taken the “out of sight, out of mind” approach to the escalating cost of healthcare and other benefits for retired public employees. And why not? For years, they have been able to keep those obligations off their books, making them an almost invisible perk with which to curry good favor from public employee unions. But new accounting rules for 2007 are set to change all that, and state

and local governments of every size are now facing hundreds of billions of dollars in potential budget shortfalls as a result.

The rule in question comes from the Government Accounting Standards Board (GASB), the CONNECTICUT-based independent nonprofit organization that sets accounting standards for public sector agencies. That edict, Rule 45 or GASB 45 to most budget analysts, now requires that government entities disclose the current value of their long-term pension, healthcare and other benefit obligations and to estimate what it will cost to meet those requirements. Originally enacted in 2004, GASB 45 gave governments three years to phase in the new standards, beginning in 2007.

Although no state has yet issued an official estimate of its liabilities, the unofficial numbers being bandied about in some states are staggering. The CALIFORNIA Legislative Analyst's Office (LAO), for instance, unofficially estimates that the Golden State's total liability for providing health, dental and life insurance to just its retired state employees — not city, county and school workers — is between \$40 billion and \$70 billion. Similar projections in NEW YORK peg the Empire State's long-term liability as high as \$54 billion. MARYLAND is looking at as much as \$20 billion, and many other states are also facing multi-billion dollar obligations.

According to the financial services firm JP Morgan, the total bill for funding non-pension benefits for the nation's 24 million-plus current and retired public employees could reach as high as \$1.3 trillion, a figure that dwarfs the estimated \$285 billion in pure pension obligations. That has some observers predicting dire consequences for state and local governments that have only this year begun to crawl out of some of the worst budget straits since the Great Depression.

"This is by far the biggest fiscal issue facing state government and local governing bodies throughout our state," says CALIFORNIA Assemblyman Keith Richman (R), a long-time advocate for public

## The week in session

**States in Regular Session:** DC, NJ, PA

**States in Informal Session:** MA

**States in Skeleton Session:** OH

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

**States in Recess:** MI, NY, US

**States in Special Session in Recess:** DE "a"

**States Prefiling or Drafting for 2007 Session:** CO, FL, KY, MT, ND, NH, NV, VA

**States Adjourned in 2006:** AK, AL, AZ, CA, CT, CO, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, NC, NE, NH, NM, OK, RI, SC, SD, TN, UT, VA, VT, WA, WI, WV, WY

**States in Special Session Adjourned in 2006:** AK "b", AK "c", AR "a", AZ "a", CA "a", CA "b", CO "a", IA "a", ID "a", KY "a", LA "a", MD "a", MS "a", MS "b", OK "a", OK "b", OR "a", OR "b", TN "a", TX "c", UT "a", UT "b", VA "a", WV "a", WI "b", WI "c"

Letters indicate special/extraordinary sessions  
Source: State Net, 10/19/06

employee pension reform. “This is going to leave a lot of local governments staring at only three options — dramatic cuts to services, raising taxes or, for at least some government entities, bankruptcy.”

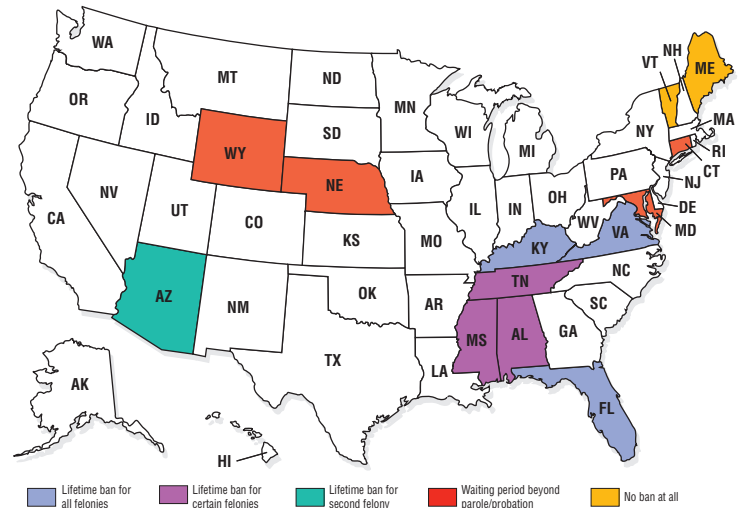
Not everyone believes it will come to that, primarily because no government will have to come up with their total fiscal obligation for retirees all at one time. According to GASB 45, long-term obligations may be spread out over a maximum of 30 years, giving governments time to deal with their own specific situation. The only real change is that those debts will now need to be calculated annually and officially reported as a fiscal liability.

