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Booster Shot



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The next issue of Capitol Journal will be available on December 7th.

Top Story

A largely unnoticed provision in the massive health care reform bill endorsed by the U.S. House of Representatives could give states an urgently needed second stimulus boost.

SNCJ Spotlight

Struggling states need more help from the feds

Tucked away in an inner passage of the 1,990-page health care bill passed by the House is a \$23.5 billion holiday season gift to states to help them meet the growing costs of Medicaid, which provides medical coverage for the poor. This little-noticed provision is in reality a hidden federal

A Cannon Perspective



With Lou Cannon



stimulus, much welcome to states, as they confront the looming budget gaps of 2010 and beyond.

State governments are less happy with other provisions of the bill, but they will take what they can get from Washington as revenues fall in tandem with rising joblessness. Even though the Great Recession is winding down, state revenues typically lag behind, along with unemployment, as they do in any economic recovery. The budget situation confronting states is “dire,” says Corina Eckl, fiscal program director of the National Council of State Legislatures. Her survey of states found that 21 of them are “pessimistic” and most of the rest “concerned” about their fiscal prospects. Only NORTH DAKOTA, with the nation’s lowest unemployment rate of 4.2 percent, has an optimistic budget outlook. At the other end of the fiscal spectrum, CALIFORNIA has been informed by Legislative Analyst Mac Taylor that it faces a deficit of \$21 billion less than four months after legislative leaders and Gov. Arnold Schwarzenegger (R) cobbled together a makeshift budget deal. The CALIFORNIA unemployment rate in October was 12.2 percent. Soon after Taylor’s announcement, Schwarzenegger predicted another round of budget cuts.

Although the structural problems of CALIFORNIA state government pre-date the Great Recession, many states that were financially stable before the economy turned sour have also been overwhelmed by steep declines in revenues. In FLORIDA, for example, where the unemployment rate is 11 percent, revenues have dropped to 2001 levels. In worst-off MICHIGAN, where the jobless rate was 15.3 percent in October, revenues in 2009 are little more than what they were in 1988.

These dry statistics summarize thousands of stories of human misery even more poignantly reflected in the recent report from the U.S. Department of Agriculture

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which found that nearly 50 million Americans — including almost one child in four — struggled last year to get enough to eat. Perhaps the recession’s human dimension explains why a bipartisan consensus may quietly be emerging on the need to help the states and in doing so ease the burden on the poorest Americans. Republicans were virtually united in opposing the health care bill (US HB 3962), grandly named the Affordable Health Care for America Act, when it narrowly passed the House. But only one Republican spoke up

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: 178

Number of Intros last week: 487

Number of Enacted/Adopted last week: 330

Number of Prefiles to date: 35,526

Number of Intros to date: 155,553

Number of 2009 Session Enacted/Adopted overall to date: 40,233

— Compiled By JAMES ROSS
(measures current as of 11/19/2009)
Source: State Net database