But Ron Snell, director of state services for the National Conference of State Legislatures, says that does not mean governments are being blasé about what GASB 45 will mean to them.

Snell says “the urgency is building” now for both budget wonks, who must somehow negotiate many variables to arrive at accurate figures, and for lawmakers who will ultimately be responsible for figuring out how to manage the issue. Snell also notes that while GASB 45 doesn’t force states or local governments to establish payment plans to match those obligations, “these numbers are going to make the balances look very bad” to the general public when they are eventually revealed.

He says lawmakers at all levels are also keenly aware that other eyes

## Bird’s eye view



Source: The Sentencing Project

### Use a gun, lose the vote?

This fall, RHODE ISLAND voters will cast their votes on Question 2, a measure that would automatically reinstate voting privileges to convicted felons released from jail but still serving time on parole or probation. The Ocean State is currently one of 36 states that bar persons on parole or probation from voting.

But according to The Sentencing Project, a Washington D.C.-based sentence reform advocacy group, 11 states bar at least some of those felons from voting even after their parole or probation has concluded. Three of those states make their bans permanent for all felony offenses, four others have lifetime voting bans for those convicted of certain offenses or a second felony and four have waiting periods that go beyond the end of parole or probation. On the contrary, two states — MAINE and VERMONT — have no such voting restrictions at all, allowing even currently jailed prisoners to cast their ballots.





will now be watching those numbers more closely than ever. “Rating houses say they are going to be taking the addition of this large and potentially unfunded liability into consideration when they establish state general obligation bond ratings,” Snell says. “That

is a pretty serious matter because those ratings determine interest rates on state borrowing, and borrowing is a very big part of all state finance.”

Some critics say government entities have only themselves to blame for their current straits because they are responsible for having bestowed overly generous retirement benefits upon their employees in the first place. But while it is true that many governments are guilty of offering greatly enhanced retirement benefits to public sector workers over the last two decades — usually in place of higher wages — there are also several other reasons why governments are in their current situation.

First, most states pre-fund their pension costs, meaning the costs are at least partly funded long before the employee will access them. But healthcare costs for most government bodies have been of the “pay-as-you-go” variety, with minimal-at-best funding set aside to cover those costs. Most government entities also allow workers to retire in their mid-50’s, usually with full benefits. That means the state will be picking

up that cost for as much as a decade before the retiree’s federal Medicare insurance takes over.

Most observers agree that solving this dilemma won’t be easy, although there are some options. While government pensions are legally guaranteed, that does not seem to be the case for retiree healthcare. In most

cases, courts have said that such coverage is not legally mandated or guaranteed until the worker actually retires and begins to use it. This small technicality could give governments some wiggle room to adjust future healthcare benefits for workers still on the job.

**“This is going to leave a lot of local governments staring at only three options — dramatic cuts to services, raising taxes or, for at least some government entities, bankruptcy.”**

**“Rating houses say they are going to be taking the addition of this large and potentially unfunded liability into consideration when they establish state general obligation bond ratings.”**

**“We know for sure that from now on, governments are going to be a little more careful with the benefits they hand out.”**

Richman, who is termed out this year and not seeking another office after a failed effort to earn the GOP nomination for state treasurer, says one simple solution would be to simply raise the government retirement age to 65.

“If you move the typical government worker’s retirement age from 55 to 65, the benefit would become simply a supplement to Medicare rather than the state taking on the full cost of the person’s healthcare coverage,” he says.

There are other possibilities as well. In 2005, NEVADA Gov. Kenny Guinn (R) suggested that, starting with new hires in 2006, the state should no longer offer state-subsidized healthcare benefits through retirement. The Silver State Legislature rejected that proposal, but Guinn, who is also termed-out and leaving office, says he will resubmit his proposal to the 2007 Legislature in hopes they will reconsider.

Other states are also kicking the tires on the idea of having public workers who retire before 65 pay for their own healthcare or adjusting the benefit formulas to cover less of their medical costs. But government labor unions contend that public workers are not to blame for perks that government entities negotiated freely, nor should those workers have to suffer because a third party has changed the rules after the fact. Unions are so far showing no indication they are willing to accept reduced benefits without a fight, something few politicians are usually keen to take on.

“I don’t hold any optimism at all that this situation will get resolved in the Legislature,” Richman says. “If it is going to be addressed at all, it will be through the initiative process.”

However it gets resolved, National Association of State Budget Officers executive director Scott Pattison says he is glad to see that state and local governments are finally taking a serious look at the issue.

“I think a lot of budget people are actually pleased with the GASB change,” Pattison says. “Certainly everyone is a lot more aware now of this liability, which is a real serious concern that has to be dealt with, and we’re glad to see it get out into the open. We probably should have done this years ago.”

Pattison also believes that while GASB 45 may cause some hardships, it will also force lawmakers to more carefully consider the long-term



ramifications of some of their actions.

“We know for sure that from now on, governments are going to be a little more careful with the benefits they hand out,” he says.

— *By RICH EHISEN*

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## Budget & Taxes

**S**PENDING-CAP CRUSADE STALLED: When this year began, anti-tax groups were hoping their grass-roots effort to rein in state spending would result in spending cap ballot measures in nearly two dozen states. But next month, voters in just three states — MAINE, NEBRASKA and OREGON — will consider such limits.

Some attribute the anti-spending movement’s limited success this year to the decision by COLORADO voters last November to suspend their state’s Taxpayer Bill of Rights law, believing that its provisions had too severely restricted the state’s ability to adequately fund education, transportation and other programs. Sujit CanagaRetna, a tax and budget expert with the Council of State Governments, said COLORADO’s experience with TABOR had “pulled the wind out of the sails” of the spending-cap effort in other states.

But Pete Sepp, a spokesman for the National Taxpayers Union, which supports spending limits, disputes the notion that the voting public is opposed to the idea of TABOR because he says people haven’t had “an opportunity to have a debate on the merits of the proposal.” And Grover Norquist of Americans for Tax Reform contends that spending-limit measures have been kept from the ballot this year in several states only because of what he calls “annoying technicalities.”

In fact, spending-cap initiatives were disqualified from the ballot in MICHIGAN, MISSOURI, MONTANA, NEVADA, and OKLAHOMA mainly due to issues surrounding the gathering of petition signatures. And a measure in RHODE ISLAND was tossed after the state Supreme Court ruled that Gov. Don Carcieri (R) had exceeded his authority in placing it on the ballot.

The case was somewhat different in OHIO, where Secretary of State and Republican candidate for governor J. Kenneth Blackwell, who’d initially proposed a constitutional amendment capping state spending, settled instead for a more modest plan by the Legislature, after running

into opposition on the issue while out on the campaign trail.

But the anti-spending camp remains undeterred. It recently rolled out an ad in MAINE featuring COLORADO Gov. Bill Owens (R), who states that he “wants to set the record straight” about TABOR. He goes on to say in the ad that “The Taxpayer Bill of Rights has been a tremendous success here in COLORADO — more jobs, lower taxes and young people choosing to stay in our state.”

As for the handful of states where measures were knocked off the ballot this year, Norquist says, “We’ll be back in all those states.” (STATELINE.ORG)

**BUDGETS IN BRIEF: LOUISIANA** Gov. Kathleen Blanco (D) said last week that she will put off a special session to address a bailout of the state-run LOUISIANA Citizens Property Insurance Corp. until a major manufacturer determines whether it is going to build a new plant in the state. The governor said a decision by the unnamed company is expected “by late November or early December” and she’d like to incorporate any incentive package into the Citizens’ session rather than hold two separate sessions (TIMES-PICAYUNE [NEW ORLEANS]).

- Last Tuesday, the PENNSYLVANIA House approved more than 40 changes to the state’s 2004 slot machine gaming law. Among other things, the changes would prohibit public officials from owning interest in any gambling enterprise and grant the Legislature sole authority to ban smoking in casinos. The Senate is expected to take up the House bill this week (PITTSBURGH POST-GAZETTE, PHILADELPHIA INQUIRER).
- The NEW YORK state government’s debt will climb to a record \$49.7 billion this year, or \$3,515 for every adult resident, according to the Citizens Budget Commission, an independent watchdog group. That’s better than MASSACHUSETTS’ debt level, \$4,987 per adult resident, but worse than NEW JERSEY’s (\$3,289) and CALIFORNIA’s (\$2,060) — and still in what the group considers to be the “danger zone,” which is determined on the basis of each state’s ability to afford its debt burden (TIMES-UNION [ALBANY]).
- Ron Snell, director of the state services division of the National Conference of State Legislatures, told a legislative interim committee in WEST VIRGINIA last week that states are about to get hit with a double whammy by their aging populations. Snell said that at the same time increasing numbers of retirees are draining states’ badly underfunded pension plans, states will also see a decline in their income and sales tax collections as their elderly residents earn smaller incomes and spend less on housing and other expenses (CHARLESTON GAZETTE).

— *Compiled by KOREY CLARK*

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# Politics & leadership

**INSURERS' ELECTION CONCERNS:** While much of the nation has been focused of late on whether the Democrats will take control of the U.S. Congress in next month's elections, U.S. insurers have been preoccupied with a more immediate concern: how those elections will impact the way they do business in numerous states.

Twenty-five states where the industry's top regulator is appointed by the governor will hold gubernatorial elections on Nov. 7. In seven of those states — ARKANSAS, COLORADO, IOWA, IDAHO, MASSACHUSETTS, NEW YORK and OHIO — the incumbent is not running for re-election, so there is an even greater likelihood that there will be a changing of the guard, and, consequently, a shift in the state's regulatory climate. In addition, voters will elect insurance commissioners in four states: CALIFORNIA, GEORGIA, MONTANA and OKLAHOMA. (For more information about the upcoming races, see chart "Election 2006 — Insurance Commissioner Changes Ahead" on the State Net website, at: <http://www.statenet.com/resources/pdf/InsuranceCommissionerChanges.pdf>.)

One of the states the industry has its eye on is MARYLAND, where Gov. Robert L. Ehrlich Jr. (R) is facing a challenge from the Democratic mayor of Baltimore, Martin O'Malley. "The insurance regulatory climate has improved since Ehrlich took office in MARYLAND, and there is a level of concern in the industry that this could reverse itself if he no longer is in office," said Don Cleasby, a regional manager for the Property Casualty Insurers Association of America.

But the state where the regulatory climate could become the most inhospitable after Election Day is NEW YORK. There, it looks as though Attorney General Eliot Spitzer — who's shown a distinct lack of fondness for the insurance industry during his tenure as the Empire State's chief law officer — will succeed outgoing Gov. George E. Pataki (R). "We will certainly see a shift in control here, and the industry will be very interested to see who Mr. Spitzer selects as his superintendent of insurance," said senior vice president for government affairs and state relations for the Independent Insurance Agents & Brokers of America, Wes Bissett. (STATENET.COM, INSURANCENEWSNET.COM)

**VOTING MACHINES CREATE NEW PROBLEM IN MD:** As a result of major glitches with the electronic voting system in Montgomery County, MARYLAND during the state's primary election last month, Gov.





GLOBE, ORANGE COUNTY REGISTER). • **GEORGIA's** state Election Board announced last week that it will send letters to 300,000 registered voters informing them that they will not need a photo ID to vote on Nov. 7, as a result of the recent Superior court ruling striking down the state's voter ID requirement. The goal of the letters will actually be to clear up confusion created by another mass mailing by the board a few weeks ago suggesting that photo ID would be required. The board had come under fire from Democrats and other voter groups because a large portion of that original batch of letters was sent after the court issued its decision (ATLANTA JOURNAL-CONSTITUTION). • Last Monday, the **MISSOURI** Supreme Court upheld a lower court ruling striking down the state's new voter ID law. The lower court had ruled last month that the law violated several provisions of the state constitution (ASSOCIATED PRESS, JEFFERSON CITY NEWS TRIBUNE). • Also in **MISSOURI**, the campaign in support of a constitutional amendment to protect embryonic stem cell research, which will go to the voters in November, has broken every spending record for a statewide political race in the Show Me State. The \$28.7 million contributed by supporters — principally, billionaires Jim and Virginia Stowers, founders of American Century mutual funds — is more than twice the amount spent on any previous ballot contest, and more than the total amount spent by all of the candidates for any statewide office, including governor and U.S. senator (ST. LOUIS POST-DISPATCH). • The NAACP announced last week that it will monitor next month's elections in 10 states: **ALABAMA, FLORIDA, GEORGIA, LOUISIANA, MARYLAND, MICHIGAN, MISSISSIPPI, OHIO, PENNSYLVANIA** and **TEXAS**. The organization said the states were selected either because they were holding pivotal races, because their electorates included large concentrations of black voters or because they had a history of voting problems (ASSOCIATED PRESS, CLARION-LEDGER [JACKSON]).

## Upcoming stories

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

- **Funding transportation**
- **Motorcycle helmet laws**
- **Animal rescues in disasters**

— *Compiled by KOREY CLARK*

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# Governors

**S**CHWARZENEGGER JOINS EASTERN BLOC: Republican governors Gov. Arnold Schwarzenegger of CALIFORNIA and George Pataki of NEW YORK announced a partnership agreement



that will result in the Golden State working with several Northeastern states to combat global warming. Schwarzenegger issued an executive order that will allow CALIFORNIA to work cooperatively with the Regional Greenhouse Gas Initiative (RGGI), a coalition of seven states — CONNECTICUT, DELAWARE, MAINE, NEW HAMPSHIRE, NEW JERSEY, NEW YORK and VERMONT — that have agreed to allow power plants in their states to trade emissions credits as a way to reduce overall greenhouse gas emissions in the region. Pataki initiated the RGGI in 2001 after President Bush pulled the U.S. out of the 160-nation Kyoto Protocol on global warming. For Schwarzenegger, the deal is the initial phase in creating a system to help CALIFORNIA manufacturers comply with strict new environmental regulations that will require industrial corporations and utility companies in California to slash their greenhouse gas emissions by roughly 25 percent by 2020. MARYLAND is also expected to join the RGGI next year. (ALBANY TIMES UNION, SACRAMENTO BEE)

**GOVERNORS IN BRIEF: PENNSYLVANIA** Gov. Ed Rendell (D) proposed major changes to regulations that cover the Keystone State’s 2,800 dog kennels. Rendell, who earlier this year fired 14 members of the state Dog Law Advisory Board, also created a new dog-law enforcement team and advisory board and proposed stiffer penalties for dog abuse. Lawmakers must ultimately approve those changes (PHILADELPHIA INQUIRER). • **MISSOURI** Gov. Matt Blunt (R) reiterated his support for a proposed state constitutional amendment to protect stem cell research in the Show Me State. The proposed amendment would guarantee that any federally allowed stem cell research or treatment could also be conducted in **MISSOURI**, including embryonic stem cell research (NEWS TRIBUNE [JEFFERSON CITY]). • A new “**MINNESOTA** Poll” shows DFL Attorney General Mike Hatch has claimed a small lead over incumbent Tim Pawlenty (R) in the Gopher State’s gubernatorial race. The poll, conducted by the *Minneapolis Star Tribune*, shows Hatch with a 46 percent to 37 percent lead (MINNEAPOLIS STAR TRIBUNE).

— *Compiled by RICH EHISEN*

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## Hot issues

**B**USINESS: Wal-Mart, the world’s largest retailer, announces plans to greatly expand a program that offers \$4 generic prescription medications to at least 14 states. Wal-Mart, which

rolled out the program in **FLORIDA** several weeks ago, says it will now offer the low cost drugs in **ALASKA, ARKANSAS, ARIZONA, DELAWARE, ILLINOIS, INDIANA, NEVADA, NEW JERSEY, NEW MEXICO, NEW YORK, NORTH CAROLINA, TEXAS** and **VERMONT** (STATESMAN JOURNAL [SALEM]).

**CRIME & PUNISHMENT:** A federal court rules for the second time in two months that the **MISSOURI** death penalty protocol is unconstitutional. State officials say they will appeal (NEWS TRIBUNE [JEFFERSON CITY]). • **MINNESOTA** officials open a Web page that will allow the public to identify and track sex offenders who have not registered with local authorities, as required by Gopher State law. The site currently lists information on 264 sexual predators who are more than 30 days late in registering, with hundreds more expected to be added in the near future (MINNEAPOLIS STAR TRIBUNE).

**EDUCATION:** Federal education officials approve a **WISCONSIN** plan designed to meet the No Child Left Behind requirement that every teacher be highly qualified. In August, the U.S. Dept. of Education identified the Badger State as being in danger of not meeting the mandate (MILWAUKEE JOURNAL SENTINEL)

**ENVIRONMENT:** Citing a bad case of bruin overpopulation, **NORTH CAROLINA** wildlife officials announce they will allow hunting in one of the Tar Heel State's 10 bear sanctuaries. It will be the first hunt allowed in any of the areas since they were established in 1970 (NEWS-RECORD [GREENSBORO]).

**HOMELAND SECURITY:** In **CALIFORNIA**, the city of Escondido becomes the largest community in the nation to pass an ordinance barring landlords from renting housing to illegal immigrants. Escondido, just north of San Diego, has a population of approximately 141,000.

## In the hopper

State Net's database tracks tens of thousands of bills in all 50 states at any given time. Here's a snapshot of what's in the legislative works:

**Number of 2006 prefiles last week:**  
117

**Number of 2007 prefiles last week:**  
57

**Number of 2006 Intros last week:**  
247

**Number of bills enacted/adopted last week:** 109

**Number of 2006 prefiles to date:**  
21,192

**Number of 2007 prefiles to date:**  
1,574

**Number of 2006 Intros to date:**  
100,251

**Number of enacted/adopted overall in 2006:** 31,448

— Compiled By JAMES ROSS  
(Measures current as of 10/18/06)  
Source: State Net



Opponents have vowed to file suit to block the ordinance from going into effect (SAN DIEGO UNION TRIBUNE). • An **ILLINOIS**-based immigrant rights group files suit to block **ARIZONA** officials from seizing money being wired to and from Mexico without proper cause. The suit accuses the Grand Canyon State of routinely seizing any wire transfer of \$500 or more and then forcing the sender to prove the transaction is legal. **ARIZONA** officials say they use the practice to disrupt human trafficking and drug smuggling into their state from Mexico (ARIZONA STAR [PHOENIX]).

**POTPOURRI:** President George W. Bush declares **HAWAII** a disaster area after the Big Island is hit with two major earthquakes and more than 80 powerful aftershocks. Nobody was killed in the tremblers, but preliminary damage estimates have reached \$46 million. The disaster proclamation makes the Aloha State eligible for significant federal aid (HONOLULU STAR-BULLETIN).

— *Compiled by RICH EHISEN*

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## Once Around the Statehouse Lightly

**POLITICAL DIRT:** State Controller Steve Westly has been dodging dirt for more than a year now, which happens when you run for governor of CALIFORNIA. Unfortunately, Westly’s experiences with dirt weren’t over after he lost the Democratic gubernatorial primary last June. As columnists Phil Matier and Andrew Ross report in the *San Francisco Chronicle*, Westly now is embroiled in a controversy with his hometown of Atherton over the disposal of, well, dirt. Some of Atherton’s wealthier residents have been expanding their homes — in the only way possible given the city’s 30-foot height restrictions: They’ve been digging for wine cellars, guest houses, rec rooms, spas, whatever. Among those who hired a backhoe are Westly and his wife, and the city’s fee for hauling their dirt came to \$92,400. That bulky sum brought a loud squawk from the controller. After all, the poor fella is out of a job in January and just spent \$42 million from his own pocket to run for governor.

**ROMANCING THE ELECTORATE:** Fred Head didn’t expect to

be pilloried. But the TEXAS Democrat, a long-shot candidate for state comptroller, has been the subject of a heated, world-wide e-mail barrage. More to the point, reports the *Houston Chronicle*, Head's characterization of his opponent, Republican Susan Combs, as a "pornographic book writer" has inspired the wrath of women — including some Democrats who now say they will vote for Combs. The book in question: "The Perfect Match," a romance novel Combs wrote in 1990. Head's attack on Combs, the novelist, has been seen as an attack on all women. He also was savaged for using his campaign Web site to post steamy scenes from Combs' book.

**PUBLICITY STUNT** it wasn't, but it garnered Mike Linn his share of front page news. Linn, Reform Party candidate for governor of FLORIDA, usually has trouble breaking through the white noise created by the two major party candidates. But not last week, not after landing his small plane on Interstate 4. According to the *St. Petersburg Times*, Linn's plane lost power near Orlando, and he had two options — try to make the airport or put down on the freeway. Option one involved flying past downtown Orlando, which Linn considered too risky given what happened in NEW YORK recently. Not the best way to draw attention to your candidacy.

**DUMB, OR JUST CHEAP?** A survey released last week by Morgan Quinto Press deemed ARIZONA the "dumbest" state in the country. Reason, reports the *Arizona Republic*: a variety of factors, mostly having to do with money. Among those factors are per-pupil spending, graduation rates, teacher salaries and student-teacher ratios. Officials in the Grand Canyon State quickly pointed out that while ARIZONA ranked dead last in per-pupil spending, its students performed above the national average on SAT scores. Their verdict: Morgan Quinto is the "stupidest company" in the country.

**NORTHERN EXPOSURE** (or, lack thereof): A recent survey of Americans in the lower 48 has turned up some interesting opinions of the Last Frontier, notes the *Juneau Empire*. Although the poll found that Americans admire ALASKA'S natural beauty, more than 50 percent of respondents thought the "beauty" amounted to ice and snow — year around. Worse, more than 10 percent (one in eight) didn't know ALASKA was a state or thought it was a separate country.

**STATE AS HOOKER:** That is the opinion being voiced by a growing number of WEST VIRGINIA residents who don't like the state's new slogan: "Open for Business." As the *Charleston Gazette* reports, the slogan



recently appeared on signs at the border, replacing “Wild Wonderful WEST VIRGINIA.” An Internet petition aimed at convincing the governor to replace the new signs had drawn more than 2,400 signatures in just over a weekend. The new slogan makes the Mountain State look like “a hooker standing on the corner,” wrote one petitioner. Others complained that the slogan made the state look desperate, cheap, tacky and pathetic.

— *By A.G. Block*

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